



Many Reasons to Celebrate

Many More  
to Look Forward to

## ABOUT HZL

(GRI 102-10, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52)

Hindustan Zinc Limited is India's largest and only integrated producer of zinc, lead and silver. It is the world's 2<sup>nd</sup> largest integrated zinc producer and 6<sup>th</sup> largest silver producer. Our Sustainability Review Report FY 2021-22 is a part of our Integrated Annual Report FY 2021-22. We have been publishing the Sustainable Development Report since FY 2015-16. Our Integrated Annual Report this year is the third such report and provides detailed disclosures on our strategy, governance, and prospects. Through the report, we have shared information on our material issues and strategic performance with an overview of our Environmental, Social and Governance (ESG) performance during the year. Sustainability Review Report provides in-depth information on the Company's ESG performance, along with a balanced and fair disclosure of our policy, management system and overall business performance.

 [Click to view our Integrated Annual Report 2022](#)

## VEDANTA PARENTAGE

(GRI 102-3, 102-5)

Hindustan Zinc is a subsidiary of Vedanta Limited, which owns 64.9% stake, along with the Government of India, which owns 29.5%. The Company's shares are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange (India) Limited.

## SCOPE AND REPORT BOUNDARY

(GRI 102-4, 102-54)

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standard: Core option. Reporting is also done as per the GRI Mining and Metals Sector Supplement. The data presented in this report covers the primary operations of Hindustan Zinc, including our five mining locations, three smelters and one refinery for the period April 1, 2021 to March 31, 2022. The report aims to bring comparability and completeness in the information shared. It is an annual publication and provides material information relating to our sustainability performance, material risks and governance for our business in totality.

## ALIGNMENT WITH NATIONAL AND INTERNATIONAL FRAMEWORK

Our disclosures reflect the principles of the United Nations Global Compact (UNGC), to which we are signatories. This report also covers the Federation of Indian Mineral Industries (FIMI) guiding principles. We adhere to the Sustainable Development Framework of the International Council on Mining and Metals (ICMM) for reporting on safety parameters. The report also highlights the Company's contributions to the United Nations Sustainable Development Goals (SDGs). We are also signatories to the CEO Water Mandate from 2019–2020, and follow the guidelines given by UNGC Women Empowerment Principles for our business.

## EXTERNAL ASSURANCE

(GRI 102-56)

We safeguard the quality of information contained in this report through a robust assurance process. The content and data disclosed in this report have been externally assured by Ernst & Young Associates LLP in accordance with the requirement of the ISAE 3000 Assurance Standard.

## FEEDBACK

(GRI 102-53)

We welcome your feedback on our report and performance. Please reach out to us at [Sustainability.Hzl@vedanta.co.in](mailto:Sustainability.Hzl@vedanta.co.in)



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## SUSTAINABILITY HIGHLIGHTS FY 2021-22

**2.23%**

Share of renewables in  
energy consumption

**31%**

Waste reused/  
recycled

**44%**

Recycled/reused water as a  
percentage of total water used

**₹103.5 Crore**

Environmental  
expenditure (Opex)

**0.61 Million MT**

Carbon emissions avoided  
through green power

**1.4 Million+**

CSR beneficiaries

**Zero**

Category 4 and  
5 environment incidents

**0.81**

Lost-time  
Injury Frequency  
Rate (LTIFR)

**₹190 Crore**

Community investments

**16%**

Women among  
total executives

**Zero**

Occupational  
illness cases

**54%**

Share of local  
procurement spent \*

\*Suppliers in same state

### OUR SUSTAINABILITY VISION

We practice inclusive growth, ensuring that our progress is not just reflected in our financial performance but also in the creation of value for our stakeholders, both internal and external. As a responsible corporate, we intend to do more to reduce our dependence on natural resources and to increase the use of renewable energy in our operations. We are committed to a long-term vision that protects environmental, social and business values for our people, communities and nature. Over the years, we have made significant progress, and our Sustainability Goals for 2025 are guiding us to define and chart our sustainability initiatives.



**Zero Harm**



**Zero Waste**



**Zero Discharge**

We have integrated our sustainable development principles into our units and growth agenda, to achieve our commitment to minimise harm, in alignment with the Group's philosophy of achieving "Zero Harm, Zero Waste, Zero Discharge". We are committed to ensuring equal work opportunities for all, irrespective of gender, age or disabilities, and do not practice any other form of discrimination. We ensure complete recycling of wastewater and maintain zero discharge, while exploring new technologies to reduce the environmental footprint

# Our Sustainability Goals and Progress

## SUSTAINABILITY GOALS 2025

GOALS	PROGRESS STATUS
 <p><b>CLIMATE CHANGE</b></p>	<ul style="list-style-type: none"> <li>0.5 Mn tCO<sub>2</sub>e GHG emission savings in our operations from the base year 2017</li> <li>0.325 Mn tCO<sub>2</sub>e GHG emission savings achieved from base year 2017 (65% target achieved)</li> </ul>
 <p><b>WATER STEWARDSHIP</b></p>	<ul style="list-style-type: none"> <li>5x Water positive company &amp; achievement of 25% reduction in freshwater</li> <li>16% reduction in freshwater consumption achieved from base year 2020 (64% target achieved)</li> </ul>
 <p><b>CIRCULAR ECONOMY</b></p>	<ul style="list-style-type: none"> <li>3x Increase in gainful utilisation of smelting process waste</li> <li>1,85,021 MT utilisation of smelting process waste (from base year 2020)</li> </ul>
 <p><b>BIODIVERSITY CONSERVATION</b></p>	<ul style="list-style-type: none"> <li>Protect and Enhance Biodiversity throughout the life cycle</li> <li>Achieve No Net Deforestation through compensatory afforestation whenever applicable in mining sites, throughout the life cycle.</li> <li>Engagement with IUCN to revise BMP with an objective of&gt;NNL/NPI</li> <li>Habitat restoration with 2.4 lacs plantation (from base year 2020)</li> </ul>
 <p><b>ZERO HARM</b></p>	<ul style="list-style-type: none"> <li>Zero work-related fatalities and 50% reduction in TRIFR</li> <li>4 fatalities</li> <li>TRIFR - 2.22 (18% reduction from base year 2020)</li> </ul>
 <p><b>SOCIAL IMPACT</b></p>	<ul style="list-style-type: none"> <li>Positively impacting 1 million lives through social, economic and environmental outcomes</li> <li>Outreach - 234 villages &amp; 1 million beneficiaries through sustained CSR initiatives and 0.4 million through COVID initiatives (100% target achieved)</li> </ul>
 <p><b>DIVERSITY IN WORKFORCE</b></p>	<ul style="list-style-type: none"> <li>30% diversity in an Inclusive workplace</li> <li>Gender diversity increased from 14.4% to 15.7% (Executive)</li> </ul>
 <p><b>RESPONSIBLE SOURCING</b></p>	<ul style="list-style-type: none"> <li>100% Responsible sourcing in the supply chain</li> <li>1,011 suppliers assessed (in past 3 years)</li> </ul>

## KEY ACTIONS



- Turbine revamping of all 6 CPPs
- Improvement in current efficiency of cell house
- Use of Biomass in power plant (5%)
- MoU with global manufacturers for BEVs
- Introduced first UG electrical vehicle at Zawar Mines
- 5 MW STG at DSC



- Rainwater harvesting project at RAM (87 lacs m3)
- Commissioned ZLD plant at ZSD (3,000 KLD) and CLZS (600 KLD)
- Smart real-time monitoring system for freshwater intake and distribution at DSC
- Commissioning of 15 MLD STP at Udaipur
- ZLD Plant in DSC/RAM & ZWM
- Dry Tailing Plant at RDC in FY 2022-23



- 100% Jarosite from Debari smelter utilised in cement industry
- Recovery of Sodium Sulphate from effluent stream at ZSD and DSC
- Treatment of secondaries at ancillaries – DSC and CLZS
- Initiate Jarofix utilisation in road construction
- Fumer plant at CLZS Hydro-II - to be commissioned by 2022



- HZL engaged with IUCN for 3 years for development of Biodiversity management plan focussing on No Net Loss Approach
- Pilot project on Miyawaki Afforestation
- Restoration of Jarofix Yard (6.25 hectare at CLZS)



- High-risk manual activities identified and drive for automation initiated through Task force
- Zone-specific zero fatality plan developed
- Second party corporate EHS audit
- Mining Mate Competency Enhancement programme
- BP safety professional's competency gap assessment
- Safety Leadership programme for foreman and senior leadership



- Registered 5 i-FPOs across 5 districts
- 7,555 female calves born, creating ₹370 Mn asset value
- Enhancing skills & livelihood of women & youth, covering 30k+ beneficiaries
- Ensured one Mobile Health Van at each location, covering 196 villages; Telemedicine introduced at 2 locations



- 27.4% women - New hires
- Rolled out various women professionals development programmes (SHE Lead, Ambavgarh Dialogue etc.)
- First member from LGBTQ community onboarded at HZL
- Sensatisation workshop for Diversity and Inclusion
- Rolled out policies on Equal Opportunity, Diversity & Inclusion, Anti-Harassment, Gender Neutral PoSH, LGBTQ+



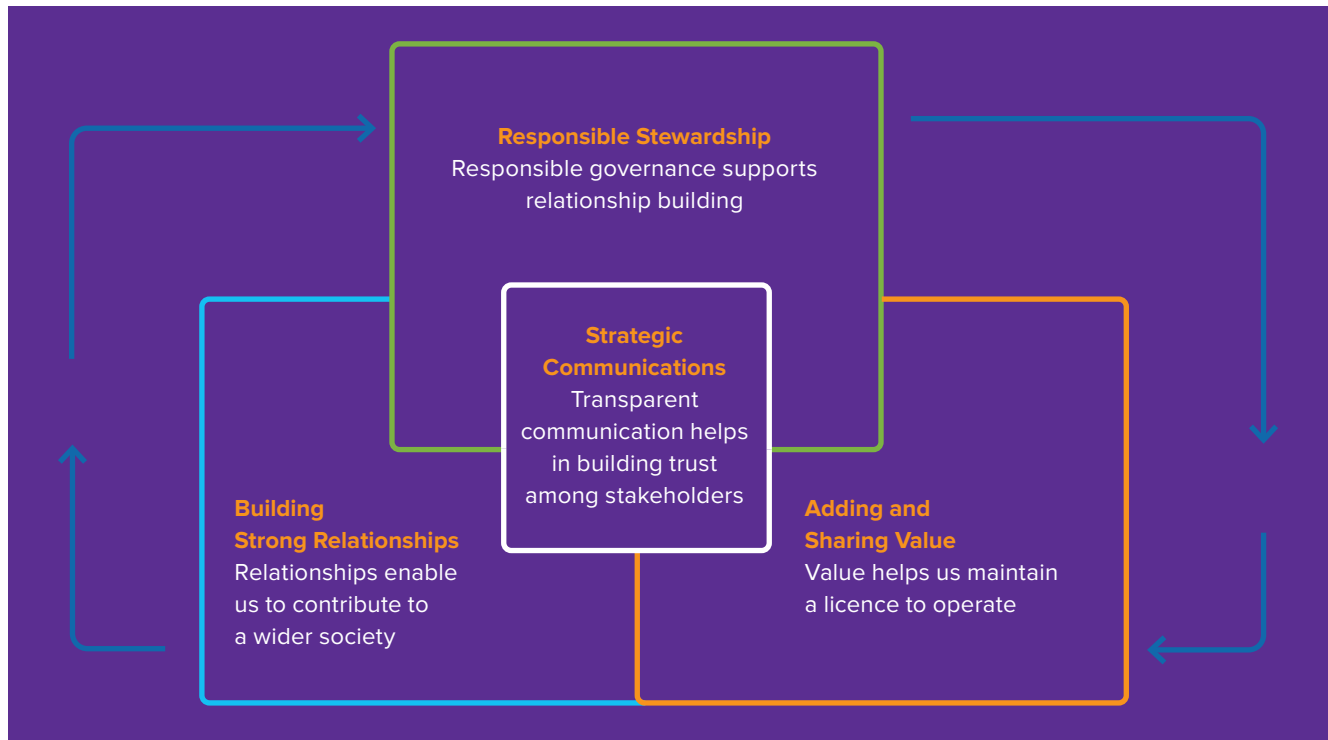
- ESG parameters included in the onboarding questionnaire of Business Partners having a contract value over ₹100 Mn
- ESG parameters included in the due diligence of Business Partners for risk identification
- Revised Supply Chain Strategy document and Sustainable Sourcing Policy for OECD compliance
- Completed red flag assessment for LME compliance
- CEO Connect with critical Business Partners on sustainability agenda



# Sustainability Management Approach

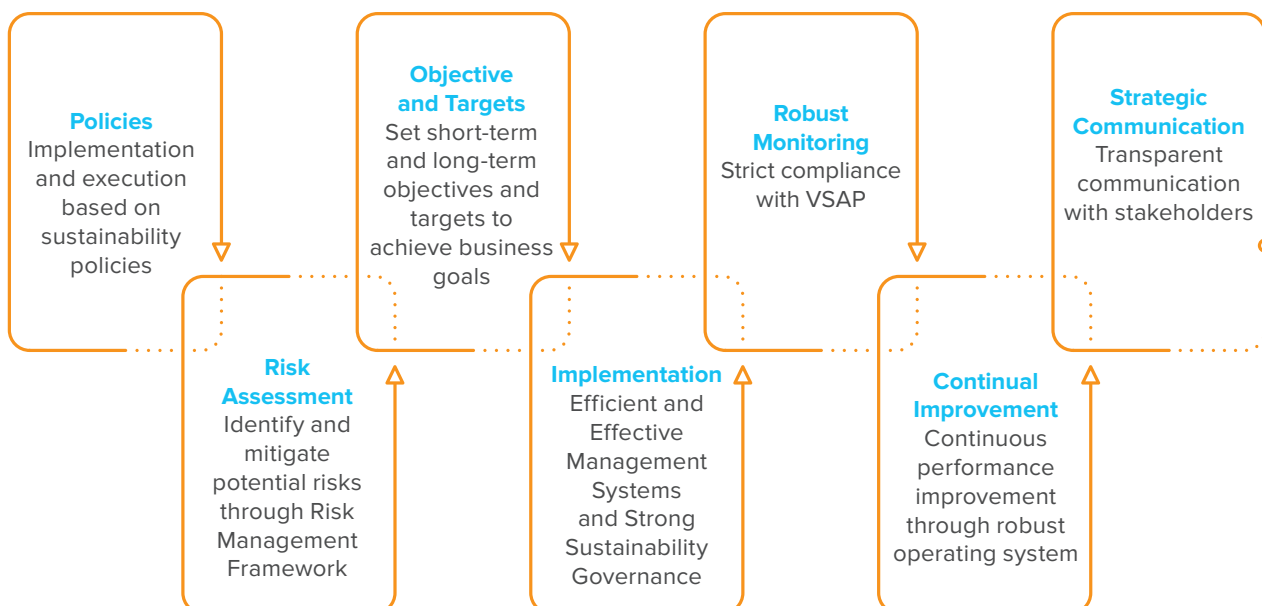
Sustainability framework is based on four pillars, i.e. Responsible Stewardship, Building Strong Relationships, Adding & Sharing Value, and Strategic Communications. Developed in line with global standards formulated by international bodies, such as International Council on Mining and Metals (ICMM), International Finance Corporation (IFC), Organisation for Economic Co-operation and Development (OECD), United Nations Global Compact (UNGC) and SDGs, the framework comprises several policies, standards and guidance notes which facilitate its execution.

## 4 PILLARS OF VEDANTA SUSTAINABILITY FRAMEWORK



## SUSTAINABILITY MANAGEMENT FRAMEWORK

Our Sustainability Management Framework is aligned with both, the Vedanta Sustainability Framework (VSF) and the Integrated Management System (IMS).



## VEDANTA SUSTAINABILITY ASSURANCE PROGRAMME (VSAP)

This programme is a sustainability risk assurance tool used to assess the compliance of all the Hindustan Zinc units with the Vedanta Sustainability Framework. The assurance model has various modules, covering environment, health and safety, community and human rights aspects. The model aims to identify the gaps and promote a cross-functional working environment. The assurance system works on the premise of tracking corrective and preventive actions by each of our businesses, and commissioning periodic formal audits by external experts. As per the result of the audit, we take the necessary Corrective and Preventive Actions (CAPA) actions to achieve the programme objective.

VSAP scores are linked with the KPIs of employees and top management to ensure that all ESG metrics are mapped in the performance review of employees and in determining their remuneration. We also have an Employee Stock Option Scheme, which is a conditional share plan based on pre-identified criteria. The scheme is contingent upon long-term sustained business performance, total shareholder returns during the vesting period in comparison to peer companies, as well as individual performance.

## INTEGRATED MANAGEMENT SYSTEM

Our Integrated Management System (IMS) is aligned with the Vedanta Sustainability Framework. It integrates all our systems and processes into one complete framework, enabling us to work as a single unit with unified objectives. All our operations are IMS certified.

### All our operational units are certified to

ISO 9001 - Quality Management System

ISO 14001 - Environmental Management System

ISO 50001 - Energy Management System

OHSAS 18001/ ISO 45001 - Occupational Health and Safety Management System

SA 8000\* - Social Accountability Standards

ISO 31000 - Risk Management System

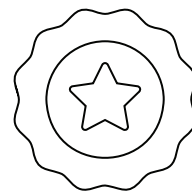
ISO 37301 - Compliance Management System

ISO 27001 - Information Security Management System

ISO 22301 - Business Continuity Management System & Disaster Recovery System

ISO 27701 - Privacy Management System

\*67% units are SA 8000 certified



# Sustainability Governance

(GRI 102-8, 102-16, 102-18) (FIMI Principle 1)

Hindustan Zinc's corporate governance structure ensures robust oversight and management accountability towards sustainability.

## Sustainability Governance Framework

We have a three-tier sustainability governance framework that covers all the ESG aspects. It enables us to set short- and long-term goals, and facilitates systematic monitoring of performance at all levels. Our robust and transparent governance structure guides us towards achieving our sustainability goals.

### TIER 1

#### Sustainability and ESG Committee at Board level

As a significant step during the year, a Sustainability and ESG Committee at the Board level was established to enhance our focus on sustainability and ESG. The committee comprises an independent director, an executive director, and two non-executive nominee directors. It is chaired by an Independent Director, responsible for providing oversight and for formulating

our sustainability strategy on various issues, including climate change, environment, safety, transparent disclosures and setting of long-term goals.

We conducted an ESG awareness session for the ESG Board Committee to apprise them of the various ESG aspects and reporting framework, ESG tradeoffs and the peers' best practices.

### TIER 2

#### Sustainability Committee at Executive Level

The Sustainability Committee, chaired by our CEO, is responsible for formulating our sustainability strategy, and setting the Company's long-term goals and targets. It consists of 10 communities to manage and coordinate the sustainability process, and strategically guide us towards achieving our Sustainability Goals 2025.

#### Sustainability Committee Activities during the Year

- Committee Meets on monthly basis:** Reviewed progress towards Sustainability Goals 2025
- Training to Committee members:** Conducted Business Responsibility and Sustainability Reporting (BRSR) training for Committee members through external trainer

#### Key decisions and actions taken by the Committee:

- Finance and Communication communities onboarded with the aim of strengthening our sustainability governance structure
- To achieve Net-Zero emission target by 2050, Hindustan Zinc has signed a commitment letter to join the Business Ambition for 1.5°C campaign of the Science-Based Targets initiative (SBTi), and released its first TCFD report and Net-Zero plan for 2050
- Total 61 A-class projects identified to drive our Sustainability Goals 2025, projects are in various stages of completion
- Committee approved certain changes in existing policies and new policies
- Committee approved the Company's engagement with IUCN for biodiversity reassessment, employee assistance programme, LGBTQ community inclusion and job mapping
- Climate change risk now included separately as an emerging risk in Enterprise Risk Management

## Sustainability Communities

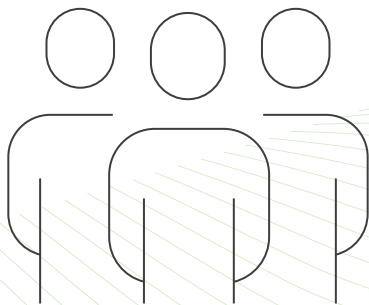


We have set up 10 sustainability communities to drive our eight Sustainability Goals 2025. Comprising champions from all units, the communities regularly review progress against their respective goals. They meet on a monthly basis.

### TIER 3

#### SBU ESG Committee

At Hindustan Zinc, we have a robust sustainability governance mechanism at all our nine Strategic Business Units (SBUs), governed by the SBU ESG Committee. More than 100 line managers, across all SBUs, are aligned with this structural governance system for managing the risks, with suitable mitigation plans, without affecting the ESG agenda.



#### Creating Awareness on Sustainability

Sustainability awareness webinars were conducted during the year to make our employees and stakeholders aware of the various sustainability aspects, such as: nature-based solutions, innovative water conservation technologies, environment impact assessment, sustainable waste management, life cycle assessment, etc. More than 800 participants benefited from the webinars.

#### Race to Zero Webinar

Hindustan Zinc has partnered with CII (Confederation of Indian Industry) on a Race to Zero webinar series to create awareness on climate change resilience initiatives. A series of events and webinars were organised by CII ITC CESD (Centre of Excellence for Sustainable Development) from March 2021 to September 2021. These events were conducted in partnership by Hindustan Zinc, British High Commission (BHC) and various climate groups. Sessions on Transition to Low Carbon Pathway for Hard to Abate sectors, EP 100, RE 100, EV 100, technology transfer, etc. were conducted, and various industry experts joined us as panelists and shared their views. 200 participants from various industries participated in each webinar.

# Creating Value by Understanding the Material Issues that Matter

(GRI 103-1, 404-3)

Hindustan Zinc conducts a materiality assessment, which facilitates it to identify topics of significance for both its internal and external stakeholders. This exercise helps the organisation to plan strategies for managing the risks and harnessing the opportunities. We have always believed in open and transparent interactions with our stakeholders for enhancing the trust factor, leading to positive growth.

We strive to engage in continuous interactions with our stakeholders in order to understand their perspective and be the first to respond to the evolving market scenarios. This helps us stay ahead of the market risks and plan strategies to overcome the same well in time. Our confidence lies in our stakeholders, who possess the ability to influence our business and vice versa.

We conducted an extensive materiality analysis in 2019. As part of the analysis, we engaged with relevant stakeholders, whose responses helped us in understanding the sustainability issues pertaining to Hindustan Zinc. During our discussions, we not only consulted with subject specialists but also conducted various brainstorming sessions with our internal business functions, which helped us map the relevant potential material topics. We took care to pay attention to the positive and negative impacts arising from the ESG risks and opportunities. We, at Hindustan Zinc, have established an ERM framework to help identify the strategic, financial and operational risks. These risks play a huge role in our assessment process because of their significant impact on our business model and other value drivers, such as revenue growth, margins and required capital.

In FY 2021-22, we conducted an internal informal process of reviewing the material topics in order to maintain consistency, and also to understand the impacts of changing market dynamics. The topics were reviewed in consultation with the top leadership. This exercise led to identification of 10 material topics of high significance across Hindustan Zinc's locations. Further, these issues were prioritised in order to establish business strategies for better management and execution of business goals.

We will be undertaking an extensive materiality assessment in FY 2022-23 in alignment with the updated GRI Universal Standards.

## Forming a broad list of material topics:

Significant material topics were selected via detailed literature review and global peer benchmarking, taking into consideration sectoral trends, guidelines from GRI, SASB, including the commitments against select UN SDGs.

## Stakeholder concern risk and opportunity analysis:

We prioritised our stakeholders on the basis of influence, impact and dependency. Stakeholder specific questionnaires were developed to understand their viewpoint on the significance of the relevant topics. The analysis was done through an interactive process between the top leadership and employees of Hindustan Zinc to ensure all relevant topics under the ESG umbrella were addressed.

## Priority and impact assessment:

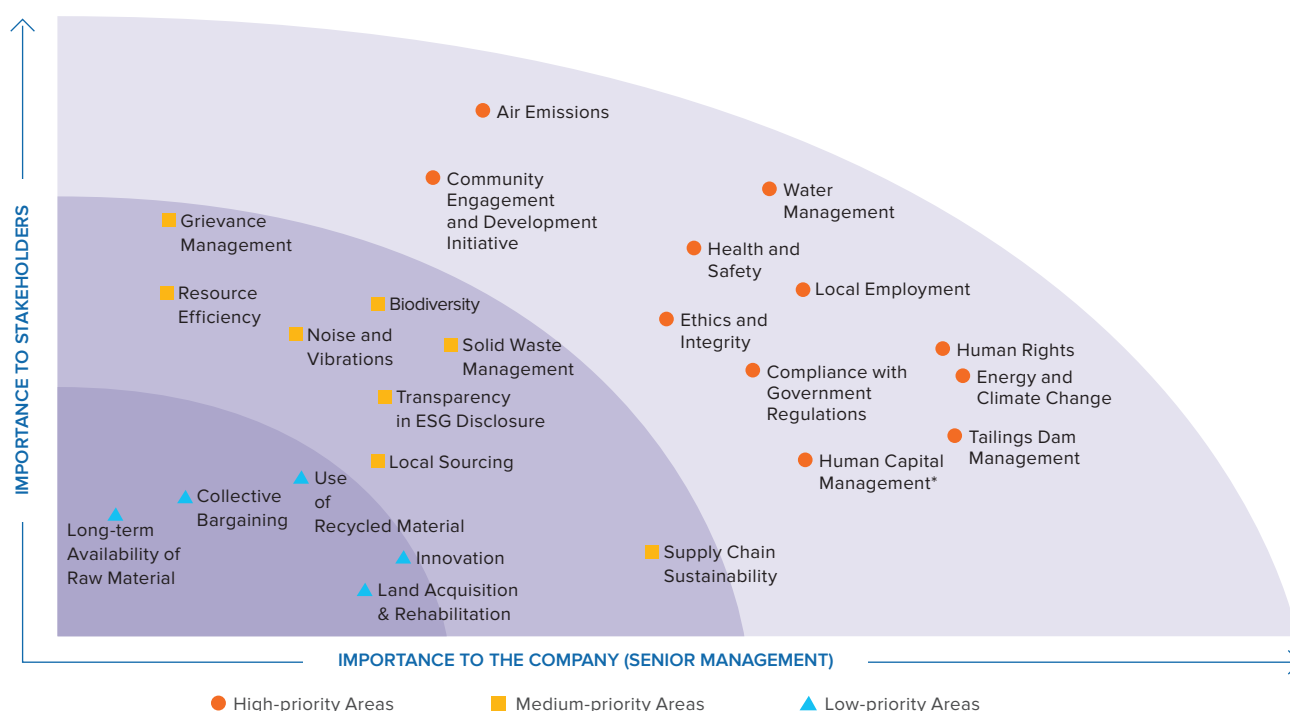
The responses from various stakeholders were recorded and used to determine the high priority material issues, and the impact they had on Hindustan Zinc's operations. On the basis of their impact, these issues were classified as high-high and medium-high priority areas.

## Materiality matrix mapping:

The stakeholder responses were then mapped into the ESG theme and placed in a matrix.

 [Click to read more about our Materiality Assessment](#)

## MATERIALITY MATRIX



\*Two material issues – Diversity and Equal opportunity and Learning and Development – were clubbed and combined with Human Capital Management.

## MATERIALITY TOPICS IMPORTANT FOR STAKEHOLDERS

Material Topics	Stakeholders
Water Management	Community, Regulators, Customers
Health and Safety	Investors, Employees, Regulators
Human Capital Management	Employees
Community Engagement and Development	Regulators, Employees & Workforce, Community
Air Emissions	Investors, Community, Regulators, Civil Society, Customers
Energy and Climate Change	Investors, Regulators, Customers
Tailings Dam Management	Investors, Regulators, Community
Human Rights	Investors, Regulators, Community, Suppliers
Ethics and Integrity	Investors, Regulators, Community, Suppliers, Customers
Compliance with Government Regulations	Investors, Regulators, Suppliers, Customers
Local Employment	Local Communities
Grievance Management	Suppliers, Customers, Local Communities, Employees, Investors
Resource Efficiency	Investors, Civil Society, Regulators, Suppliers, Employees
Biodiversity	Regulators, Local Communities, Civil Society
Noise and Vibration	Employees, Local Community, Regulators, Civil Society
Solid Waste Management	Regulators, Local Community, Employees, Civil Society, Suppliers
Transparency in ESG Disclosure	Investors, Regulators, Customers, Suppliers, Local Community, Civil Society, Employees
Local Sourcing	Local Community, Customers, Suppliers
Supply Chain Sustainability	Suppliers, Investors
Use of Recycled Material	Customers, Regulators
Innovation	Investors, Customers, Employees
Land Acquisition and Rehabilitation	Local Community, Civil Society, Regulators
Collective Bargaining	Employees, Regulators
Long Term Availability of Raw Material	Investors, Customers, Suppliers



## SHIFT IN PRIORITY OF MATERIALITY TOPICS

Revisiting the material topics periodically helps us understand the changing direct and indirect impacts on our operations and the value we create as an organisation for the stakeholders. It was observed that the pandemic scenarios caused the priorities of material topics, such as retention of skilled manpower, to shift upwards, albeit for a short-term. This may be due to the shifting sentiments of employees owing to the uncertainty and the fear factor created by the pandemic.

- Retention of skilled manpower - The pandemic triggered uncertainty and as a result, the stakeholders, especially the employees, started considering Training and Skill Development as the most important aspects, which led the topic to shift to the High Priority area. We, therefore, decided to include the new material topic as a part of our Human Capital Management, merging it with Diversity and Inclusion.
- It is worthwhile to note that Water Management has taken an upward swing and is now a high priority material topic, owing to the impact it has on our business with respect to water scarcity at our operational sites.
- The material issue of Community Relations remained unchanged and continues to occupy the high priority slot as we, at Hindustan Zinc, aim for a higher engagement at the community level, not only with regards to CSR but also Energy & Climate and Air Emissions, as these areas are also important for our relevant communities and have a high influence on our sustainability performance.

The top three material topics are:



**Water Management**



**Health & Safety**



**Human Capital Management**

Keeping in mind the global concerns regarding the ongoing impacts of the pandemic, **‘Occupational Health, Safety’** gained top priority during the year. This material issue not only talks about controlling the spread of pandemic at our sites but also includes the measures taken for the mental well-being of all our internal stakeholders. Further, Water Management continued to be on the high priority list in view of the growing evidence of the impact of water scarcity on business and society.

➤ Please refer page 231 of our Integrated Annual Report 2022 for details of our other material issues and our approach to mitigate the risk from identified material issues.



## TOP THREE MATERIAL TOPICS



## WATER MANAGEMENT

## Impact (Cost, Risk, Revenue)

Risk, Cost

## Why is it Material (Business Case)

Water forms an indispensable part of our operations considering our extraction, processing and smelting activities. Due to this, it is imperative that we strive to reduce the water consumption throughout our value chain, and reuse it in the best possible way.

We anticipate that due to climate change, we may face an increase in extreme weather events, leading to resource shortages. Parts of our operational sites in Rajasthan are a designated water stressed area as per the WRI Aqueduct Tool's analysis, and they face the probability of drought-like situations and extreme heat waves. Water being a significant input in our business operations, both for mining and smelting operations, these events have a huge potential to disrupt our operations, impact the productivity of our staff, and lead to revenue loss as well. For instance, we faced similar drought issues in 2020 in one of our sites at Rajasthan, which restricted our water withdrawal capacity due to regulatory issues of restricted water supply, leading to a loss in revenue on account of sourcing water from alternate sources.

## Mitigation Approach

For our business, water is a very important resource, and is extremely critical for our mining and smelting process. We always work towards protecting water quality downstream for improved water use efficiency. We also engage with our communities for enhanced water security via initiatives such as watershed management.

Our approach to water management includes: Increasing water efficiency, and exploring new technologies which are less water intensive.

- Installation of ZLD across our operational sites, and augmenting water recycling across the operations
- Exploring alternatives to fresh water
- Rainwater harvesting via localised water shed management
- Water risk assessment using WRI Aqueduct Water Risk Atlas, Water Risk Monetiser, WWF Water Risk Filter

## Target

5 times Water positive company and achievement of 25% reduction in freshwater by 2025

## Performance

44%

Water recycled

19.7%

Reduction in freshwater consumption from previous financial year

## Link with Strategy and SDGs

**S5** Progressing Towards a Sustainable Future



## HEALTH AND SAFETY

## Impact (Cost, Risk, Revenue)

Risk, Cost

## Why is it Material (Business Case)

Our mining operations involve hazardous procedures, which may negatively impact our workforce and the surrounding environment. We understand that having a robust health and safety framework in place will help us alleviate negative outcomes such as loss of lives, employee morale and productivity, negative community sentiment, and reputational damage.

## Mitigation Approach

It is our constant endeavour to make our workplace free of fatalities, injuries and occupational diseases.

- Identifying, understanding, controlling and eliminating the risks associated with hazards at workplace, including man-machine interactions, molten metal handling and underground fire

- Structured skill improvement/competency enhancement of employees and business partners
- Automation and mechanisation plan to eliminate high risk manual activities
- Exposure monitoring for better and timely controls
- The Company partnered with a globally recognised industrial hygiene service company, to develop a sustainable industrial hygiene programme to reduce potential health risks by recognising, evaluating and controlling occupational health hazards and occupational exposures

## Target

Sustainability Goals 2025: Zero Work related fatalities and 50% reduction in TRIFR





## HEALTH AND SAFETY (Contd.)

### Performance

Fatality – 4 (contract employees)

**0.81**

LTIFR

**2.22**

TRIFR

**18%**

Reduction in TRIFR from base year 2020

### Link with Strategy and SDGs

- S1** Expansion of Capacities
- S2** Maintaining a Portfolio of Mines with Long Life
- S3** Strengthen Cost Leadership
- S5** Progressing Towards a Sustainable Future



## HUMAN CAPITAL MANAGEMENT

### Impact (Cost, Risk, Revenue)

Risk

### Why is it Material (Business Case)

We have always identified our people as our top priority. We focus on maintaining a culture that is safe, diverse, and high on employee engagement, to make us the employer of choice. We would continue our efforts to attract and retain top talent via an effective employee engagement framework. A survey conducted by Gallop on more than 800 business units has indicated a higher performance for diverse organisations.

The inclusion of diversity (Women, LGBTQ, Special ability) in the workforce leads to better decision-making and higher productivity. We believe that workforce diversity is a business imperative and strive to ensure that our workforce represents all sections of society. This open mindset, we believe, will help us deliver better business results. We have hence committed ourselves to providing equal employment opportunities, without any discrimination based on sexual orientation and gender identity.

We understand that an open and trusting environment can bring out the best in our employees and greater diversity will help us achieve our targets in a timely manner, considering the fact that difference in thoughts, opinions and knowledge, along with innovation and freshness in thought process owing to increased diversity, will help us grow at a faster pace. Higher retention leads to increase in skills, capabilities and productivity.

### Mitigation Approach

Our workforce management model, policies and tools have guided our investments in our people throughout their careers, by offering a workplace culture that appeals to more diverse workers. We build and leverage talent through a robust framework, as mentioned below:

- **Promoting Young Talent** – We proactively deploy various interventions to identify ‘stars’; provide growth platforms (like Chairman workshop, V-Build, CEO Connect among others); give them early opportunities to showcase their potential and talent to lead from the front in various business roles and cross-functional roles.
- **Capability Building** – Focus on building capabilities across employee levels through comprehensive learning platforms to enhance safety, technical & business excellence, behavioural & leadership skills; We continuously leverage technology and offer integrated learning platforms ranging from online training through video libraries, classroom training, virtual labs, video sharing portals, assessment centres, to partnerships with universities, and executive coaching by industry experts.
- **Driving Diversity** – we encourage diversity at workplace to promote the organisation’s collective experience and skill set; We provide the right work culture to promote inclusion and have aligned our policies to encourage diversity in workforce.
  - Formulated a well-articulated D&I and LGBTQ Policy
  - Partnered with ‘The Humsafar Trust’, which is a pioneer organisation in India dedicated towards counselling, advocacy, and provision of health care to LGBTQ communities
  - Initiated an awareness and sensitisation drive for all employees across Hindustan Zinc during FY 2021-22

### Target

By 2025: Our aim is to have inclusive and diverse workplace with 30% diversity



## HUMAN CAPITAL MANAGEMENT (Contd.)

### Performance

**0.11 mn**

Manhours of employee trainings

**15.7%**

Female diversity within executives

**12%**

Overall female diversity of workforce

**First LGBTQ Member**

Joined HZL

### Link with Strategy and SDGs

- S1** Expansion of Capacities
- S2** Maintaining a Portfolio of Mines with Long Life
- S3** Strengthen Cost Leadership
- S5** Progressing Towards a Sustainable Future



## INCLUSION OF SUSTAINABILITY CRITERIA IN EMPLOYEE INCENTIVE AND PERFORMANCE

Sustainability is integral to the way we do business. We follow the Vedanta Sustainability framework and implement its requirements across our units. This framework contains the management and technical standards and policies to guide us in our efforts towards the material issues. All the sites undergo the Vedanta Sustainability Assurance Programme every year, to ensure the implementation of the 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 everyone, including the CEO and Executive Committee members. The safety performance at Hindustan Zinc and the Vedanta Sustainability Assurance Programme (VSAP) scores are a key part of everyone's KPIs, and the overall performance is linked with the performance bonus of the senior leadership and all employees.

## CEO and Other Senior Leadership

Our CEO's performance-based compensation, having **60% weightage for Hindustan Zinc and 40% weightage for Vedanta performance**, 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

This involves making Hindustan Zinc a zero-harm organisation by establishing and inculcating a strong safety culture, and implementing efforts towards achievement of Sustainability Goals 2025 and the Vedanta Sustainability Framework. [In leaders' score card, there is 20% weightage to the VSAP score (including Water and Climate change management), Safety and OH management and Human Capital development].

## Top Material Issues and Linkage to Employee Compensation

Bucket	Performance Parameters	M2 & Above	M3 - M5	M6 & Below	Multiplier	
					APA Rating	Fatality
<b>Organisation and Business Parameters</b>	<ul style="list-style-type: none"> <li>Volume, COP &amp; Reserves Creation</li> <li>EBITDA, FCF Strategic / Regulatory Objectives</li> </ul>	60%	50%	40%		
<b>HSE Parameters</b>	<ul style="list-style-type: none"> <li>Safety (5%)</li> <li>Sustainability / VSAP (10%)</li> </ul>	15%	15%	15%	A - 125% B - 100% C - 75% D - 0%	Nil - 100% 1 - 90% 2 - 80% >2 - 75%
<b>People Metrics</b>	<ul style="list-style-type: none"> <li>MIP Talent Retention / Development</li> <li>Employee Engagement</li> </ul>	5%	5%	5%		
<b>Individual Performance</b>	<ul style="list-style-type: none"> <li>APA Rating</li> </ul>	20%	30%	40%		
<b>Total</b>		100%	100%	100%		



### ExCO's KRA

This includes making Hindustan Zinc a zero-harm organisation by fostering a safe and risk-free work environment through elimination of incidents/injuries and implementation of the Vedanta Sustainability Framework. [KPI – VSAP score and Zero fatality]

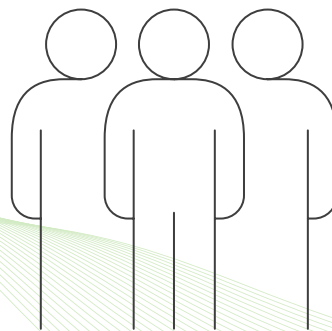
### All Executives' Performance

Performance-based compensation is determined by the VSAP scores along with business performance. The weightage on VSAP scores has been assigned as 10%, in addition to 5% weightage to safety. Further, in case of any fatality, the overall pay-out under performance-based compensation will be reduced by 10%, 20% and 25% for 1, 2 and more than 2 fatalities respectively. There is a nil

production/sales incentive payout to the concerned unit in case of any fatality. Consequence management is based on the responsibility matrix, provision for penalisation in the form of withdrawal of last increment or demotion, or even nil/partial payment under the performance pay scheme.

### Business Partner

Expanding our safety ethos to cover our Business Partners, we are increasingly linking payments / incentives & penalty with their safety performance. For the 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.



## TRANSPARENCY AND DISCLOSURE

Transparent strategic communication is one of the key pillars of the Vedanta Sustainability Framework. Voluntary disclosure and transparency preserve our shareholders' interest and improve the Company's performance.



# Risk Framework

(GRI 102-19, 102-20, 102-29, 102-30)

## OUR APPROACH

Effective risk management is essential to the success of our organisation, and we remain focussed on ensuring that all potential risks are regularly mapped and mitigated. We have adopted a risk management system as per ISO 31000:2018 across the Company to become more forward-looking and practical. This management system helps the organisation identify both positive opportunities and negative consequences associated with business risks, which helps us in effective decision-making.



## RISK MANAGEMENT FRAMEWORK

Risk Identification and  
Risk Assessment

Categorisation  
of Risk

Address and Mitigate  
All Relevant Risks

## RISK GOVERNANCE

The Company's Board overlooks the risk governance, and the Chief Risk Officer (CRO) oversees the potential risks that our business might face in the future. The Board-level oversight ensures that the risk framework trickles down to the Strategic Business Unit (SBU) head for effective implementation. We also ensure that our group management assurance system coordinates with the stakeholders for transparent evaluation of the risk portfolio. An annual review of the Risk Management System takes place under the guidance of the Board, wherein the Company's top leaders, such as the CEO, CFO, and Audit Committee chairman, discuss in detail the key risks and potential hazards to review the action plans in place for mitigating the potential risks/threats.

## OUR STRATEGY

At Hindustan Zinc, we have a proactive strategic approach for managing short-term and long-term risks while continuing to prepare for the emerging risks. We perform risk assessment to identify potential risks for ensuring that mitigation plans are in place to address each potential identified risk.

## RISK ASSESSMENT

The Hindustan Zinc identifies and assesses strategic and financial impacts of all risks through a formal monitoring process at the unit and corporate levels. This helps in identifying and categorising the existing and emerging climate-related risks and opportunities for both Physical and Transition risks. These risks are prioritised based on the frequency of occurrence or recurrence, and the degree of their impact on revenue and cost, including their ability to disrupt our primary operations. Any issue that changes our EBIDTA by  $\pm 5\%$  causes  $> 15\%$  production capacity ramp-down in significant product categories, results in fatality, or serious and irreversible injury, and causes long-term profound environmental impact (typically three months), or may result in Category IV incidents, significant breaches, financial penalties & prosecution of staff, stoppage of business, and negative media coverage are defined as having substantive financial or strategic impact on the business.

We measure substantive financial impact (by computing the number of production days lost) or the economic cost of the said risk on our organisation during the impact period.



## ALIGNMENT OF THE RISKS BASED ON WORLD ECONOMIC FORUM RISK ASSESSMENT CATEGORIES



### ENVIRONMENTAL RISK

#### Health and Safety (Tailings Dam)

Seepage and breach risk in the tailing dam may negatively impact the flora & fauna and the local communities.

#### Climate Action Failure

##### Water Scarcity

Water scarcity caused due to the climate change may result in delayed monsoon, extreme heat and reduced rainfall. This water scarcity scenario, along with limited water conservation measures, may delay the project execution, hampering continuous operation.

##### Extreme Rainfall

Lack of proper infrastructure for pumping out the accumulated excess water may lead to temporary shutdown of operations, thus aggravating the problem.

#### Regulatory Action and Compliance

The changing geopolitical scenario may be a risk for our business. We have identified non-compliance with respect to the state and central level regulatory guidelines as our prominent and probable risk (e.g. air, water, etc.)

#### Energy

In our business, we may face volatile price scenarios and irregular energy supply, due to which we anticipate increased operating cost.





## ECONOMIC RISK

### Commodity and Forex

Price and demand volatility of non-ferrous metals (Zinc & Lead) at the London Metal Exchange (LME) and precious metals (Silver) can get influenced by change in geopolitical conditions.

### Cyber Security

Vulnerabilities in IT infrastructure and Operational Technology (OT) systems may create huge risk of data loss, operational disruptions and reputation.

### Mining Reserves

Risk of long-term sustainable growth can result from insufficient Reserves & Resources (R&R), inefficient “resource to reserve” conversion, non-availability of sufficient minable reserve, and delay in securing new mining licences.

### Operations Impact of EBITDA

Price and demand volatility may cause a negative movement at the London Metal Exchange (LME) and might directly impact our EBITDA. In addition, increase in cost of production due to falling grade of existing mines, dilution, and lower recovery may impact EBITDA.

### Contingent Liability

Introduction of new domestic transfer pricing guidelines, increased scrutiny by the regulators, and Royalty assessment by The Department of Mines and Geology (DMG) of the State of Rajasthan may carry the risk of increased litigation exposure and compliance costs.

### Fraud Risk

Corruption, embezzlement and fraudulent instances may trigger a high risk for our business operations and reputation.

### Financial Risk

Failure to maintain consistent and sustainable top-line business growth and profitability, manage cash reserves, ensure funding for future growth plans, execute planned strategies, enable insulation from external impacts (interest volatility on treasury funds, adequacy of insurance) may pose a financial risk.

### Technology Transition

Failure to adapt successfully to emerging technology trends, including digitalisation, could result in business disruption and financial implications.



## SOCIETAL RISK

### Underground Geo-tech Conditions - FOG and Fire

Complex geo-tech conditions in underground mines can cause fire incidents and fall of ground.

### Health and Safety

Health and safety risk may cause operational disruption while impacting employees and communities, and hence the Company may be obliged to face legal challenges.

### Reputation

Inability to provide inclusive growth to the communities, and any disruption to their lives due to our operations will cause discontent and can have a negative impact on the Company's reputation.

### Pandemic Outbreak

A global pandemic causes extreme disruption across the countries and the entire value chain of the organisation, as business connectivity gets affected, which can lead to major disruption in operations.

### Structural Stability

The risk of accidents and fatalities due to structural collapses across locations, such as roaster dome, Bulk Storage Facility, shaft failure, etc., can have a negative impact on the Company's reputation and cause operational shutdown for several months.

### Talent Risk

Lack of digital IQ in the workforce, and insufficient adoption of digital thinking and capabilities by the employees may affect the performance expectations related to quality, turnaround time, operating cost, succession challenges, as well as ability to attract and retain top talent.

### Man Machine Interaction

Working with heavy machines and equipment might cause a risk of accidents and fatalities.

### Industrial Relations

Higher expectations from the labour union for an increase in wages and work environment can cause a risk of disruption in operations.



## GEOPOLITICAL RISK

### Government Policies and Regulations

Frequent changes in domestic policies, tariffs and royalties by the Government or regulatory authorities may cause business uncertainty and lead to revenue loss.



## EMERGING RISKS

We define an emerging risk as a risk that may become a top risk in time but is not expected to materialise in the next five years. Emerging risks that are currently being monitored are:

### Climate Change – Low Carbon Economy Transition (LCET)

Failure to transition to low carbon technologies and processes due to inadequate capital investments and implementation delays can pose a future risk.

#### Impact

- Liabilities and reputation loss incurred due to failure to adopt low carbon technologies, processes etc., along with high compliance costs to meet the requirements can impact the operating costs
- Inadequate investments in LCET may impact the Company's reputation

#### Mitigation Plan

- Developing futuristic targets, such as Science Based Targets (SBTi), to achieve Net-Zero Carbon emissions by 2050
- Increase in Renewable Energy Portfolio

- Improvement in Energy Efficiency to achieve decarbonisation
- Expansion of capacity considered using only technology that has feasible and cost-effective Carbon Neutral Transition
- Committed to invest US\$1 billion over the next five years in our climate change initiatives
- Implementing Shadow price as part of our capital expenditures approval process, with the aim to redirect investments towards clean technologies, lower-carbon solutions, and renewable energy projects across our operations and supply chain. This will help minimise our climate risks and, at the same time, enable us to explore opportunities to reduce our carbon footprint and associated transitional costs
- Shift towards electric vehicles in underground transportation

### Slow Pace of Digital Effectiveness and Data Optimisation and Lack of Innovation

Key structural issues may go unaddressed due to slow pace of digital effectiveness and data optimisation and technological disruption and the ongoing transformation of downstream sectors, within an increasingly "green" economy, have resulted in a change in commodity demand with Increase in customer preferences towards green energy instead of lead-acid battery and alternate fast innovation in other battery technologies.

#### Examples of issues that can be addressed through innovation

- Declining ore grades
- Increased mining in remote and difficult locations
- Access and cost of energy and infrastructure
- Increasing operational complexity
- Improving water management

#### Mitigation Plan

With the help of the OSIsoft PI implementation, across units, the collaboration centre has effectively created a single platform where data is received and monitored and analysed to provide insights and support the operations teams to overcome issues faced by them with the help of analytics and reporting trends and control charts to control process effectiveness in operations.

- All initiatives under digital mines, KPIs are defined and monitored with the help of operations team. Teleremote operations for loaders and solos deployed, to improve productivity and safety during smoke hours
- Solution for Auto allocation of the equipment is being developed, will help reduce the allocation time which will contribute to improved turnaround time and monitor individual performance linked to the equipment
- Data collection is in progress for a POC with Windfall Geotek, this will help us with AI-based technology to determine the focus areas for exploration drilling, reducing drilling numbers
- Sustainability Initiative to monitor and record freshwater consumption automatically in SAP system is taken up

➤ Please refer pages 52 to 61 of our Integrated Annual Report 2022 for more details on our risk management.

## ENVIRONMENTAL

(GRI 103-2, 201-2, 302-1, 303-1, 303-2, 303-3, 303-5, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 307-1) (FIMI Principle 5, 8) (UNGC Principle 7, 8, 9)

# Environment Management

We are committed to being stewards of the environment in which we operate. We seek to minimise the footprint of our operations on the land and in the ecosystems. We direct our efforts towards delivering positive and lasting environmental outcomes for our host communities and the planet as a whole. Our commitment to delivering positive outcomes for nature drives us to continuously review and update our approach. We believe that sustainable business practices will create opportunities for enhancing resource efficiency, minimising negative environmental impacts, and strengthening engagement with the local communities.

### Key Highlights

- Committed to achieving Net-Zero emission by 2050 in alignment with SBTi
- Company has received the Board's approval to undertake a long-term captive renewable power development plan – up to a capacity of 200 MW
- MoU with global manufacturer for BEVs and introduction of BEVs
- Biomass utilisation in CPPs for power generation
- MoU with CDP - Science Based Incubator Programme, for setting the targets in line with SBTi
- IUCN Engagement - 3 years of Engagement with IUCN for the development of a Biodiversity Management Plan, focussing on 'No Net Loss' approach to achieve Sustainability Goal 2025
- ISO 50001 Certification for all units



## Materiality Issues

Material Issue	Priority Area	SDG Linkage	Sustainability Goals 2025
 <b>Energy and Climate Change</b>		 	<p>0.5 Mn tCO<sub>2</sub> GHG emission savings in our operations from base year 2017</p> <p>Reduction in non GHG emission (SO<sub>x</sub> and NO<sub>x</sub> emission) by 17% by 2025*</p>
 <b>Air Emissions</b>			
 <b>Water Management</b>		  	<p>5x water positive company, with 25% reduction achieved in freshwater consumption</p>
 <b>Tailings Dam Management</b>		  	<p>Complete transition from wet tailing to dry tailing disposal by 2025*</p>
 <b>Solid Waste Management</b>		 	<p>3x increase in utilisation of smelting process waste</p>
 <b>Biodiversity</b>			<p>Protect and enhance biodiversity throughout the lifecycle</p> <p>Achieve No Net Deforestation through compensatory afforestation whenever applicable in mining sites, throughout the life cycle*</p>



\*Additional targets - not part of Sustainability Goals 2025.

We undertake environment and social impact assessment studies to anticipate and mitigate environmental and social risks during the project initiation stages. We also keep track of environmental incidents, using our online incident management portal. Investigations of incidents are conducted in order to take preventive and remedial actions. All our operational units are certified to ISO 14001 and ISO 50001.

Across our locations, operating environment expenses during the reporting year stood at ₹1.03 billion. Additionally, major progressive capital expenditures, amounting to ₹3.07 billion were made on multiple environmental projects, strengthening of tailing dams, dry tailings, development of Zero Liquid Discharge Plants, CPP turbine revamp for efficiency improvement, installation of bag filters to reduce fugitive emissions, etc.

## Zero

Category 4 & 5  
environment incident



# Energy and Climate Change

(GRI 201-2, 302-1, 305-1, 305-2, 305-3, 305-4, 305-5)

Our approach to climate change is built on adapting to climate risk, mitigating the impact, identifying and acting on climate change opportunities, building a climate resilience business model, and reducing emissions. Our manufacturing operations demand high energy consumption, and hence increasing energy efficiency, and adopting renewable and clean energy to the extent possible, is a high priority for us. We have taken multiple concrete steps to reduce our emission footprint.

## Climate Change Governance and Strategy

At Hindustan Zinc, we believe that climate change is a key global risk that needs to be addressed with priority. We recognise the multi-faceted risks posed by climate change on our business, ranging from impacts on commodity demand to operating costs, to physical impacts such as damage to our assets and property. Since mining operations have a high probability of facing harsh climate impact in the period of 2040-2059, as per our scenario analysis, it is crucial for us to ensure that our operations are resilient in the present as well as futuristic conditions.

We significantly ramped up our ambition and our preparation to decarbonise our business during the year. In a prelude to COP26, we announced our commitment to become a Net-Zero carbon organisation by 2050 or sooner, in alignment with the Science Based Target Initiative (SBTi) scenario. We also conducted an in-depth climate risk assessment and scenario analysis, to comprehensively understand the risks and opportunities posed by climate change to our business. The findings of these studies are being used as inputs for our carbon strategy and roadmap to achieve Net-Zero status by 2050.

## Governance

Our Board and Management is responsible for the operational assessment of climate change impact and mitigation across the Company, and the subsequent implementation of Hindustan Zinc's climate change strategy.

- **Tier-1: Board-level Sustainability Committee** responsible for the overall governance of Sustainability and ESG strategy. Our Board level Risk and Audit Committee also oversees the climate change risk mitigation strategies.
- **Tier-2: Executive-level Sustainability Committee** responsible for formulating a sustainability strategy, and setting the Company's long-term goals and targets.
- **Tier-3: Energy and Carbon Community** looks after governance for energy conservation, energy and climate risk assessment, mitigation strategies, and continual improvement in energy and carbon management.

There are multiple inputs in our climate-related strategy formulation, including scenario analysis. In developing



our strategy, we considered a wide range of opportunities and risks across two discrete-time horizons for mapping Physical (extreme weather events and chronic weather changes) and Transition Risks (regulations, technology, markets and reputation). We have conducted a robust scenario analysis for identifying the physical risks, considering RCP 4.5, RCP 6.0 pathway. The transition risks are prioritised in alignment with TCFD recommendations, Stated Policies Scenarios (STEPS) of International Energy Agency, and Nationally Determined Contributions (NDCs). Exposure, hazard, sensitivity and adaptive capacity assessments were conducted, for both the short-term (2039) and long-term (2059) scenarios.

The broad range of potential outcomes presented by the scenario analysis assisted Hindustan Zinc in anticipating potential impacts of the risks, and accordingly in formulating our strategic responses. Further, we have integrated climate risks as emerging risks in our enterprise risk management (ERM) and financial planning.

As per our assessment, heat wave is the only physical risk that is very high at all sites, except Pantnagar, till 2039. Beyond 2039, heat wave, drought and high temperature could impact all sites except, Pantnagar and Debari.

[Click to read more about our Energy and Climate Strategy](#)





The key physical and transition risks that influence our strategy include:

#### Physical and Transitional Climate Risk Assessment

	KEY RISKS	KEY OPPORTUNITIES
Physical risk due to increase in temperature, drought, floods and extreme weather events, cyclones with higher rainfall and wind speed	<ul style="list-style-type: none"> <li>• Increase in intensity and frequency of heat stress and drought</li> <li>• Increased frequency of high wind speed events</li> </ul>	<ul style="list-style-type: none"> <li>• Use of more efficient water and energy management</li> <li>• Assisting the community in climate adaptation</li> </ul>
Transition risks due to policy change, technological and market changes, and reputation	<ul style="list-style-type: none"> <li>• Existing regulations - Renewable Energy Certificate (REC), Renewable Purchase Obligation (RPO)</li> <li>• Regulations likely in the medium-term - Perform, Achieve, Trade (PAT) Scheme and AIPA (Apex Committee energy efficiency for Implementation of Paris Agreement) demanding sector decarbonisation benchmarks and carbon pricing, etc.</li> <li>• Decommissioning of coal-based power plants and shift from carbon-intensive process technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Use of decarbonised electricity may result in lower Levelised Cost of Energy (LCOE)</li> <li>• New market opportunities due to expected growth in Solar PV panels and energy storage systems using Zn, Pb and Ag</li> <li>• Decarbonised metals may be a differentiator and may command a premium well before 2030</li> </ul>

Mitigation and adaptation strategies (futuristic) for each risk have been identified over a time-horizon of short-, medium-, and long-term, along with their potential financial impact.

## Physical Climate Risk Mitigation and Adaptation Strategies

### SHORT-TERM

- Shifting to renewable energy solution or low carbon solutions
- Efficient water utilisation solutions at operations to ensure water security
- Improved water storage, increased water recycling, and reduced water consumption, as well as continuous review of flood management

### MEDIUM-TERM

- Use of evaporation retardant chemicals for minimising evaporation in surface water reservoirs
- Installing renewable-based energy to mitigate increased costs
- Switch to Dry Tailing Disposal
- Storm water drainage redesign to accommodate increased water surface flows

### LONG-TERM

- Ensuring that all new infrastructure is climate-resilient

## Transition Climate Risk Mitigation and Adaptation Strategies

### SHORT-TERM

- Increasing share of renewables
- Phasing out few coal powered plants by 2030
- Assess new market and develop new products
- Community perception survey regarding water stress

### MEDIUM-TERM

- Electric vehicles in transportation
- Planning for decarbonisation by 2050
- Research and Development (R&D) expenditures in new and alternative technologies
- Improving recycling measures
- Development of Green Belt
- Provisions to sustain high temperatures at the sites
- Establishment of flood warning systems

### LONG-TERM

- Hydrogen or Electric/ Induction furnaces
- Expansion of capacity only with Net-Zero options
- Carbon Capture & Storage (CCS) and Carbon Conversion technologies
- Sequestration in abandoned mines and new locations
- Shifting to Hydrogen-based energy solutions

### Climate Resilience

We have found our strategy to be resilient to the range of energy transition pathways and scenarios, including the Paris Agreement. Our technology mix and asset configuration sets us apart in our ability to comply with existing climate regulations like Renewable Energy Certificate (REC) / Renewable Purchase Obligation (RPO), as well as the emerging regulations that are likely to be put in place by the Government of India's inter-ministerial Apex Committee for Implementation of Paris Agreement (AIPA). Our ability to decarbonise much earlier than the competition, by switching to Firm Renewable Energy (RE), could enable us to harness new markets, as also to seek a premium for low carbon or zero carbon metals. Our locations are ideally positioned for cost-effective Firm RE options. Further, the regulations in the Race to Zero emissions would boost demand for solar Photo-Voltaic (PV) panels and energy storage systems, which in turn will increase demand for our metals.

### Decarbonisation Strategy

We have committed to becoming a Zero Carbon company by 2050, in line with the business ambition for 1.5° campaign led by SBTi. As a COP26 Business Leader, Hindustan Zinc has always been actively initiating actions for tackling the repercussions of climate change. We have set Sustainability Development Goals 2025 for ourselves, as per which we are aiming towards 0.5 Mn tCO<sub>2</sub>e GHG emission savings in our operations from the base year 2017 as part of our climate risk mitigation efforts.

We are on track to achieving this with the help of some major initiatives like phased closure of our thermal power plants, as coal is the major contributor to our GHG emissions (nearly 85-90% of total Scope 1&2 emissions).

To set the target in alignment with SBTi, we have partnered with CDP India under the Science-Based Targets initiative Incubator programme, to help accelerate our transition to a low-carbon economy. The incubator aims at facilitating the reduction of GHG emissions through the uptake of SBTs in the long term, and setting corporates on the path of climate science-based emission reduction targets.

### Decarbonisation Levers

To make an orderly transition to a Net-Zero carbon organisation, we plan to use six key levers for decarbonisation:

Switch to green power wherever feasible

Switch to low or zero carbon fuels where transition to green power is not possible

Improve the carbon efficiency of all our processes

Collaborate with leading institutions to pilot the application of new technologies, such as green hydrogen

Ensure that all new growth is low or zero carbon

Purchase high-quality carbon offsets for residual GHG emissions



 [For more information, click to view our TCFD report](#)

### Delivering on our Decarbonisation Commitments

At Hindustan Zinc, we have consistently been making efforts towards reduction of our carbon footprint by investing in captive renewable power and electric vehicles, and adopting cleaner fuel alternatives.

During the year, the Company produced solar power of 80.92 million units, waste heat energy of 211.8 million units, and wind power of 427.25 million units, leading to avoidance of 613,033 tonnes of CO<sub>2</sub> through green power. We achieved the highest ever green power (WHRB +Wind+ Solar) in FY 2021-22 and the highest ever CERs through green power.

### 200 MW RE-RTC

We will be entering into a long-term captive renewable power development plan, with a capacity of 200 MW. The project is being conceived to be built under a Group Captive model under an SPV, wherein Hindustan Zinc will own 26% of equity (₹3.5 billion) and 74% equity will be of the developer, with respective voting rights. This project shall provide minimum assured renewable energy from Solar, Wind and Battery Energy Storage System on an annual basis at the delivery point, which shall be the "Guaranteed Annual Generation (GG)". The RE power to be procured will be 200 MW with 70% CUF, corresponding to 1,226.4 million units.

### Electric Vehicles

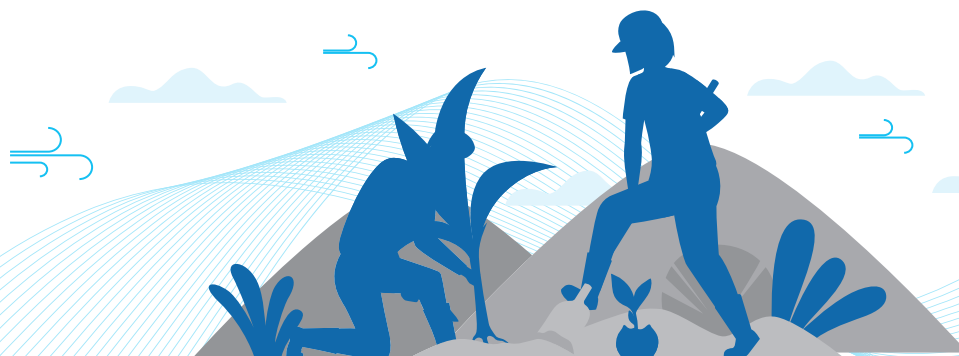
We became the first mining company in India to make a green shift by signing a Memorandum of Understanding with three global manufacturers to introduce battery-powered service equipment and utility vehicles in underground mining. This initiative is the first-of-its-kind in India in the mining sector, and will result in reducing carbon emissions, thus enabling environment-friendly operations. Hindustan Zinc is further planning to invest about US\$1 billion on climate change initiatives, and has set a target to achieve 75% electrification of the mining fleet by 2035 and complete electrification by 2040.

### Biomass

We have aligned our Power vertical with our vision of Net-Zero by 2050, and have started our journey with revamping of our turbines and use of biomass as alternative fuel. Amid the challenging environment that prevailed during the year, we demonstrated our commitment to sustainable business operations through the adoption of alternative fuel options. With incremental increase in biomass consumption - from 1% to 5%, we reduced our dependence on coal, which resulted in 15,000 MT reduction from FY 2020-21, and consequent decline in associated emissions of 17,732 tCO<sub>2</sub>e. In the coming years, we foresee a potential for further replacement, preventing 2.41 lacs tCO<sub>2</sub>e in FY 2022-23.

### Carbon Pricing

Hindustan Zinc has defined an internal carbon pricing mechanism, applicable to all units, to bring in organisational change by influencing internal behaviour, and also to drive decarbonisation across operations. We have carbon pricing as a component in all our capital deployment and expenditures. The internal carbon pricing will help us in implementing energy conservation/efficiency projects in our operations, facilitate decision-making for low carbon transition, direct investment towards renewable portfolio addition, mitigate carbon compliance risk, and meet SBTi targets for emission reduction. Currently, the internal carbon price is ₹1,083.33/tCO<sub>2</sub>e.



## PERFORMANCE, METRICS AND TARGETS

### Energy Use and Reduction

Due to revamping of the turbines, improved cell house efficiency, use of biomass as a coal substitute, and execution of various energy-saving initiatives, we successfully reduced energy consumption in our operations in the reporting year. Collectively, the **projects implemented in FY 2021-22 saved 1,309,885.7 GJ of energy and helped in avoidance of 148,388.4 tonnes of carbon emission**. We aim to further improve the carbon intensity of our operations.

#### Scope 1 + 2 (Absolute Emission) (In Mn tCO<sub>2</sub>e)

2021-22	4.81
2020-21	4.79
2019-20	4.73
2018-19	4.87

#### Scope 3 (Absolute Emission) (In Mn tCO<sub>2</sub>e)

2021-22	4.01
2020-21	4.28
2019-20	4.18
2018-19	4.24

#### GHG Intensity (Scope 1 & 2)/MT

2021-22	4.97
2020-21	5.15
2019-20	5.44
2018-19	5.40

**9%**

Reduction in GHG intensity (Scope 1+2)/MT in 2021-22, from base year 2019-20

### Targets used to manage climate-related risks and opportunities, and performance against targets

#### C.1 HZL has set a Science-based target of:

**14%** Reduction of Scope 1+2 (absolute) by 2026-27 from 2016 base-year

**20%** Reduction of Scope 3 (absolute) by 2026-27 from 2016 base-year

#### C.2 Net-Zero 2050

2026 Transition to Clean Energy	2030 In line with NDC	2040 Scaling Up	2050 Delivering Commitment
<ul style="list-style-type: none"> <li>Firm Renewable Energy</li> <li>Efforts on Scope 3</li> </ul>	<ul style="list-style-type: none"> <li>Firm Renewable Energy</li> <li>Explore Hydrogen Fuel &amp; others</li> <li>Efforts on Scope 3</li> </ul>	<ul style="list-style-type: none"> <li>Firm Renewable Energy</li> <li>Hydrogen Fuel</li> <li>Carbon Capture, Utilisation and Storage</li> <li>Circular Economy</li> </ul>	<ul style="list-style-type: none"> <li>Firm Renewable Energy</li> <li>Hydrogen Fuel</li> <li>Carbon Capture, Utilisation and Storage</li> <li>Circular Economy</li> </ul>
<b>18%</b> Scope 1&2	<b>40%</b> Scope 1&2	<b>90%</b> Scope 1&2	<b>100%</b> Scope 1&2
<b>20%</b> Scope 3	<b>30%</b> Scope 3	<b>60%</b> Scope 3	<b>100%</b> Scope 3

# Water Stewardship

(GRI 303-1, 303-2, 303-3, 303-5, 306-1)



## OUR APPROACH

Water stewardship is an integral part of our business as it is recognised as an essential resource for the people, the communities and the environment. Since most of our operating locations are water-stressed and water-scarce areas, which are prone to physical risks, we target the reduction of fresh water usage in our operations and protection of water quality, which also helps us maintain local support. Hindustan Zinc lays great emphasis on water conservation programmes aimed at sustainable use of water resources and adoption of best water management practices. We are strongly aligned with Goal 6 of the SDGs i.e., Ensure availability and sustainable management of water and sanitation for all.

## GOVERNANCE

Through active engagement with stakeholders, we aim to reduce freshwater consumption in our operations, protect water quality, and reduce our water risks throughout the mine lifecycle. Our Water Management Community ensures strong governance for water conservation at source, Zero Liquid discharge from operations, rainwater harvesting, as well as water accounting. Through the adoption of realistic procedures and policies across the Company, the community offers advice for minimising the water consumption for operations, and water treatment.

## POLICIES AND STRATEGY

We conduct business in locations with varying degrees of water stress. Our water management policy enables us to recognise the social, economic and environmental value of water, and the increasing global concern of water scarcity. Our Water Management Standard ensures that we meet our water management ambitions by employing the global best practices, and strive to minimise our water footprint. The Water Management Policy and Water Management Standard together facilitate the integration of the best water management approach at Hindustan Zinc, by incorporating the water-related risk factors into decision-making in our operations and new projects. We have adopted a multi-pronged approach to manage water resources, which is given below:



Minimising fresh water consumption



Exploring alternative water solutions



Increasing use of recycled water



Replenish ground water



Monitoring and auditing

## LONG-TERM COMMITMENT TOWARDS WATER STEWARDSHIP

To support sustainable use of water resources, we are focussed on two key areas: improving water efficiency and working collaboratively to promote water stewardship programmes. Our long-term target - **“To be 5 Times Water Positive Company from current 2.41 times and Reduce Water Consumption by 25% by 2025 from base-year 2020”** – mobilises the water management programmes at Hindustan Zinc.

The Company joined the CEO Water Mandate, a UN Global Compact initiative, to enable public-private partnerships with a focus on developing strategies and solutions for tackling the emerging global water crisis. This engagement has reinforced our commitment to the development, implementation and disclosure of comprehensive strategies focussed on water management.

### WATER RISK ASSESSMENT

We conducted a water risk assessment across Hindustan Zinc, at 100% of our sites, using three tools - WRI Aqueduct Water Risk Atlas, Water Risk Monetizer, and WWF Water Risk Filter. All our sites are located in water-stressed regions and are rated high-risk under the basin risk category. Hindustan Zinc recognises the importance of water conservation programmes and is actively involved in the development of water management plans. The plans are aimed at ensuring access to clean water and sanitation at our operating locations.

Hindustan Zinc is undertaking several measures to become a 5x Water-positive company and decrease its freshwater usage by 25%. We also actively identify the opportunities for managing water supply for the community.

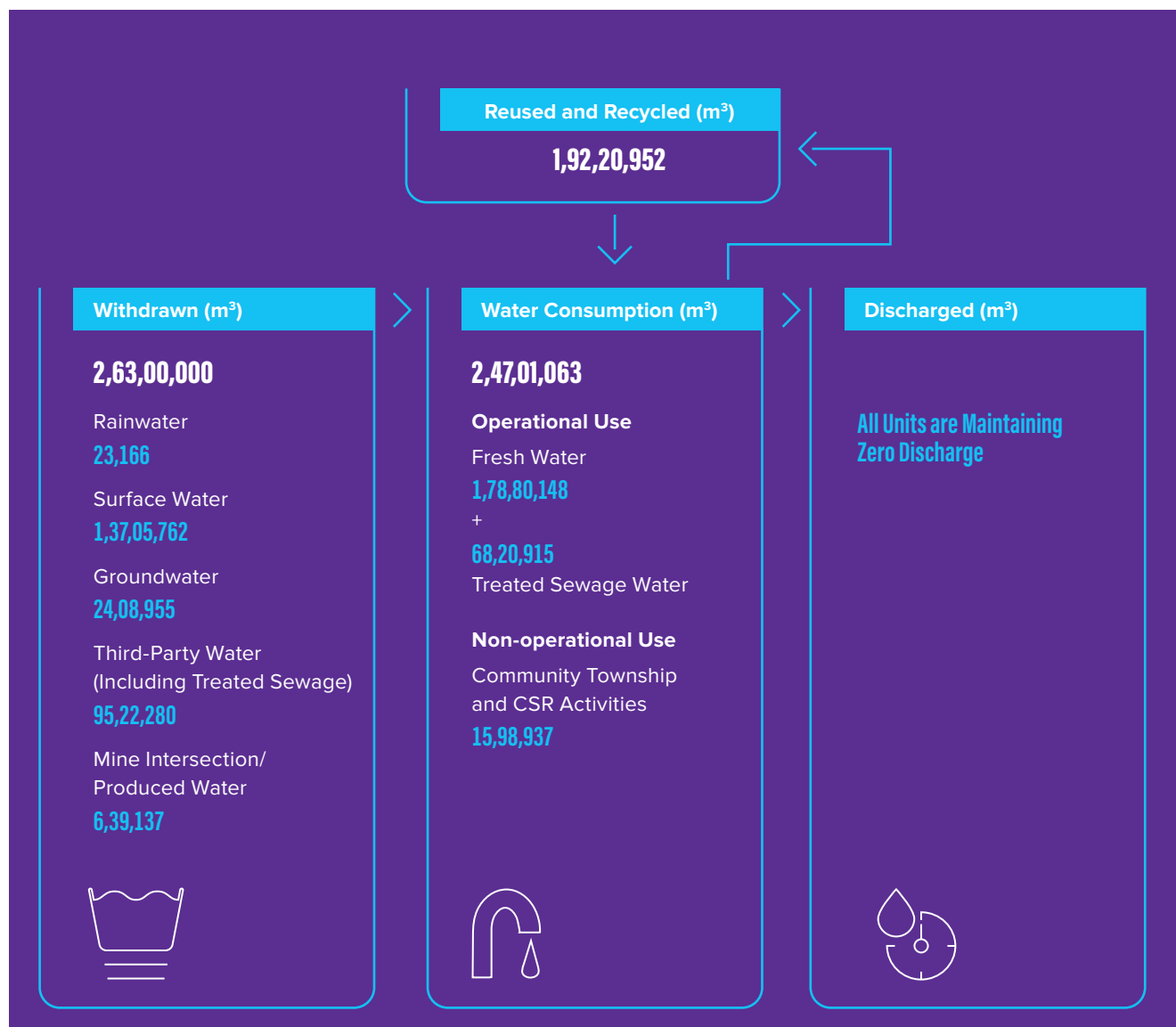


We ensure full compliance with regulatory information, tariffs, and water withdrawal restrictions, with the assistance of in-house and field experts. We also facilitate the provision of high-quality drinking water to the surrounding communities, thereby reducing the risk of stakeholder conflict. We have established extensive systems for monitoring the local water availability and minimising business disruption. We are proactively undertaking water action assessments for tailoring the framework for implementation of best water management practices in our operating locations.

We have begun work on developing plans to improve the health of the high-risk freshwater basins. This plan involves restoring or building water recharge structures in order to improve water replenishment rates. We will also look at improving water efficiency and maximising recycling/reuse of water in order to reduce freshwater demand.

Site Name	Site Basin Risk				Site Operational Risk			
	Overall Basin Risk	Basin Physical Risk	Regulatory	Reputational	Overall Risk	Physical Risk	Regulatory	Reputational
Chanderiya Lead-Zinc Smelter, Rajasthan	Very High	Very High	Medium Risk	Very High	Medium Risk	Medium Risk	Low Risk	Low Risk
Rajpura Dariba Mines, Rajasthan	Very High	Very High	Medium Risk	Very High	Low Risk	Low Risk	Very Low Risk	Low Risk
Rampura Agucha Mines, Rajasthan	Very High	Very High	Medium Risk	Very High	Medium Risk	Medium Risk	Medium Risk	Low Risk
Kayad Mines, Rajasthan	Very High	Very High	Medium Risk	Very High	Low Risk	Low Risk	Very Low Risk	Low Risk
Zinc Smelter Debari, Rajasthan	Very High	Very High	Medium Risk	Very High	Low Risk	Low Risk	Very Low Risk	Low Risk
Dariba Smelter Complex, Rajasthan	Very High	Very High	Medium Risk	Very High	Low Risk	Low Risk	Very Low Risk	Very Low Risk
Pantnagar Metal Plant, Uttarakhand	Very High	Very High	Medium Risk	Very High	Low Risk	Medium Risk	Very Low Risk	Low Risk
Sindesar Khurd Mines, Rajasthan	Very High	Very High	Medium Risk	Very High	Low Risk	Low Risk	Very Low Risk	Low Risk
Zawar Mines, Rajasthan	Very High	Very High	Medium Risk	Very High	Medium Risk	Medium Risk	Very Low Risk	Low Risk

## WATER USE (CUBIC METERS)



➤ [Click to read more about our Water Management](#)

➤ [Please refer pages 114 to 117 of our Integrated Annual Report 2022 for more details on our water stewardship](#)



# Air Quality Management

(GRI 305-7)



## OUR APPROACH

We are committed to measuring, controlling and reducing air emissions at each of our sites, by deploying digital technologies to advance our goal of positively impacting the environment and stakeholders' lives. We are continuously implementing policies and procedures to address the global climate change concerns, while complying stringently with the environmental licence conditions. Our approach is more realistic and more closely aligned with international standards and ambitions, recognising the connected nature of the environment, our employees' health, and the well-being of the communities around our operating locations. We use advanced management strategies to identify, reduce and eliminate any potential impacts on the surrounding air quality.

## GOVERNANCE

Emissions from our mining, smelting and CPP operations, such as PM, SO<sub>x</sub>, and NO<sub>x</sub>, require continuous monitoring and mitigation measures. Our governance framework supports addressing the issues raised by internal stakeholders and local communities, while ensuring transparent disclosures on air quality inventories via website and public reports. The Company has installed online air emission monitoring systems, connected directly to the servers of the Central and State Pollution Control Boards.

## OUR STRATEGY

We keep a check on our significant air emissions, such as SO<sub>x</sub>, NO<sub>x</sub>, and particulate matter (PM), in addition to GHG emissions. We comply with the National Ambient Air Quality Standards (NAAQS) 2009, to ensure ambient air quality parameters. All our plants are equipped with the necessary controls to manage these emissions within the permissible limits. We are monitoring these emissions through the Continuous Emissions Monitoring System (CEMS), complying with the statutory requirements.

### Ambient Air Quality Monitoring

#### Particulate Matter (PM) Emissions from Stack (MT)

2021-22	<div><div></div></div>	<b>963</b>
2020-21	<div><div></div></div>	1,097
2019-20	<div><div></div></div>	1,027
2018-19	<div><div></div></div>	1,155

#### Nitrogen Oxide (NO<sub>x</sub>) Emission (MT)

2021-22	<div><div></div></div>	<b>6,145</b>
2020-21	<div><div></div></div>	8,098
2019-20	<div><div></div></div>	8,913
2018-19	<div><div></div></div>	8,642

#### Sulphur Oxide (SO<sub>x</sub>) Emission (MT)

2021-22	<div><div></div></div>	<b>22,006</b>
2020-21	<div><div></div></div>	19,600
2019-20	<div><div></div></div>	23,069
2018-19	<div><div></div></div>	30,235

[Click to read more about our Air Emissions Management](#)

# Waste Management

(GRI 306-2, 306-4, 306-5) (FIMI Principle 8)

## OUR APPROACH

We are making strenuous efforts to employ the best management approach for sustainable disposal of the generated wastes. The approach aims to reduce the quantity of waste generated from our operations by following the '4R' waste techniques, viz. **Reduce, Reuse, Recycle and Reclaim**. We follow the 4R approach, using clearly defined risk-based procedures and processes. This ensures the systematic collection, storage, transportation, and disposal of generated wastes, thus helping in the creation of sustainable value. We focus on achieving our vision of Zero Waste by exploring new technologies, concentrating mainly on metal recovery from residual wastes.

## GOVERNANCE

We have strengthened our management governance structure to formulate a structured approach for improving circularity in operations. We continuously strive to employ opportunities that result in reduced production of waste and help mitigate the potential waste-related impacts. The Waste to Wealth Community is responsible for overseeing the waste management system at Hindustan Zinc. The community promotes better utilisation of waste, and provides guidance for ensuring continual progress in waste minimisation, utilisation and recycling. The Community identifies the waste stream, thereby tracking the waste generated in operation. It innovates systems and methods for effective utilisation of wastes, undertakes research and development (R&D) and outlines initiatives, and develops strategies to improve circularity. Our standards and procedures underscore our commitment to be a responsible producer.

Total waste generated from operations –

**1,98,56,594 MT**

[Including mineral waste (Tailings), Slag, Jarosite etc.]

Waste recycled/reused –

**61,76,679 MT**

Waste disposed in eco-friendly way at landfill area –

**1,44,84,528 MT**

## GAINFUL UTILISATION OF WASTE

We continuously explore various initiatives for reducing, recycling and reusing waste, and creating sustainable value. We have set out several plans to improve circularity at our locations. One such notable initiative has been undertaken at the Fumer plant, with the target of 100% elimination of Jarosite waste from one of the Hydro Zinc Smelters, and thereby fostering the production of usable clean slag. In addition, this can also eliminate the recurring demand for land for storing Jarofix. Switching from open cast to underground mine resulted in reduced waste generation, leading to our progress towards the achievement of one of our sustainability goals on gainful utilisation of smelting process waste by three times.

### Waste to Landfill (in MMT)

2021-22	13.67
2020-21	12.30
2019-20	11.82
2018-19	11.50

### Waste Recycled (%)

2021-22	31
2020-21	30
2019-20	31
2018-19	28

[Click to read more about our Waste Management](#)



# Tailings Dam Management

(GRI 103-2, 306-3)



## OUR APPROACH

The management and storage of tailing, is a critical issue for the global mining industry. At Hindustan Zinc, mining operations include the safe and responsible management of the tailing's storage facility. We take extensive precautionary measures to reduce the risk of tailings dam failures during construction, operation, maintenance and closure of the tailing facilities. We also use the best technologies available to reduce the environmental impact.

## GOVERNANCE

As the global demand for raw materials has grown substantially in recent decades, and with the degradation of ore grade over time, the volumes of mineral residues have increased exponentially. All our existing and future mining activities adhere to a standard performance protocol, with focus on the entire life cycle of the tailings process. The mining activities cover investigation, planning, design, construction, operation, closure and rehabilitation. We have a Tailings Management Committee, with defined roles and responsibilities, led by the engineering processes department. Periodic risk assessments are conducted to mitigate public health safety, as well as environmental and economic risks. An emergency response strategy is in place, and frequent audits are undertaken to ensure that the procedure meets performance standards. We aim to be fully compliant with the Global Industry Standards on Tailings Management (GISTM) by FY 2024-25.

There were no incidents at any of our TSFs during the year that affected areas outside/inside the mine boundary and/or threatened human health or the environment.

## Tailings Generated (Million MT)

2021-22	14.17
2020-21	13.41
2019-20	12.62
2018-19	12.37

## Tailings Utilised (Million MT)

2021-22	5.48
2020-21	4.47
2019-20	3.7
2018-19	3.06

## 1.01 Million MT

Increase in tailings utilised from FY 2020-21



[Click to read more about our Responsible Tailings Management](#)

# Biodiversity

(GRI 304-1, 304-2, 304-3, 304-4)

## OUR APPROACH

We, at Hindustan Zinc, promote a management approach for mitigating the impacts of our operations on biodiversity, by periodically reviewing the operational processes and systems through the Integrated Biodiversity Assessment Tool (IBAT). All our mining sites have an established Biodiversity Management Plan (BMP). We regularly organise employee training programmes and awareness campaigns to educate the internal stakeholders on the importance of biodiversity conservation. In the reporting year, there were no fines, enforcement orders, and/or other penalties for violation of biodiversity-related regulations.

## GOVERNANCE

We are aggressively working in the direction of achieving No Net Loss to biodiversity through our established Biodiversity Community, which meets on monthly basis to review the progress of the Company's various biodiversity initiatives. This ensures the best practice management approach for biodiversity preservation. We have updated our Biodiversity Policy to strengthen our biodiversity management approach towards our vision of being nature positive. We are committed to achieving No Net Loss at our project operations by implementing the mitigation hierarchy, by avoiding, minimising and restoring the direct impacts and offsetting the residual impacts. We are also committed to including a nature-based solution approach in decision-making.

## OUR STRATEGY

Our aim is to achieve a No Net Loss (NNL) and Net Positive Gain (NPG) of biodiversity (in critical habitats) at all our operating locations. To achieve this objective, we have a dedicated Biodiversity Policy and Management Standard to support biodiversity conservation programmes

at Hindustan Zinc. These programmes are holistically focussed on avoiding and minimising disruption to flora and fauna – right from project scoping to site closure and beyond.

As part of our commitment towards ICMM's Mining Principles, which include two performance expectations under Principle 7: Conservation of Biodiversity, we are committed to:

1. Avoid operating/exploring/mining/drilling in World Heritage areas and IUCN Category I-IV protected areas
2. Apply mitigation hierarchy (avoid, minimise, restore & offset) when operating in areas near critical biodiversity

We have committed to take immediate steps to maintain, protect and restore the natural ecosystems, including forests, and the interconnectedness of habitats. We also promote sustainable forest management. We are committed to avoiding deforestation, in line with the prevailing rules and regulations, and to develop compensatory plantation.

We ensure that no Protected Areas, National Parks, Wildlife Sanctuaries, Biosphere Reserves, Wildlife Corridors, etc., are located within the core or 10-kilometre buffer zone of any of our operating sites. This is done through IBAT tool assessment. We are committed to restricting the conduction of any operations, exploration, mining or drilling at the World Heritage Sites and in IUCN Category I-IV Protected Areas.

[Click to read more about our Biodiversity Management](#)

## OUR PERFORMANCE

### Mining and Land Use & Disturbance

	Total area of owned land/lease/concession (hectares)	Total area disturbed to date (hectares)	Area disturbed in the reporting year (hectares)	Total area rehabilitated (hectares)	Area rehabilitated in the reporting year (hectares)
Rampura Agucha Mine	1,200	1,021.75	12.59	148.4	20
Rajpura Dariba Mine	1,141	285.07	13.81	0	0
Sindesar Khurd Mine	199.84	129	0	7.11	0
Zawar Mines	3,620	321.23	1.0	45.07	0
Kayad Mine	480.45	48.5	0	17.04	0



# Sustainable Site Closure



## OUR APPROACH

A mine continues to have social and environmental impacts for a long period after the end of its operational life. We monitor and address the social impacts and concerns of the communities during and after the mine closure phase. Mine closure plans are created concurrently with mining plans, and they outline the steps to be taken throughout the mine cycle to effectively and environmentally mitigate the impacts.

## GOVERNANCE

We apply the cradle-to-cradle approach for ensuring responsible mine closure and rehabilitation, covering the entire lifecycle of a mining site. The 'cradle-to-cradle' approach involves the development of plans for closure even at the exploration phase, and aims for sustainable post-mining land use. Currently, none of our mines are near closure phase.

## OUR STRATEGY

Sustainable mine closure at Hindustan Zinc is factored in at the time of inception of mine exploration. Suitable financial arrangements are made for associated costs of restoration and rehabilitation of mining. Necessary approvals are taken from statutory authorities for the Progressive & Final Closure Plan. The mine closure plan includes rehabilitation of the surrounding area and protection of water resources, with an aim to foster long-term environmental sustainability in the regions and surrounding communities.

## POST CLOSURE

In the mine post closure phase, necessary steps are taken for rehabilitation of land, viz. cleansing and revegetation. Hindustan Zinc has a well-articulated procedure for promoting sustainable land use post mining in consultation with stakeholders.

- All mined out slope voids will be back filled
- Mine waste will be utilised for filling mining voids
- All equipment will be removed from the surface and below ground
- All mine entries will be sealed and properly fenced off
- Mine infrastructure will be removed
- Area will be restored to natural ground profile, including drainage and revegetation
- Any potential area of soil contamination will be checked and decontaminated by excavating the contaminated portion and replacing with fresh soil
- Plantations will be maintained
- Necessary approvals will be taken from statutory authorities for Progressive & Final Closure Plan
- After reclamation, surveillance and monitoring will be done

Resource transformation is an important aspect of responsible asset closure and management. We promote this by following the requirements for decommissioning and site closure listed in the Vedanta Technical Standard on Site Closure. We ensure that the systems and procedures for decommissioning of mines are compliant with the

requirements of international standards. In addition, wherever required/applicable, impact assessment and consultation processes are to be undertaken by Hindustan Zinc. The other important component of this standard is to

promote sustainable use of the site after closure, wherever possible, which leaves a positive legacy for both the local communities and the environment through comprehensive multi-stakeholder engagement.

## Vizag Smelter Secured Landfill Responsible Closure

### OBJECTIVE - TO EXECUTE SCIENTIFIC CLOSURE AND CAPPING OF THE JAROSITE POND-1 AT HZL- VIZAG PROJECT

#### Methodology

Hindustan Zinc constructed the Jarosite Pond-I in 2002, and it attained its full capacity with Jarosite slurry (7.0 - 10.0 m depth) by 2009; hence, the Jarosite Pond-II was developed adjacent to it. To execute scientific closure and capping of Jarosite Pond-I, Hindustan Zinc obtained necessary approvals from the Andhra Pradesh Pollution Control Board. The site has a plan area of around 56,000 sqm (~6 Ha.). Using geotechnical concepts and material science knowledge, the Hindustan Zinc-Vizag closure and capping project was executed successfully.

#### Outcome

It was a unique project in the country in which a slurry pond was stabilised, closed and capped as per the CPCB guidelines. SPCB has approved the closure of the second Jarosite pond by replicating the techniques adopted in Pond-I.

#### Alignment with SDGs



[Click to read more about our Sustainable Mining](#)

## STAKEHOLDER ENGAGEMENT

### Zawar Expansion Project

To obtain environment clearance for the proposed enhancement in Lead-Zinc Ore production and beneficiation capacity beyond 4.8 Mtpa (i.e., expected up to 6.5 Mtpa) at Village Zawar.

#### Public Hearing Conducted on December 2021 –

According to the Environmental Impact Assessment Notification issued by the Ministry of Environment and Forests, Government of India, a public hearing was successfully conducted for the expansion of Zawar Group of underground Lead- Zinc Mines from 4.8 Mtpa to 6.5 Mtpa ore production. Around 1,200 people participated in the meeting, including public representative and community members from nearby villages, and suggested their valuable inputs over the project and gave support for the expansion project. All the COVID-related protocols were followed during the entire event.

### Green Field Zinc Smelting Plant at Gujarat Industrial Development Corporation (GIDC), Doswada

Hindustan Zinc proposed to set up a greenfield Zinc Smelting Plant with projected capacity of 1x0.35 Mtpa of Zinc Smelter, along with Fumer Plant, 2x90 MW of captive power plant, and 35 MW WHRB, at Gujarat Industrial Development Corporation (GIDC) Doswada, Taluka Songadh, District Tapi, Gujarat. The land area acquired for the proposed plant is 165.60 ha, which falls under GIDC industrial area. No Rehabilitation & Resettlement (R&R) was required for the project.

It is proposed to adopt the hydrometallurgical smelting process, which is a Roast, Leach and Electro-winning process technology. With an objective of zero waste to landfill, it is also proposed to instal a fumer plant along with leaching circuit.



The following principal objectives have been identified for the project –

- Adopting state-of-the-art, environment-friendly technology focussing on reduction of air, water & solid waste pollution
- Conserving natural resources like water and energy
- Waste reduction and recycling options
- Waste heat recovery with state-of-the-art proven technology
- Recovery of trace metals
- Value-added by-products
- Integrated effluent treatment plant for maintaining Zero effluent discharge
- Double Conversion Double Absorption (DCDA) process for SO<sub>2</sub> recovery
- State-of-the-art pollution control technologies like high-efficiency ESPs, flue gas desulphurisation and NOx control technologies

Community development programmes targeting sustainable livelihood management of the surrounding communities will also be undertaken. They will focus on key areas like education, health, sanitation, drinking water, agriculture, culture identity preservation, welfare of socially weaker sections and marginalised people. About ₹7.40 billion has been allocated for pollution control, treatment and monitoring systems for the proposed zinc smelter complex. Total project cost is about ₹50 billion. The expected employment generation from the proposed project is about 3,100 persons and 1,900 persons during construction and operation phase respectively. A detailed SIA report has been prepared and based on the need, ₹1.25 billion has been allocated for Enterprise Social Commitment (ESC).

The project proposal was reviewed by the Expert Appraisal Committee (EAC), Ministry of Environment, Forest & Climate Change (MoEF&CC), Govt. of India, on November 26, 2020 and December 30, 2020, and the Terms of Reference (ToRs) for undertaking the detailed Environment Impact Assessment (EIA) study were granted on December 22, 2020 and April 27, 2021, as per the EIA Notification 2006. The Environmental Impact Assessment was carried out for the proposed Zinc Smelter Complex as per ToR, and subsequently Hindustan Zinc approached the Gujarat State Pollution Control Board with the draft EIA Report to conduct public hearing/consultation (PH) as per procedure prescribed in EIA Notification 2006. Public hearing/consultation was held on July 5, 2021 by GPCB, where it was protested by faction of the villagers and subsequently PH was cancelled by GPCB.

The proposed proposal to set up a greenfield Zinc Smelting Plant is thus on hold for the time being. The proposal was in the initial stage, and public hearing/consultation (PH) was organised so that the concerns of the local affected persons, and others who have plausible stake in the social/environmental impacts of the project, may be ascertained with a view to take into account all the material concerns in the project design as appropriate, and final EIA report may be submitted to Ministry of Environment Forest & Climate Change (MoEF&CC) for further approval.

#### **National Green Tribunal (NGT) directed the Company under the Precautionary Principle to spend ₹0.25 billion towards community welfare programmes**

Hindustan Zinc is a law-abiding corporate citizen and will always uphold the law. The National Green Tribunal (NGT) appointed a seven-member committee of subject matter experts, and this committee submitted its report recommending plantation of trees worth ₹90 Mn, which Hindustan Zinc Limited is willing to comply with. However, NGT has directed that the Company, under the precautionary principle, should spend ₹250 Mn towards community welfare programmes under the aegis of a newly constituted committee. For us, our local communities have always been an integral part of all our social initiatives and will continue to be so. We are already preparing a blueprint for a ₹10 billion CSR plan, to be executed in the next 4 to 5 years, along with the local administration and stakeholders, for the socio-economic welfare of communities in all our areas of operations. While we continue with our social welfare work on ground, Hindustan Zinc has filed an appeal and NGT has accepted Company's review petition for allowing to spend the funds on its own, and directed to joint committee to submit the action taken report.



## SOCIAL

(GRI 102-1, 102-9, 102-41, 206-1, 204-1, 308-1, 402-1, 407-1, 408-1, 409-1, 410-1, 411-1, 412-1, 412-2),  
(UNGC Principle 5,10), (FIMI Principle 3,6,7)

# Social Performance

The long-term success of our business is closely tied with the interests of our stakeholders and the broader society. Our business can play an important role in catalysing the economic development and social well-being of host governments and communities, through job creation, provisioning of local goods and services, community investments, and payment of taxes and royalties.

We seek to, and maintain a strong social acceptance during all stages of all the mine lifecycle and a desire to retain our 'Social Licence to Operate'. Our Stakeholder Engagement Standard and Grievance Management Standard states our commitment to transparently engage with stakeholders, and to respect all cultures. Along with our CSR Policy, we commit to providing local employment and economic development opportunities along with capacity building. We are committed to a strong governance structure, including multi-stakeholder engagement and transparency around payments to governments, which increases accountability, promotes trust, creates mutual value, and reduces corruption.



## Materiality Issues

Material Issue	SDG Linkage
 <p><b>Human Rights</b></p>	  
 <p><b>Supply Chain</b></p>	  
 <p><b>Local Sourcing</b></p>	  

## Governance and Management

At the Board Level, we have two committees at Board level to provide oversight. The Sustainability & ESG Committee and CSR Committee, both are chaired by an independent director. It is tasked with oversight of overall ESG risks, and is primarily concerned with ensuring that the business retains its social licence to operate. The Board Committee is supported by the Executive Sustainability Committee at the Corporate level. It is chaired by Hindustan Zinc's CEO and includes multi-functional senior executives to oversee delivery of the programmes. The Executive Committee is tasked with ensuring that social risks are identified, and acted upon throughout the lifecycle of the project. The Committee is also meant to oversee the resolution of all grievances in a timely manner.

## Risk Management

Events that harm the health and safety of the community, and missed community expectations in areas such as local employment and socio-economic development, can impact our ability to maintain social acceptance. Our structured Environment & Social Impact Assessment (ESIA) system includes a hierarchy of guidelines and procedures to assess the full range of environmental & social risks, regulatory requirements and obligations. Our ESIA Standard requires each operating site to conduct an environment and social impact assessment at the beginning of the project, or during expansion/operational changes, which provides critical information about social baseline conditions and potential impacts of our business activities. These assessments include extensive input and review from the communities through a formal public consultation process. Findings from the studies are addressed through social management plans that aim to mitigate and minimise impacts while enhancing the benefits associated with mining activities. Other performance standards, including those that address human rights, indigenous peoples, land acquisition and resettlement, and cultural heritage,

establish the minimum requirements for managing our social risks and opportunities. Sites are regularly audited to ensure conformance to our standards, and to promote continuous improvement. This process is linked to our overall approach to managing risks, which is monitored at the enterprise level.

## In our operations

Hindustan Zinc has supported the United Nations Guiding Principles on Business and Human Rights and adopted the SA 8000 Standard. We have conducted a surveillance audit, and performed a systematic periodic review of the risk mapping of potential issues under the Vedanta Sustainability Framework, which has a detailed standard and guidance note (GN-12) for human rights compliance. The identified risks are discussed and reviewed by the leadership teams, and action plans are put in place to ensure adherence to our commitment to Human Rights. We identified the groups at risk of human rights issues, i.e., our employees, third-party employees, local communities, women, and children. We ensure that our operations are not complicit with the issues related to forced labour, human trafficking, child labour, freedom of association & collective bargaining, and discrimination, including with respect to migrant workers and third-party contracted labour. During the year, we extensively assessed our current readiness and compliance with human rights rules and policies across the Company.

## We conducted the assessment in respective locations for:

- Identifying the risk areas
- Formulating the mitigation plan for the highlighted areas

We used the Global Compact Self-Assessment Tool, developed by the Danish Institute for Human Rights, the Confederation of Danish Industries, the Ministry of Economic and Business Affairs and the Danish Investment Fund for Developing Countries. The tool assesses our performance against five key categories - Management, Human Rights, Labour, Environment and Anti-corruption.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%

As per our Human Rights assessment HZL has not caused nor contributed to any human rights violation, hence no remediation actions would be expected.

### In our supply chain

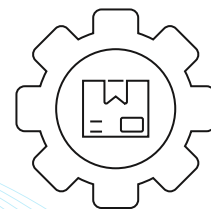
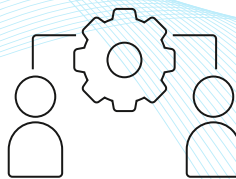
We conduct due diligence of our critical suppliers and new suppliers. We appointed a third-party for desktop and on-site risk mapping assessment of selected vendors. In the evaluation, 243 vendors were covered during the year, and we identified no such risks in our vendors. We conduct basic due diligence on suppliers in the pre-qualification process, including on human rights issues, before signing a contract. We track human rights compliance at every step, from document verification at registration to screening and inspections for vendors/suppliers. The identified risks during the due diligence process are addressed through corrective and preventive action plans.

### In new projects

Before the commencement of any greenfield projects, Environment & Social Impact Assessment (ESIA) studies are carried out by recognised and approved third parties to identify risks and based on that, a mitigation plan is prepared in the form of Environmental & Social Management Plan, which is an integral part of the ESIA document. All units are required to evaluate human rights aspects through social impact assessments.

### Social Performance Approach

Our Social Performance approach, aimed at securing and maintaining our Social Licence to Operate, is based on building trust through inclusive stakeholder engagement, proactive social impact management, and benefit sharing. We focus on four core social performance management areas that are essential for establishing and maintaining strong positive relationships: Engagement, Impacts, Feedback/Incidents, and Benefits.



Social Performance is driven by the following policies within the Vedanta Sustainability Framework:

- CSR Policy
- Human Rights
- Indigenous People & Vulnerable Tribal Group

It is further supported by standards and guidance notes such as:

- External Stakeholder Engagement
- Grievance Management
- Cultural Heritage
- Land & Resettlement Management
- Conducting ESIA's
- Security Management
- Indigenous People & Vulnerable Tribal Groups

These standards are benchmarked to the respective ICMM, IFC Performance Standards, and GRI guidelines/standards. All our businesses undergo an Environmental and Social Impact Assessment (ESIA) before beginning operations.

 [Click to read more on VSF](#)



## Stakeholder Relationship Management

Respecting the rights and customs of all stakeholders is key to respecting human rights in and around our concessions. We engage with a broad cross-section of community members and leadership, including traditional leaders, local and national government, women's groups, youth and people with disabilities and civil society, in and around our operational areas. Since mining activities can both negatively and positively impact the nearby communities, and social acceptance can evolve, we create plans to understand stakeholder views, and to minimise and mitigate our impacts. These are based on detailed annual stakeholder mapping processes, and are guided by our Stakeholder Engagement Management Standard, which is aligned with IFC Performance Standard. This helps us to establish a foundation of trust for building long-term, positive partnerships.

Our Sustainability and Stakeholder Engagement Standard states our commitment to the following guiding principles for earning social acceptance:

- Build relationships founded on respect for culture & values, and a commitment to each other's success
- Act with humility and a willingness to listen, and be committed to constructively and transparently resolving differences and conflicts
- Seek mutually beneficial outcomes in decision-making, such that we contribute to sustainable development

Key engagements were held with external and institutional stakeholders during the year, as we built relationships during a permitting process of greenfield Zinc Smelting Plant at Gujarat Industrial Development Corporation (GIDC). Meetings were held at Doswada, District Tapi, with stakeholders, including traditional and other leaders of the local community, as we sought to strengthen partnerships and communication around greenfield smelting plant establishment. Intensive stakeholder engagement with regional, municipal and traditional leadership at Doswada resulted in the preparation of an environment & social plan, which covers water & solid waste pollution; conserving natural resources like water and energy; waste reduction and recycling options, waste heat recovery technology, and implementation of community development programmes on key areas such as education, health, sanitation.

**9**

Number of sites

**Zawar Mines and Proposed project at Doswada**

Sites with development projects

**2**

Number of sites where consultation was undertaken



[Read more on pages 35 and 36 of the Environment Section of this report](#)

### Feedback and Grievances

Feedback mechanisms are integral to our operations and a critical part of our stakeholder engagement process. They help us map our impact on the communities and take steps to address them. All locations also have formal grievance mechanism cells, where external stakeholders can register their grievances. All grievances can be reported directly to the supervisor or Human Resources through a hotline (via telephone or electronically). If the case cannot be resolved, it is reported to the internal complaint committee for resolution, three months after the occurrence date.

### Break-up of Grievances and Incidents

The Company has an internal complaints committee to address issues with respect to human rights and other stakeholder grievances. In FY 2021-22, we continued to utilise an incident reporting system to ensure that we capture and respond to all stakeholder concerns, including community concerns, in addition to those raised through our usual feedback mechanisms. An incident is an occurrence where individuals or groups may cite real or perceived breaches of law or company policy, and/or real or perceived impacts on human rights, livelihoods, the rights of indigenous people and/or community health and safety. During the year, Hindustan Zinc reported no community incidents deemed significant on account of the actual or potential consequences associated with the event. Only one case of sexual harassment was reported by internal stakeholders, and the same was resolved, during this period.

#### Number of Complaints on the following made by employees and workers:

	FY 2022		FY 2021	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	1	0	4	0
Discrimination at Workplace	0	0	0	0
Child Labour	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0
Wages	0	0	0	0
Other Human Rights related issues	0	0	0	0

Stakeholder group from whom complaint is received	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
 <b>Communities</b>	<b>36</b>	<b>3</b>
 <b>Investors (other than shareholders)</b>	<b>0</b>	<b>0</b>
 <b>Shareholders</b>	<b>23</b>	<b>0</b>
 <b>Customers</b>	<b>46</b>	<b>0</b>
 <b>Value Chain Partners</b>	<b>0</b>	<b>0</b>

## Social Impact

# HUMAN RIGHTS

(GRI 102-41, 402-1, 406, 407-1, 408-1, 409-1, 410-1, 411-1 412-1, 412-2) (FIMI Principle 6,7) (UNGC Principle 2)



We are committed to upholding the fundamental rights of all people we engage with in our business. We respect human rights and strive to ensure that no site violates these rights. We ensure protection against human trafficking, slavery, forced labour, child labour, or threats to the freedom of association or collective bargaining at any location we operate. We support freedom of association to encourage our employees to discuss their issues at the unit and corporate levels with the union.

**We have a zero tolerance towards any form of forced or compulsory labour, child labour, freedom of association, slavery and human trafficking.**

### Human Rights Approach

Our Human Rights Policy describes our commitment to comply with all applicable local, state and national laws, to respect the human rights of our workforce, affected communities and all those people with whom we interact. Our policy aligns with the UN Guiding Principles on Business and Human Rights. We also expect our suppliers, contractors, and business partners to share this commitment, and put in place policies and processes that support and uphold respect for human rights.

[Click to read more about our Approach to Human Rights](#)

### Culture and Heritage Protection

We respect the culture, heritage and norms of the local communities of Rajasthan, where we operate. Our Cultural Heritage Standard, Indigenous Peoples Standard, and Human Rights Standard are designed to enable us to partner with our communities, including indigenous communities. These standards guide us in identifying, respecting, protecting, and preventing the unauthorised or undesired disturbance of cultural heritage assets by our business activities.



### Indigenous Communities

Although no indigenous people have been identified near our operating areas, we are committed to respecting the rights, interests, aspirations, culture, and natural resource-based livelihoods of indigenous peoples during all our operational stages, ranging from project design and development to operation. To protect the human rights of communities, we have established an online grievance mechanism, through the “Nirvana” Portal, and a Grievance Box has been placed outside the plant’s main gate for stakeholders to share their grievances in writing.

We are guided by the UN Declaration on the Rights of Indigenous Peoples and ILO Convention 169 on Indigenous and Tribal Peoples.

### Resettlement

Land is a critical resource for both our operational requirements and our communities, for whom it provides livelihoods and links of cultural significance, among other things. Mine expansion may require resettlement of households and livelihood restoration. Displacement and relocation in connection with our mining activities is a sensitive and complex challenge that we address consistent with international best practice. Our **Land Acquisition & Resettlement Standard**, in line with IFC Performance Standard 5, guides our approach for responsible land access and resettlements. Hindustan Zinc remains committed to avoiding resettlements wherever possible.

The Standard asks site teams to provide alternative homestead lands, homebuilding assistance, employment opportunities, and cash payments in lieu of employment. Vedanta’s teams regularly connect with community members, and district & state authorities, to resolve grievances, questions and concerns arising from future relocation of the families.

### Modern Slavery Act

Due to the nature of our operations, we rely on our employees, labour union and third-party workforce. We ensure that human rights misconduct does not occur at workplaces and across the value chain. All the Board members, executives and new employees affirm their adherence to the Code on an annual basis through e-module. We have instituted an Ethics Committee to orient and address the principles and standards contained in the Code. We expect our suppliers to align with the UK Modern Slavery Act, 2015, and to work with transparency in human rights practices.

We have employee grievance mechanisms, collective bargaining, and contract labour management cells at all our operations to address the human rights issues. We train and promote the workforce on identifying and reporting human rights issues through available platforms. Every unit has a Grievance Redressal Committee wherein any employee/worker can register their issues. Grievance boxes are available at conspicuous places where the person can post his/her issue, and the committee takes it up as per the procedure. The Company also has a Whistleblower Policy, and aims to protect the confidentiality and anonymity of the complainant to conduct an adequate review.

We ensure no discrimination between the employees and labour unions, with equal involvement in training, gatherings, function, and meetings. Violation of our Human Rights Policy will lead to disciplinary action, including and up to termination of employment or contracts, depending on severity.

### Collective Bargaining

We support our workers’ right to collective bargaining and have worker unions at all our operating locations. This helps us ensure transparency with, and trust of our

entire workforce. Collective bargaining agreements are negotiated and accepted by the management and union representatives. It includes remuneration, allowances, working conditions, incentives and bonuses, health and safety, human resources productivity, etc. We aim to ensure that compensation for workers meets or exceeds the legal requirements.

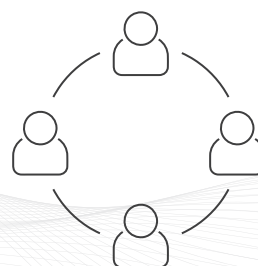
#### A Robust Portfolio of Committees

To enable employees to advocate for rights, the Company has set up several committees and entities across the organisation to decide upon issues such as production, productivity, welfare, transport, housing, etc. These forums are led at the unit and corporate levels.

There is also the Joint Consultant Committee (JCC), a unit-level apex body with an equal number of representatives from both the management and union. The committee meets quarterly to discuss issues related to production

and productivity, overtime reduction, safety initiatives, etc. Apart from JCC, there are other committees such as the Welfare Fund Committee, Housing Committee, Canteen Management Committee, Welfare Committee and Transport Committee, to discuss relevant issues.

Hindustan Zinc believes in empowering employees to protect their financial assets and make sound investments. Distribution of optimal gains is ensured by PF Trust, comprising equal representation of management and union members.



## SECURITY MANAGEMENT

A critical link to meeting our commitment on human rights is our security management. We continue to conduct human rights risk assessments for our security operations, and we ensure that relevant employees, including business partners, are trained in accordance with our human rights principles. We impose strict controls on the use of force, and minimise the use of armed security at our sites. Our contract security forces are expected to demonstrate strict adherence to our Human Rights Policy.

Our Corporate Security continues to provide implementation support to all sites with high risks of human rights and security. A combination of security and human rights reviews, armed guard deployment reviews, security risk assessment, and incident reporting and investigation are used for identification of potential security and human rights issues at Hindustan Zinc sites. Mandatory annual site security risk assessment and management requires our sites to identify risks linked to abuse of force, weapons, firearms, and potential human rights abuse.

**The results of security risk assessments help in the following:**

- Identifying sites at high and critical risk of security and human rights abuses
- Monitoring and supporting sites with control implementations
- Directing efforts and prioritising support

### INTERNAL PROCEDURES SUPPORTING OUR COMMITMENT ON HUMAN RIGHTS IN SECURITY MANAGEMENT

#### Policy on Human Rights aligned with UNGP

- covers Hindustan Zinc's commitment on identifying and managing human rights risk in its operations and outside the boundary

#### Procedure - Technical Standard TS 15 on

**Security Management** - ensures management of security risks to its personnel and physical assets

#### Technical Standard TS4 on Grievance

**Mechanisms** - provides direction and guidance to sites to have a complaints, disputes and grievance redressal mechanism system

#### Management Standard on Incident Reporting

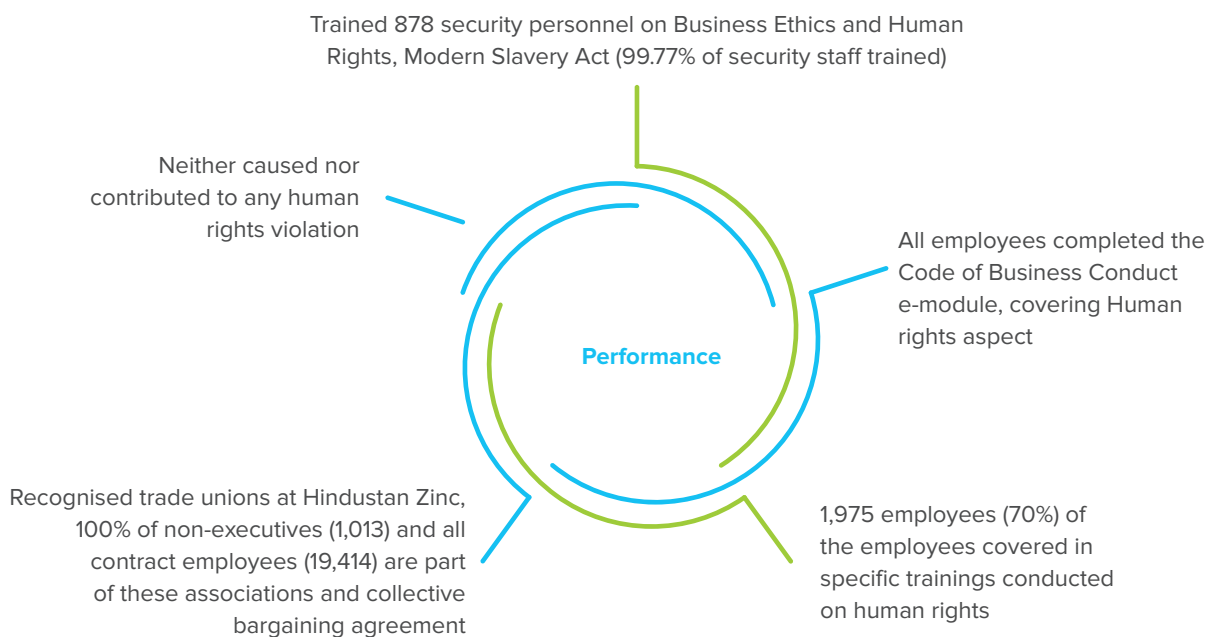
**and Investigation** - provides direction and guidance to sites and corporate security on dealing with security incident reporting and investigation



Our outsourcing of security personnel includes robust screening of personnel for past involvement in human rights violations and abuses of all private security providers, as well as Valid Private Security Agencies Regulation Act, 2005 (PSARA) Licence.

Security and human rights incidents continue to be reported through our incident reporting system, as well as a confidential, free, and independently operated bilingual whistleblowing service that allows employees, business partners, suppliers, community members and customers of Hindustan Zinc to report suspicious violations of the Company's policies and procedures (including human rights violations), to senior management. The Company holds frequent meetings with security personnel and other stakeholders.

Enhanced specialist human rights training is provided to our security staff, every year. We focus on ensuring that none of our operational procedures violate the human rights of any individual. Based on our curriculum and the module followed by all Hindustan Zinc units, we lay tremendous emphasis on human rights training of security personnel, working with private and professional security companies. Our security personnel are not typically armed, and we have not experienced any significant human rights abuses involving them.



## Benefit Sharing

# SUPPLIER DEVELOPMENT

(GRI 102-1, 102-9, 206-1, 204-1, 308-1), (UNGC Principle 5,10), (FIMI Principle 3)

### VISION

To create an efficient supply chain focussing on technology, innovation and collaboration. We empower our Business Partners to share responsibility for integrating sustainability and human rights by sustainably building their management systems and internal controls.

### Material Issue



**Ethics & Integrity**



**Carbon Footprint**



**Human Rights**



**Regulatory Compliances**

### OUR APPROACH

We are committed to maximising our business value through the adoption of innovative thinking and collaboration with our business partners. Collaboration, empowerment and engagement are the three main pillars of our Responsible Supply Chain strategy.



**Click to read more about our Supply Chain Management**

**Collaborate**

**Opportunities for:**

Digitalisation

Innovation

Cooperation and mutual growth

### KEY HIGHLIGHTS

#### CII DX award

In the category of 'Most Innovative Best Practice - Innovations in Supply Chain & Logistics' Integrated Transport Management System

**1,226**

Total business partner base

**54%**

Share of local procurement in total spend

**38%**

Business partners are local

**1,011**

Business partners assessed through Third-Party Audits (in past three years)

**243**

Business partners (100% Critical suppliers) assessed through third party during the year

#### Empower

At Hindustan Zinc, we focus on empowering and upskilling our business partners so they can help us in our important business aspects, and integrate sustainability and human rights into their system.

#### Engage

We believe in engaging with our business partners for knowledge acquisition and mutual development.

### GOVERNANCE STRUCTURE

Our supply chain community monitors and tracks all the compliances related to Responsible Sourcing for a Sustainable Supply Chain. The key activities of the community are updation of supply chain policy and categorisation of business partners in different tiers according to risk category. The community works to increase local procurement, raise awareness about sustainable practices among the stakeholders, and take initiatives to reduce the carbon footprint across the value chain. The community is responsible for commissioning advisories for steering groups to provide focus on creating a sustainable supply chain module.

### OUR STRATEGY

We are focussed on procuring from local business partners and committed to responsible sourcing guidelines to meet our sustainability goal of 100% responsible supply chain sourcing. Our critical partners are monitored and assessed based on ESG metrics. We ensure that our business partners comply with our suppliers' code of conduct, human rights, and labour rights policy.

## CODE OF CONDUCT FOR OUR BUSINESS PARTNERS

(GRI 102-1, 206-1) (UNGC Principle - 5, 10)

Our code of conduct for suppliers predominantly covers Labour and Human Rights; Health, Safety & Environmental Sustainability; Business Integrity; Unethical Practices; Grievance Redressal Mechanism; Climate Change; Legal Compliance; Zero Tolerance on Governance; and Insider Trading Prohibition. This code represents our commitment to internationally recognised standards, including the core conventions of the International Labour Organisation (ILO), the United Nations' Universal Declaration of Human Rights, and prevalent industry standards.

Our Supplier and Contractor Sustainability Management Policy helps us implement human rights practices across the supply chain. Through this code and policy, we ensure that our suppliers comply with all the relevant legislation, including labour and human rights. We ask them to make their sub-contractors and suppliers aware of our policies and its implications.

Total tier 1  
business partners

1,226

100%

Critical tier 1  
business partners

243

76%

■ Absolute number of business partners

■ Share of total procurement spent (%)

## INTEGRATION OF ESG OBJECTIVES

At Hindustan Zinc, we have introduced ESG consideration throughout our supply chain to improve our performance. ESG integration helps in assessing risk and opportunity for our business. We have performed business partner audits to identify the areas for improvement, or any alterations required to improve or upgrade the working conditions, environmentally responsible management, and ethical behaviour in our supply chain base and warehouses.

### ESG Objectives

- 100% responsible sourcing by 2025
- Increase local sourcing and procurement spend to 75% by 2025 for local economic development
- Aim to build the digital adoption capabilities of all business partners in digital procurement practices by 2023; It will help us connect digitally with our business partners and improve our environmental footprint across supply chain operations
- Provide human rights training to all the critical business partners and their employees to make them aware about human rights issues, compliances, and best practices
- Strengthen our supply chain under the risk assessment framework of all critical and new business partners
- Provide our business partners a platform, such as a grievance redressal mechanism, to share feedback with us regarding ESG risk and other aspects of business by 2022
- Introduce electric vehicles/vehicles with cleaner fuels in the supply chain by 2025

## KEY PERFORMANCE INDICATORS

To build a robust supply chain for our organisation, we have reviewed our Key Performance Indicators (KPIs) over the last five years, and redefined them as per future requirements.

KPI	Action Plan	Performance in Last 4 Years	Targets
Local Procurement Spend	<ul style="list-style-type: none"> <li>• Search for more opportunities to increase local procurement</li> <li>• Increase business with existing local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• FY 2018-19: 65%</li> <li>• FY 2019-20: 51%</li> <li>• FY 2020-21: 63%</li> <li>• FY 2021-22: 54%</li> </ul>	<ul style="list-style-type: none"> <li>• 75% of total procurement spend by 2025</li> </ul>
Supply Chain Due Diligence	<ul style="list-style-type: none"> <li>• Assessing suppliers on ESG criteria</li> <li>• Conduct third-party surveys for supplier feedback</li> </ul>	<ul style="list-style-type: none"> <li>• FY 2018-19: 0</li> <li>• FY 2019-20: 668</li> <li>• FY 2020-21: 100</li> <li>• FY 2021-22: 243</li> </ul>	<ul style="list-style-type: none"> <li>• 100% business partners by end of 2023</li> </ul>
Innovation and Automation	<ul style="list-style-type: none"> <li>• Adoption of digitalised processes in mining operations</li> <li>• Automation of inbound and outbound logistics – Project Sarathi</li> </ul>	<b>Turnaround time for concentrate in transit</b> <ul style="list-style-type: none"> <li>• FY 2018-19: 4.21</li> <li>• FY 2019-20: 3.39</li> <li>• FY 2020-21: 3.30</li> <li>• FY 2021-22: 3.34</li> </ul>	<ul style="list-style-type: none"> <li>• Sustained performance</li> </ul>



## RESPONSIBLE SOURCING

(GRI 102-9, 308-1)

We understand the need for supplier collaboration to address and meet our ambitious sustainability and responsible sourcing goals. To achieve our goals, we plan to develop responsible sourcing guidelines internally, and conduct a detailed assurance focussing on the identified red flag business partners and locations with the help of well-known consultant and social venture association. We will work on our risk management plans, which include a grievance mechanism. It will help us avoid and prevent all the identified risks in our supply chain sourcing.



## APPROACH FOR SELECTING BUSINESS PARTNERS

### 1. Business Partner Identification and Registration

Business partner onboarding is done through online searches, electronic marketplaces, or directly connecting with supply chain personnel. For registration, business partners are introduced to a 24x7 online platform of Post-Ariba Network. After registration, we brief the supply chain partners about our business model and structure, including all the financial statements, and all other applicable and required documentation.

### 2. Pre-Qualification (PQ) Form

We fill out the pre-qualification questionnaire from all our business partners and verify the evidence to ensure that they are on a level to meet or exceed our standards. Hindustan Zinc has clearly documented its ESG expectations for its value chain partners via an ESG Expectations Document, to ensure value chain partners' compliance against the same. The PQ form includes questions on ESG criteria to know potential business partners in the service and supply sector. Business partners who receive a minimum score of 75% are then chosen for the next step in the process. The entire procedure is digital and is verified critically.

### 3. Technical and Commercial Evaluation

In this step, we ensure that the business partners have uploaded all the required documents on the Ariba portal for verification, and are meeting technical and commercial qualifications to work with us.

### 4. Contract Award

We prefer online auctions for better price offer. It is also an option to award contracts with all financial transactions e-signed. The procedure is completely transparent, and contract is given considering potential of a business partner's capacity, code of conduct, financial strength, local procurement compliance, previous history etc.

### 5. Performance Linkage with Contract

The performance of our business partners is mapped against various compliances and ESG criteria, with vendor payments linked to statutory obligations, particularly those related to safety. To achieve optimum productivity and safety across all locations, we have implemented a discrete penalty/incentive system.

### 6. Business Partner Audits and Review

We interact at a leadership level, and also audit and analyse our business partners' performance at their locations to track and assess their progress in adopting sustainable principles. We also help them to overcome the identified risk by sharing expertise, technology transfer, and process innovations. We ensure that all vendors, service providers, and supervisors adhere to the Modern Slavery Act (MSA) in all their activities.

## BUSINESS PARTNER CLASSIFICATION

(GRI 102-9, 308-1)

We understand the need for supplier collaboration to address and meet our ambitious sustainability and responsible sourcing goals. To achieve our goals, we plan to develop responsible sourcing guidelines internally, and conduct a detailed assurance focussing on the identified red flag business partners and locations with the help of well-known consultant and social venture association. We will work on our risk management plans, which include a grievance mechanism. It will help us avoid and prevent all the identified risks in our supply chain sourcing.

### Tier 1 Business Partners

Hindustan Zinc defines Tier 1 business partners as business partners that directly supply goods or services, including intellectual property (IP) / patents, to the Company. These business partners constitute Hindustan Zinc's active business partner base, and their performance is monitored against a range of metrics which are clearly defined in their contracts, including quality and safety performance.

**Suppliers are classified as critical or non-Tier 1 based on the following dimensions:**

- Spend (value/volume)
- Critical business operation
- Sensitivity
- Substitutability

**Evaluation criteria for our business partners include:**

- Historical financial performance
- Management capability, including the ability to meet regulatory requirement
- Stability and scale of their business operations
- Quality of the product/service offered
- Ability to adhere to our supplier code of conduct - including HSE criteria, MSA (Modern Slavery Act) compliance, environmental compliance
- Adherence to timelines and continuity of delivery
- Capacity building around best industrial practices

We are committed to conducting business only with those business partners who can align with the Company's supply chain management strategy. It is mandatory for all our suppliers to sign our supplier code of conduct, committing to a safe and healthy working environment for their employees, and compliance with social and environmental regulations applicable in the respective regions. We ensure that while our suppliers help us meet our business objectives and targets, there is no compromise on quality or safety.

### Critical Tier 1 Business Partners

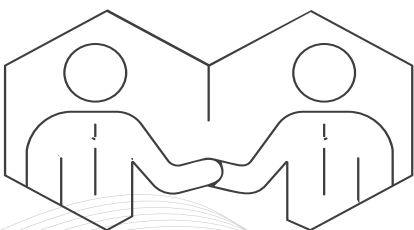
Critical suppliers include high-volume suppliers, suppliers of critical components, and non-substitutable suppliers. A critical business partner is one whose goods or services have significant impact upon our operations and/or sustainability, as well as a large footprint in one or more of our operations in terms of allocated personnel, equipment and resources, making replacement or substitution highly difficult without a detailed plan and a significant replacement process.

### Critical Non-Tier 1 Business Partners

Hindustan Zinc defines critical non-Tier 1 business partners as business partners that are considered critical, and provide their products and services to the Tier 1 business partner at the next level in the chain.

### High-risk Business Partners

- Tier 1 Suppliers located in, and/or sourcing from, CAHRAs; These are also known as 'red-flagged suppliers'
- Upstream suppliers of high-risk Tier 1 business partners in red-flagged supply chains
- Suppliers operating in a high-risk industry
- Suppliers identified as contributing to, or being associated with other ESG risks following the risks assessment



## SUPPLY CHAIN RISK ASSESSMENT

(FIMI Principle 3)

To ensure responsible sourcing of minerals, including when sourcing from CAHRA (Conflict-Affected and High-Risk Area), Hindustan Zinc has established effective internal management for due diligence to identify, assess and manage potential risks associated with our mineral supply chains. The internal management system includes Responsible Sourcing Policy, training for relevant employees on the Company's policies, system of control and transparency, business partners' engagement, grievance mechanism, monitoring, and evaluation.

Hindustan Zinc has defined a process to identify and report red flags, along with the outcome of the risk assessment to the senior management. Through this, Hindustan Zinc identifies potential red flags, triggering enhanced due diligence in its mineral supply chains. Where red flags are identified, we undertake enhanced due diligence to map the factual circumstances of the presence of risks, including serious human rights abuses; risks associated with the contracting of public or private security forces; direct or indirect support to non-state armed groups; money laundering; non-payment of taxes, fees, and royalties due to governments; bribery; and fraudulent misrepresentation of the origin of the materials.

Where risks are confirmed, Hindustan Zinc will design a risk management strategy consistent with the following strategies:

- Continuing trade or temporarily suspending trade while pursuing ongoing mitigation of the risk
- Immediately suspending trade or disengagement with the business partner where the Company identifies a reasonable risk of adverse impacts or actual adverse impacts that are deemed too severe (these include serious human rights abuses and support to non-state armed groups), or after failed attempts at mitigation within reasonable time scales (6 months)

A risk management plan will be developed by Hindustan Zinc in consultation with business partners and stakeholders, where applicable. The plan will be complete with mitigation actions, including clear performance objectives and qualitative and/or quantitative indicators, to measure and promote significant improvements within reasonable time scales.

When sourcing materials from a CAHRA, Hindustan Zinc may choose to utilise upstream assurance mechanisms to support part of its due diligence activities. We report annually to the public on the actions taken, and the outcome of the due diligence system. We also reports annually to the LME, as appropriate, to ensure compliance with the LME reporting requirements.

### CAHRA Determination Methodology

We have formulated a CAHRA determination methodology for Hindustan Zinc, as follows:

**1) TDi CAHRA Index:** The TDi CAHRA Index grades the likeliness that a country could meet the OECD definition of a CAHRA, as either high, moderate, or low.

It is based on the consolidation of 11 indices published by international institutions and civil society bodies, which measure the prevalence of conflict, corruption and governance weaknesses, and shortcomings in human rights and labour rights.

**2) The Dodd-Frank Act:** The Dodd-Frank Act covers a specific set of countries, which are the Democratic Republic of Congo (DRC) and its nine adjoining countries, namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

**3) The EU indicative and non-exhaustive list of CAHRA:** Hindustan Zinc adopts a regional approach. For this reason, where a country may be identified as high-risk by the EU CAHRA map, Hindustan Zinc checks whether regional data may be available, before triggering a CAHRA determination as a result of which we can confirm that we operate in a non-CAHRA area.

In collaboration with DTT and Rubix, the business partnership sustainability assessment is done for all the main business partners by monitoring the evidence that a potential partner meets or exceeds our standards. In monitoring and evaluation, if the results of a business partner's sustainability review on pre-defined parameters reveal a potential adverse impact, the vendor is declared a high-risk business partner. Hindustan Zinc provides support to such dealers and vendors by:

- Developing more effective management plans
- Providing training and sharing information
- Exploring co-creation opportunities as part of a healthy business relationship for corrective actions

In case a potential partner still fails to improve its sustainability standards, termination of the relationship is considered, as the last option.

## Approach used

**Desktop Report**

Based on discrete online research and other publicly available information

**Site Visit Report**

Sustainability questionnaire filled out to evaluate; Weightage given to the business partners in financial, managerial, sustainability parameters and compliance with laws and regulations



All factors are given due weightage. The overall risk is broken down into weightage of 70:30, of which 30 is assigned to sustainability factors.

# 1,226

Total business partners

# 1,011

Business partners assessed in the last three years

# 88

Number of business partners classified as high-risk

# 7%

Percentage of total business partners in category classified as high-risk

■ Numbers indicate Tier 1 business partners



## BUSINESS PARTNER ENGAGEMENT

(GRI 204-1)

We connect with our business partners regularly, as we believe that interacting with them and sharing knowledge leads to excellent business results, and helps in mutual prosperity and growth. We have a structured vendor engagement plan at all levels. To reduce our reliance on imported goods, we plan to collaborate with qualified local traders and vendors, or train and develop potential local vendors wherever required. We aim to minimise the potential impacts on stakeholders and the environment through focus on responsible supply chain management. We have conducted various business partner engagement programmes and initiatives to build a sustainable future.

To achieve our target of becoming carbon neutral, we have signed a Memorandum of Understanding (MoU) with global manufacturers, for sustainable mining and zero emissions. We plan to adopt battery-operated mining equipment and vehicles over the next few years.

We work with them on sustainability procedures, enabling them to make their operations more sustainable, and in line with our Code of Conduct as well as international standards.

- 25 suppliers, majorly from existing vendor base, developed for alternate sourcing and OEM to OPM conversion for spares, led to significant savings
- 8 new suppliers were identified for critical commodities for supply chain de-risking

### CEO and Supplier's Engagement on Sustainability Agenda

We conducted the session on April 6, 2021, with 200+ Business Partners of Hindustan Zinc, where our CEO addressed the business partners to sensitise them about the goals set by the Company.

#### Topic Discussed by CEO

- Importance of ESG in business
- Hindustan Zinc's Sustainability Goals, decarbonisation pathway, Sustainability Governance Structure, and key initiatives to achieve SDG goals
- Case studies of how small businesses can also take initiatives and be profitable
- ESG expectations from Business Partners
- Thoughts from Business Partners, where we received multiple responses



## BUSINESS PARTNER TRAINING

(GRI 102-9)

Enhancing and developing the skills of our business partners and contractors' staff is part of our strategic plan. We involve our contractors also in induction safety training, on-job safety training, safety town halls, and other awareness programmes.

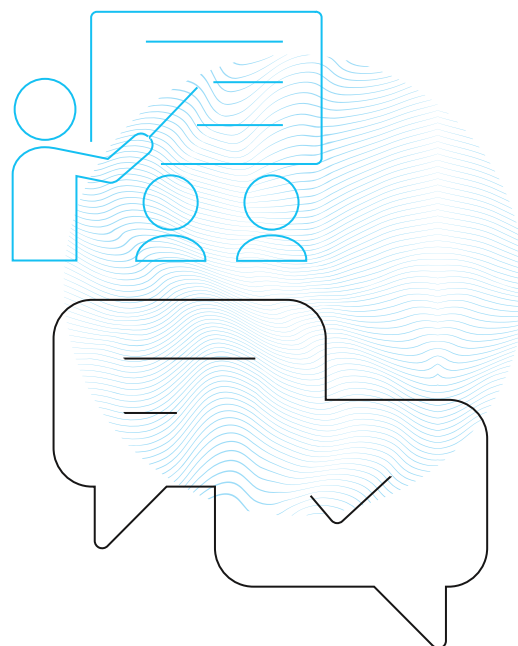
Our supply chain management is progressively strengthening its focus on digitalisation. We have realigned our monthly spending with the help of the SAP platform. Additionally, we now offer smart touchless purchase orders for annual rate contracts. We have implemented automated and strategic initiatives to reduce the Total Cost of Ownership. Our cost optimisation practices have improved over the long run as a result of these approaches.

We host sustainability awareness webinars to discuss the most recent developments in the field of sustainability. The primary audience for this visual training is employees, but it is also available to business partners, to foster their progress.

## BUSINESS PARTNER FEEDBACK

We follow a feedback system in our organisation to maintain a positive working relationship with our business partners. After getting their responses, the outcomes are analysed to understand the process and efficiency of our supply chain team and the gaps in their performance. Better practices are then implemented on the basis of this

understanding. The responses are mapped against industry benchmarks on parameters such as ease of doing business, satisfaction, advocacy, ROI, etc. The findings from this assignment help us in mutual value creation for business growth, through implementation of innovative business practices such as TCO and Vendor Managed Inventory (VMI) models, etc. We take suggestions from our business partners on aspects like safety, energy-efficient solution, digitisation, etc.



## LOCAL PROCUREMENT

To increase our local procurement spending and to promote sustainable sourcing, we actively engage with local business partners for procurement. In FY 2021-22, we engaged with 467 local business partners for local procurement. Rajasthan and Uttarakhand-based business partners account for 54% of the total money spent on the purchase.

Procurement	₹ Million	% Spend
Total procurement spend	112,340	100
Total procurement spend on suppliers belonging to same country	97,140	86.46
Total procurement spend on suppliers belonging to same state	64,260	54
Total procurement spent on suppliers belonging to same district	45,520	40.52

[Click to read more about our Responsible Production](#)



# COMMUNITIES

(GRI 201-1, 413-1, 413-2)



## VISION

To enhance the quality of life and economic well-being of the communities around our operations.

## KEY HIGHLIGHTS

**1.4 million**

Lives touched positively through social, environmental and economic outcomes, which is 2 times higher than the previous fiscal year

**₹1.90 billion**

CSR investments

➔ To know about our Awards and Accolades, refer to pages 33 and 137 of our Integrated Annual Report 2022

## Materiality Issues

Material Issue	Priority Area
 <b>Creating Grassroot Institutions</b>	
 <b>Enhancing Economic Well-being</b>	
 <b>Health and Safety</b>	
 <b>Promoting Education</b>	



## SDG Linkage



## Sustainability Goal 2025:

Positively impacting 1.0 million lives through social, economic and environmental outcomes

## OUR APPROACH - REACHING OUT TO THE GRASSROOT LEVEL

With proactive community engagement, Hindustan Zinc strengthens social performance through leadership connections and committees across locations. This approach is aimed at immediate identification and analysis of the risks, effective resolution of community grievances, and leadership engagement with the community. Our focus through CSR initiatives is on enhancing the local economy and improving the quality of life of the community. Sustainable community development is at the core of our CSR initiatives. We have accordingly aligned our initiatives to community needs, in tandem with the national priorities and the United Nation's Sustainable Development Goals. We partner with the Government, local communities and credible NGOs in the execution of our projects. Our CSR

policies and systems are framed and implemented in an efficient manner to ensure seamless deployment of resources for sustainable impact at the grassroots.

We continuously identify community needs through regular proactive meetings with the community representatives, Government officials and various engagements across platforms. FY 2021-22 focussed more on creating grassroots-level institutions that are owned and led by communities, resulting in the implementation of long-term impactful and sustainable CSR initiatives. We get third-party needs and impact assessments undertaken every three years to chart our roadmap for designing various community intervention programmes.

At Hindustan Zinc, our commitment to the society is driven by our inclusive growth strategy. Our Corporate Social Responsibility (CSR) framework is designed to put this commitment into action. We remain connected with the communities in the areas of our operations through a host

of engagement initiatives. These encompass diverse areas of development and progress across the most vulnerable groups of society. At Hindustan Zinc, the focus is to create strong replicable, frugal and scalable models for others including the government to emulate.

Our CSR outreach is not just about touching lives positively but also about having a lasting positive impact on people's lives, the communities, and the society at large. Our proactive CSR policies, systems and programmes, coupled with our dedicated teams, have been yielding positive results over the past several years. Hindustan Zinc has aligned itself with the CSR amendments 2021, including conduct of impact assessments for CSR programmes, mapping the programmes as Ongoing & One-time CSR interventions, and adhering to other such recommended compliances.

## GOVERNANCE

We believe that good governance sets the standard for business integrity. With transparency and accountability central to our governance approach, we have put in place robust systems/processes and multi-tiered platforms for reviews to ensure sustained quality and impact, high level of governance from across the organisational to the functional level, in cooperation with our implementation partners.

### HZL Level

#### CSR Board Subcommittee

- Approves CSR plan
- Reviews the CSR activities

*meets quarterly*

#### Executive Committee

- Approves CSR plan
- Reviews activities

*reviews quarterly*

#### Implementation & Monitoring Committee

- Approves specific project partners and budgets
- Review CSR programmes, processes and outcomes
- Monitors compliances

*meets quarterly*

### Vedanta Group Level

#### Group CSR ManCom

- Top level collective decision-making body
- Providing strategic vision and guidance

#### Governing Documents

- CSR Policy
- Technical Standard - 19 on community investment

#### Audit

- Vedanta Sustainability Assurance Programme
- Management Assurance Systems

### CSR Function Level

#### CSR Concurrent Auditors

- Operational audits
- Due diligence
- Quarterly certification, advice and clarifications

#### Project Steering Committees

- Comprises Hindustan Zinc CSR Team, Implementation Partners and subject experts
- Review and guide on-ground implementation

#### Project Advisory Committees

- Comprises external subject matter experts, representatives from Government, Hindustan Zinc CSR Team, Implementation Partners
- Provide direction and inputs on efficacy of the interventions



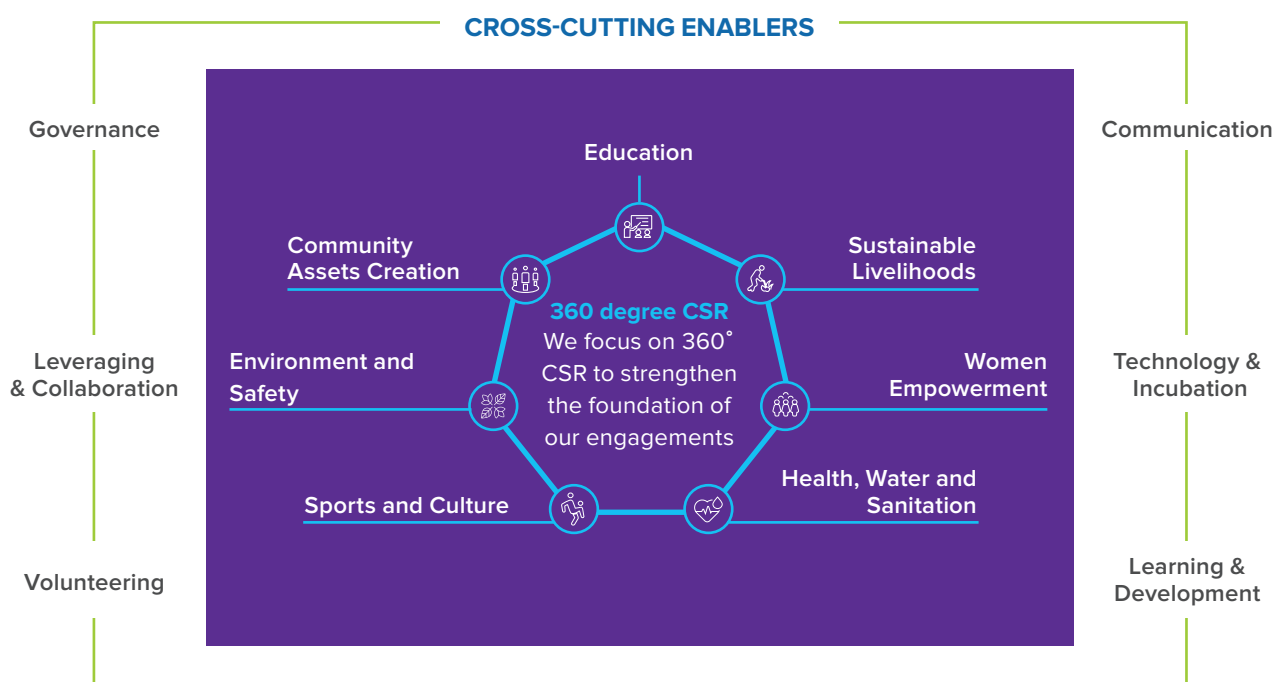
## STRATEGY

We have adopted a holistic approach towards social performance for strengthening our community connect, and thereby enhancing stakeholder engagement and ensuring an effective grievance redressal mechanism. Our CSR vision 2025 has been framed in alignment with our overarching mandate to be implemented in our operational areas in alignment with the UN SDGs and India's National Development Goals. The Vision identifies our focus on effective community development, which would not only support continuing smooth business operations but also address our business needs. In FY 2021-22, we reached out to more than 1.4 million people, through our CSR initiatives focussed on community development as well as continuous business operations.

All our flagship CSR projects are long-term and research-based, with defined measurable indicators and impact parameters. Project Advisory Committees, consisting of esteemed external experts on the relevant subject matter, provide guidance and innovative solutions to ensure excellent formulation and effective implementation of the projects. All flagship projects have Project Steering Committees (PSCs) that usually meet monthly/bi-monthly. The PSC is instrumental in ensuring implementation as per plan and efficacy of the interventions. It also helps in sustaining innovation, cross-learning and competitiveness. We have established strong grassroots level institutions in the form of Farmer Producer Organisations, Women Led Federations, and Anganwadi Management Committees that are formed, functioned and thereby owned by the community. This facilitates in enhancing empowerment and economic well-being, thus ensuring that business development and community development are interrelated.

At each Hindustan Zinc location, we have a well-structured Social Performance Steering Committee, through which all potential risks are reviewed, feedbacks & grievances are raised and to be discussed for the timely resolution of the same, thereby leading to reduction in the collective risk involved. We have in place a well-designed Social Performance System, with a holistic approach for strengthening the community connect, thereby enhancing stakeholder engagement and ensuring an effective grievance redressal mechanism. We have a strong proactive community connect in the form of leadership connect, and aligning with the community at different forums and communicating with them about the CSR initiatives. This enables a visible positive change in the organisational and community approach. Our CSR projects are executed with due diligence, accountability and transparency, which is ensured through a dedicated internal CSR auditor who audits the expenditure and programmes on a quarterly basis. Apart from quarterly internal audits, audits like VSAP and MAS from independent auditors are conducted annually, to ensure the integrity of the implementation process. In addition, the Company commissions a comprehensive baseline and impact study by a third party, at all its locations, once every three years.

Our CSR policy revolves around seven thematic areas, spanning 360-degree community engagement. The specific project priorities emerge through baseline studies conducted once every three years, backed by constant community engagement and consultations in the form of perception studies. Projects are designed to effectively address the developmental needs in identified villages.



Our CSR policies and SOPs constitute our core Governance & Guidance Document, which steers the implementation of our CSR strategy and programmes. Identification of stakeholders is a very critical and on-going process. We continuously engage with our stakeholders on proactive basis. Stakeholders are identified before initiation of the project, basis the geographical area in which we are operating, and through the baseline and need assessment that is undertaken. All the 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, positively or negatively, are considered as stakeholders. For any new proposed project or expansion, we map and engage with all such stakeholders on a proactive basis, particularly through our CSR activities.

Further, we have a stakeholder management process in place at all our locations. These third-party baseline, impact & need assessments eventually also become major platforms for community feedback and suggestions. We also have community leadership connect as well wherein senior management regularly on proactive basis interacts with the community to strengthen the stakeholder relationships. In addition, we have regular engagement platforms with the community to share about our CSR initiatives and encourage their participation in various programmes, such as programmatic reviews & meetings, Sakhi Utsav, farmers' meetings, meetings with Anganwadi committee members, and many more. The inputs from these engagements are incorporated in our projects if found proper, basis mutual consultation. We also regularly disseminate information regarding our CSR initiatives through media and social platforms.

At Hindustan Zinc, CSR activities are undertaken as per Annexure I, or any other activity specified in Schedule VII of the Companies Act. We have prioritised the Sustainable Development Goals (SDGs) basis our material issues as well as operational competency, and have designed Vision 2025 for our CSR programmes in alignment with relevant goals. The key areas of our CSR focus include Education; Sustainable Livelihoods; Women's Empowerment; Health,

Water & Sanitation; Sports & Culture; Environment & Safety; and Community Development including Community Assets Creation. The initiatives are targeted at improving the quality of life of the communities and building Company-community relations.

**Overall perception:** Wide consensus among community members on Hindustan Zinc's local presence leading to economic prosperity. The perception is mostly guided by high recall and visibility of livelihood interventions, namely 'Samadhan' and 'Sakhi'.

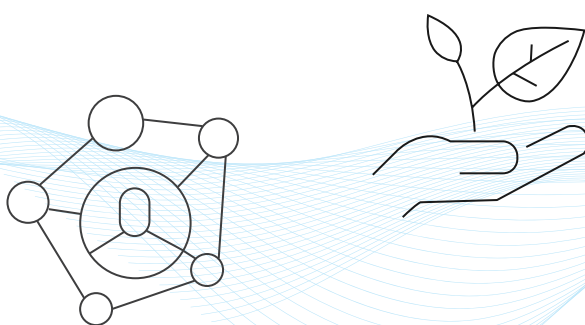
**Factors influencing perception:** Positive correlation between CSR programme intensity and the community perception as core villages reported more positive feedback when compared to peripheral villages.

**Perception among stakeholder categories:** Highly positive attitude reported by Hindustan Zinc employees, vendors, government stakeholders and media, especially in the areas of safety and security standards, conflict resolution, and quality of services delivered.

The CSR programmes, as part of the Company's Environment, Social & Governance (ESG) framework, ensure that we make responsible decisions based on community welfare, be it with regard to enhancement of essential skillsets, or providing education, nutrition, healthcare and facilities for the Hindustan Zinc's communities.

Category	Percentage of Total Costs
Charitable Donations*	0
Community Investments	100
Commercial Initiatives	0
Total	100

\*Hindustan Zinc does not make any charitable donations nor does it undertake any commercial initiatives, and the entire CSR expenditure is through community investments only.



## TARGET 2025

### Health



- Reduction in anaemia and respiratory diseases in the operational area
- 100% coverage of health services, promoting preventive and curative approach

### Livelihood



- 10,000 skilled youth
- 8,000 Sakhi(s) to be linked with measurable income-generating activities

### Water



- 50 villages to be water-sufficient

### Clean Energy and Environment Sustainability



- 33% green belt coverage in model villages

### Education and Sports



- 100% mainstreaming; Zero dropouts
- 100% functional literacy of SHGs
- 5 national sports champions

### Agriculture



- Increase in farmers' income by 2 times through sustainable farming
- 5 well-established Farmer Production Organisations

### Infrastructure



- 25 core villages to be developed as model villages

### Leverage



- 10% of spending to be leveraged from the government, communities and other stakeholders

■ Category ■ Aspirational Target



## THEMES PRIORITISED DURING THE YEAR

### Good Health & Well-being



#### Major Achievements

**0.89 million**

Beneficiaries reached across Hindustan Zinc's operational areas through Health, Water & Sanitation initiatives, & for COVID welfare initiatives in the Company's operational areas and beyond

**37%**

Of CSR investment focussed on Health, Water & Sanitation and COVID initiatives

#### Business Benefit KPI

Support to the community on the health front is of high priority and was particularly critical during the pandemic, as all our operations are within the community itself. It was important to make the community self-sustained and stronger during the COVID outbreak, as that enhances the organisation's goodwill too. Further, ensuring doorstep health facility was an imperative, since we work in remote areas to ensure health safety amongst the community and sufficient water availability, which is essential for ensuring Sustainable Livelihood practices.

#### Primary Alignment



#### Secondary Alignment



## Social / Environmental Benefit KPI

### Immediate support provided to the community during the COVID outbreak

	Initiatives	Coverage
Life and Livelihood	Water augmentation, water supply across Chittorgarh District, Lift irrigation, Water supply through RO/ATM & Drinking water supply tankers	0.147 million+
	350-bedded COVID Hospital set up by transforming a DAV school; also built a 100-bedded makeshift hospital and a bottling plant	Dariba Rajsamand
Oxygen and Beds	4 PSA Oxygen plants at Government Hospitals	1 each at Amethi, Varanasi and 2 at Bhilwara
	570 Oxygen concentrators	Rajasthan and Uttarakhand states
	13,861 Oxygen cylinders and 239.34 MT Liquid Oxygen	Rajasthan District Administration and MB Hospital
	Admissions to 6 zinc hospitals	0.194 million+
Vaccination and General Awareness	Supported 377 nearby villages with COVID-19 initiatives	0.42 million+
	2,621 OPDs, 9 health camps, 277 awareness camps conducted; 151 IEC sessions, support through rural health posts and 30 special events	0.14 million+

➤ For more details on our COVID intervention, refer to pages 136 to 137 of our Integrated Annual Report 2022

### Community Healthcare Services

During the year, we identified investment in Health & Water projects as a key priority area. Enormous efforts were made in these areas during the COVID outbreak, with three new **Mobile Health Vans** on-boarded, taking the total of eight – one at each of the Company's operational locations. Further, with water scarcity a major concern in Rajasthan, we undertook several water augmentation initiatives, along with sanitation projects, through our CSR programmes.

With our focus on preventive and curative measures, we ensured delivery of efficient doorstep healthcare services across 196 villages through our Swasthya Sewa Programme. The Swasthya Sewa project provides healthcare facilities through Mobile Health Vans, OPDs, special health camps, awareness sessions through IEC activities (Information, Education and Communication), and point-of-care tests and check-ups. Cases requiring institutional treatment are referred for further assistance.



**Special health camps** were also organised for people suffering from eye disorders, such as cataracts, poor vision, glaucoma night blindness, etc. At the special health camps at Chanderiya and Agucha, more than five specialities were addressed with MBBS doctors, viz., Orthopaedics, Dermatologists, Gynaecologists, Ophthalmologists and General Physicians.

We took concerted measures during the year to strengthen 11 government health institutions, such as District Hospitals, PHCs & CHCs through COVID interventions. During the pandemic times, we reached 377 villages, benefitting 0.4 million+ population through our COVID initiatives. As part of these initiatives, we provided an RTPCR machine at Chittorgarh District. We also provided 2,000 COVID & Medical kits and other medical equipment, such as oxymeter, nebuliser, etc., besides distributing 1,99,000 cloth masks, 3,000+ dry ration packets and 500 litres of sanitiser. We conducted a mass sanitisation drive and extended support for converting argon gas tank into oxygen tank.

Lastly, we believe WASH to be vital for ensuring proper community health, and accordingly initiated various awareness programmes on good health & hygiene, and provided proper washroom and drainage facilities.

#### Leveraging Technology for Healthcare

Led by our focus on **Telemedicine**, we introduced a very compact and mobile system named Critiview, to enhance various tests facilities, such as Foetus Health Check-up, Fetal Doppler, Skin Examination, Derma Scope, Dental Examination, Dental Camera, Ear Examination, Otoscope, Rapid Test Kits, Glucometer, HB Meter, Uric Acid Meter, and Diagnostic ECG. The telemedicine project is live at two locations of Hindustan Zinc - Agucha and Zawar.

Since the healthcare initiatives were implemented in remote areas, it was important to leverage technology to make the intervention smooth and reach the last mile. Hindustan Zinc, therefore, introduced telemedicine and signed an MoU with Rabindranath Tagore Medical College, Udaipur, with the objective to provide secondary level care to patients who are getting screened through our Medical Health Vans in the rural areas.

#### Community Healthcare Centres

Under the convergence model, Hindustan Zinc has provided support for **Cathlab to Rabindranath Tagore Medical College Udaipur** for cardiac abnormality detection and treatment. To extend health facilities to nearby communities, we set up six **Zinc hospitals**, catering to around 0.1 million beneficiaries from such communities in four districts of Rajasthan. Hindustan Zinc also supports a **homoeopathic and naturopathy centre** based in the Bhilwara district. This is an outpatient rural post, which benefited 20,000 patients in FY 2021-22.

#### Water and Agriculture

To strengthen our interventions in the area of **water availability**, with the objective of making our nearby villages water-sufficient, we have initiated several water Augmentation projects. These include repair or construction of water structures such as de-silting & bund strengthening of ponds, roof rainwater harvesting structures, Khadin construction, construction of check dams or farm ponds, as well as awareness on judicious usage of water. Assessment on "rainwater harvesting and water resource development" has been taken up across 57 villages at six locations, with an expected outcome to enhance water availability by 50.19 CuM (Lac). Three villages of Dariba, Rajsamand location, were identified for pilot intervention, and more than 72,000 CuM water storage capacity was increased in Sindesar Khurd, Makhnपुरिया & Anjana villages. As many as 28 water infrastructure strengthening projects were executed in 20 villages through construction of overhead tanks, open wells, canals and Panghat work. Potable water supply through RO/ATM continued to be supplied through 13 ROs & 39 ATMs, covering 52 villages and benefiting 30,000+ villagers. **Water supplied in 39 villages, yearly 2 lacs+ KL water supplied**

To promote the livelihood of local people, an **agriculture pilot intervention** was undertaken at Chanderiya with the installation of a Lift irrigation system in Anwalheda village, where 200 bighas of land was converted to irrigated agricultural land. Of this, 50 bighas of barren land was transformed to cultivable land for the first time.

Our interventions also benefited two cities - Udaipur and Chittorgarh, through provision of sewage treatment and water availability facilities, respectively.



## Quality Education



**17%**

Of our CSR investment was done for education

**0.2 million+**

Overall beneficiaries

Education is central to our focus on improving the quality of life and enhancing the economic well-being of the people in the communities around our operations. Education has always been a key driver of our efforts to bring long-term transformation in such communities. During the COVID times, we not only ensured the continuity of our education programmes but also ensured that they reached the last mile.

### Primary Alignment



### Secondary Alignment



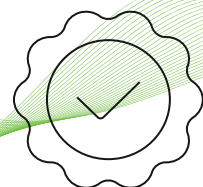
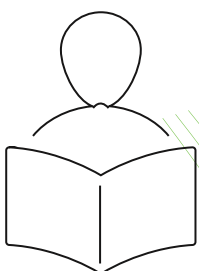
## FLAGSHIP PROGRAMMES FOR EDUCATION

### Khushi Nandghar Programme for Pre-school Education

**Objective:** To ensure proper pre-school education, strengthening the health & nutrition component amongst children below 6 years of age and their mothers as well as adolescent girls, strengthening the infrastructure, and enhancing community ownership.

### Main Activities

During the year, pre-school educational videos and teaching learning materials were provided to impart proper pre-school education. Health screening was undertaken for assessing the children below 6 years of age, while CMAM camps and counselling sessions were conducted for their parents to ensure that SAM/MAM children move to normal category. We also established kitchen gardens to ensure proper nutritious diet for mothers and their children. Infrastructure development was undertaken, in terms of constructing toilets and providing proper drinking, through community contribution or leveraging funds. We are also engaged in augmenting community ownership by establishing Anganwadi Monitoring Committees for the development of the Anganwadi Centres.



### Shiksha Sambal Programme

**Objective:** To enhance the learning outcomes of the students and to improve the learning environment in the schools by bringing labs and libraries to the classroom, organising reading Melas, and through other innovative ways to support the students in enhancing their learning.

#### Main Activities

In view of the pandemic, the focus was on ensuring continuity of education, by facilitating online classes and home visits by teachers. Students in higher grades – classes 9<sup>th</sup> to 12<sup>th</sup> – were been supported majorly on three SEM subjects. The programme reached out to more than 13,000 students through innovative practices for peer group learning and constructivism, by organising winter camps and events like Science-O-Mania, where employees from Hindustan Zinc supported students through practical and model making competitions. It is important that these students are provided additional learning materials and support, apart from regular classroom teaching, and hence, study materials and extra classes were arranged to supplement the regular classroom teaching.

In line with our long-term vision of sustainability, we initiated a pilot project in early intervention for students from class 6<sup>th</sup>, with the aim of enabling long-term association with these students. We believe this is important for improving their learning levels. As part of the project, continuous capacity building is being done of the additional teachers and also the Government subject teachers, to ensure their skill enhancement. Also, regular assessments are undertaken as Baseline & Endline tests to assess the learning levels of these students post our intervention.

To strengthen community ownership, regular home visits are being undertaken to spread awareness amongst the parents on the importance of education. Meetings are also organised with the District Education Officer and the Block Education Officer to enhance the visibility of the programme and to ensure that the respective authorities are part of the programme and continue to add value to it.

### Other Programmes on Quality Education

The **Unchi Udaan** programme is an initiative based on the Shiksha Sambal programme, through which the talented students who are interested in pursuing Engineering are selected through a stringent process and basis their merit. They are provided with means for IIT coaching, along with complete four years of schooling.

**Jeevan Tarang** is another beautiful intervention for making persons with disabilities educated and skilled, so as enable them to become contributing persons for their families. These students, along with their parents and teachers, are taught the Indian Sign Language to help them communicate smoothly and make them expressive.

**Programme for promoting higher education** - Students, especially girls, aspire for higher education in rural areas but often cannot pursue their dream due to lack of resources. Hindustan Zinc helps such talented students pursue higher education at the Vedanta P.G. Girls College by providing them with scholarships.

Considering the importance of infrastructure to the promotion of a favourable learning environment in schools, Hindustan Zinc constructs classrooms and prayer sheds, and also provides furniture, etc. to support these schools. Through the Hindustan Zinc schools, we provide education to rural as well as urban students across the operational areas of the Company.

➤ **For more details, refer to pages 126 to 128 of our Integrated Annual Report 2022**



## Decent Work & Economic Growth



# 10.73%

Of our CSR investment focusses on Sustainable Livelihood, including enhancing livelihood source of farmers through scientific training & livestock development, providing skill-based training to women, and providing them support through microfinance & engaging them in microenterprises, besides providing market led, skill-based training to youth

# 59,000+

Overall number of beneficiaries

### Primary Alignment



### Secondary Alignment



## FLAGSHIP PROGRAMMES

Under this theme, a vision of enhancing the local economy and enabling sustainable impact has created grassroot level institutions, such as Farmer Producer Organisations, Women Federations & Microenterprises, to support the communities in enhancing their livelihoods.

### Samadhan Programme

**Objective:** Ensure sustainable livelihoods for earmarked families through integrated farming systems and through livestock development in 179 villages.

#### Main Activities

5 Farmer Producer Companies have been incorporated under the Companies Act 2013, to develop a business value chain, promote commodities with potential, capacity building, SME and agriculture infrastructure development. Ensuring participation of at least 2 women farmers as Board members in each registered company.

5 FPOs have been formed across 4 districts and basis the demand, various production units will be established, two of such units established have been Dairy unit & Mineral Mixture unit.

Hindustan Zinc has also initiated establishment of a Centre of Excellence for Livestock Development. It is important to develop livestock as it is a major source of income generation for most of the farmers and rural families. Hindustan Zinc has thus undertaken large-scale artificial insemination through conventional as well as sorted semen that has a 90% chance of a female calf being born post-conception. The program has many innovative features, such as hi-tech vegetable farming, UHDP orchard, Trellis farming, low-tunnel farming, sorted semen AI, Goat AI for safety, and reflective bands tied across 1,000 animals.

We have forged a formal understanding with Maharana Pratap Agriculture University as our knowledge partners, to bring in their technical expertise. We have also entered a partnership with the State Bhilwara Dairy for promoting improved cattle breeds through sorted semen insemination across 20+ villages in the district of Bhilwara.

### Sakhi Programme

**Objective:** Flagship project for mobilising rural women into Self Help Groups (SHGs) and developing capacities around leadership, skill development, savings and entrepreneurship.

#### Main Activities

The programme has helped in the formalisation of 2,248 SHGs with 27,517 women members from across seven districts. Seven women-led Sustained Federations now have a legal entity. We support the SHGs in generating livelihood for rural women, while collective micro-enterprise development supports women in generating income, thus becoming independent and self-reliant.



Other significant impacts that were made through “Uthori” included creating awareness, channelising women networks within our villages in Rajasthan and Uttarakhand on women’s rights and Indian legal provisions, including action towards reduction of alcoholism in the villages. We have reached out to approximately 15,000 women from all our seven locations, with more than 800 training sessions and gender training to 100% SHG members. Intense training sessions are held on continual basis of women, enabling the creation of a skilled task force. This has ensured their engagement in several livelihood activities, and they are now earning and supporting not only themselves but also their families. We organised an entrepreneurial training programme organised in partnership with IIM & SCIFI, Lucknow. “Sakhi Utpadan Samiti” is a social enterprise under our “Sakhi” initiative, aimed at empowering rural women by providing them with a sustainable source of income. It has 11 micro enterprises, engaging 250+ women. These include the Chittorgarh Unit for spices and textile production, the Bhilwara Unit for textile and pulses production, Ajmer’s Pickle Unit, Dariba’s textile unit, Pavor Block & Textile unit in Debari in Rajasthan, and Rudrapur Textile Unit in Uttarakhand.

### Skill Development of Youth

**Objective:** To provide market-led, industry-oriented skill-based training to the youth of surrounding communities of Hindustan Zinc to empower them for gainful employment.

#### Main Activities

Our four skilling centres continue to impart training and placements through online platforms. We have imparted coaching for government competitive exams to rural youth at Dariba, Agucha and Chanderiya. Three new centres were initiated during the year, ensuring one skill training centre at each location. The centres provide market-linked skill-based training on various trades, such as General Duty Assistant, Unarmed Security Guard, Micro Finance Executive, Domestic Electrician, Data Entry Operator, Retail Sales Executive, BPO, etc. in 16 key trades as per market requirement. Major placement companies include Pantaloons, Airtel, Satya Microfinance Ltd, Muthoot Finance, Trends, Dominos, Lenskart, HDFC Bank, Maruti Suzuki etc.

Among other activities undertaken during the year were: motivational virtual leadership session by Hindustan Zinc CEO Mr. Arun Misra, celebration of important days - World Youth Skills Day, International Youth Day and National Youth Day, World Water Day etc., for mass awareness. For enhancing practical knowledge, exposure visits were organised for the trainees. We initiated the SEDI Newsletter and Coffee Table Book for strengthening the visibility of the project. In other initiatives:

- 80+ exposure visits were organised for the trainees, for enhancing practical knowledge
- Zinc Kaushal Kendra was awarded the ‘Indira Mahila Shakti Protsahan Avam Samman’ by Hon’ble Chief Minister of Rajasthan, Shri Ashok Gehlot
- We were felicitated by the Women & Child Development Department, Rajasthan Government, on International Women’s Day
- HZ-SEDI - Agucha was accorded appreciation by Additional District Collector, Bhilwara
- Zinc Kaushal Kendra was appreciated by PRI members and government officials
- Imparted coaching for government competitive exams to rural youth at Dariba, Agucha and Chanderiya
- Project work undertaken by students, such as preparation of sensor-based hand sanitisers etc.

➤ **For more details, refer to pages 129 to 131 of our Integrated Annual Report 2022**



## GRIEVANCE REDRESSAL

Hindustan Zinc follows the IFC standards & Vedanta Technical Standards (TS-04), which require well-structured grievance mechanisms to provide a structured way of receiving and resolving grievances. In line with its sustainability goals of establishing strong relationships with stakeholders, and adhering to the IFC, ICMM, OECD and UNEP Standards for responsible stewardship, the UN Global Compact (UNGC) Principles and the Vedanta Technical standards, Hindustan Zinc has set up a robust Grievance Redressal Mechanism. The mechanism is consistently evolving to adapt to the specific nature of the Company's business and the context of its operations.

With its proactive measures to ensure timely redressal and proper closure of community grievances, the Company has strengthened its Social Performance Committees across its locations. These Social Performance Committees consist of all the major department representatives, and have a regular meeting frequency to take up, discuss and appropriately address the grievances in a timely manner.

Regular community connect drives of the leadership team with multiple stakeholders are conducted in earmarked

villages. A pilot study on social performance is ongoing at Dariba, by consultant Triple R Alliance, and seven buckets have been identified along with job assignments. Through these Social Performance Steering Committees (SPSCs), social risks are identified and effective mitigation plans are drawn. Formal commitment registers are also maintained at the site. These committees provide a platform for the organisation to have strong connectivity with the communities and for the communities to have a sense of directly interacting with the leadership.

We also have an external grievance mechanism, through the "Nivaran" portal, which is accessible across the management. A Grievance Box has been placed outside the plants' main gates for stakeholders to share their grievances in writing, in the local language.

During FY 2021-22, 36 instances of community grievances or issues were recorded, of which 33 were resolved. All grievances are required to be resolved in a maximum of 15 days, failing which they are escalated to the senior management.

## EMPLOYEE VOLUNTEERISM



Through our virtual and physical platforms of volunteering, we conducted more than 118 events during the year, wherein 594 employees actively volunteered towards making a better society and contributing their skills and time

We strongly believe that providing employees with opportunities for CSR volunteerism and helping them stand on Vedanta values of 'giving back to the society to do more of what they love and care about' is the greatest driver of "Employee Volunteerism."

In FY 2021-22, Hindustan Zinc introduced a employee volunteerism strategy and made a transitional leap from simply engaging with employees to enabling some meaningful and skill-based volunteerism. Some major highlights of Employee Volunteerism during the year were:



## PROGRAMMES

### Science O Mania

It was held under Project Shiksha Sambal with the aim of promoting 'learning by doing'. Employees and external volunteers were onboarded for developing the project. Class 12 Science students of Shiksha Sambal schools and Hindustan Zinc employees came together and created working models as problem-solving projects, and also projects with go-to-market approach.

### Designing teaching and learning material for Anganwadi children

Employees of Hindustan Zinc came forward for designing creative and easy-to-grasp teaching and learning materials for the students of Anganwadi centres.

### External volunteering in our Shiksha Sambal educational initiative

During Winter Camps, personnel from across universities participated and supported in helping Govt. school children of Shiksha Sambal programme enhance their learnings, and also supported in providing practical exposure to these students.

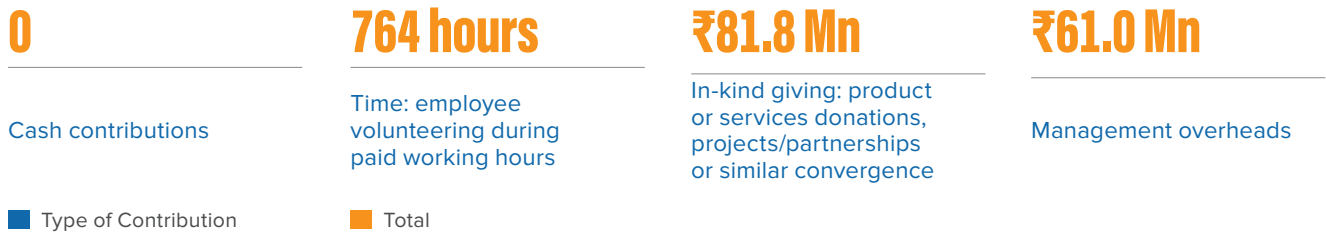
### Sessions on menstrual hygiene

Women Council members connected with Sakhi women & adolescent girls, and discussed good practices for menstrual hygiene and eradication of various taboos on the same.

### COVID-19 support to community

Employees and their families came forward and supported the community during the tough pandemic times by connecting with the community.

## Philanthropic Contributions



## COLLABORATIONS AND PARTNERSHIPS

### Education



Ministry of Women & Child Development – Government of India, Department of Women & Child Development – Government of Rajasthan, Care India, Seva Mandir, Jatan Sansthan, Gramin Evam Samajik Vikas Sanstha, Vidya Bhawan Society, Resonance, Noida Deaf Society, Vedanta PG Girls College Ringus, Muskaan Dream Creative Foundation, Shikshadaan Foundation, Badhir Bal Kalyan Vikas Samiti, Badhit Bal Vikas Samiti, Sumedha

### Women's Empowerment



Manjari Foundation, Centre for Study of Values

### Health, Water & Sanitation



Smile Foundation, Shri Subham Seva Sansthan, Deepak Foundation, Wockhardt Foundation

### Sustainable Livelihood



BAIF Institute of Sustainable Livelihood Development, Ambuja Cement Foundation, Vedanta Foundation & Tata Strive

### Community Asset Creation



Local Panchayats & Government

### Sports & Culture



The Football Link, Young Monk Communications Pvt. Ltd, Government of India.



# HEALTH AND SAFETY

(GRI 403-1, 403-2, 403-5, 403-9), (FIMI Principle 4)

At Hindustan Zinc, it is our constant endeavour to ensure that our operations and workplace remain free of fatalities, injuries and occupational diseases. Our focus on safety is not limited to our workers but also extends to our Business Partners and the communities around which we operate. With our mining operations being underground, we have identified various procedures that have a significant impact

on our workers and the environment. We understand that failure to ensure health and safety at workplace can cause serious consequences such as increased cost of litigation, reduced availability of manpower, reduced employee morale, or can even threaten the viability of our operations in worst-case scenarios.



## VISION

Achieving “Zero Harm” to people with a firm belief that all workplace injuries are preventable.

## KEY HIGHLIGHTS OF FY 2021-22

**Four**

Fatalities

**Zero**

Occupational illness cases

**0.81**

Lost-Time Injury Frequency Rate (LTIFR)

**0.54**

Manhours of safety training

**2.22**

Total Recordable Injury Frequency Rate (TRIFR)

## Materiality Issues

Material Issue	Priority Area	SDG Linkage	Sustainability Goals 2025
 <p>Health and Safety</p>		 	Zero Work related fatalities & 50% reduction in TRIFR

## GOVERNANCE

Safety is a core value and strategic priority for Hindustan Zinc. Our safety governance model mainly works on how the risks associated with health and safety are monitored and addressed, and thereby on how our safety performance is optimised.

All our sites are certified with ISO 45001: 2018 / OHSAS 18001 “Management System”, which is applicable to the Company’s entire operations/employees, as well as contractors or individuals under Hindustan Zinc’s supervision. Our **Health Safety & Environment Policy (HSE Policy)** provides an overview of our commitment towards enhancing our safety standards and processes to



minimise the health and safety risks across our operations. This policy is part of the Vedanta Sustainability Framework, which broadly covers occupational health and safety management. In addition, we have implemented the Management and Technical Standard at all our locations. These documents detail the accountabilities, mandatory controls and minimum requirements for managing work-related and community safety and health risks.

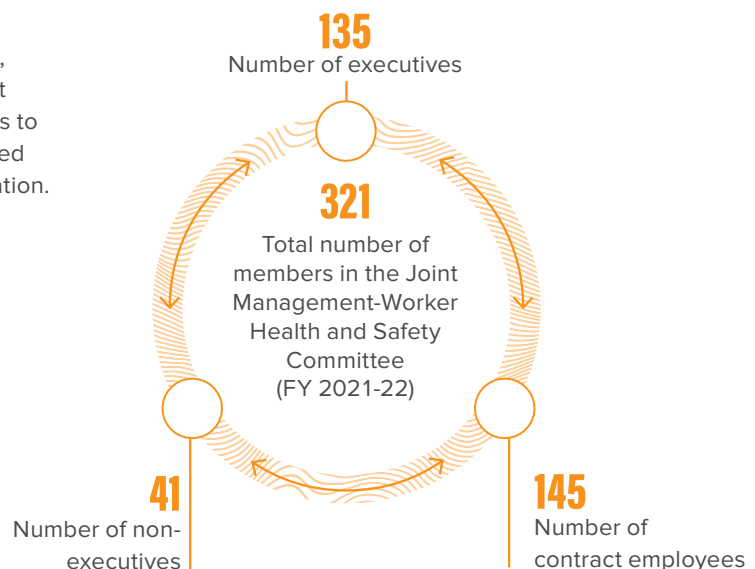
Our Safety Governance Structure consists of an apex body known as the **‘Corporate Occupational Health & Safety Council’** that steers the overall direction of the organisation’s Safety Management System. Its primary objectives are:

- Develop safety policy and committee charters
- Deploy resources efficiently
- Lay out the strategic safety roadmap for the organisation

The Council is led by our CEO, who is supported by the Chief HSE Officer acting as the secretary, with other senior leaders as members. All key decisions of health and safety are taken in the Corporate Occupational Health & Safety Council, along with ten corporate sub-committees and eight zonal apex committees. It is the responsibility of the safety sub-committees to identify and establish various systems, standards, rules and protocols, and to assist Hindustan Zinc in achieving its goal of Zero Harm.



Apart from these committees, we also have a **Joint Management-Worker Health and Safety Committee**, with equal representation from both the management and workers. The primary function of the committee is to monitor and implement all the health and safety related programmes and campaigns throughout the organisation.



## OUR OVERALL APPROACH TO HEALTH AND SAFETY IS BASED ON THREE PILLARS:

### Process Safety Management

Application of management controls to ensure process safety by conducting risk assessment {i.e., HAZOP study, PHA, Hazard identification & Risk Assessment (HIRA) etc.} for existing systems and implementation of recommendations of assessment

### Capacity Building

Several drives are undertaken across our units to create awareness on identification of high-risk activities like work at height, confined space, Lock Out Tag Out Try Out (LOTOTO) etc., and training on various safety & health standards

Our overall approach to health and safety is based on three pillars

### Safety Culture Transformation

An ongoing process of changing norms, assumptions and perceptions about safety, and not just policies, procedures, training, and equipment

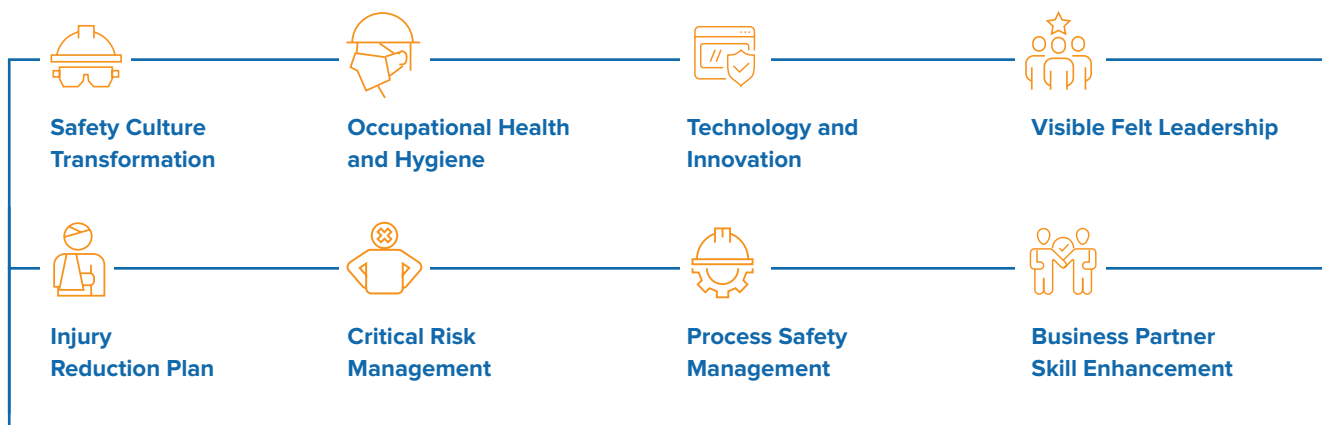
[Click to read more about our Health and Safety](#)



## OUR STRATEGY

Our strategy entails improvement in our operational safety, safety culture, skill enhancement, safety governance structure and asset optimisation, to achieve our commitment of 'Zero Harm' to our employees.

### Elements of Safety Management Systems



Our strategic plan aims to build a safety culture that translates into a fatality, injury and illness free workplace, with focus on following key drivers:

1. Fatality prevention

2. Visible felt leadership

3. Risk management

4. Emergency management and response

5. Health and hygiene

6. Business partners involvement in safety journey



## 1. Fatality Prevention

Our major focus is on eliminating fatalities in the workplace and ensuring Zero Harm. Our Fatality and Serious Injury Prevention Programme (FSIPP) Committee plays a vital role in driving our goal of Zero Harm. It has identified the top 10 fatality risks in mines and the top 10 fatality risks in smelters, and ensures the healthiness of all critical controls at all times.

## 2. Visible Felt Leadership

Our team believes in leading by example. In line with this philosophy, our 'Visible Felt Leadership' encapsulates the Management's actions in helping people across the hierarchy understand our high standards of safety. Our senior leaders regularly interact and engage with shop floor employees, and keenly observe their inputs based on conversations related to processes and safety. This helps our leaders, via "Felt leadership", to address the everyday challenges of employees, who are at the forefront of our business. Regularly addressing and participating in safety issues at the primary levels aids our leaders in observing safety activities and promoting injury prevention.

We have launched a Visible Felt Leadership (VFL) scorecard for our senior and top leaders, including our CEO, with the objective of assessing and enhancing their participation in securing our working culture. The scorecard measures the performance of our senior leadership on the following six aspects and reviews the same on a monthly basis at the Corporate Safety Council meeting, chaired by Hindustan Zinc's CEO:

- Safety Interaction
- Gemba Walk
- Employee Mass Communication
- One Safety Project in Each Quarter
- Monthly Safety Tests
- Personal HSE Action Plan

## 3. Risk Management

There is a formal process in place at Hindustan Zinc for hazard identification, risk assessment and control, to effectively manage workplace and safety hazards across the units. We follow the '5\*5' Risk Matrix for risk assessment, wherein risks are identified, categorised as per impact & probability, and mitigation plans are prepared. Training on identification and assessment of risk is imparted to our employees and Business Partners. Apart from this, we have techniques such as Hazard and Operability Study (HAZOP) and Process Hazard Analysis (PHA) to identify process risks and prepare the mitigation plan. The effectiveness of these techniques is measured through audits.

We have identified 28 high risks, and developed SOPs (Standard Operating Procedures) for all the effective mitigation of all the identified risks. Regular updates and follow-ups on implementation of these SOPs are

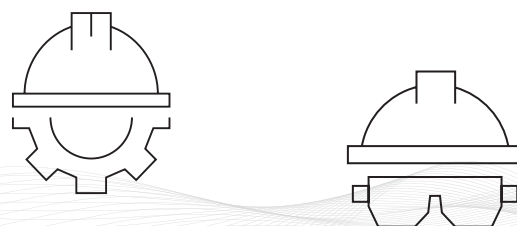
undertaken. All past incidents, near misses reported by employees, work area inspections, contractor field safety audits etc. are evaluated and analysed for their root cause. Once identified as a risk, these are added to our Hazard Identification register, and control measures are defined, implemented and monitored by the respective risk owners. We also identify barriers and the responsibility of managing these risks through barriers. Hazard identification and risk assessments are integral to all site processes for the purpose of identifying potential operational risks and the most appropriate hazard controls.

Training modules and master trainers have been developed for the implementation of the SOPs across the units. Each standard has been developed to highlight the necessary critical controls for adherence while performing high-risk activities, together with a set of checklists that must be assessed routinely to inform the management of the control effectiveness. We have digitalised 23 safety standards into e-modules, both in Hindi and English, for self-based learning. We have made these modules user-friendly by incorporating visuals and animation. During FY 2021-22, 0.54 manhours of organisation-wide safety training were imparted to employees and Business Partners.

Our internal audit system ensures effective implementation of the SOPs, safety & environment standards. First Party and Second Party EHS audits are conducted every six months and annually, respectively, at all the sites. This ensure that standards for high-risk activities are consistently and effectively implemented. All sites are also assessed yearly under the Vedanta Sustainability Assurance Programme. Regular risk barriers and control checks also make our system more robust towards mitigating the associated workplace risks.

## 4. Emergency Management and Response

All our sites have Emergency Response Plans (ERPs) that describe the preventive measures to be taken, and the procedures and actions to be followed in the event of an emergency. Emergency procedures are reviewed annually, and tested while conducting mock drills on a monthly basis at every business unit. For example, in facilities that have an "extreme" or "very high" consequence classification, mock drills are being conducted with district administration participants every six months.



## 5. Health and Hygiene

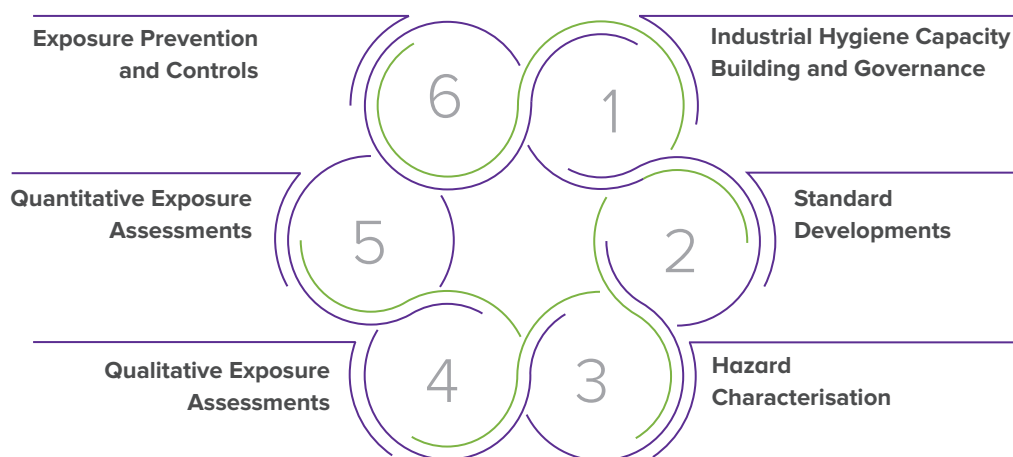
Occupational hygiene leads to safe and sustainable growth. Providing a safe working environment to every employee is an imperative at Hindustan Zinc. This includes prevention of all occupational diseases and facilitating a hygienic working environment. Promotion of a healthier lifestyle increases productivity, reduces absenteeism, and enhances retention. We involve hi-tech processes and conduct lifestyle management trainings while regularly monitoring and controlling exposure to hazardous substances.

Hindustan Zinc has developed and implemented occupational health and industrial hygiene standards. Exposure assessments have been conducted across sites, and a reduction plan have been developed to minimise the exposure level. The Company has established occupational health centres at all locations for regular health examination of both permanent and

contractual employees. Coordination of aspects such as patient registration, care, and discharge is managed by a central health management system. Additional health benefits, such as pre-employment medical check-ups and periodic medical check-ups, are conducted by on-site medical professionals who monitor the occupational exposure limits. Our Occupational Health Assessment plays a central role in on-site industrial hygiene for all our operational locations, and also extends to our Business Partners.

The Company partnered with a globally recognised industrial hygiene service company, M/s International Safety Systems Inc. (ISS), to develop a sustainable industrial hygiene programme. The programme was aimed at reducing the potential health risks by recognising, evaluating and controlling occupational health hazards and occupational exposures.

### The Journey Focussed on the Following Key Elements



An exposure assessment study has been completed across Hindustan Zinc, and we have continued the training and workshop programmes conducted in collaboration with ISS (India) Consultancy Services Private Limited. These programmes are aimed at empowering Hindustan Zinc professionals in industrial hygiene and occupational health through a targeted medical surveillance initiative that includes execution capabilities and behavioural skills.

Hindustan Zinc is committed to taking this journey to the next level by digitalising the entire process. The sustainable industrial hygiene programme being developed will go a long way in reducing the potential health risks at Hindustan Zinc.

## 6. Business Partners Involvement in Safety Journey

Our contractors and sub-contractors are included in our safety and health journey, and are fully aligned with our standards and procedures. We strengthened our contractor management systems by improving oversight and grading contractor companies according to their overall safety and health performance. EOHS pre-qualification criteria are included in procurement and contractual requirements at Hindustan Zinc. Along with the technical safety trainings provided to all employees, same training is being conducted for business partner and regular safety reviews in contractor work areas, considering the fact that contractors constitute more than 90% of our workforce.



## OUR SAFETY PERFORMANCE

Organisations with a positive safety culture always strive to improve their health and safety performance. We track both leading and lagging indicators to measure our safety performance.

The Incident Management Committee is responsible for overseeing and completing investigation of all instances of high potential incidents and process safety, including near miss, unsafe acts and conditions. The lessons learnt from such investigation are shared across locations.

Despite our best efforts, we are deeply saddened to report the fatal loss of four of our colleagues (Business Partners) in work-related incidents at our managed operations. These unfortunate incidents are a setback to our continuous efforts to eliminate fatalities and attain zero harm work environment. A thorough investigation was conducted to identify the causes of these incidents and to and to share and horizontally implement the key learnings across HZL, with the aim of preventing recurrence of such incidents.

### Lost Time Injury Frequency Rate

2021-22		<b>0.81</b>
2020-21		0.97
2019-20		1.38
2018-19		0.63
2017-18		0.27

Hindustan Zinc's overall LTIFR for FY 2021-22 marked a year-on-year decrease, to stand at 0.81, as compared to 0.98 in FY 2020-21. We remain committed to the further reduction of our LTIFR in the coming years. No cases of occupational health illness were reported during the year. During the year, 24,625 initial and periodical medical examinations were conducted.

### CASE STUDY

## Confined Space and Fire Rescue Training Centre at Rampura Agucha Mine

### Objective

To train the rescue team of Hindustan Zinc in Work at Height rescue technique.

### Methodology

A miniature model of underground resembling confined spaces was recreated at 10 metres height.

### Impact

This training facility is one combined rescue training gallery for fire-fighting in confined spaces and working at height techniques. It will help develop in-house rescue teams by training them on all-round aspects of rescue and recovery.

### Outcome

Rescue Head of Rampura Agucha mines has imparted training to 43 fire-fighting personnel from Rampura and Kayad mines in this facility. We are further planning to train personnel from other site locations too at this centre to become self-reliant on safety, thereby enabling reduction in costs.

### Alignment with SDGs



### CASE STUDY

## Emergency Escape Route at Rajpura Dariba Mine

### Objective

To fulfil the statutory requirement of an emergency escape route and to make movement smoother.

### Methodology

A unique 'Make in India' concept, with construction of the escape route (man pass) requiring minimum development as it was located near the production centre.

### Impact

- Stair ladder will reduce risk of conventional vertical ladder
- Movement of mass numbers of personnel became easier in case of emergency
- Resting platform provided at every 5 metres interval

- Minimal obstruction in the airflow as it is utilised in the ventilation circuit establishment
- Mitigation of the risk of exposure to uneven side walls

### Outcome

- Emergency outlet in case of emergencies from the bottom of Rajpura Dariba mine, i.e. 232 mRL
- New ladder concept reduces the time required to reach a safe point during emergency - from 20-30 minutes to 5-10 minutes

### Alignment with SDGs



# HUMAN CAPITAL MANAGEMENT

(GRI 102-8, 102-35, 102-36, 202-2, 401-1, 401-2, 401-3, 404-1, 405-1, 405-2, 414-1) (FIMI Principle 4), (UNGC Principle 2)



## VISION

To be the most admired employer brand where every employee feels engaged and developed in a high-performance environment and is our best brand ambassador.

## KEY HIGHLIGHTS OF FY 2021-22

**22,914**

Total Employees  
(Including Contract Employees)

**15.72%**

Diversity Ratio for Executives

**1,12,947**

Total training man hours Full-Time Equivalent (FTE)  
(Including WILP hours)

**99**

Six Sigma projects undertaken by graduate engineering trainees inducted

**₹7.18 billion**

Employee benefit expenses

## Materiality Issues

Material Issue	Priority Area
Human Capital Management	
Human Rights	
Talent Attraction and Retention	



## SDG Linkage



## Sustainability Goal 2025:

Inclusive and diverse workplace with 30% diversity

[Click to read more about our People Practices](#)

## OUR APPROACH

At Vedanta, the ESG journey has taken the next step towards structuring and enhancing the commitment to ESG Goals. In line with this, we have now been transitioned as an organisation with a motto of 'Transforming for Good'. It signifies the organisational policies and practices for the greater good of our planet earth. Our positioning is backed by three pillars – Transforming Communities, Transforming Planet, and Transforming Workplace. Transforming the Workplace is driven by promoting diversity, inclusivity and gender parity, to unleash employee's full potential.

At Hindustan Zinc, we hire people based on their competencies, capabilities and experience. We have always been a frontrunner in promoting Gender, Geographical, Cultural and Racial Diversity.

We understand that our employees are the greatest assets of our business. For achieving our current and future business objectives, we are sensitive to recruiting, nurturing and retaining the best talent. To encourage the overall development of employees, we undertake specific interventions on their behavioural, managerial and leadership aspects.

## GOVERNANCE

The **People Community** works with the key stakeholders to achieve the goal of employee diversity and talent retention in the organisation. Along with benchmarking, updating and reshaping organisational policies to support an equal opportunity culture, the community is responsible for developing a roadmap for diverse and inclusive workforce development.

## OUR STRATEGY

The new ways of working at Hindustan Zinc improve ease of doing business through agile decision-making, empowered mid-level management, a mutual culture of knowledge sharing between business units, harvesting synergies, and promoting a data-driven organisation with decision-making based on people analytics.

For building an inclusive and diverse culture at the workplace, and for the overall development of our employees including contract employees and our business partners, we have adopted the following strategies:

### PEOPLE



#### Diverse Workforce

Ensure diversity at workplace for high performance, and enable learning and development to enable a culture of continuous learning.

### PERFORMANCE



#### 360° Performance Review

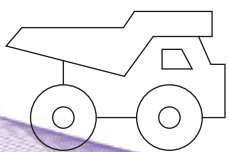
Implemented a robust performance management system to align employees and business goals.

### PROCESSES



#### New Technologies and Processes

Optimise HR processes and retain talent by using best-in-class technologies and promotion of health & well-being.



## HUMAN RESOURCE MANAGEMENT

(GRI 202-2, 401-1, 405-1, 414-1)

Diversity & Equal Opportunity, Talent Acquisition & Retention, and Learning & Development are the pillars of our Human Resource Management function. We are focussed on not just hiring the appropriate individuals but also on retaining talent and ensuring that the existing staff's capabilities are enhanced.

### Local Employment

We are committed to giving back to the society, which can be seen in our focus on recruiting local talent in every state we operate. This provides significant opportunities for strengthening our communities and promoting inclusive growth. In this process, we reduce cost, improve efficiencies, and increase diversity and inclusion across the organisation.

### New hires in FY 2021-22 (by location)

	<30 Years		30-50 Years		>50 Years	
	Local	Non-Local	Local	Non-Local	Local	Non-Local
Male	98	163	09	47	01	10
Female	66	55	00	03	00	00

### New hires in FY 2021-22 (by gender)



**31.15%**

of Senior Management are local

**38.50%**

of New Hires (Executive) during the year are local

**27.4%**

Women as a percentage of hires

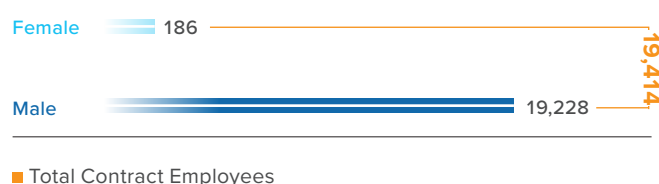
**₹ 1,17,902.8**

Average hiring cost for FY 2021-22

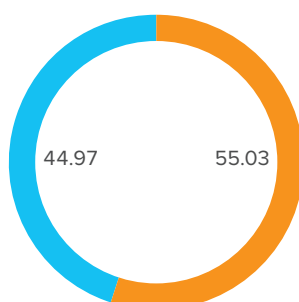
### Total Full Time Employees



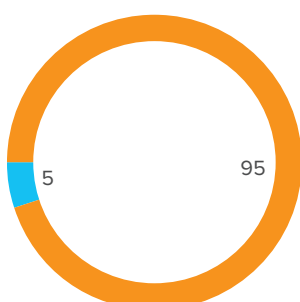
### Contract Employees



### Full-time Employees (%)



### Contract Employees (%)



■ Local\* ■ Others from India

\*Most of the operating units are based at Rajasthan and we consider all Rajasthan based as local.



## People Analytics

It is essential for businesses to effectively manage a workforce that includes both internal and external stakeholders (i.e., not just employees but also contractors, professional service providers, and others). In line with our strategic goals and consistent with our values, we utilise strategic workforce planning to plan a successful skills transformation of the workforce, to support business strategy and changes in the way of working. To identify and map the changing skill requirements, Hindustan Zinc increasingly uses analytical techniques with the aim of creating an organisation of the future.

It is also important that this is done with the intent of leveraging our long-standing values of MIP, Quality, ESG and Excellence, while also committing to our practice of always putting our people first. That is our broad vision for using people analytics. Broadly, the total ambit of people analytics is structured around:

1. Strategic Workforce Planning.
2. Identifying Current Workplace Skill Gaps
3. Identifying Flight Risks to Improve Retention
4. Organisational Network Analysis
5. Measure Employee Performance

We have partnered with industry experts, and conducted various long-range assessments and development interventions to ensure we have the right management.

Our leaders are fully capable of making quick and effective decisions, driving best-in-class Health, Safety and Environment (HSE) practices, steering cost-effective measures, raising the bar in innovation and technology, increasing business efficiency, promoting capability building, building sustainable business excellence processes, and achieving the overall business growth plan.

We use the globally recognised Kirk Patrick model for evaluating the efficacy of training and learning programmes within the organisation. It assesses formal and informal training methods, and rates them against four levels of criteria: Reaction, Learning, Behaviour and Results. In addition, we use dashboards on headcounts and employee engagement for future projections. Through this analysis, we gauge employee engagement trends and the effectiveness of programmes. The results of the data models help institutionalise and modify HR strategy, thereby improving employee productivity and retention. Our analysis allows us to project the required skill-sets and human resources aligned with our business vision.

### Aligned to Business Needs and Outcomes

- **Strategic Workforce Planning:** Our model of strategic workforce planning is based on having the right people and the right skills, being at the right place at the right time, and having the right costs.



- **Identifying Current Workplace Skill Gaps:** To, proactively anticipate current and future hiring needs based on the business growth projections, we use analytics to identify the future skills required in the Company up to 2030, by analysing - what are the business objectives, which technologies are going to be required to be implemented within the Company, skills gaps of the current workforce, future competency and, diversity.
- **Identifying Flight Risks to Improve Retention:** We use analytics based on metrics to periodically review the attrition situation, especially for certain business-critical roles. The analysis includes sources like recruitment data, tenure, promotion history, performance, role, salary, location, job role, and more.
- **Organisational Network Analysis:** We leverage Microsoft Teams, as well as a robust job setting process, to appropriately align our teams with functional clarity and robust role definitions. Furthermore, we structure the organisational network analysis to analyse potential bottom-line benefits, increase operational effectiveness, transform the organisation, and use talent more effectively.
- **Measure Employee Performance:** Employee performance is analysed through various digital platforms, in which we are supported by PMO (Project Management) Partners, such as Deloitte and Korn Ferry, as well as Digital Partners (Synergita and Darwinbox). We have an annual appraisal cycle to manage this, and ratings are judged based on appropriate achievement of pre-defined KPIs.

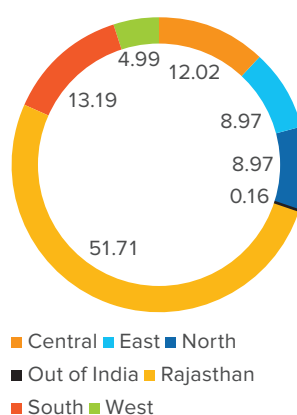
## DIVERSITY AND INCLUSION

At Hindustan Zinc, we recognise the value of a diverse workforce. We are committed to providing equal opportunities in employment, and creating an inclusive workplace and work culture, besides treating all the employees with respect, care, fairness, sensitivity and dignity. Workforce diversity is a business imperative at our organisation, and we strive to ensure that our workforce is representative of all sections of the society. We believe that, by doing so, we would be equipped to deliver better business results. We are spearheading our target of maintaining 30% diversity among all Executive and Management Committees, providing equal opportunities to all. Currently, women constitute 15.7% of the strength in the Executive cadre.

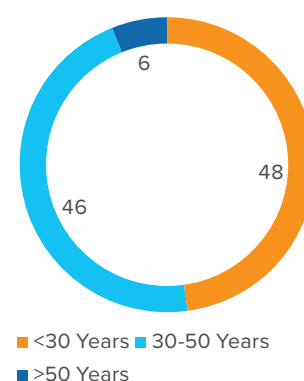
Our organisation has proactively initiated steps towards inclusion for all dimensions of diversity, irrespective of gender, sexual orientation, gender identity, physical orientation, region, ethnicity, marital status, etc. We abided by the United Nation Global Compact (UNGC) principles.

Women Executives in Workforce	FY 2020-21	FY 2021-22
Representation in total workforce (full-time employees)	10.78%	11.77%
Females in all management positions, including junior, middle and senior management (as % of total management workforce)	14.68%	15.72%
Joining at entry levels	22.40%	32.49%
In junior management positions (M7, M8, M9)	18.41%	26.71%
In top management positions	9.46%	7.63%
Females in management positions in revenue-generating functions	9.96% in O&M	11.35% in O&M
	33.08% in enabling functions	32.49% in enabling functions
Share of women in STEM-related positions (as % of total STEM positions)	11.8%	11.35%

Regional Diversity (%) Executive



Age Diversity (%) Executive



## Full Time Employees

Total Indian	Total International
 <b>3,084</b> Male	 <b>412</b> Female
 <b>4*</b> Male	 <b>Nil</b> Female

\*Nepal-1, Africa-1, Australia-2



## CHALLENGING THE STATUS QUO

### Promoting gender diversity through focussed project

Acknowledging the need for diversity, right from the Board level, the Company decided to raise the bar of such diversity through a cohesive project. The project was initiated by creating a focussed vision, strategy, roadmap and implementation plan through brainstorming and creativity with the leadership team. The ownership of this programme starts from the leadership team and cascades down to the shop floor.

#### Key highlights of the project

1. The organisation focussed on workforce composition as the first step. The 'Inclusion Lens' included Gender, Regional, Educational, Physical Ability, Age, Ethnicity and Communities.
2. A roadmap was evolved and it included the declaration of the Company's **Equal Employment Opportunity Policy and the Diversity Policy**.
3. The Company revamped its recruitment strategy, anchored gender diversity, focussed on age diversity, ensured educational heterogeneity, encouraged regional and cultural diversity, focussed on diversity in business partners, and included expats in the workforce.
4. To ensure women's safety, including in the night shift, a structured and proactive approach was adopted, with the Company first taking consent for night shift for women employees from the statutory authority. We have a dedicated transportation facility for women and provide training on POSH policy to employees and business partner workforce. Self-defence training and safety kits were provided to women. An SOS App and more steps are being put in place to aid the process. The night shifts have been successfully initiated at Dariba and Chanderia smelters.

#### Benefits

- Multi-fold message disseminated, both internally and externally
- Endorsing Hindustan Zinc's commitment to being a progressive, safe and inclusive organisation, where women challenge the status quo, and employees foster inclusiveness



## ANTI-HARASSMENT POLICY

We aim to create and maintain a work environment in which people are treated with dignity, decency and respect, an environment characterised by mutual trust and the absence of intimidation, oppression and exploitation, free of discrimination or harassment of any kind. Through the implementation of this policy, and by educating, mentoring and guiding our employees, we seek to prevent, correct, and discipline behaviour that violates this policy. All employees, regardless of their positions, are covered by, and are expected to comply with this policy, and to take appropriate measures to ensure that prohibited conduct does not occur.

## PROVIDING EQUAL EMPLOYMENT OPPORTUNITIES

### Building an LGBTQ+ inclusive approach

We are committed to providing equal employment opportunities without discrimination based on sexual orientation (Lesbian, Gay, Bisexual and Queer) and gender identity. While we endeavour to be inclusive of LGBTQ+ people, we feel it is essential that non-discrimination and anti-harassment policies at our workplace include gender-neutral language, explicitly addressing sexual orientation and gender identity or expression.

#### Key highlights

- We have formulated a well-articulated Diversity & Inclusion and LGBTQ Policy
- We have partnered with The Humsafar Trust, a pioneer organisation in India dedicated to counselling, advocacy and health care for LGBTQ communities
- We initiated an awareness and sensitisation drive for all employees across the organisation during FY 2021-22 through the partnership
- We have trained more than 100 managers through virtual sessions as part of the sensitisation drive for the HR Team and HZL ExCo leadership team; Training included awareness of the difference between gender and sex, gender identity, the usage of correct pronouns, rights and reformation of laws for LGBTQ employees
- We have planned physical training sessions, going forward

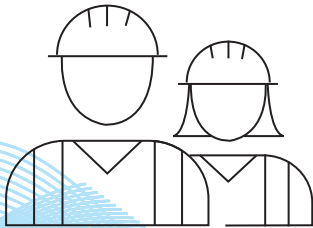
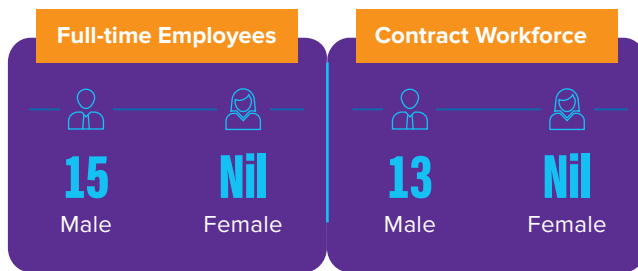
### Promoting Special Ability/Differently Abled

Our Company recognises the value of a diverse workforce. We are committed to provide equal opportunities in employment, and create an inclusive workplace and work culture in which all employees are treated with respect and dignity. The Company proactively works towards ensuring that its workforce comprises people with disability, subject to applicable regulations, qualifications and merit of the individual. This Equal Opportunity Policy is in accordance with the provisions of The Rights of Persons with Disabilities Act, 2016.

**Inclusive infrastructure facilities are available at our premises. Few of them are:**

1. Elevators with Braille inscribed for persons with visual impairment
2. Ramp for mobility impaired persons with disability
3. Touchless entry for persons with disability
4. Text-to-speech software for visually impaired
5. Training on Indian Sign Language for employees to assist them in communication with deaf and mute

#### Differently Abled Employees and Workers



#### WOMEN IN MINING

**Hindustan Zinc has the first women mining engineers in India who obtained the 'First Class Mine Manager' certificate of competency to work in underground mines, and they have taken up leadership roles.**

The government has lifted the ban on women entering mines in order to assist and encourage women mining engineers and geologists to work underground. Apart from bringing change in a male-dominated industry, this also aids in the advancement of female professionals. It provides a new route for interested engineers to study the business and put their theoretical skills to test in underground mining conditions. Interested and qualified engineers/geologists at select locations undergo special training and then go underground with necessary safety clearances. There are currently 52 women professionals in the mining function, including exploration, geophysics and geo-technology.

#### Night Shift Deployment of Women

Hindustan Zinc is committed to providing a safe and congenial work environment to all its employees, especially women professionals. With the objective of equal work opportunities and equality in the workplace. Hindustan Zinc commenced the night shift for women at its smelters. Women are deployed in all three shifts, and before doing this, a detailed plan was chalked out with factory officials, the HR team and the Administration. We have abided by the statutory requirements for the deployment of women in the night shift.



### Women's Council

This is a platform to empower women to engage, collaborate, unleash potential, and develop future leaders among the women employees. Women councils are formed at each Strategic Business Unit (SBU) comprising six members; each member is being coached by SBU executive committee member. These women councils drive various initiatives, such as self-defence training, hygiene and sanitation drive, safety among workers, and knowledge-sharing sessions.

### Diversity Mentoring Programme

The programme is aimed at mentoring and supporting female professionals in their overall development, while also preparing them to be future leaders and to handle obstacles head-on when they begin their careers.

**The programme's main goal is to create a talent pipeline of female leaders by:**

- Higher retention and building coping mechanisms for organisational change
- Identifying and encouraging high potential women professionals to grow in their careers
- Enabling self-development and cross-functional learning; In the first phase, we have identified 168 women professionals at levels from M7 to M5, and they are being mentored by 108 senior leaders in the organisation

To safeguard and promote diversity as a value, within the Group and in all relationships with respect to relevant stakeholders, we practice a policy of no discrimination in recruitment, location, promotion, or any matter related to employment, and pro-actively remove any barriers to equal opportunity.

### She Leads: A Dedicated Programme for Coaching Women Professionals

The She Leads programme has been designed with the objective to motivate women to stay in the game and realise their leadership potential. While the global pandemic has posed severe challenges for everyone, it has been particularly difficult for women across all socio-economic strata. Various studies have shown that the situation has been significantly more stressful and challenging for women than it has been for men, whether it relates to keeping a job, juggling work with a vast increase in household duties, or dealing with antagonism all around. We believe that women need specific life skills and personalised support to

surmount the challenges and the resultant stressors of living and working confronting them today.

At Hindustan Zinc, we have covered eight women professionals from mid to senior management level in this intervention.

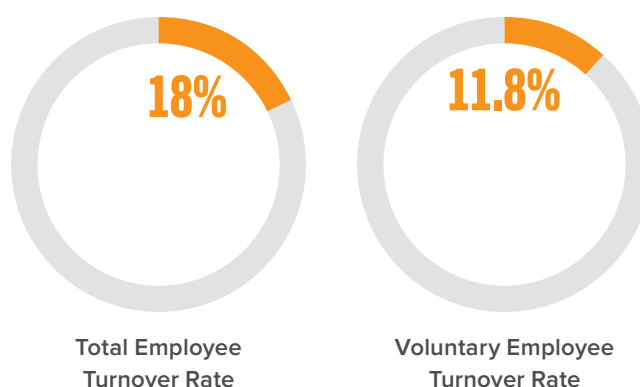
### TALENT ACQUISITION AND RETENTION

(GRI 401-1, 401-2, 401-3, 414-1)

Ongoing career and skills development through training and education is critical to ensuring that we have the right people with the necessary skills to deliver on our business strategy. We are making concerted efforts to guarantee that employees receive the appropriate interventions to support their holistic development, and that manpower waste or redundancy is minimised. Senior employees train the new hires for real-life situations and superior performance. Executive coaching is also available for senior executives, who are allocated individual coaches to assist and support them on their leadership path. This guarantees that proper direction is provided from top to bottom. For the growth of its senior leadership, Hindustan Zinc has partnered with top coaching institutes in India.

We also conduct a 6-month leadership development programme called LEAD to help key mid-level managers smoothly transition to senior positions. Our policies for acquiring and retaining talent are aligned with our strategic goals. We keep a database for our employees' soft skill development, and we integrate procedures in our HR framework for obtaining the appropriate level of competency across various management cadres through learning and development programmes.

### Employee Turnover Rate



FY 2021-22	< 30 years			30 to 50 years			>50 years		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total employee turnover	8.54%	17.52%	9.59%	2.76%	2.19%	2.69%	5.00%	0.97%	4.52%
Voluntary turnover	7.92%	16.30%	8.91%	2.47%	2.19%	2.43%	0.32%	0.00%	0.29%

## HOLISTIC LEARNING OPPORTUNITIES

At Hindustan Zinc, we lay emphasis on the continuous development of our employees. Our talent management programmes provide training for all employees, including young talent, mid-level executives, and top management. Workshops, Business Act-ups and Technical Act-ups are some of the efforts for managing young talent. In contrast, internal growth workshops, succession planning, and leadership coaching are arranged for mid-level senior executives.

We believe that today's youngsters are the leaders of tomorrow. Employees can develop their leadership skills through Mentor-Mentee, V Build, and V Reach. Employees are trained to be tenacious, resilient and responsible in facing VUCA (Volatility, Uncertainty, Complexity and Ambiguity) situations.

We also provide help for education, medical needs, and employee welfare benefits. Group medical and personal accident insurance, parental leaves, retirement benefits, stock options, disability support, adoption policies, and leaves for exceptional circumstances are all covered.

### Male

105

Total number of employees who took Parental leave

105

Number of employees who resumed office post completion of Parental leave

94

Number of employees who resumed office post completion of Parental leave

### Female

12

Total number of employees who took Parental leave

12

Number of employees who resumed office post completion of Parental leave

10

Number of employees who resumed office post completion of Parental leave

## ATTRACTING AND NURTURING TALENT IN FY 2021-22

**358** talents were identified under various talent recognition and development initiatives

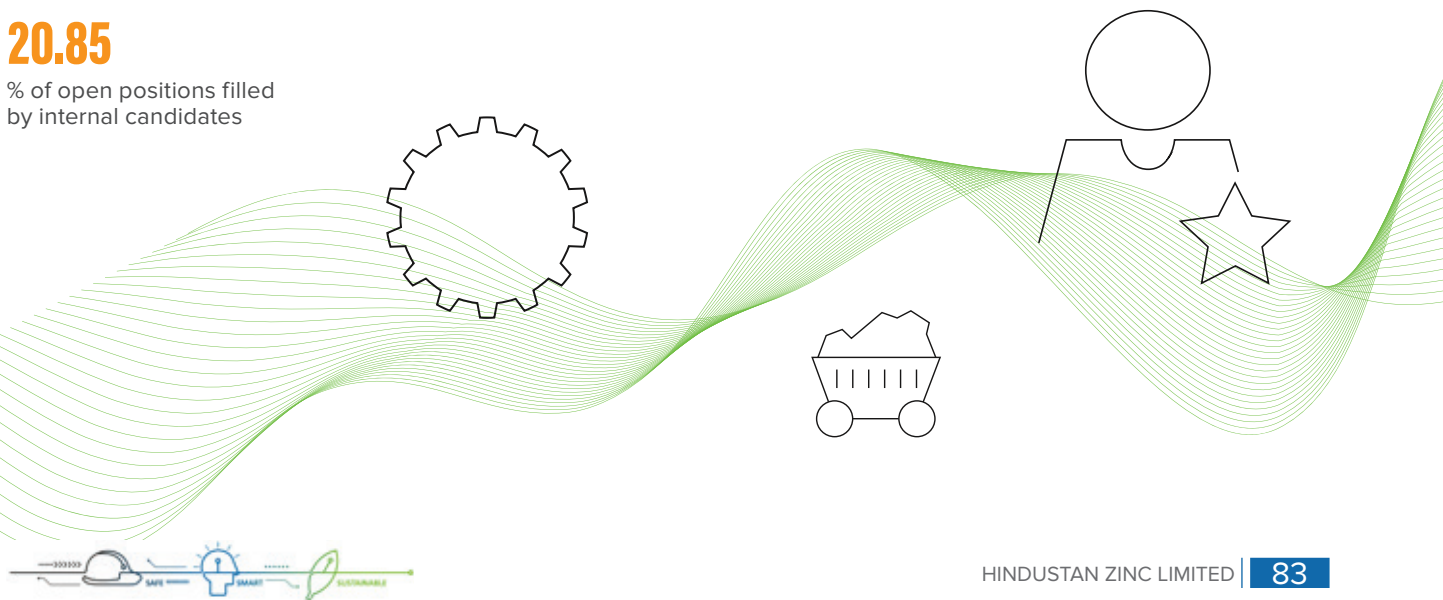
- V-Reach - 127
- V-Build - 29
- V Aspire - 3
- V Reach Tech - 63
- Business Act-up - 10
- Technical Act-up - 20
- Functional Act-up - 106

**724** Employees benefited under various talent development initiatives

- Executive Coaching - 8
- DC MEP - 40
- Mentoring - 304
- V Lead - 10
- IDP - 309

**20.85**

% of open positions filled by internal candidates



## LEARNING AND DEVELOPMENT

(GRI 102-8, 404-1, 404-2)

We have created a comprehensive set of learning and development (L&D) programmes to improve people's capabilities and skills in a variety of settings and professions. A systematic approach to skill evaluation and training requirement identification allows for effective upskilling and skill gap closure.



To improve employee performance, the Company promotes a culture of continual learning. Our flagship Graduate Engineer Trainee (GET) Induction programme uses the 70:20:10 learning module, with GETs undergoing 40 days of virtual training sessions on safety, behaviour, management, operations and maintenance. Six Sigma-based onsite action learning projects follow the induction. E-learning platforms, learning management systems, mobility, artificial intelligence, and a 24x7 learning approach are some of our L&D activities. We have completely digitised our learning management system to provide seamless training modules (LMS) access. Employees can sign up for courses, take pre- and post-tests, and give feedback on the training using the LMS platform.

Following the assessment of training needs in many areas, such as behaviour-based, safety, leadership skills, and so on, our L&D interventions attempt to develop performance-based indicators (KPIs) for our staff to measure their successes over a specific time interval (annual). Our HR initiatives aim to instil value creation throughout the organisation, assisting employees in meeting time-bound targets in accordance with the group's strategy and vision. They include the following:

- Digitalisation of learning and development techniques, for a more immersive visual and mental experience

- Creation of virtual platforms to improve employees' abilities and provide opportunities for continuous learning, regardless of time or location
- Providing long-term, best-in-class programmes to curious learners, allowing them to achieve higher degrees while working.
- Providing new hires with training, to help them develop unique problem-solving skills
- Focus on the development of young leaders, with an emphasis on succession planning
- Providing on-the-job projects, learning management systems, e-learning, classroom training, and other opportunities for employees at all levels to improve their leadership and general business abilities
- Assisting employees in gaining a comprehensive perspective of the organisation, with a vision for the future, and gaining vital insights through information exchange, leadership development, best practices and values

### Learning & Development Interventions



Vision-based  
leadership development



Skill enhancement via  
various initiative



Digitalisation



Young leadership  
development

**The impact of our interventions has increased the long-term operational efficiency and growth of the employees, as well as measurable human asset performance, over time, thus contributing to the regeneration of efficiency in people and business processes, and resulting in value creation across the organisation.**



## Employee Training Programmes

## Male and Female-Wise Training

	Total Executive	Covered in the Training	Coverage (%)
Male	2,096	1,877	90
Female	391	369	94

## Management Level (e.g., junior/low level, middle, senior/top-level management) Wise Trainings

	Total Executive	Covered in the Training	Coverage (%)
Senior Management	60	54	90
Middle Management	597	564	94
Lower Manager	1,830	1,628	89

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in a respective category covered by the awareness programme
Board of Directors	3	1) Amendments in SEBI RPT and CARO Reporting 2) Enterprise Risk Transformation 3) ESG and Sustainability	100%
Key Managerial Personnel	3	1) SEBI RPT 2) ESG and Sustainability 3) Business Ethics and Code of Conduct	100%
Employees other than BoD and KMPs	706	1) Business Ethics 2) Code of Conduct 3) Insider Trading 4) ESG 5) Technical / Behavioural Training	90%
Workers	470	Health, Safety, Environment Behavioural Upskilling	75%



## Hindustan Zinc - Learning and Development Best Practices

Initiatives	Programme Details	Partners	Business Impact	Coverage	Learning Journey
<b>Induction and Onboarding</b>	<ul style="list-style-type: none"> <li>GET/PGET/MT/CA/VLDP</li> <li>Graduate Trainees</li> </ul>	In-house	Safe and smooth structured onboarding	All new hires	12 months
<b>Management Development Programmes</b>	<ul style="list-style-type: none"> <li>Leadership Excellence Programme</li> <li>Contract Management</li> <li>Finance for Non-Finance</li> <li>Labour Laws</li> <li>Theory of Constraints</li> </ul>	<ul style="list-style-type: none"> <li>IIM, Udaipur</li> <li>IIM, Udaipur</li> <li>IIM, Kolkata</li> <li>XLRI, Jamshedpur</li> <li>Goldratt, India</li> </ul>	Enhance effectiveness of managers in their current roles and make them future-fit	Select executives	3 -6 months
<b>Six Sigma Initiative</b>	<ul style="list-style-type: none"> <li>Lean Six Sigma Green Belt</li> </ul>	American Society for Quality, India	<ul style="list-style-type: none"> <li>Capability Building,</li> <li>Process improvement and cost saving</li> </ul>	GET/PGET	12 months
<b>Hindustan Zinc Virtual Learning Academy</b>	<ul style="list-style-type: none"> <li>Any Time Anywhere 24x7 Learning</li> </ul>	Skillssoft Percipio	Skill upgradation and engagement of employees	All executives	Continuous
<b>Work Integrated Learning Programmes</b>	<ul style="list-style-type: none"> <li>PG Diploma in Business Administration</li> <li>Master in Business Administration</li> <li>Masters in Technology</li> </ul>	<ul style="list-style-type: none"> <li>IIM, Udaipur</li> <li>BITS Pilani</li> <li>BITS Pilani</li> </ul>	Long-term capability building	Selection is criteria based	22-24 months

**₹32.7 Mn**

Total expenditure on training

**45.42 hours**

Average hours per executive of training and development

**₹15,000**

Average amount spent per executive on training and development

## Hindustan Zinc - LEAD Programme

### OBJECTIVE

This programme aims to help the participants in their journey of becoming inspiring leaders by providing them with valuable tools to enhance their skills.

### DESCRIPTION

For creating leaders from within, we target mid and senior-level managers, and provide them with six months of training under the LEAD programme. The training includes group coaching, development discovery labs, and one-on-one sessions with certified coaches. We have conducted four batches of the LEAD programme, covering 120 professionals who aspire to be leaders of the future.

### BUSINESS BENEFITS

1. Future-ready workforce
2. Managers more equipped with behavioural & management skills to manage operations & team
3. Early transition to elevated role within the organisation
4. Better understanding of business

### Our Learning Programme Initiatives during FY 2021-22

- IIM Udaipur awarded Post Graduate Diplomas to 37 students at First Annual Convocation for its PGDBA-WE Programme
- 33 employees enrolled for an MBA in Business Analyst from BITS Pilani

### Employees benefited through our training programmes

- Theory of constraint - 210
- Six Sigma Projects - 83 GETs covered in training and 99 projects identified
- Total Quality Management - 69
- Hindustan Zinc mining mate training competency enhancement - 117
- Contract Management from IIM Udaipur - 28
- Motivational talk, 'Ek Udaan Aur Bharo', by eminent speakers: 1,200+

## Hindustan Zinc - Six Sigma Initiatives

### OBJECTIVE

Six sigma green initiatives revolve around the D-M-A-I-C (Design-Measure-Analyse-Improve-Control) framework. It helps an organisation eliminate repeated process errors and improve business processes. It nurtures and develops managerial and leadership qualities, and provides practical and hands-on experience in real-time situations.

### BUSINESS BENEFITS

- 1) Improves efficiency
- 2) Process quality improvement
- 3) Improves supply chain management
- 4) Reduces operational cost

### DESCRIPTION

To get certification for the employee in Lean Six Sigma, Hindustan Zinc partnered with the American Society for Quality, a globally recognised company in quality improvement and standards. Six Sigma training is provided to all the GETs, managers and project mentors. The trained employees have taken on various initiatives and reduced costs. We follow the 70:20:10 learning module for the GETs induction programme. It suggests that 70% of what we learn comes from on-the-job experiences, 20% from colleagues and co-workers, and 10% from formal training. After the induction, they take up two projects, spanning six to 12 months each, under the Six Sigma framework.

**₹2.2 Mn**

Invested in Six Sigma training of employees during the year

**145**

GETs/PGETs trained on Six Sigma methodology in FY 2021-22

**₹800 Mn**

Total cost savings through Six Sigma projects till now

**99**

Six Sigma projects initiated during the year

— Launch of Six Sigma  
**August 12, 2019**

— Green Belts Trained  
**680**

— Projects Undertaken  
**637**

— Champions Trained  
**150**

— Projects Closed  
**181**

— Ongoing Projects  
**284**

## BUILDING AN ENGAGING WORK CULTURE



### SAMPARK

CEO Virtual Townhall (Reward & Recognition: HZL Star Award to the Employees-244, Operators from Business Partners-99).



### V Excel

Caters to performance and developmental needs of our new joiners across 4 pillars [Leadership Shadowing, Anchorship for Development, Goal Setting & Performance Delivery, Dipstick Feedback & Action]-Coverage: 150 GETs, 36 MTs, 9 VLDPs & 12 OTs.



### Workstream Approach

Adopted by HZL HR, along with creation of workstream for each vertical, in a concerted drive towards Excellence in HR. We have 11 workstreams which are working with SMART KPIs and deployment of best-in-class people practices.



### Project 'Setu'

Launched to reboot the organisational structure and align it with our business strategy, enabling the organisation to unlock efficiency and accelerate growth. This critical project, driven by HR in tandem with business leadership, aims at design principles with Right person in Right job concept.



## EMPLOYEE ENGAGEMENT SURVEY

We believe in fostering solid relationships based on trust. The return is a more vibrant enterprise, more innovative products, and more satisfying relationships. The trust between employees and managers is the pillar of a successful business. With this culture in the organisation, employees work freely and put extra effort into giving the best results to their respective managers. The managers, in turn, encourage their juniors to come up with innovative ideas. Together they deliver far more than the sum of their efforts.

We partner with external domain experts on an annual basis to gauge the engagement levels of our employees. An engagement survey is conducted for staff and workers on a random basis. The survey window is open for approximately two weeks, where employees are asked to respond to statements using a 5-point scale. After analysing the responses, the score is released. Along with the score, a report is also shared with the organisation, highlighting the strengths and opportunities for improvement.



Every year, Hindustan Zinc participates in the Great Place to Work Study.

The survey results are based on two indices:

### Trust Index

is an indicator of how the employees are experiencing the workplace in terms of Credibility, Respect, Fairness, Pride, Camaraderie

### Culture Audit

is an assessment of the quality and variety of people practices and policies of the organisation. Hindustan Zinc had 7 practices in 'Best Culture' category and 7 in 'Good Culture Foundation', resulting in a culture audit score of 3/5.

## GPTW Trust Index Score

### Employee Engagement

(% of actively engaged employees)

FY 2022	<div><div></div></div>	78%
FY 2021	<div><div></div></div>	74%
FY 2020	<div><div></div></div>	72%
FY 2019	<div><div></div></div>	71%



## Results of Survey

### A. By Age

Age Group	Average Score
< 25 Years	70
26-34 Years	66
35-44 Years	80
45-54 Years	84
>55 Years	86

### B. By Management Position

Position	Average Score
Senior Leadership	82
Managerial Level	76.5
Supervisory Level	68.5
Associates	69

## PERFORMANCE MANAGEMENT

Individual KPIs are aligned to set annual business targets in Hindustan Zinc's performance management system, based on the SMARTER Model. Targets are set for each business unit at the start of each year. Individual KRAs for Senior Leadership (M2 and above), including high potential personnel, are tracked using the V-Deliver platform. In contrast, M3 and lower-level individuals are tracked using the SAP-Success Factor.

A robust review structure is in place to ensure that business deliverables are aligned, with quarterly reviews for M3 and above employees, and half-yearly reviews for M4 and below individuals. After receiving comments from the immediate supervisor, the annual evaluation rating is assessed by a Calibration Committee. The CEO analyses and approves the process used in the Performance Appraisal Cycle to ensure it is suitable. Non-performers identified through the procedure are placed on a Performance Improvement Plan for a specific period, and actions are taken based on their performance improvement. The performance appraisal process is applied to all executives.

## Governance

# BUSINESS ETHICS

(GRI 102-16, 102-17, 205-2, 205-3, 406-1)

Hindustan Zinc believes in, and practices ethical behaviour. We foster and adhere stringently to our “Business Ethics and Code of Conduct” to promote and protect an ethical work environment, business operations and relations with external stakeholders. We are a signatory to the United Nations Global Compact.



**The Company has “zero tolerance” for dishonesty, bribery, corruption, and unethical behaviour.**

### GOVERNANCE

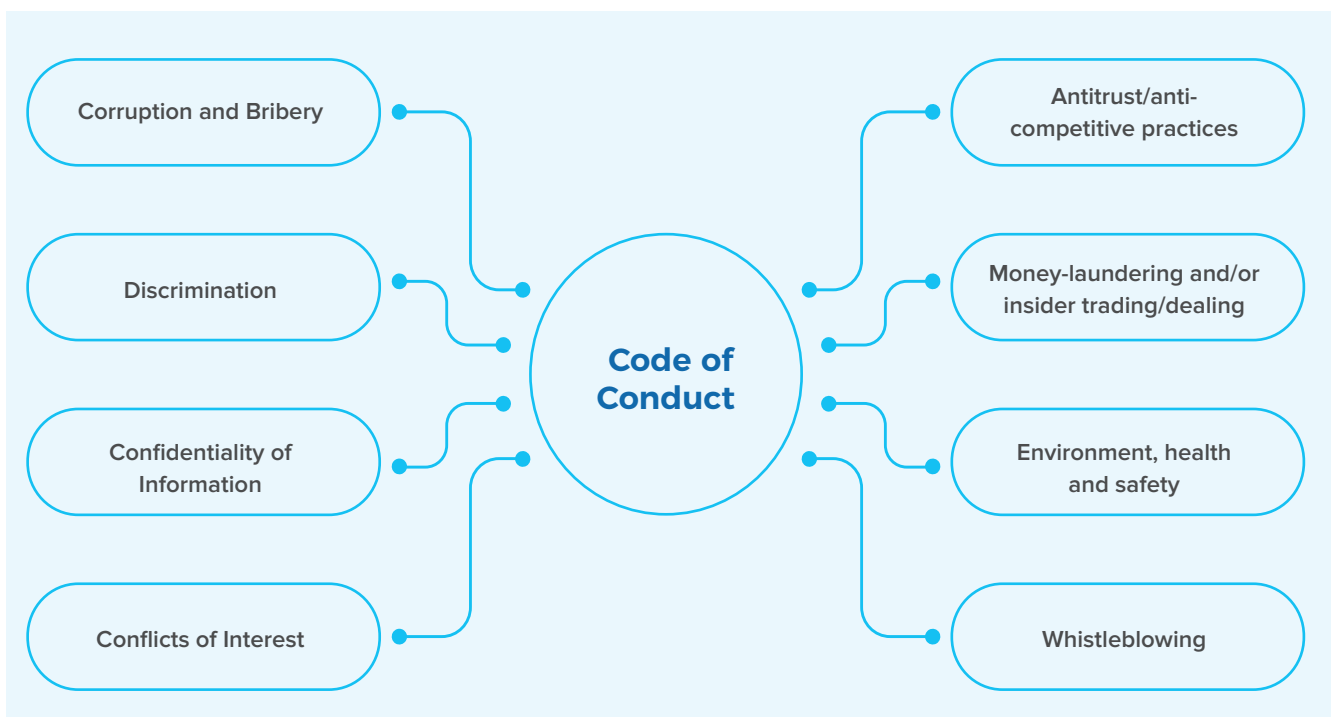
We have instituted an Ethics Committee to orient and address the principles and standards contained in the Code. The site head of each of our locations serves as a leader facilitating initiatives to promote ethics and compliance in a top-down manner.

Our governance approach, ethical framework and practices are aligned to the highest levels of honesty, integrity, compliance and transparency. Hindustan Zinc has framed and adopted the Code, which applies to all our employees, business partners and subsidiaries. Annual affirmation and adherence to the same are mandatory. The Code

complies with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Companies Act 2013. Employees are expected to adhere to the Code to continue working with our Company. Our Code is also in consonance with the UK Bribery Act and is aligned with the UK Modern Slavery Act 2015. Employees are constantly kept informed and communicated about the need for compliance to the Code through emails.

#### The Code guides our behaviour and drives:

- Honest and ethical conduct
- Managing conflicts of interest between personal and professional ties in an ethical manner
- Full, fair, accurate, timely and clear disclosure in reports and documents that the Company files with, or submits to relevant authorities, and in other public communications
- Compliance with applicable laws, rules and regulations in the jurisdictions in which we operate



- Prompt internal reporting of all relevant matters to an appropriate person or persons identified in this Code
- Employees must respect female professionals and co-workers and refrain from sexually or otherwise harassing them
- Accountability for adherence to the Code

This year, our organisation's Code has been made more exhaustive and transparent with respect to its applicability and direction on our Anti-Bribery & Anti-Corruption Policy.

### Key Updates of the Code

Better indication of the complete applicability of the Code

Clearer guidance on facilitation payments, gifts, and Business Partner relations

Introduction of contemporary concepts for Sanctions & Trade Controls and Social media conduct

Expansion of confidentiality with Data Privacy & GDPR and Information security

Addition of Diversity & Inclusion with Equal Opportunity and making the POSH policy gender neutral

Inclusion of Charity & Sponsorships, along with an Acknowledgement to the Code

Separate annexure for Anti-Bribery & Anti-Corruption Policy

Deletions from the Code for certain repetitive and defunct sections, covered under revised headers, for better guidance

### Our Code is supported by the following additional policies and guidelines:

- Anti-Trust Guidance Notes
- Corporate Tax Strategy
- Whistle Blower Policy
- Anti-Bribery and Anti-Corruption Policy
- Human Rights Policy
- Business Partners' Code of Conduct
- Prevention of Sexual Harassment Policy
- Related Party Transaction Policy
- Insider Trading Prohibition Policy
- Anti-Harassment and Anti-Discrimination Policy

These policies guide us to run our business ethically. To guarantee transparency and simple access, all these policies and codes are published on our website and included in contracts where required.

The Ethics Committee is responsible for governing the receipt, retention and treatment of complaints regarding the Company's accounting, internal accounting controls or auditing matters, and to protect the confidential, anonymous reporting of employee concerns regarding questionable accounting or auditing matters.

## IMPLEMENTATION OF CODE OF CONDUCT

Our values and principles are embedded in our Business Ethics and Code of Conduct, which is applicable to all employees, including directors and officers. Our Compliance Management System is certified with ISO 37301:2021, and the effectiveness of the policy is assessed by a third party. During induction, all new hires must attend a mandatory classroom session on compliance obligations. Every year, all executives and Board members digitally affirm compliance to the Code. We impart annual code of conduct training to all employees through e-learning module.

Our supplier code of conduct outlines the fundamental requirements that are to be followed by our suppliers. The code is summarised to the business partners at the time of selection, and is defined in the contracts.

Hindustan Zinc's employee performance appraisal systems have an inbuilt component of compliance to the code of conduct, which is ascertained through mandatory completion of code of conduct trainings.

## POLITICAL CONTRIBUTIONS

According to our code of conduct, no funds or assets of the Company may be contributed to any political party or organisation, or to any person who holds public office or is a candidate for public office, unless such a contribution is permitted by applicable laws and has been approved by the Chairman or the Board of Directors. The Company, under no circumstances, can make donations or contributions to political organisations. Shareholder approval would be sought in advance if any such donation is contemplated by the Board of Directors.

**Charitable Donations** are payments made to third parties for a social or charitable cause, which includes promoting sustainable community development, combating poverty and disease, protecting the environment, promoting sports, or for religious purposes or the development of the capacities of people or institutions in the countries where we operate. This is in line with our CSR policy and social development initiatives. We have an oversight on the contributions made, and have strict audit protocols on the utilisation of funds, the objectives served and the impact.

**During the year, there was no political contribution and charitable donation made by the Company**

## REPORTING

Any complaints under the Code are reported to the Group Head - Management Assurance, who is independent of the operating management and business. Complaints can also be sent to the below designated e-mail ID: [hzlwhistle.blower@vedanta.co.in](mailto:hzlwhistle.blower@vedanta.co.in).

A dedicated 24/7 hotline number (000-800-100-1681), as well as a web-based reporting platform <https://whistleblower.hzlmets.com/Default.aspx>, have been created for complaints under our Whistle Blower Policy. External stakeholders such as vendors, customers, business partners etc. can submit 'Complaints' through the hotline or the portal. Both the hotline and the portal are available in local language (Hindi) as well as English.

We have a zero-tolerance policy on violation of our code of conduct, especially in cases of harassment and discrimination. We are committed to protecting the confidentiality and anonymity of the complainant to the fullest extent possible, with the objective of conducting an adequate review. However, the Company is not obligated to keep 'Complaints' from non-employees confidential or to maintain the anonymity of non-employees. We treat all breaches of the code seriously, and assess and investigate them as appropriate.

We are also committed to abiding by all laws that prohibit retaliation against employees who lawfully submit complaints under these procedures. Any reprisal or retaliation against an employee for seeking help or filing a report, in good faith, will be subject to disciplinary action, including potential termination of employment.

## TREATMENT OF COMPLAINTS

1. Head - Management Assurance shall review the 'Complaint' and may investigate it himself, or may assign another employee, any committee, outside counsel, advisor, expert or third-party service provider to investigate or assist in investigating the 'Complaint'.
2. The person/persons against or in relation to whom the 'Complaint' is made shall cooperate with the investigator and have the right to provide their inputs during the investigation.
3. The Head - Management Assurance is responsible for ensuring investigation of complaints, and to submit regular reports of such investigation to the Company's Audit Committee for review. The findings are communicated as an awareness alert to all the employees.

### Data and Privacy Breach

0

### HSE Breach

0

### Workplace Harassment and Discrimination

0

### Sexual Harassment

1

### Employee Misconduct

2

### Business Integrity Breach

2

### Others

1

■ Total number of reported cases\*

\*All investigated and closed



## Key Performance Indicators



# ECONOMIC INDICATORS

(GRI 201-1)

	UNITS OF MEASURE	FY 18-19	FY 19-20	FY 20-21	FY 21-22
<b>Economic Value Generated (A)</b>					
Revenue from Operation (including excise duty)	₹ crore	21,118	18,561	22,629	29,440
Other Income	₹ crore	1,782	1,934	1,819	1,216
<b>Total (A)</b>	₹ crore	<b>22,900</b>	<b>20,494</b>	<b>24,448</b>	<b>30,656</b>
<b>Economic Value Distributed - Expenses (B)</b>					
Employee Wages and Benefits	₹ crore	905	689	760	717
Operating Costs	₹ crore	6,786	6,541	7,224	8,639
Payment to Providers of Capital	₹ crore	8,564	112	386	290
Payment to Government (Income Tax)	₹ crore	6,585	3,781	4,586	6,112
Community Investments	₹ crore	130	132	214	191
<b>Total (B)</b>	₹ crore	<b>22,970</b>	<b>11,253</b>	<b>13,170</b>	<b>15,949</b>
<b>Economic Value Retained (A-B)</b>	₹ crore	<b>-70</b>	<b>9,241</b>	<b>11,278</b>	<b>14,707</b>
<b>Profit Before Depreciation, Interest and Tax</b>	₹ crore	12,452	10,781	13,491	17,307
<b>Profit Before Tax</b>	₹ crore	10,456	8,390	10,574	14,100
<b>Net Tax Expense/(Benefit)</b>	₹ crore	2,500	1,584	2,594	4,471
<b>Profit for the Year</b>	₹ crore	7,955	6,805	7,980	9,629
<b>Earnings Per Equity Share</b>	₹ crore	18.83	16.11	18.89	22.79



# LABOUR PRACTICE INDICATORS

(GRI 102-8, 401-1, 404-1)

WORKFORCE	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Full-time Employees	Number	3,823	376	4,199	3,771	427	4,198	3,318	401	3,719	3,088	412	3,500
Senior Management	Number	87	5	92	78	5	83	57	6	63	57	3	60
Middle Management	Number	939	87	1,026	1,012	92	1,104	910	95	1,005	942	95	1,037
Junior Management	Number	1,217	238	1,455	1,237	294	1,531	1,219	275	1,494	1,097	293	1,390
Non-Management	Number	1,580	46	1,626	1,444	36	1,480	1,132	25	1,157	992	21	1,013
Contract Employees	Number	17,268	116	17,384	14,818	136	14,954	18,154	132	18,286	19,228	186	19,414

HIRING	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
New Hires	Number	313	81	394	443	129	572	236	71	307	328	124	452
New Hires (Age-wise split)													
< 30 Yrs	Number	284	76	360	404	127	531	143	57	200	261	121	382
30 - 50 Yrs	Number	23	4	27	27	2	29	90	13	103	56	3	59
> 50 Yrs	Number	6	1	7	12	0	12	3	1	4	11	0	11
New Hire Rate	Percentage			9.38%			13.63%			8.52%			12.91%

EMPLOYEE TURNOVER RATE	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Employee Turnover Rate	Percentage	-	-	16.72%	15%	19%	16%	19%	22%	19%	17%	26%	18%

WORKFORCE BREAKDOWN: ETHNICITY/NATIONALITY	UNITS OF MEASURE	FY 21-22			
		India	Nepal	Canada	Australia
Share in Total Workforce	No.	3,496	1	2	1

TRAINING & DEVELOPMENT	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Training Hours													
Full-time Employees	Man hours	78,722	6,362	85,084	138,466	26,374	164,840	118,286	14,619	132,905	95,192	17,755	112,947
Contract Employees	Man hours			477,671			695,932			344,490			506,087



# ENVIRONMENT INDICATORS

## MATERIALS USED (GRI 301-1, 301-3)

	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Raw Material	Million MT	14.18	0.00	14.18	14.42	0.00	14.42	15.45	0.00	15.45	16.05	0.00	16.05
Semi-Manufactured Goods or Parts	Million MT	0.00	2.44	2.44	0.00	2.36	2.36	0.00	2.54	2.54	0.00	2.43	2.43
Associated Process Materials	Million MT	0.60	0.51	1.11	0.48	0.52	1.00	0.48	0.49	0.97	0.49	0.55	1.04
Packing Material	MT	0.00	403	403	0.00	381	381	0.00	314	314	0.00	239	239
<b>Total Finished Metal Production</b>													
Zinc	Million MT			6.96			6.88			7.15			7.76
Lead	Million MT			1.98			1.81			2.14			1.91
Silver	MT			679			610			706			647

## ENERGY CONSUMPTION (GRI 302-1)

	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Direct Energy	Million GJ	9.05	37.49	46.54	8.35	36.29	44.64	8.12	37.19	45.31	9.52	33.86	43.38
Indirect Energy	Million GJ	0.18	0.56	0.73	0.38	0.73	1.11	0.48	0.86	1.34	0.37	1.90	2.27
Renewal Energy (Solar Energy)	Million GJ	0.07	0.10	0.17	0.109	0.177	0.285	0.186	0.115	0.30	0.185	0.106	0.29
Renewal Energy (WHRB)	Million GJ	0.00	0.58	0.58	0.00	0.52	0.52	0.00	0.73	0.73	0.00	0.75	0.75

	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Direct Energy	Million MWh	2.51	10.42	12.94	2.32	10.09	12.41	2.26	10.34	12.60	2.65	9.41	12.06
Indirect Energy	Million MWh	0.05	0.15	0.20	0.11	0.20	0.31	0.13	0.24	0.37	0.10	0.53	0.63
Renewal Energy (Solar Energy)	Million MWh	0.02	0.03	0.05	0.03	0.05	0.08	0.05	0.03	0.08	0.05	0.03	0.08
Renewal Energy (WHRB)	Million MWh	0.00	0.16	0.16	0.00	0.14	0.14	0.00	0.20	0.20	0.00	0.21	0.21

## TOTAL ENERGY CONSUMPTION (GRI 302-1)

	UNITS OF MEASURE	FY 18-19	FY 19-20	FY 20-21	FY 21-22
a. Total Non-renewable Energy Consumption	MWh	1,31,40,810	1,27,18,222	1,29,68,700	1,26,90,978
b. Total Renewable Energy Consumption	MWh	2,08,861	2,23,512	2,86,972	2,89,954



# ENVIRONMENT INDICATORS

## WATER WITHDRAWAL (GRI 303-1, 303-3, 303-5)

	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Ground Water	Million m <sup>3</sup>	3.13	0.08	3.21	3.05	0.06	3.11	3.32	0.05	3.37	3.02	0.03	3.05
Surface Water	Million m <sup>3</sup>	5.58	14.10	19.68	4.47	12.28	16.75	4.86	12.63	17.49	5.31	8.40	13.71
Rainwater	Million m <sup>3</sup>	0.00	0.01	0.01	0.00	0.01	0.013	0.00	0.02	0.02	0.00	0.02	0.02
Waste Water From Another Organisation	Million m <sup>3</sup>	1.15	5.02	6.17	0.82	5.93	6.75	0.52	6.66	7.18	0.61	8.91	9.52
Municipal Water Supplies or Other Water Utilities	Million m <sup>3</sup>	0.03	0.09	0.12	0.01	0.09	0.10	0.0002	0.00	0.0002	0.0017	0.00	0.002
<b>Total Net Fresh Water Consumption</b>	<b>Million m<sup>3</sup></b>	<b>7.73</b>	<b>13.03</b>	<b>20.76</b>	<b>6.32</b>	<b>11.95</b>	<b>18.28</b>	<b>6.80</b>	<b>12.24</b>	<b>19.04</b>	<b>7.56</b>	<b>10.32</b>	<b>17.88</b>
Water Recycled	Million m <sup>3</sup>	10.23	5.49	15.72	11.42	4.68	16.10	11.90	4.84	16.74	14.41	4.82	19.22
<b>Total Fresh Water Withdrawn</b>	<b>Million m<sup>3</sup></b>	<b>8.74</b>	<b>14.28</b>	<b>23.02</b>	<b>7.54</b>	<b>12.44</b>	<b>19.97</b>	<b>8.18</b>	<b>12.70</b>	<b>20.88</b>	<b>8.33</b>	<b>8.45</b>	<b>16.78</b>

## AIR EMISSIONS (GRI 305-7)

	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
PM Emission from Stacks	MT			1,155			1,027			1,097			963
SOx Emission from Stacks	MT			30,235			23,069			19,600			22,006
NOx Emission from Stacks	MT			8,642			8,913			8,098			6,145

## GHG EMISSION\* (GRI 305-1, 305-2, 305-3)

	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
<b>Scope I Emission</b>	<b>Million MT CO2e</b>			<b>4.70</b>			<b>4.48</b>			<b>4.49</b>			<b>4.32</b>
Furnace oil (FO)	Million MT CO2e			0.00			0.00			0.00			0.00
High Speed Diesel (HSD)	Million MT CO2e			0.20			0.19			0.160			0.16
Propane	Million MT CO2e			0.01			0.01			0.00			0.00
Liquified Petroleum Gas (LPG)	Million MT CO2e			0.001			0.001			0.001			0.0004
Coal	Million MT CO2e			4.19			4.04			4.09			3.87
Coke	Million MT CO2e			0.30			0.25			0.198			0.23
Pyrolysis Oil	Million MT CO2e			0.00			0.00			0.000			0.00
LSHS	Million MT CO2e			0.00			0.00			0.000			0.00
PNG	Million MT CO2e									0.014			0.02
<b>Scope II Emission</b>	<b>Million MT CO2e</b>			<b>0.17</b>			<b>0.25</b>			<b>0.31</b>			<b>0.49</b>
<b>Scope III Emission</b>													
<b>Total</b>	<b>Million MT CO2e</b>			<b>4.24</b>			<b>4.18</b>			<b>4.28</b>			<b>4.01</b>
Purchased Goods & Services (Upstream)	Million MT CO2e			0.31			0.36			0.31			0.37
Fuel & Energy-related Activities (Not included in Scope 1 & 2)	Million MT CO2e			0.53			0.52			0.51			0.40
Waste Generated in operations (Composting, Incinerating, etc.)*	Million MT CO2e			0.43			0.43			0.42			0.00
Upstream Transportation and Distribution	Million MT CO2e			0.03			0.03			0.02			0.01
Business Travel	Million MT CO2e			0.00			0.00			0.00			0.00
Employee Commuting	Million MT CO2e			0.00			0.00			0.00			0.00
Upstream Leased	Million MT CO2e			0.00			0.00			0.00			0.00
Downstream Transportation and Distribution	Million MT CO2e			0.03			0.02			0.02			0.03
End of Life Treatment of Sold Products	Million MT CO2e			2.57			2.54			2.69			2.88
Processing of Sold Goods	Million MT CO2e			0.338			0.28			0.31			0.32

\* Change in methodology 21-22 - Methane emission from generated waste is not significant, hence no GHG emissions are considered from our generated waste





# ENVIRONMENT INDICATORS

## WASTE GENERATION (GRI 306-3, 306-4, 306-5)

	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21			FY 21-22		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
<b>Hazardous Waste Generated</b>	Million MT	0.002	0.073	0.075	0.003	0.076	0.079	0.003	0.086	0.089	<b>0.003</b>	<b>0.105</b>	<b>0.108</b>
Total Hazardous Waste Recycled/Reused	Million MT	0.001	0.041	0.042	0.002	0.043	0.045	0.002	0.054	0.056	<b>0.002</b>	<b>0.056</b>	<b>0.058</b>
Total Hazardous Waste Disposed	Million MT	0.000	0.032	0.032	0.001	0.031	0.032	0.001	0.037	0.038	<b>0.001</b>	<b>0.054</b>	<b>0.055</b>
Hazardous Waste Landfilled	Million MT	0.000	0.032	0.032	0.001	0.031	0.032	0.001	0.037	0.038	<b>0.001</b>	<b>0.054</b>	<b>0.055</b>
Hazardous Waste Incinerated with Energy Recovery	Million MT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Hazardous Waste Incinerated Without Energy Recovery	Million MT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Hazardous Waste with unknown Disposal Method	Million MT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Non-Hazardous Waste Generated</b>	Million MT			1.11			1.17			1.18			<b>1.26</b>
<b>Total Non-Hazardous Waste Recycled/Reused</b>	Million MT			1.31			0.72			0.93			<b>0.57</b>
<b>Total Non-Hazardous Waste Disposed</b>	Million MT			0.42			0.74			0.59			<b>0.64</b>
<b>Mineral Waste</b>													
Mineral Waste Generated – Waste Rock	Million MT	3.18	0.00	3.18	3.20	0.00	3.20	3.38	0.00	3.38	<b>4.31</b>	<b>0.00</b>	<b>4.31</b>
Mineral Waste Generated - Tailings	Million MT	12.37	0.00	12.37	12.62	0.00	12.62	13.41	0.00	13.41	<b>14.18</b>	<b>0.00</b>	<b>14.18</b>
Mineral Waste Repurposed/Reused	Million MT	3.91	0.00	3.91	4.48	0.00	4.48	4.76	0.00	4.76	<b>5.54</b>	<b>0.00</b>	<b>5.54</b>
Total Mineral Waste Disposed	Million MT	11.05	0.00	11.05	11.05	0.00	11.05	11.67	0.00	11.67	<b>13.78</b>	<b>0.00</b>	<b>13.78</b>
<b>Total Waste Recycled/ Reused</b>	Million MT			5.26			5.24			5.74			<b>6.17</b>
<b>Total Waste Disposed</b>	Million MT			11.50			11.82			12.30			<b>14.48</b>
<b>Total Waste Generated</b>	Million MT	15.59	1.14	16.73	15.88	1.20	17.07	16.85	1.20	18.05	<b>18.58</b>	<b>1.27</b>	<b>19.85</b>



# HEALTH & SAFETY INDICATORS

(GRI 403-9)

## HEALTH & SAFETY INDICATORS\*

		UNITS OF MEASURE	FY 18-19	FY 19-20	FY 20-21	FY 21-22
<b>Fatalities</b>						
	Full-time Employees	Number	2	0	0	<b>0</b>
	Contract Employees	Number	5	2	0	<b>4</b>
<b>Lost Time Injury Frequency Rate</b>						
	Full-time Employees	Numbers per million hours worked	0.64	0.68	0.25	<b>0.94</b>
	Contract Employees	Numbers per million hours worked	0.64	1.50	1.10	<b>0.79</b>
	Overall HZL	Numbers per million hours worked	0.63	1.38	0.97	<b>0.81</b>
<b>Total Recordable Injury Frequency Rate</b>						
	Full-time Employees	Numbers per million hours worked	1.17	1.24	1.38	<b>1.42</b>
	Contract Employees	Numbers per million hours worked	1.37	2.94	2.78	<b>2.34</b>
	Overall HZL	Numbers per million hours worked	1.30	2.70	2.57	<b>2.22</b>
<b>Occupational Disease Rate</b>						
		Numbers per million hours worked	0.00	0.00	0.00	<b>0.00</b>
<b>Process Incidents<sup>#</sup></b>						
		Numbers	0	3	4	<b>5</b>
	Process Incidents	Numbers per million hours worked	0.00	0.05	0.08	<b>0.08</b>

\* As per ICMM Guidelines

<sup>#</sup> Change in methodology of reporting - earlier we were reporting all incidents, as per revised Incident management Procedure, incidents having more than 130 scores are being considered as serious process incidents (SPI)

## LEADING INDICATORS

	UNITS OF MEASURE	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Near Miss	Number	14,298	15,323	17,484	<b>23,790</b>
Unsafe Acts	Number	207,638	203,966	221,585	<b>133,251</b>
Unsafe Conditions	Number	62,123	55,739	51,724	<b>54,511</b>

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