

HZL/2020-SECY/

September 08, 2021

Bombay Stock Exchange Ltd.
P.J. Towers, Dalal Street,
Mumbai - 400001

National Stock Exchange of (India) Ltd.
"Exchange Plaza"
Bandra-Kurla Complex,
Mumbai – 400051

Kind Attn: - General Manager,
Dept. of Corporate Services

Kind Attn:- Head - Listing & Corporate
Communications

Scrip Code: 500188

Trading Symbol: HINDZINC-EQ

Dear Sir(s),

Sub: - Sustainability Review Report For FY 2020-21

We are enclosing herewith Sustainability Review Report for the financial year 2020-21 for your information and records.

The said report is available for download on Company's website at <https://www.hzindia.com/wp-content/uploads/Sustainability-Review-Report-2020-21-1.pdf>

Request to please take the same on record.

Thanking You,

Yours Faithfully,

For Hindustan Zinc Limited,

**RAJENDRA
PANDWAL**

Digitally signed by RAJENDRA PANDWAL
DN: c=IN, o=Personal,
2.5.4.20=7080100267933064020153311c7e,
3.3.7096.3.2.4663.2.8P.3a3418d3e,
serial=36111803, cn=RAJENDRA,
serialNumber=788606ad51941431718e9337652,
email=72584763118e4e433a3e082c6,
o=RAJENDRA PANDWAL, LU=UDAIPUR, email=0473,
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(R Pandwal)
Company Secretary

Encl: - As above

Hindustan Zinc Limited

Registered Office: Yashad Bhawan, Udaipur (Rajasthan) - 313 004
Tel.: (91-294)6604000-02, Fax: (91-294) 2427739
CIN: L27204RJ1966PLC001208, www.hzindia.com

Unwavering Focus



Unprecedented Outcomes

About Us

(GRI 102-10, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53)

Hindustan Zinc Limited (Hindustan Zinc) is India's only and world's leading producer of zinc, lead and silver. Sustainability Review Report FY 2020-21 is a part of our Integrated Annual Report FY 2020-21. We have been publishing our Sustainable Development Report since FY 2015-16. However, we have now moved to Integrated Reporting, and our second Integrated Report <IR> provides a holistic, unified view of our value creation process, with special emphasis on Environmental, Social and Governance (ESG) performance. While the Integrated Annual Report provides an overview of our ESG performance during the year, the Sustainability Review Report presents a more detailed account of the same, besides providing a balanced and fair disclosure of our policies, management systems and performance. There was no significant change to our supply chain or our organization in FY 2020-21.

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%. We are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Reporting Scope & Boundary

(GRI 102-4, 102-54)

This report is 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.

Data presented in this report covers the primary operations of Hindustan Zinc, including five mining locations, three smelters, and one refinery, for the period of 1st April, 2020 to 31st March, 2021. The report aims at bringing in comparability and completeness of information.

External Assurance

Thinkthrough Consulting Private Limited (TTC) has done assurance of this report in accordance with the requirements of the AA1000 Assurance Standard v3 (2020).

Feedback

Your queries and suggestions are extremely important to us and we would be delighted to hear from you on the data and information at Sustainability.Hzl@vedanta.co.in

Alignment with National and International Frameworks and Goals

As a signatory to the United Nations Global Compact (UNGC), our disclosures reflect UNGC principles. This report also includes disclosures on principles of Federation of Indian Mineral Industries (FIMI). We also work towards contributing to the United Nations Sustainable Development Goals (SDGs), given their importance to our business and to the world. For reporting on safety parameters, we follow the guidelines of the International Council on Mining and Metals (ICMM) – Sustainable Development Framework. We are also signatories to CEO Water Mandate since FY 2019-20, and follow the guidelines given by UNGC Women Empowerment Principles for our business.



Sustainability Snapshot FY 2020-21

1.80%

Share of renewables in energy consumption

40%

Recycled/reused water as a percentage of total water used

0.55 Million MT

Carbon emissions avoided through green power

ZERO

Category 4 and 5 environment incidents

₹214 crore

Community investments

ZERO

Occupational illness cases

ZERO

Fatalities reported during the year

30%

Waste reused/ recycled

₹98 crore

Environmental expenditure (Opex)

7 lacs+

CSR beneficiaries

0.97

Lost-time Injury Frequency Rate (LTIFR)

15%

Women among total executives

100%

Digitalization of Supply Chain for Contract Award sourcing

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Our Sustainability Horizon

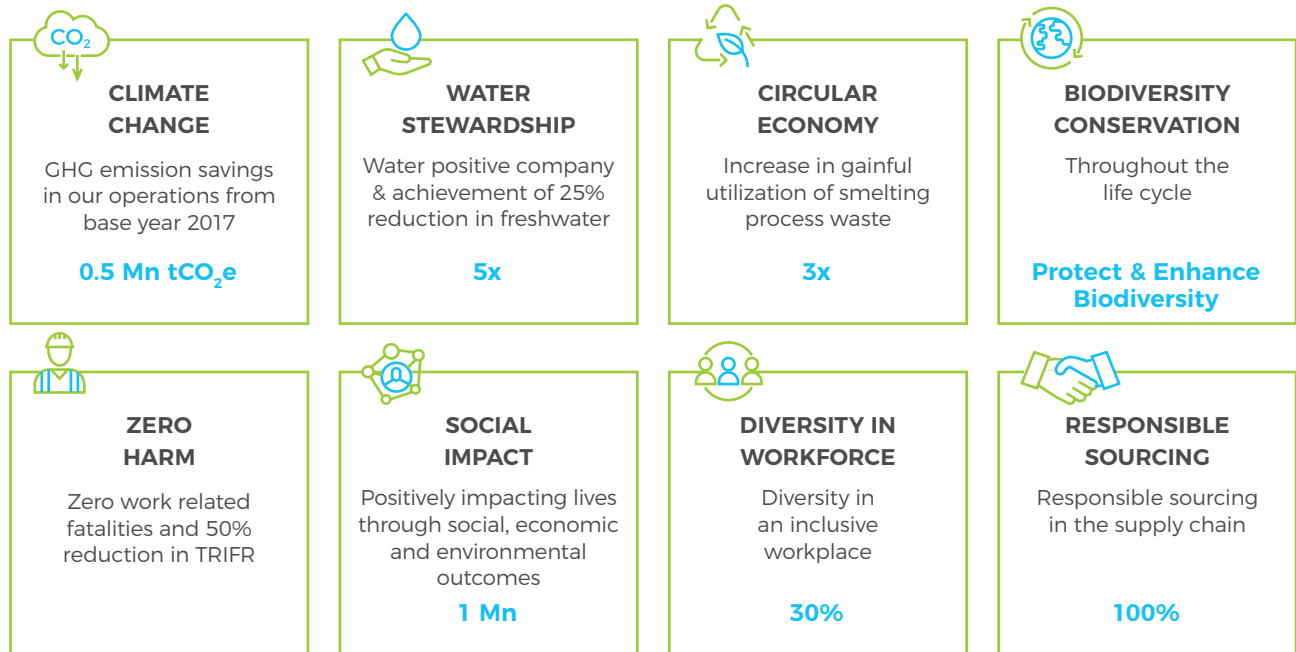
Hindustan Zinc Limited is a leading player in Zinc-Lead-Silver, in India and globally. We are a fully integrated player with expertise in mining and smelting. Our continuous focus on sustainability has empowered us to unlock our full potential and deliver sustainable value for all our stakeholders. We 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 the guiding North Star to define and chart our sustainability initiatives for the next five years.

Sustainability Vision

Zero Harm, Zero Waste and Zero Discharge

Our vision is to leverage innovation and technology to harness the natural resources to fuel progress and development, with a committed goal of Zero Harm, Zero Waste and Zero Discharge. To achieve this, we have integrated our sustainable development principles with our units and our growth agenda. We are committed to do business in a way that ensures Zero harm to people, respects human rights, adds value to local economic development, and reduces the environment footprint.

SUSTAINABILITY GOALS 2025



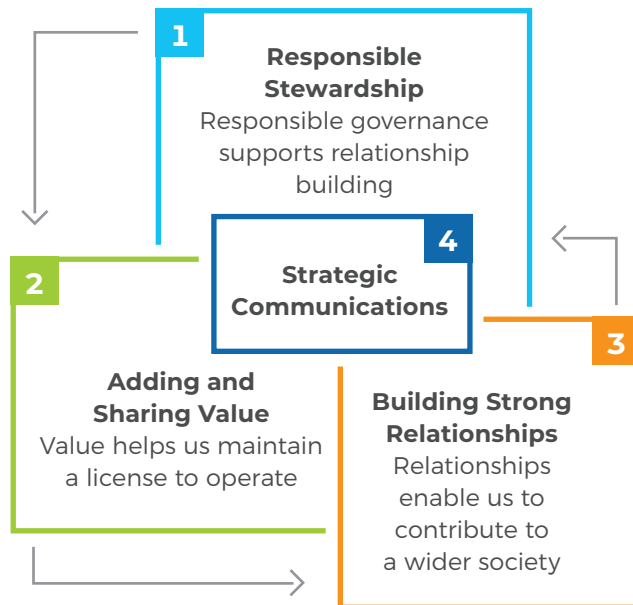
This report, for FY 2020-21, is part of our responsibility to review and disclose our performance and signal our intent to tackle the challenges that lie ahead.



Our Sustainability Management Approach

To achieve our vision of Zero Harm, Zero Waste and Zero Discharge, we follow the Vedanta Sustainability Framework, enabling our business units to adopt sustainable business principles in their systems and procedures. Developed in line with global standards laid down by international bodies, such as ICM, International Finance Cooperation (IFC) Performance Standards, GRI, and UNGC Principles, the Framework comprises policies, standards and guidance notes for its execution. It has four pillars, namely: Responsible Stewardship, Building Strong Relationships, Adding & Sharing Value, and Strategic Communications, and our performance is constantly monitored to ensure compliance with the same.

Vedanta Sustainability Framework 4 Pillar Structure



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)

The Vedanta Sustainability Assurance Programme (VSAP) is a sustainability risk assurance tool, used to assess the compliance of all our units with the Vedanta Sustainability Framework. The assurance model has various modules, covering environment, health, safety, community and human rights elements. 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. Based on the gap assessment, our businesses undertake management plans and corrective actions, with periodic review, evaluation and documentation. This aids in identifying the weak areas and promotes cross-functional working environment.

We have adopted the Vedanta Sustainability framework as an integral part of our business, with VSAP scores linked with employee performance and incentives. Thus, ensuring that all ESG metrics are mapped in the final performance review of our employees. These scores are a benchmark for determining the overall remuneration of our employees, including the top leadership. We also have Employee Stock Option Scheme, which is a conditional share plan based on pre-identified criteria. The scheme is contingent to long-term sustained business performance, total shareholder return during the vesting period in comparison to peer companies, as well as individual performance. It helps incorporate sustainability principles into the Company's decision-making criteria.

Integrated Management System

Our Integrated Management System (IMS) is designed to capture and track our sustainability risks, and monitor them against our targets and is in alignment with the Vedanta Sustainability framework. All our operations are IMS certified.



ISO 9001 - Quality Management System



ISO 14001 - Environmental Management System



ISO 50001 - Energy Management System[#]



OHSAS 18001 - Occupational Health and Safety Management System^{*}

[#]60% of the units are certified to Energy Management System

^{*}All units are OHSAS 18001 certified and migrating towards ISO 45001

Sustainability Governance

(GRI 102-16, 102-18, 306-1) (FIMI Principle-1)

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



Board of Directors

Our Board of Directors (the "Board") oversees the Company's business strategy, and the overall goal of long-term value creation for our shareholders and other stakeholders. The Board also plays a critical role in assessing major risks, ensuring high standards of ethical business conduct, succession planning and talent management, besides approving and providing oversight of the sustainability strategy. Six core Board committees provide oversight and guidance in key areas – Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Risk Management Committee, and Committee of Director (CoD).



Sustainability Governance Framework

A robust and transparent sustainability governance framework steers Hindustan Zinc towards the realization of its sustainability goals. Our leadership is committed to protecting the health and safety of our people, minimizing our environmental impact throughout the lifecycle, respecting human rights, and sharing the benefits with the community.

Our executive level sustainability governance structure drives ideation, planning, evaluation and execution, with accountability ensured on all ESG aspects. It enables us to set short- and long-term goals, and facilitates systematic monitoring of performance at all levels.



Sustainability Committee

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

The committee's main responsibilities are:

Implement industry best practices and standards, to ensure that the Company's sustainability strategy minimizes environmental impact and creates shared value in the long term for stakeholders.

Periodically conduct stakeholder assessment and their material interests, to enhance the effectiveness of sustainability initiatives and the implementation status.

Manage risks in all forms, by applying controls and testing their effectiveness against environmental risks and opportunities, social impacts, and activities related to stakeholder engagement.

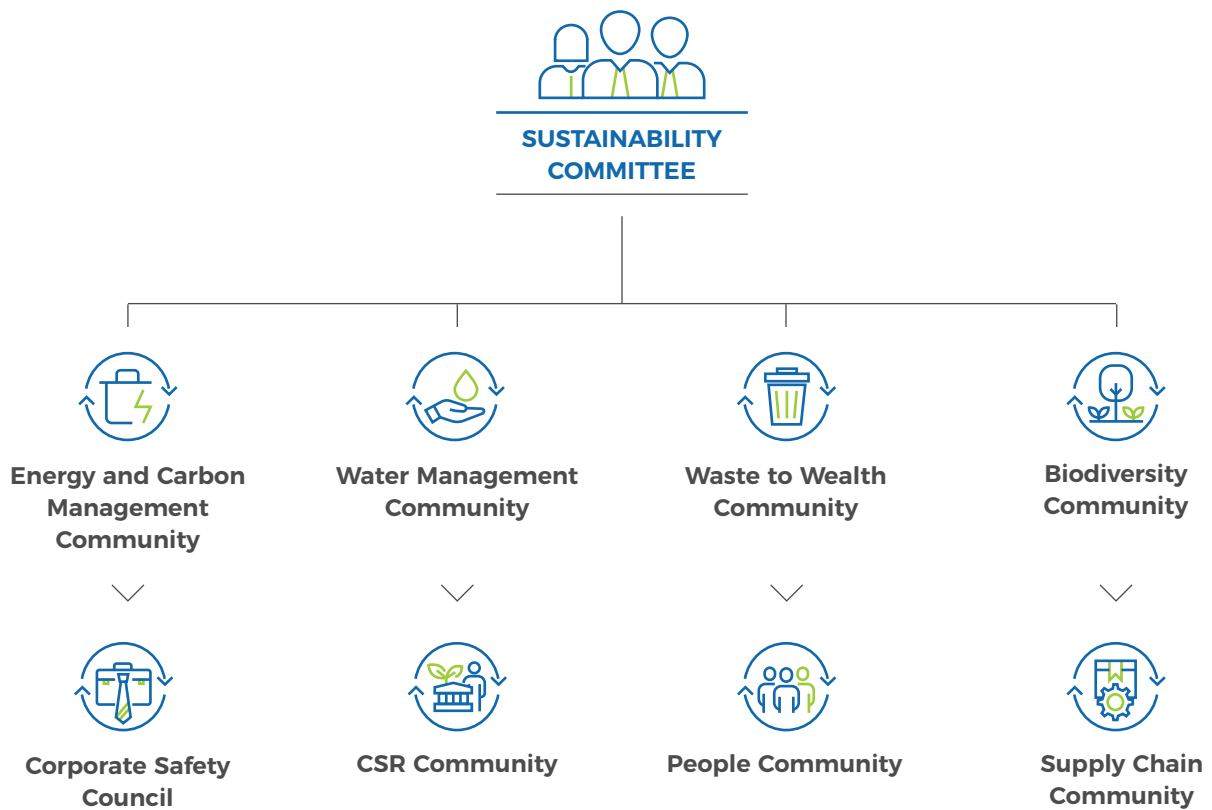
Review and approve any reporting on sustainability aspects to the public or government agencies.

Sustainability Committee Activities during the year

1. Committee meets quarterly
2. Reviewed and approved the Sustainability Committee Terms of Reference and Structure
3. Reviewed progress towards Sustainability Goals 2025 with regard to:
 - Initiatives being put in place to reduce the Company's carbon footprint
 - Steps being taken to ensure reduction of fresh water consumption and technologies to make our processes efficient to strengthen Zero liquid discharge
 - Technologies and processes which focused towards gainful utilization of waste
 - Measures taken towards Biodiversity improvement
 - Focus areas to share long-term value with our stakeholders
 - Work being undertaken to ensure diversity and inclusion in organization
 - Efforts towards Responsible sourcing

Sustainability Communities

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



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

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

Sustainability Awareness Webinar Series

To make our employees and suppliers aware of various sustainability aspects, we organized 15 Sustainability Awareness Webinars during the year. These webinars covered recent sustainability development topics such as climate change, social return on investment, human rights, water stewardship, biodiversity etc. The webinars saw active participation by suppliers also.

Awards & Recognitions

Key Achievements and Recognitions in Sustainability Performance


GLOBAL RANKING

Ranked globally at
7th position in Metal and
Mining Sector and
1st in Asia Pacific
Region in DJSI



SUSTAINABILITY YEAR BOOK

Selected as Member in
Sustainability Year Book
2021 by S & P Global
in association with
RobecoSAM




FTSE4GOOD INDEX

Selected as Member of
FTSE4Good Emerging
Index



CDP

Included in the list of
'A' rated companies
for climate change
- Carbon Disclosure
Rating (CDP)



Materiality Assessment

Materiality assessment is essential to integrate sustainability with the organization's overall strategy and to build resilience. To forge strong relationships, improve decision-making, and ensure accountability, Hindustan Zinc engages with all relevant stakeholders, both internal and external, to understand their concerns, and accordingly puts in place resilient systems for their resolution. We have identified the core material issues relevant to our business and stakeholders through a comprehensive process conducted in 2019 and the same was reviewed again in 2020.

Materiality Assessment Procedures for Hindustan Zinc

Part **A**

Forming a Bucket List of Topics

A bucket list of material issues was developed, based on secondary literature surveys, peer reviews, global and regional industry trends, GRI reporting guidelines, SASB, Sustainable Development Goals, Dow Jones Sustainability Index (DJSI), and rating agencies.

Part **B**

Stakeholder Selection

We identified our external stakeholders on the principles of responsibility, influence, impact and dependency. The following stakeholder categories were identified:

1. Investors
2. Regulators
3. Suppliers
4. Customers
5. Local Community
6. Civil Society
7. Executives, non-executives and contractual workmen (employees)

Part **C**

Stakeholder Concerns

After online surveys, one-on-one meetings and focus group discussions (FGDs) with 819 stakeholders, their concerns and material issues were identified, and clubbed together after deliberations, suggestions and confirmations with Hindustan Zinc sustainability team. The issues were ranked as per their relative importance to business and its stakeholders on a scale of low, medium and high risks and/or opportunities.

Part **D**

Identification and Prioritization

The results of the materiality survey were used to identify material topics, with the highest priority for stakeholders and the biggest estimated impact on Hindustan Zinc's business into high-high and high-medium priority areas.

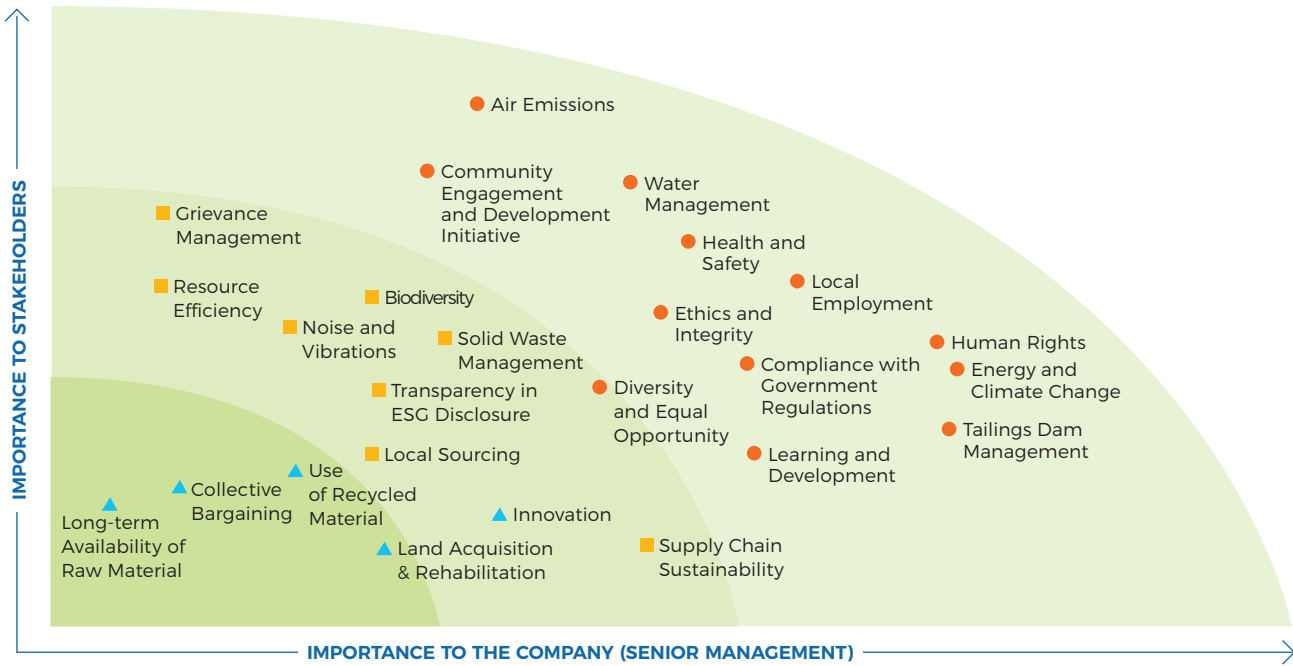
The responses included various stakeholders, such as senior/middle management employees, contract employees and suppliers (could not record responses from regulators, costumers).

Part **E**

Plotting Materiality Assessment Map

The Materiality Map was then reviewed and approved by the relevant stakeholders.

Materiality Map

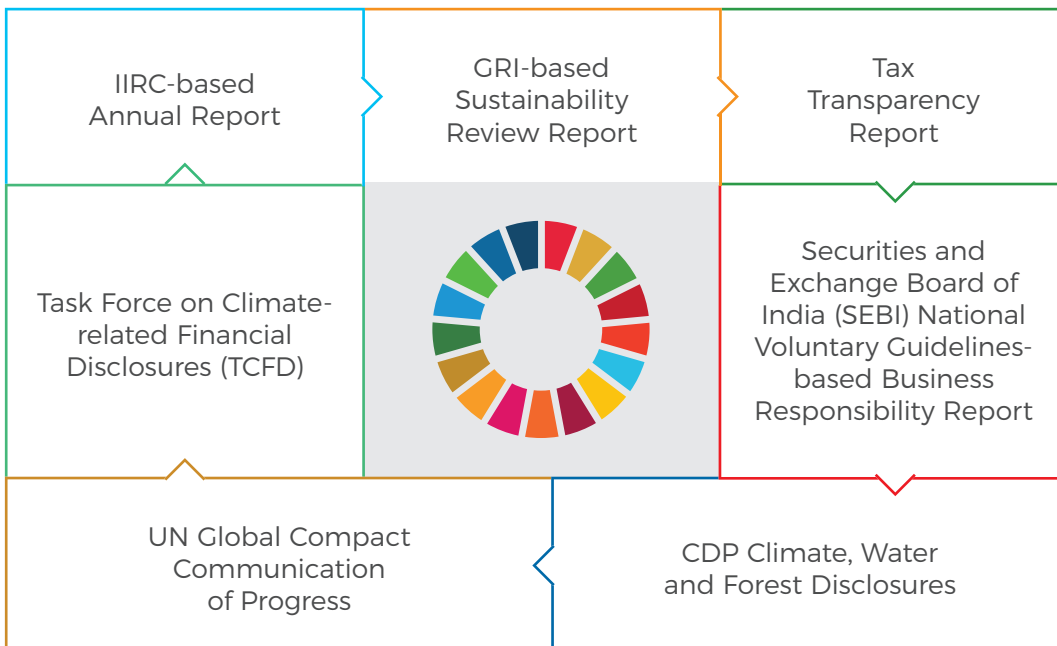


● High-priority Areas ■ Medium-priority Areas ▲ Low-priority Areas

Material issues and Sustainability Goals 2025 for each focus area have been discussed individually in relevant sections.

Transparency and Disclosure

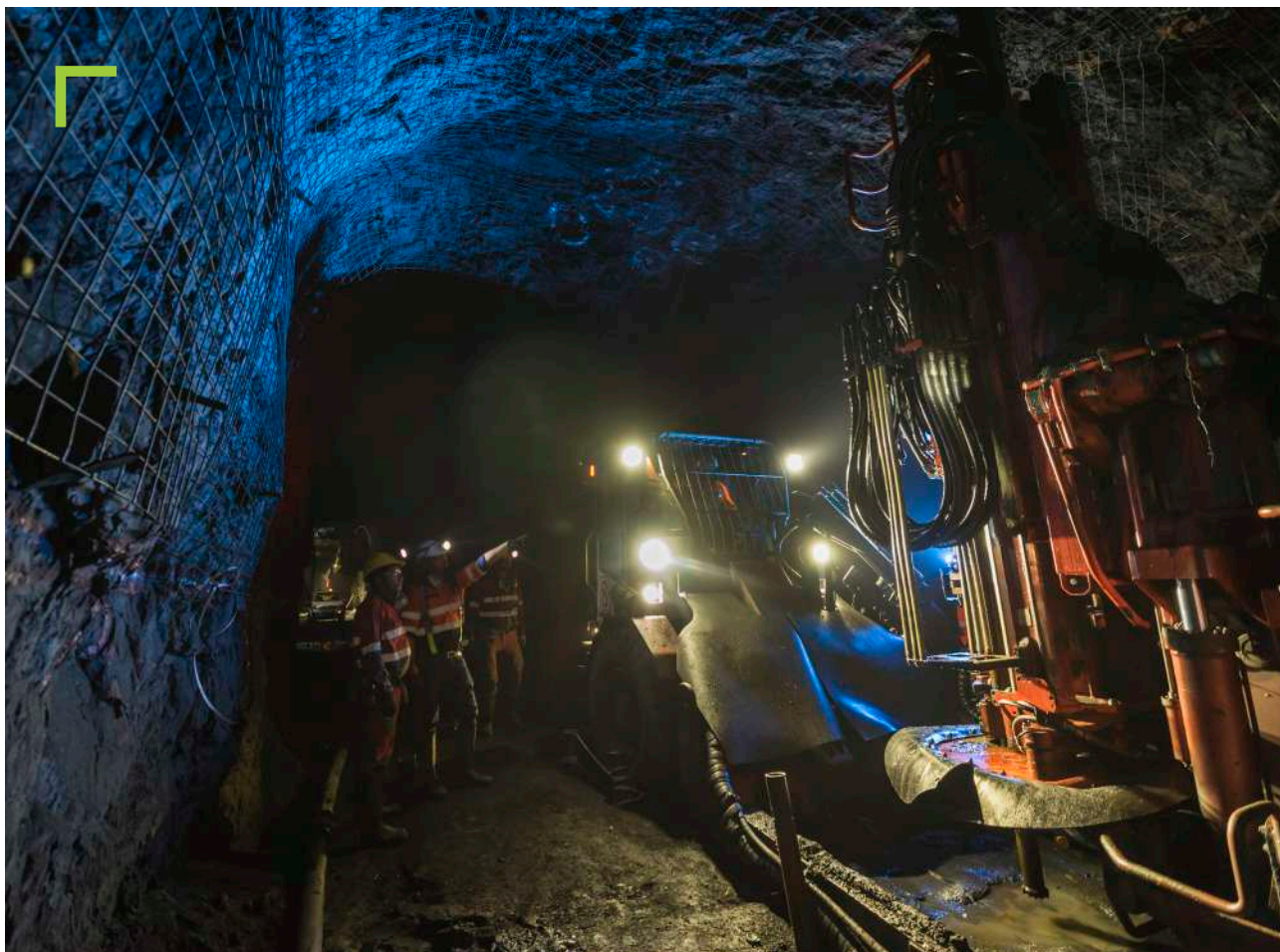
Regular transparent strategic communication is one of the key pillars of the Vedanta Sustainability Framework, which helps stakeholders take informed decisions about our operations and business, thus ensuring sustained trust.



Risk Framework

Effective risk management being critical to the success of our business, we remain consistently focused on ensuring regular mapping and mitigation of all potential risks. We have in place a clearly-articulated risk management framework – to identify, assess, categorize, address and mitigate all relevant risks through a well-formulated process, with defined roles and responsibilities assigned at every stage.

Hindustan Zinc has established Risk Management System as per ISO 31000:2018. It helps the organization identify both positive opportunities and negative consequences associated with business risks, and enables more effective decision-making.



Our Risk Governance and Management Structure

Risk Management at Hindustan Zinc is led by our Chief Risk Officer (CRO), who is part of the Risk Management Committee. The CRO's roles & responsibilities include keeping the senior management aware of all existing & emerging risks at the asset & business levels. Awareness/specific training sessions are held periodically. The CRO additionally guides Strategic Business

Unit (SBU) heads, who are responsible for risk management and performance of their respective business units. Our Board level Risk Management Committee reviews and monitors the major risks identified by the Management, along with mitigation plans, and appraises the Board on risk assessment and minimization procedures.

Risk Management is Embedded in our Culture

Hindustan Zinc has developed a comprehensive risk management culture through financial incentives, education and training, inclusion of risk management criteria in the HR review process, platforms to allow employees to actively identify and disclose risks, incorporation of risk criteria in product development / approval process, and measures for continual improvement of risk mitigation and management.



Financial Incentives

Hindustan Zinc has linked risk management and mitigation to the Key Performance Indicators (KPIs) of senior management. Other employees are also encouraged to commit to, and participate in risk management activities. These KPIs and active participation are taken into account in yearly reviews, and financial incentives depend on the outcome of risk-related aspects.



Risk Education and Training

To enhance the risk management process understanding of our Board and other senior management members, we conduct training and education sessions pertaining to identification, resilience planning, and mitigation of potential emerging risk, physical climate change risks, transition risks, specific risks within the governance system, and any other risk that the Board may feel requires attention. Regular meetings and workshops are held on risk management topics at various levels (specific teams, units, corporate) to strengthen risk intelligence across the organization.



Human Resources (HR) Review Process

At Hindustan Zinc, a large part of an employee's performance appraisal is linked to Safety, Risk and Compliance. Assessment criteria under this includes proactive reporting of risks and timely completion of risk management/action plans on digital portal, amongst others. Employees are also given recognition based on innovative risk management solutions identified and implemented.



Identification and Disclosure of Risk

As part of our risk identification and disclosure system, Risk officers are present and easily accessible for any risks that need to be reported. The risks are then compiled and uploaded onto a digital platform, where proactive identification and reporting of risk triggers/risks is maintained.



Vendor and Supplier Related Risk Identification

To ensure that our production process is not impacted, we have a robust process to identify and mitigate vendor and supplier-related risks. Regular reviews of KPIs and regular vendor/supplier engagements are undertaken to discuss emerging or potential risks.



Year-on-Year Improvements in Risk Mitigation and Management

Open communication helps in yearly improvements in risk mitigation and management. Unit Risk Officers organize quarterly meetings at unit level to ascertain and improve on the risk areas for various stakeholders. Best practices and lessons learnt are identified through these meetings. Teams across hierarchies are encouraged to report any type/ category of risk through the various online reporting platforms accessible to them. These platforms also facilitate the teams in escalating the risks to the next level. Risk management targets and indicators are clearly defined as part of the risk scorecard, while performance evaluation is done at management and above levels on a regular basis.

Alignment of the risks based on World Economic Forum Risk Assessment Categories



Environment

Health and Safety (Tailings Dam)

Risk of Tailings Dam seepage & breach may have catastrophic results, including damage to Flora & Fauna and Local Communities

Climate Change

Water Scarcity

Due to the adverse impact of climate, as well as heat and reduced rainfall caused by climate change, there could be increased water scarcity; Coupled with lack of water conservation facility, this can lead to delay in the delivery of key projects, affecting continuous operations

Extreme Rainfall

Unpredictable and heavy rain in the area around our operations, along with poor infrastructure to pump out water, leads to accumulation of water inside the mines, which may cause their temporary shutdown

Regulatory Action and Compliance

Risk of non-compliance to Air, Water etc. Acts, as per State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB)



Economic

Cyber Security

Risk of loss of data, operations and reputation due to exploitation of vulnerabilities in IT infrastructure and Operational Technology (OT) systems

Mining Reserves

Risk of long-term sustainable growth due to:

1. Insufficient Reserves & Resources (R&R)
2. Inefficient "resource to reserve" conversion
3. Non-availability of sufficient minable reserves
4. Delay in securing new mining licenses

Operations Impact of EBITDA

- > Negative movement in London Metal Exchange (LME) directly impact EBITDA
- > Increase in cost of production due to falling grade of existing mines, dilution and lower recovery

Contingent Liability

New domestic transfer pricing guidelines introduced, increased scrutiny; Royalty assessment by The Department of Mines and Geology (DMG) of the State of Rajasthan

Fraud Risk

Corruption, embezzlement, fraud

Compliance

Non-compliance with applicable laws





Societal

Underground Geotech Conditions – FOG and fire

Risk of fall of ground and fire incidents in underground mines due to complex Geotech conditions

Reputation

Risk of Community Unrest, leading to disruption of business operations

Pandemic Outbreak

Risk of major disruptions in operations, as well as risk of stakeholders being exposed to infectious diseases; Global pandemics cause extreme disruptions across countries and entire value chains of organizations, as connectivity of business processes and society increases vulnerability to impact of infectious diseases

Safety-Structural Stability

Risk of accidents and fatalities due to structural collapses across locations, such as roaster dome, acid storage tank, shaft failure, etc., which can lead to reputational loss and business interruptions for multiple months

Talent Risk

Our existing operations, legacy IT infrastructure, lack of digital IQ in the workforce and insufficient adoption of digital thinking and capabilities may affect performance expectations related to quality, time to market, cost and innovations

Succession challenges, ability to attract and retain top talent

Man-Machine Interaction

Risk of accidents and fatalities due to man-machine interaction

Industrial Relations

Disruption to business operations due to higher expectations from labour union viz. wage revision and work environment etc.



Geopolitical

Government Policies and Regulations

Risk of shift in domestic policy by government / regulatory bodies, such as frequent changes in tariff, royalties or laws that would create business uncertainty leading to loss of revenue



Emerging Risks

A comprehensive study has led Hindustan Zinc to identify 2 key emerging risks: 'Increased Severity of Climate Risk – Water Scarcity', and 'Low Carbon Economy Transition'.

We have mapped each emerging risk, its impact, and potential mitigation plan below.



Increased Severity of Climate Risk – Water Scarcity

Impact

We expect the severity of climate change to increase and, as a result, have identified it as an emerging risk.

This would drastically impact water availability, which would, in turn, have negative impact on our sites as our business processes are highly water dependent.

Mitigation Plan

- > To mitigate this risk, we have implemented a comprehensive water management policy
- > We are demonstrating our commitment for water stewardship by using water efficiently, maintaining water quality, and engaging with communities to collaboratively manage a shared water resource throughout the mining lifecycle
- > We are committed to becoming a 5 times water positive company and aim to reduce freshwater consumption by 25% by 2025
- > We actively conduct water risk screening, and identify opportunities to reduce the impact on business. This is done using a variety of techniques and tools to assess water-related risks, including internal Company knowledge and tools, water-risk guidance and the India Water tool
- > Committees composed of Board members and senior management review and assess the process of risk and opportunity identification



Climate Change – Low Carbon Economy Transition (LCET)

Impact

Increased severity of climate change would require adequate investments in a low carbon economy transition pathway.

Inadequate investments in LCET may impact reputation, business processes, costs, and overall climate change resilience.

Mitigation Plan

- > We have developed Science Based Targets (SBTi) which we are committed to, and are actively working towards
- > Increase in Renewable Energy Portfolio
- > Improvement in Energy Efficiency to achieve decarbonization
- > Expansion of capacity considered only using technology having feasible and cost-effective Carbon Neutral Transition
- > Shift towards electrical vehicles in underground transportation

Cyber Security

As a highly progressive and technologically driven organization, we rely heavily on Information Technology (IT) for our daily business operations. With the organization becoming more interconnected through the use of IT, there is an enhanced risk of loss of data, operations and reputation due to exploitation of vulnerabilities in the IT infrastructure. To protect itself against this risk, Hindustan Zinc has implemented several vital measures to check leakage of sensitive data, disruptions in our IT systems, and other forms of cyber-attacks.

These measures are guided by our IT security framework, and several internal policies & standard operating procedures in line with best-in-class global practices and framework, to set up and continually improve upon Cyber Security Posture and Resilience. This is periodically reviewed through expert agencies, and various globally recognized tools and technologies are in place to mitigate newer threats and risks. Our IT and OT systems are accredited with ISO 27001 certification for Information Security Management. We are also in the process of accreditation of integration ISO framework, comprising Information Security Management, Risk Management, Disaster Recovery & Business Continuity Management and Data Protection.

The IT & OT Security Frameworks are spearheaded by our Chief Information Officer and Chief Technology Officer, who are further supported by the IT and OT Departments. This core team reports directly to a member of the Hindustan Zinc Board who specializes in risk, technology and cyber-attacks. The Board is briefed about the Mitigation efforts through Risk Committee. The IT Security Framework is highly robust and covers the entire lifecycle of IT assets and applications management.

The core team focuses on achieving operational excellence at Hindustan Zinc by:

- Aligning IT services with business objectives and delivering value to the business
- Setting up a best-in-class Governance, Risk and Compliance Framework
- Leveraging new generation Information Technologies for business advantage
- Improving quality of IT services & end-user experience, and reducing long-term Total Cost of Ownership (TCO)
- Building robust Cyber Security Architecture across all domains of IT process framework





Environmental

Pg

- 20 Combating Climate Change
- 25 Water Stewardship
- 28 Air Quality
- 30 Waste Management
- 32 Tailings Storage Facility
- 33 Biodiversity
- 35 Sustainable Mine Closure

Environment

(FIMI Principle-5)



OUR APPROACH

Hindustan Zinc is recognized as a responsible global corporate citizen, with sustainability embedded in our core business philosophy. Led by our commitment to long-term value creation, we continue to invest in protecting the health and safety of our people, minimizing our environmental impact, respecting human rights, and community welfare. Besides the four pillars of the Vedanta Sustainability Framework, our philosophy is centered around Technical & Management Standards and Sustainability policies.



KEY HIGHLIGHTS

Member of COP 26 Business Leaders

Part of Confederation of Indian Industry (CII) Climate Action Accelerated Group to drive accelerated climate actions by Indian businesses actively engaged in promoting climate actions in the country

Amongst the first Indian companies to be part of the prestigious CDP "A List"

Ranked 2nd globally in Environment domain in DJSI

Most Innovative Project Award – CII Environment Best Practices Award

All our Wind and Solar projects are registered under Gold Standard

No category 4 & 5 incident reported during the year

MATERIALITY ISSUES



Energy and Climate Change

 High Priority Area



Air Emissions

 High Priority Area



Water Management

 High Priority Area



Tailings Dams Management

 High Priority Area



Solid Waste Management

 Medium Priority Area



Biodiversity

 Medium Priority Area



To anticipate and mitigate environment and social risks associated with our plan of action, we conduct impact assessments before initiating new projects, and also record environmental incidents and hazards through our online incident management portal. Incident investigations are undertaken for preventive and corrective measures. During FY 2020-21, no high potential

environment incidents were recorded. We also did not receive any fines.

Operating environment expenditure during the year stood at ₹ 98 crore across our locations. Additionally, major progressive capital expenditure on multiple environmental projects, including ZLD installation, paste fill plant, dry tailings plant, fumer project, etc., amounted to ₹ 168 crore.



Combating Climate Change

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

Given the growing disruptions caused by climate change to the existing business risk structures, we identify all risks due to climate change and actively initiate efforts to neutralize their impact. These include physical risks (extreme and slow onset weather events) and transition risks (policy changes, consumer preferences, technological development while transitioning to a low-carbon economy).

Our Approach

Cognizant of the role of clean technologies and innovation in improving environmental performance and mitigating future risks and challenges, we invest in the latest technologies and processes that enhance energy efficiency and are recognized by industry benchmarks. Reduction in energy consumption, energy efficiency enhancement, use of green energy, lowering of Greenhouse Gas (GHG) are the top priorities for our business.

Governance

Centered on climate-related issues and opportunities

We have structured our governance framework around climate-related risks and opportunities.

A

Board's oversight of climate-related risks and opportunities

- › Board is briefed on such risks and oversees them through its Risk Management & Audit Committee
- › Climate-related risks and opportunities are part of Enterprises Risk Management as Emerging Risk

B

Management's role in assessing and managing climate-related risks and opportunities

We have established a two-tier structure comprising:

- › Tier-1: Executive-level Sustainability Committee at Hindustan Zinc
- › Tier-2: Energy and Carbon Community

Further, Hindustan Zinc participates in, and adheres to the guidance of Vedanta Sustainability Committee and Vedanta Carbon Forum.

Strategy

In response to global developments, during FY 2020-21, we assessed the physical and transition risks induced by global warming across our operational sites (Mining and Smelters). We have identified several specific climate-related risks and opportunities for each time horizon, as part of our risk management system (transition risks, physical risks, and business expansion opportunities along with financial impacts).

A

Climate-related risk and opportunities identified over the short, medium, and long term

In developing our strategy, we considered a wide range of opportunities and risks across two discrete time horizons to map Physical (Extreme weather events and chronic weather changes) and Transition (Regulations, Technology, Markets and Reputation) risks. We used Representative Concentration Pathway (RCP) 4.5 for climate-related scenarios for physical risks and Nationally Determined Contributions (NDCs) for transition risks. We have identified risk, financial impact and vulnerability for scenarios with global warming exceeding 2 degrees and well below 2 degrees for two time periods, till 2039 and 2059.

- › **Time period I (2020-2039)** – Thinking and looking beyond the current scenario to identify milestones towards the long-term impact, navigate through the identified risks, and harness opportunities
- › **Time period II (2040-2059)** – Recognizing the uncertainties, used scenario planning to explore energy transitions in the next 20-30 years, considering changes in policy, societal preferences, economic growth and technological progress

B**The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning**

During the reporting year, we assessed Hindustan Zinc sites against the four core elements of the TCFD framework. We organized interactive workshops across all the sites for our employees to understand TCFD requirements and our preparedness. The assessment led to the finding that the assets, safety margins maintained in engineering designs, insurance provisions, and governments' proactive climate change adaptive actions could be sufficient to mitigate much of the impact. We identified some additional adaptation measures as abundant precaution, and will make necessary investments to ensure water security at our mines and smelter sites, and alleviation of heat stress at our smelter sites.

C**Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**

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 decarbonize much earlier than the competition, by switching to Firm Renewable Energy (RE), could enable us to harness new markets as also to seek 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.

Carbon Pricing

Hindustan Zinc has defined an internal carbon pricing mechanism, applicable to all units, to bring in organizational change by influencing internal behavior and to drive energy efficiency. We have introduced carbon pricing as a component in all our capital expenditures. The internal carbon pricing helps us implement 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 ₹ 1,451/tCo₂e.



Risk Management

A Processes for identifying and assessing climate-related risks

We have in place a formal monitoring process at unit and Company levels to identify and categorize existing and emerging risks with respect to both physical and transition risks.

B Processes for managing climate-related risks

The climate change vulnerability assessments provide a critical tool for our improved understanding of the cause/effect relationships between climate change, its various impacts on the socio-economic and ecological systems within which we operate, and how these impacts could affect our business operations. They also help in identifying our risks and opportunities from an interlinked perspective, considering how water, energy and climate change impact one another. Risks and mitigation measures are mapped to key responsibilities of select managers and managed with appropriate mitigation plans.

C Processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Formal mapping of risks & mitigation plans is part of the Risk Matrix with Key Responsibility Areas (KRAs), monitored with digitalized platform. There is a centralized repository of risk, along with risk owners. A Risk Action Plan is prepared to mitigate the risks.

Physical and Transitional Climate Risk Assessment

Physical risk due to Increase in temperature, drought, floods and extreme weather events, cyclones with higher rainfall and wind speed

Key Risks

- Increase in intensity and frequency of heat stress and drought
- Increased frequency of high wind speed events

Key Opportunities

- Use of more efficient water and energy management
- Assisting the community in climate adaptation

Transition risks due to policy change, technological and market changes, and reputation

- Existing regulations - Renewable Energy Certificate (REC), Renewable Purchase Obligation (RPO)
- Regulations likely in the medium term - Perform, Achieve, Trade (PAT) Scheme, higher energy efficiency and AIPA (Apex Committee for Implementation of Paris Agreement) demanding sector decarbonization benchmarks and carbon pricing etc.
- Decommissioning of coal-based power plants and shift away from carbon-intensive process technologies

- Use of Decarbonized electricity may result in lower Levelized Cost of Energy (LCOE)
- New market opportunities due to expected growth in Solar PV panels and energy storage systems using Zn, Pb and Ag
- Decarbonized metals may give differentiator and may command premium well before 2030

Physical Climate Risk Mitigation and Adaptation Strategies

(Location-specific climate change strategies, including mitigation and adaptation plans)

SHORT TERM

- › Efficient water utilization 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
- › Storm water drainage redesign to accommodate increased water surface flows
- › Ensuring that all new infrastructure is climate-resilient

MEDIUM TERM

- › Use of evaporation retardant chemicals for minimizing evaporation in surface water reservoirs
- › Installing renewable based energy to mitigate increased costs

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 as part of SBTi commitment
- › Reducing Pyro metallurgical processes
- › Assess new market and develop new products
- › Community perception survey regarding water stress

MEDIUM TERM

- › Electric vehicles in transportation
- › Planning for Decarbonization by 2050
- › Shifting to Hydrogen-based energy solutions
- › Research and Development (R&D) expenditures in new and alternative technologies
- › Improving recycling measures

LONG TERM

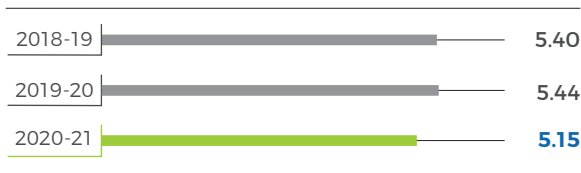
- › Hydrogen or Electric/ Induction Furnaces
- › Carbon Capture, Storage and Utilization
- › Expansion of capacity only with Net Zero Options
- › Carbon Capture & Storage (CCS) and Carbon Conversion technologies
- › Sequestration in abandoned mines and new locations

Performance, Metrics and Targets

Energy Use and Reduction

Energy consumption in operations was reduced in FY 2020-21 due to cell house efficiency improvement and implementation of various energy saving projects. Collectively, projects implemented in 2020-21 saved 3,48,954 GJ of energy and helped in 44,718 tons of carbon emission reduction. We aim to further improve the carbon intensity of our operations.

GHG Intensity (Scope 1 & 2)/ MT



A

Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process

- > Completion Status of Mitigation Plans of Physical Climate Risks
- > Status of Plans to harness climate opportunity

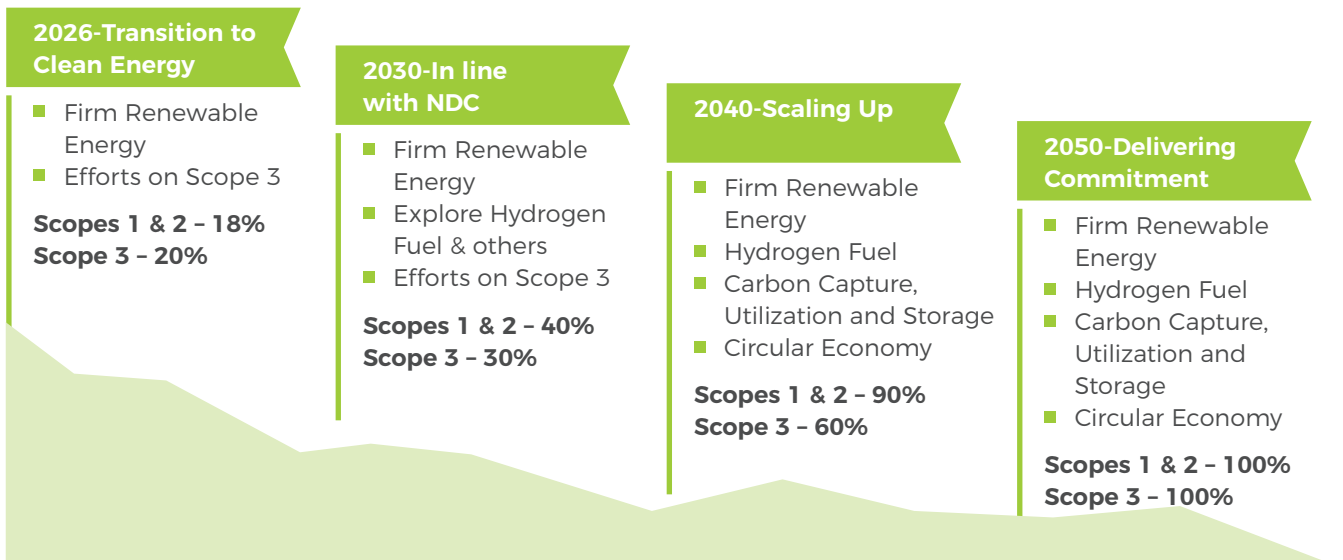
C

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

C.1 Hindustan Zinc 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

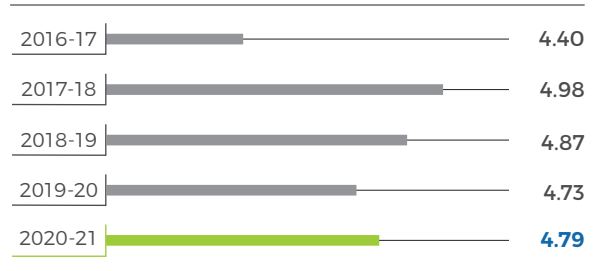
C.2 Net Zero 2050



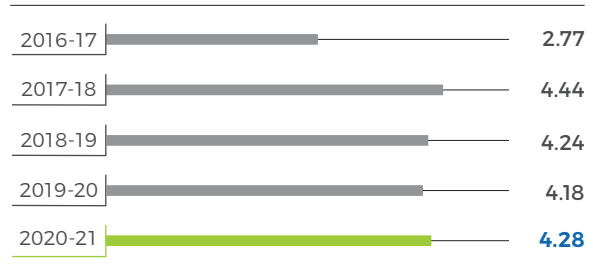
B

Scope 1, Scope 2 and, Scope 3 GHG emissions, and the related risks

Scope 1 + 2 (Absolute) Emissions (in MTCO₂e)



Scope 3 (Absolute) Emissions (in MTCO₂e)





Water Stewardship

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

Our Approach

Water stewardship is a critical element of our sustainability framework and environment conservation strategy. Reducing use of fresh water in our operations and protecting water quality reduces our environmental footprint, and helps us to maintain community and stakeholder support. Our commitment to water stewardship is manifest in efficient use of water, water quality focus, and engagement with communities to collaboratively manage shared water resource throughout the mining lifecycle.

Governance

Our Water Management Community ensures strong governance for water conservation at source, Zero Liquid discharge from operations, rainwater harvesting, as well as water accounting. It provides guidance for continual improvement in water use minimization/utilization/recycling through implementation of appropriate processes and policies across the Company. Its group provides focus or advice on water management related risks and their mitigation.



Our Strategy

Our operations exist in areas of varying degrees of water stress. Our water management policy commits us to recognizing the social, economic and environmental value of water, and the increasing global concern of water scarcity. We strive to minimize the amount of fresh water we consume by reusing as much water as possible in our processes. We have adopted a multi-pronged approach to manage water resources.

1 Minimizing the use of water in operations

This is of prime importance since Rajasthan, where we operate, is a water scarce region.

2 Increasing the use of recycled/reused water –

This helps in reducing our reliance on freshwater resources and the overall environmental impact of our operations.

3 Developing rainwater harvesting systems to replenish groundwater sources

We have constructed stormwater collection ponds at all sites in line with our commitment

to stormwater management. Efforts are also ongoing to arrest rainwater, reduce runoff and improve water quality for not just our operations but also at nearby communities.

4 Exploring alternatives

We have been pioneers in adopting clean and green technologies for our operations. As an alternative to freshwater and groundwater use, we commissioned a 60 million-liter-per day (MLD) Sewage Treatment Plant (STP) via Public-Private Partnership. The treated water helps keep sewage inflow away from Udaipur lake and acts as an alternative source of freshwater for our operational units.

5 Monitoring & Auditing

We regularly measure, manage and publish assured data on water consumed by our various operations. Water meters are installed for key processes, enabling online monitoring.

Long-term Commitment towards Water Stewardship

To support sustainable resources, we are focused on two areas: improving water efficiency, and working with others to enhance the benefits & availability of water resources.

Our long-term target is: **To be 5 Times Water Positive Company and Reduce Water Consumption by 25% by 2025 from base-year 2020.**

Hindustan Zinc joined CEO Water Mandate, a UN Global compact initiative, to enable Public-Private Partnerships with 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 focused on water management.

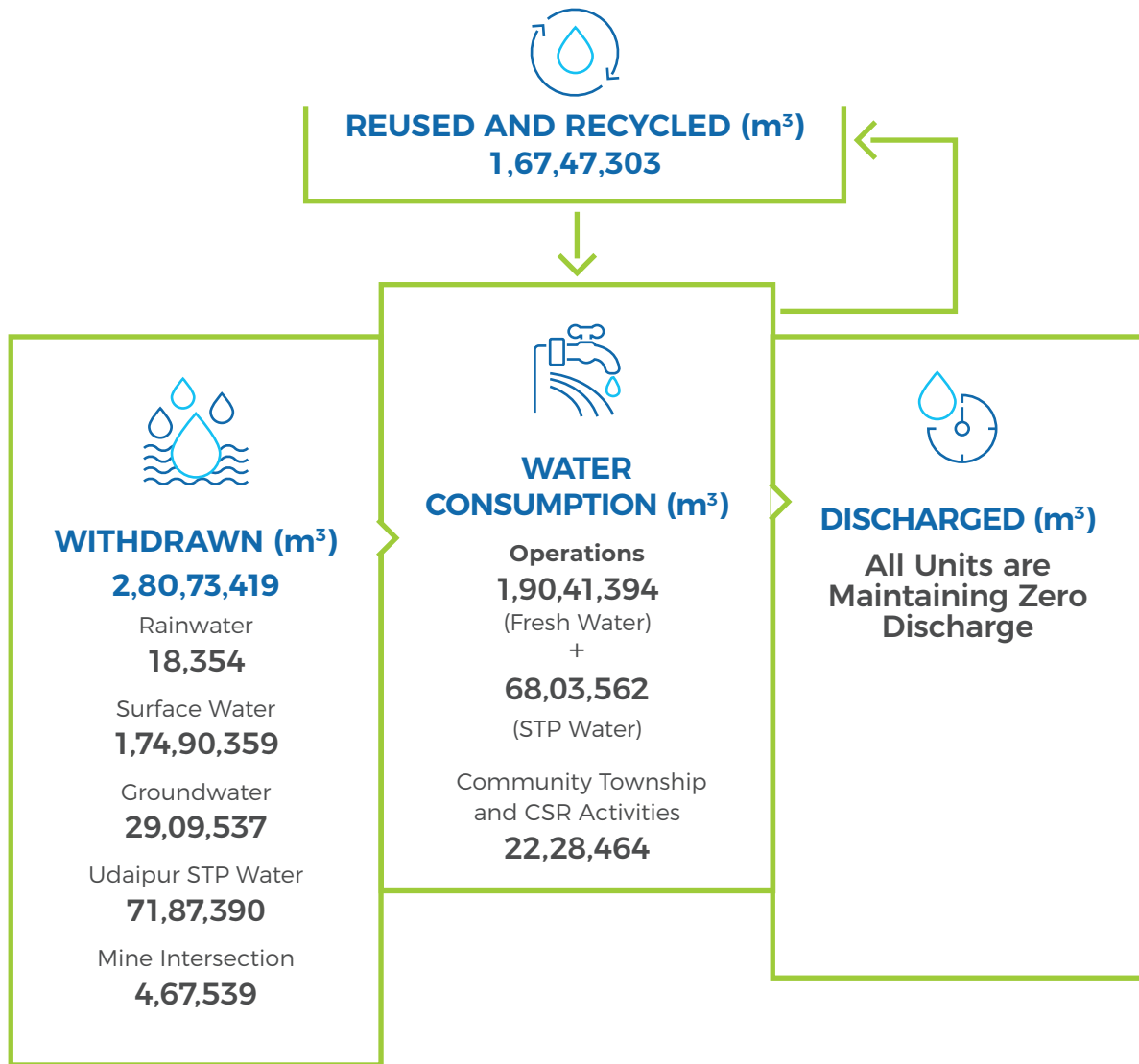
With a water-intensive industry and our operations located entirely in water scarce regions, we lay a lot of emphasis on water conservation and management. The Company has state-of-the-art Effluent Treatment Plants (ETPs) & Recycling Facilities, Sewage Treatment Plant, Water-Efficient Systems, and Rainwater Harvesting Structures, and our continued investments in these have led to Hindustan Zinc being among the few water positive companies in India, with a ratio of 2.41 times water positive.

Identifying Water Risks and Opportunities

All our major operations are based in the water scarce state of Rajasthan, making it challenging for us to work in this region. To minimize this risk, we use water risk screening and identify opportunities to make informed decisions and formulate strategic plans at every stage of the operation. Each operation / business function undertakes a water risk and opportunity assessment, and priority risks are used to maintain and biannually update risk registers in accordance with a standardized risk management approach. Several techniques and tools are used to assess water-related risks, with water being a part of the Company-wide strategic-level risk assessment process.



WATER USE (Cubic Meters)



Groundwater Recharge Intervention - Rampura Agucha

Rainwater harvesting is important to reduce environmental impact and save financial costs of water. It also helps reduce the stress on groundwater levels, especially in water scarce regions such as Rajasthan. Hindustan Zinc executed groundwater recharge intervention project across Hurda, Shahpura, Kotri and Jahazpur blocks of Bhilwara district. We were able to complete the desilting of ponds; repairing, strengthening and increasing the height of damaged embankments and spill ways / waste weirs; and construction of 358 recharge shafts for effective groundwater recharge, in 83 ponds.

>8.5 MCM/ANNUM

Total groundwater recharge potential created



Air Quality Management

(GRI 305-7) (FIMI Principle-5)

Our Approach

Led by our commitment to measuring, controlling and reducing air emissions at each of our sites, we are continuously implementing systems & procedures to address the concerns of local communities, while complying stringently with the environmental license conditions. We use advanced mitigation, measurement and management strategies to identify, reduce and, where possible, eliminate any potential impacts on air quality. The Company has installed online effluent and emission monitoring systems, connected directly to the servers of the Pollution Control Board.

Governance

Our Mining, Smelting and Captive Power Plant (CPP) operations produce emissions such as PM, SO_x, NO_x, etc., which need continuous monitoring and mitigating actions. Our governance framework helps in addressing the concerns of local communities and ensuring disclosure of our air quality inventories publicly, through our website and public reports.



Our Strategy

Ambient Air Quality Monitoring

Particulate Matter (PM) Emissions from Stack (MT)

2018-19		1,155
2019-20		1,027
2020-21		1,097

Sulphur Oxide (SO_x) Emission (MT)

2018-19		30,235
2019-20		23,069
2020-21		19,600

Nitrogen Oxide (NO_x) Emission (MT)

2018-19		8,642
2019-20		8,913
2020-21		8,098

Measures for Air Quality Management

We have implemented the following measures to minimize the impact of emissions on Air Quality.

PM Emissions

- High efficiency Electrostatic Precipitator (ESP) for CPPs
- Flue gas cleaning techniques, like ammonia dosing before letting out air through stack, used in power plant to achieve maximum cleaning of flue gas
- Zinc and Lead Smelters are equipped with bag filters, ESPs and scrubbers to effectively maintain PM emission within norms

SOx Emissions

- Double Conversion Double Absorption (DCDA) acid plant to maintain Sulphur Dioxide (SO₂) emissions within stipulated norms
- Tail Gas Treatment Plant (TGT) installed in smelters to further cut down SO₂ emission from stack (Calcine-based scrubbing)
- Cesium doped Vanadium Pentoxide (V₂O₅) catalyst for efficient conversion of SO₂ to Sulphur Trioxide (SO₃)

NOx Emissions

- Installation of low NOx Burners

Other Initiatives to Minimize Fugitive Dust Emissions

- Storage of raw materials in covered shed with dust suppression system
- Dust extraction system in conveyors at each transfer point
- Paved internal roads to control fugitive dust generation
- Vacuum road sweeping and water sprinkling to minimize fugitive dust emissions due to traffic

Air Quality Monitoring

- Continuous Ambient Air Quality Monitoring Stations for real-time monitoring and adequate stack height for better dispersion
- Continuous Emission Monitoring System (CEMS) to measure particulate matter, sulphur dioxide, oxides of nitrogen

■ Impact/Activities ■ Control Measures





Waste Management

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

Our Approach

We manage waste in accordance with our **'4R' strategy - Reduce, Reuse, Recycle and Reclaim**. We diligently follow this approach at all mines, using clearly defined risk-based procedures and processes. This ensures that all waste is systematically collected, stored, transported, reused and recycled, thus helping in the derivation of the maximum possible value from it. We have a vision of zero waste and our R&D focuses on exploring new zero waste technologies for metal recovery from residues & wastes.

Governance

The Waste to Wealth Community is responsible for overseeing the gainful utilization of waste, and for providing guidance to ensure continual improvement in waste minimization, utilization, and recycling by implementing appropriate processes and policies. It tracks all wastes generated, finds innovative ways and methods to utilize the residue waste, undertake R&D and outline initiatives, and develop strategies to minimize waste.



Gainful Utilization of Waste

Waste Rock / Mine Overburden After mine development

Used for mine void filling / construction / strengthening of embankment of tailings dams.

Tailings Ore beneficiation process

Some of this is reused for backfilling of mine through Hydrofill and Paste fill technology; remaining is safely disposed in Tailings Storage Facilities (TSF).

Dry tailings plant - Hindustan Zinc intends to move from wet tailings disposal system to dry tailings disposal system, which enables recirculation of more than 80% of the process water present in tailings and improve overall stability of TSF.

Partnered with reputed research institute Council of Scientific & Industrial Research (CSIR)/ Central Road Research Institute (CRRRI) to explore tailings utilization in road construction.

Jarosite and Slag Smelting waste from hydro metallurgical process

Jarosite

- > 100% utilization of Jarosite (89,031 MT) in cement manufacturing generated from one of the Zinc Smelter
- > Disposed in landfill in eco-friendly manner after neutralization and stabilization with cement and lime (Jarofix)
- > With commissioning of Fumer plant, we will be able to eliminate Jarosite generation from one of our Hydro plants

Slag from pro-metallurgical process

Slag

- > Reused in cement manufacturing

Fly Ash and Bottom Ash Captive Power Plants

Fly ash is reprocessed by cement manufacturers and bottom-ash by brick manufacturers.

During the year, the total waste generated from our operations was **1,80,49,061 MT**, and **57,44,653 MT** was recycled and **1,23,04,409 MT** of waste disposed off in eco-friendly way.

We continuously explore new initiatives for reducing, recycling and reusing waste. Switching from open-cast to underground mine resulted in reduction in waste generation and we are moving steadily to Zero waste to landfill.

■ Process ■ Utilization

Waste to Landfill (in MMT)

2018-19	11.50
2019-20	11.82
2020-21	12.30

Waste Recycling (%)

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



Recovery of Sodium Sulphate from Reverse Osmosis Plant (RO) Reject

We have initiated a project involving treatment of effluent from Lead, Zinc and CPP in ETP for neutralization and removal of heavy metals, to facilitate recovery of sodium sulphate from RO reject. The effluent treatment is followed by a series of processes, such as reverse osmosis and multiple effect evaporators. The project will help achieve more than 95% purity 3,600 TPA crystal sodium sulphate, which will meet 1/3rd of the requirement of the DSC plant. This will yield many sustainable benefits, including 70% reduction in MEE salt disposal to Secure Landfill (SLF), and ₹ 3.5 crore per annum in value generation.



Use of Jarosite in Concrete as Cement Replacement

Jarosite is waste produced in the hydrometallurgy process of zinc extraction, necessitating additional investment for its stabilization and disposal. In collaboration with IIT-R, Hindustan Zinc conducted a feasibility study to utilize Jarosite in construction-related works, using Jarosite in concrete, mortar and paver blocks as 10% - 15% replacement of cement. The study showed positive results and encouraged us to conduct field trials. The field trials indicate that replacement of cement is feasible in non-critical concrete works, like Reinforced Cement Concrete (RCC) Roads, Paver blocks, Drains and Plain Cement Concrete (PCC).

Tailings Storage Facility

(FIMI Principle-5)

Our Approach

Safe and responsible management of tailings storage facilities is an integral part of mining at Hindustan Zinc, particularly in view of their potential impact on the environment, nearby communities and other stakeholders. During construction, operation, maintenance and closure of the tailings facilities, we take extensive measures to mitigate the risk of tailings dam failures, and incorporate the best available technology to minimize the environmental impact.

Governance

At Hindustan Zinc, all our mining operations, existing and future, follow a standard performance protocol, focusing on the entire lifecycle of the tailings process. This includes investigation, planning and design, construction, operations, 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 plan is in place, and regular audits are conducted to ensure that the process meets performance standards.

Review and Monitoring

Continuous operational and stability monitoring plays a major role in ensuring the safety of Tailings Storage Facilities. It involves regular physical inspections of dam's structural integrity, and environmental impact. It consists of both qualitative and quantitative comparison of actual to expected behavior. Regular review of surveillance information provide an early indication of performance trends with specification.

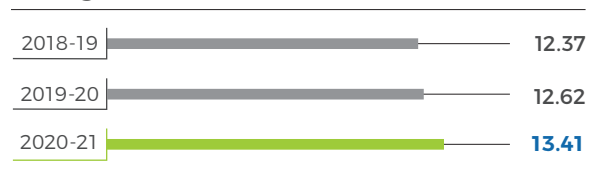
- 1 Visual Monitoring and Inspection - Weekly/ Monthly and Annual
- 2 Geotech Monitoring on Tailings
 - > Pillar-prism-total station data for measurement of Slope displacement
 - > Piezometer for measurement of pore water pressure
 - > Inclinomometer for measurement of Sub-surface deformation
 - > Cameras are placed for security monitoring

Best Practices Adopted at our 3 Tailings Storage Facilities

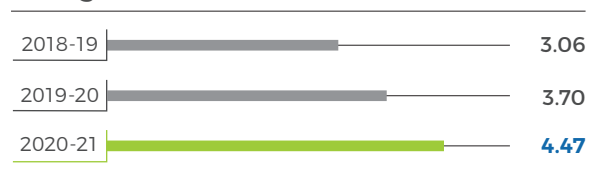
- > Clear policy on tailings management, and strong management commitment for safe and responsible management of Tailings Storage Facility (TSF)
- > TSF Committee - in-house experts to strengthen compliance to Vedanta Tailing Management Facility (TMF) standard
- > Reputable engineering and design firms selected for the design of these facilities
- > Periodic TSF risk assessment conducted, and mitigation plan developed to minimize associated risks
- > Tailings utilization in back filling through Paste fill / Hydrofill
- > Replacement of wet tailings disposal system with dry tailings disposal
- > Supernatant water collected and recycled in process
- > Garland Drains around tailings dam, Zero Liquid Discharge maintained from tailings dam

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)



Tailings Utilized (Million MT)





Biodiversity

(GRI 304-1, 304-2, 304-3, 304-4) (FIMI Principle-5, 8)



Our Approach

We understand that the nature of our operations has implications for the environment in the form of emission of particulates; waste generated in mining, refining and smelting processes; water consumption; and changes in land use. To promote a best practice management approach to biodiversity, we have reviewed all operations through the Integrated Biodiversity Assessment Tool (IBAT). We have identified which of our sites are operating within close proximity of protected International Union for Conservation of Nature (IUCN) areas, important bird areas and key biodiversity hotspots. This has led us to prioritize the biodiversity management processes, and all our sites have Biodiversity Management Plans (BMP) in place.

Governance

The Biodiversity Community manages all the biodiversity conservation-related risks. The team is authorized to facilitate the integration of biodiversity management into the decision-making processes for new and existing projects, outline actions and measures necessary for the effective management of biodiversity, and commission advisory or steering groups to provide focus or advice on such risks and their mitigation.

Our Strategy

We have a dedicated Biodiversity Policy and Management standard to advise on how disruption to flora and fauna can be avoided, minimized or compensated for – from project scoping to site closure and beyond. Our aim is to achieve a minimum of No Net Loss (NNL) and Net Positive Gain (NPG) of biodiversity (in case any critical habitat is present) at all our operations.

We recognize deforestation and forest degradation as a significant cause of climate change. We commit to urgent action to conserve, protect and restore natural ecosystems, including forests and habitat connectivity, and promote sustainable forest management. We also commit to implement pathways to avoid deforestation as per prevailing rules and regulations, including compensatory afforestation.

As per IBAT tool assessment, no Protected Areas, National Parks, Wildlife Sanctuaries, Bio Sphere Reserves, Wild Life Corridors etc. are situated in core/buffer zone (10 km area) of any of our operating sites. We are committed not to operate/explore/mine/drill in World Heritage areas and IUCN Category I-IV protected areas.

Biodiversity Impact and Risk Assessment

Environmental risks and impacts, including those related to biodiversity, are considered in the planning, permitting and impact assessment phases of each project. A baseline study involves conducting field surveys of the total area to be affected by the project, and making observations of the land uses and species present there. This typically forms part of the scope of the Environmental and Social Impact Assessment (ESIA) for all the greenfield and brownfield projects. During project permitting, detailed Environment and Social Impact Assessments (ESIAs) are conducted to support approval of the project by regulators and secure support from stakeholders. We identify and understand the critical biodiversity areas, and develop an action plan to mitigate the risks associated with new project activities on the region's biodiversity. Even at the closure stage, we work towards restoring the land as close as possible to its natural state.

The Company has a separate policy on biodiversity and stays committed to prevent risk on biodiversity throughout its business by conserving rare and endangered species and high priority conservation areas. We follow the Technical Standard 'Conducting ESIA to International Standards', 'Biodiversity Management Standard' and 'Guidance Note of Biodiversity Management' for all our new projects, with the aim to facilitate the integration of biodiversity and ecosystem service conservation into decision making processes for new and existing projects and/or operations and to help ensure that all necessary measures are taken to avoid, minimize and in some cases compensate/offset for the impacts of our projects. We ensure that the requirements of the Technical Standard are adhered to as part of every potential new project or expansion activity, and also during the lifetime of every project

in order to ensure that environmental, social and health impacts are systematically considered in all business decisions.

As per Vedanta Technical Standard, we follow all biodiversity management steps:

STAGE 1 - BIODIVERSITY RISK SCREENING

Undertaken for each site, using Integrated Biodiversity Assessment Tool (IBAT).

STAGE 2 - BIODIVERSITY RISK ASSESSMENT

Conducted by third party, this consists of study of information on local biodiversity and ecosystem services, as well as associated regulations. This assessment provides more detailed and site-specific information than the initial biodiversity risk screening conducted in Stage 1. The purpose of the assessment is to verify that the site has been assigned the most appropriate biodiversity risk rating.

STAGE 3 - DEVELOPING A BMP

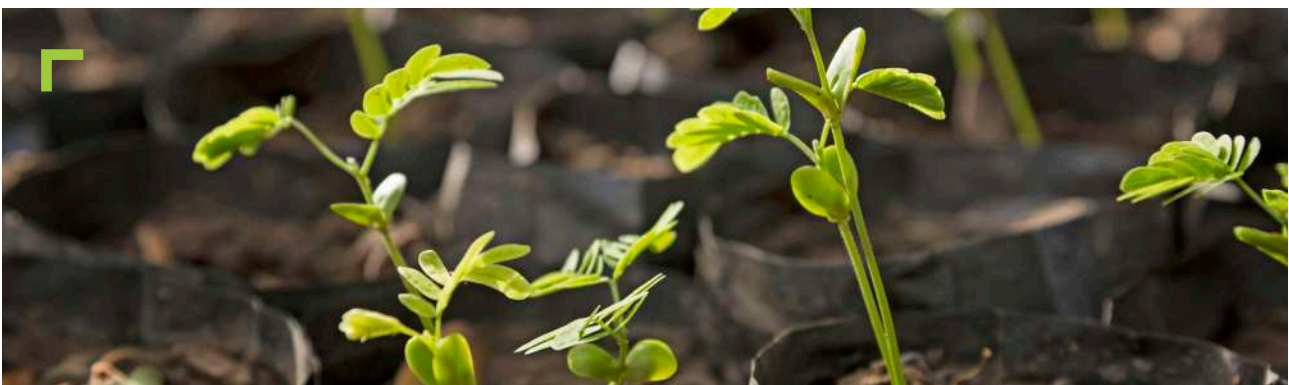
Based on the guidance conducted.

STAGE 4 - MONITORING AND REPORTING OF BMP

plan and biodiversity performance indicator.

During the design phase of any project, as part of ESIA and standalone biodiversity assessment, we consider the following issues while conducting biodiversity related risk assessment: deforestation, legally protected areas; internationally recognized areas; threatened, migratory and endemic species; ecosystem services; local communities; and regulations.

Hindustan Zinc has 9 locations of operation, which include 5 mines, 3 smelters and 1 refinery. We have conducted biodiversity assessment across the sites and none are in close proximity to an area designated as a critical biodiversity area, either by national or international body. We have proactively put in place biodiversity management plans for each of our operational sites.



Our Performance

Mines	Total area of owned land/ lease/concession (hectares)	Total area disturbed/ planned 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	0	128.4	15
Rajpura Dariba Mine	1,141	285.07	13.81	0	0
Sindesar Khurd Mine	199.84	129	0	7.11	0
Zawar Mine	3,620	397.76	0	45.07	0
Kayad Mine	480.45	48.5	0	17.04	0

In the reporting year, there are no fines, enforcement orders, and/or other penalties for violation of biodiversity-related regulation.

Hindustan Zinc is excited to support the launch of Taskforce Nature related Financial Disclosures (TNFD), and believes it will be a valuable framework to understand nature-related risks and opportunities, and to accelerate the transition towards Nature Positive and Carbon Neutral future. We are keen to contribute towards shaping the reporting framework that can guide business in considering nature and its services in business decisions and future investments.



Sustainable Mine Closure

(FIMI Principle-5, 8)

Sustainable mine closure is factored in at the time of inception of the lifecycle of a mine. Suitable financial provisions are made for costs associated with restoration and rehabilitation of mining. However, it is also essential to monitor and address the social impacts and concerns of the communities during the mine closure phase. Mine closure plans are created in parallel to mining plans, and they outline the steps to be taken throughout the mine cycle to effectively and environmentally culminate operations. This includes rehabilitation of the surrounding area and protection of water resources.



Currently, none of our mines are near closure.

Post Closure

It is necessary for the land to be rehabilitated – cleansed and revegetated with a view to long-term environmental sustainability of the region and surrounding communities. Hindustan Zinc has a well-articulated post mining land use procedure:

- All mined out stope voids will be back filled
- Mine waste will be utilized for filling mining voids
- All equipment will be removed from 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, as practicable & revegetated
- Any potential area of soil contamination will be checked and decontaminated by excavating the contaminated portion and replacing with fresh soil
- Plantation done will be maintained
- Necessary approvals will be taken from statutory authorities for Progressive & Final Closure Plan
- After reclamation, surveillance & monitoring will be done



Social



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Health and Safety



(FIMI Principle-4)

We perceive safety to be our first priority and a non-negotiable component of our operations. We are committed to providing our employees with an environment of Zero Harm. Our safety perspective also extends to our business partners and communities.



Vision

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

KEY HIGHLIGHTS

ZERO Fatality	0.97 LTIFR Year-on-Year reduction by 30%
ZERO Occupational illness cases	0.65 Million Manhours of safety training

MATERIAL ISSUES



Health and Safety

High Priority Area



Sustainability Goals 2025

Zero fatality and 50% reduction in Total Recordable Injury Frequency Rate (TRIFR)

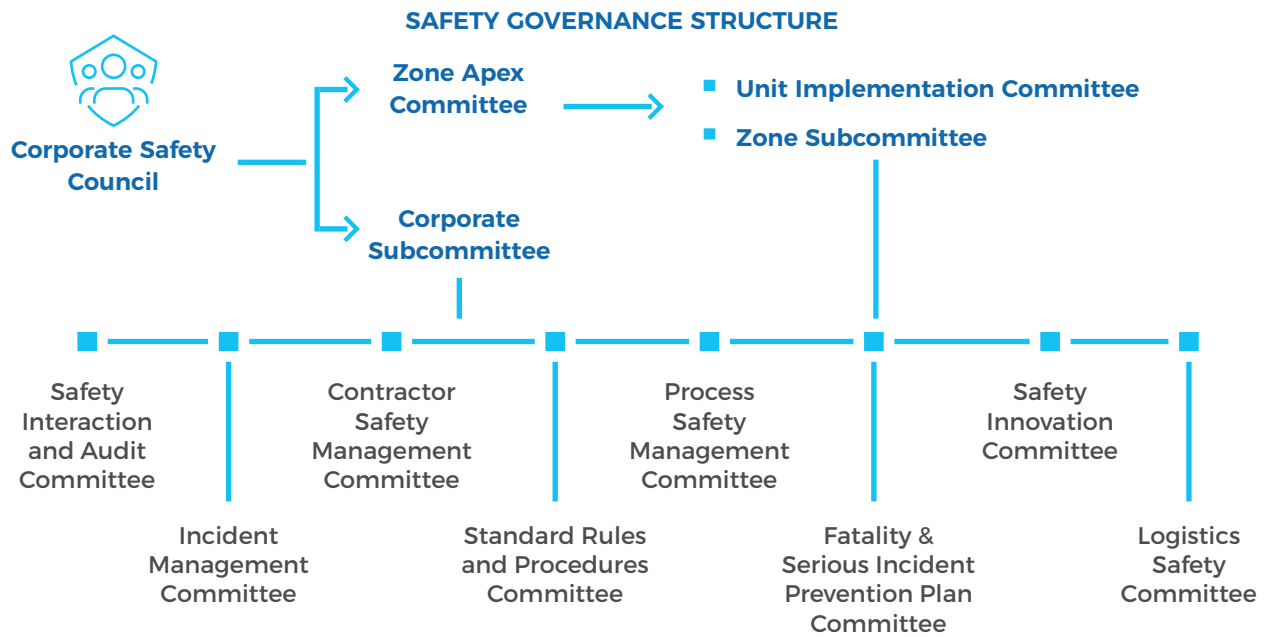
OUR APPROACH

Recognizing occupational health and safety as a core value, we are continually striving to achieve Zero Harm at workplace. We have partnered with global experts to commence our safety excellence journey - 'Aarohan', and have fostered a positive safety culture in the organization. As part of this journey, we are working towards enhancing governance structure, involvement of line managers, and employee engagement, while uniformizing safety standards, improving processes & practices, and ensuring Occupational Health and Industrial Hygiene.

SAFETY GOVERNANCE STRUCTURE

Cognizant of our duties as a global corporate citizen, and the risks associated with working in difficult conditions, we have inculcated best-in-class safety initiatives to ensure the safety of our employees.

Our CEO chairs the Corporate Safety Council, along with the Chief HSE Officer who acts as Secretary, with senior leaders as members. Additional inputs to the Corporate Safety Council come from eight corporate sub-committees and nine zone apex committees.



The primary objective of the Safety Council:

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

It is the safety sub-committee's responsibility to identify and establish various systems, standards, rules and protocols, and to assist Hindustan Zinc in achieving the goal of Zero Harm.

Safety Interaction and Audit Committee

- Safety Interaction is the structured and planned two-way safety conversation process with people at their workplace to achieve positive change in behavior towards safety. The subcommittee ensures that employees understand the value of safety to the organization, and it creates a culture of care in which safety is a core value.

Incident Management Committee

- To ensure the timely reporting and investigations of incidents and ensuring quality of incident investigation focusing on systemic causes and horizontal deployment of learning and prevent reoccurrence of incident.

Contractor Safety Management Committee

- Standardizes, implements and improves Contractor Safety Management (CSM) system in operational units, and partners contractors who share Hindustan Zinc's values for safety and operational excellence.

Process Safety Management Committee

- Implements and maintains risk management systems and processes to eliminate process safety incident and injuries.
- Process critical equipment and parameter management.

Standards, Rules and Procedures Committee

- Ensures that adequate rules and procedures are available for all employees and contractors at Hindustan Zinc to work safely and effectively.

Fatality and Serious Incident Prevention Plan (FSIPP) Committee

- Ensures that all the identified high-risk activities are analyzed for risks, and control measures are defined, implemented and monitored; also drives fatality and serious injury prevention program across all locations.

Logistics Safety Committee

- Primarily focuses on ensuring safety issues related with vehicle movement, with the aim of achieving the goal of zero incidents on road.

Safety Innovation Committee

- Strives to bring more focus on safety innovation and reduce the risk of LTI/Medical Treatment Injuries (MTI)/High Potential Incident (HIPO) through technology and innovation.
- Exploring and implementing globally available best engineering solutions, bringing technological interventions to reduce manual activities and hence prevent injuries.

- Roles and responsibilities

Joint Management-Worker Health & Safety Committee

Hindustan Zinc has in place a Joint Management-Worker Health and Safety committee, which also acts as the governing body for monitoring the implementation of the organization's occupational health and safety programs and campaigns at all areas of operation. The committee has an equal representation of both – the management and workers. The actions emerging from this committee are monitored for implementation at the shop floor.

16

Number of Health & Safety Committees with the Organization

149

No. of executives

37

No. of non-executives

182

No. of contract employees

368

Total number of members in the committee

FY 2020-21

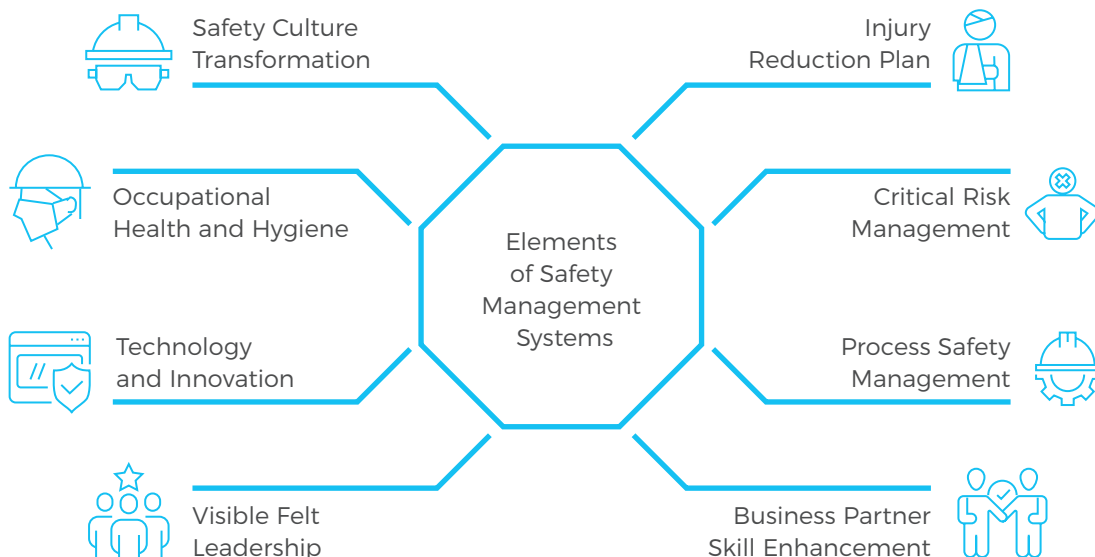
OUR STRATEGY

Our commitment of operational safety to our employees, helps ensure we strive continuously, under the direct guidance of our leadership, to provide a safe workplace at our premises. 'Zero Harm' is our commitment to our employees, along with strategic priorities such as:

- > **Zero Fatalities**
- > **Zero Occupational Health Illnesses**
- > **Improvement in Occupational Health and Hygiene**
- > **Effective high potential risk management**
- > **Critical review and audit of safety and standard implementation**



Elements of Safety Management Systems



Critical Risk Management

Our major focus is eliminating fatalities in the workplace and ensuring Zero Harm.

Our Fatality and Serious Injury Prevention Programme (FSIPP) committee plays a vital role in realizing our goal of Zero Harm. It has identified the top 8 fatality risks in mines and top 10 fatality risks in smelters, and ensures the maintenance of a set of critical controls at all times.

All the identified high-risk activities are analyzed for risks, 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.

Our Fatality and Serious Injury Reduction program encompasses:

Standards: We have developed uniform Standard Operating Procedures (SOPs) and standards for high risk activities. Training modules and master trainers have been developed for the implementation of the SOPs across the units, and 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.

Audits: Our internal audit system ensures effective implementation of the SOPs and safety standards. First Party and Second Party audits are conducted every year at all the sites, to ensure that standards for high-risk activities are consistently, properly and effectively implemented. All sites are also assessed yearly under the Vedanta Sustainability Assurance Programme. Regular risk barriers and control checks also makes our system more robust towards mitigating the workplace associated risks.

Visible Felt Leadership

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

We have launched 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 senior leadership on the following 6 aspects, and reviews the same on a monthly basis at the Corporate Safety Council meeting, chaired by Hindustan Zinc's CEO:

- 1 Safety Interaction
- 2 Gemba Walk
- 3 Employee Mass Communication
- 4 One Safety Project in Each Quarter
- 5 Monthly Safety Tests
- 6 Personal Safety Action Plan

By being purposely visible in the workplace and relentless about spending time with employees, our leaders demonstrate their personal commitment to incident-free workplace.

Sameeksha Program

Our leadership is regularly apprised of serious injuries. Action plans are discussed with business partner leaders on Sameeksha program, to prevent similar injuries in the future. A commitment is taken from our business partner leaders to constantly improve the safety culture at their organization. The forums are conducted on a monthly basis and Hindustan Zinc CEO, being the chair of the Safety Council, heads the meeting, along with Business Unit Director, Chief Health Safety Environment Officer and our business partner leadership team. Our concerted efforts have led to significant reduction in occurrence of historical serious injuries, and over time, have improved the safety performance of our business partners.



Injury Prevention Program

Ensuring lessons are learned and horizontally deployed across locations is essential to preventing fatalities and serious incidents. All incidents are investigated and analyzed for root cause related to System factors, Human factors or Physical factors. Effective control measures are implemented to avoid recurrence of similar incidences, and the same are communicated to all employees through safety alerts and safety standdowns. These investigations and corrective actions are reviewed monthly with the Executive Committee during the ExCO and at the Corporate Safety Council meetings.

Hand Injury Prevention Program

An analysis of the injuries that occurred last year showed that 40% of the incidents related to hand injuries, due to use of improper tools, as a result of unsafe practices and working in the line of fire. In response to this, we undertook a series of actions to minimize such incidents in the future. These included imparting of training, formulating standards for safe use of hammer, with standardization of hammers, and introduction of finger and slide sledge hammers.





Safety Performance

(GRI 403-2) (FIMI Principle-4)



Driven by our strong commitment to ensuring workplace safety and Zero Harm for employees, **we achieved zero fatalities at worksite during FY 2020-21**. Hindustan Zinc's Lost-Time Injury Frequency Rate (LTIFR) for the year marked a year-on-year decrease to stand at 0.97, as compared to 1.38 in FY 2019-20. However, we understand that it is still higher than in previous years and remain committed to its further reduction.

We measure our safety performance by tracking a combination of leading and lagging indicators. Leading safety indicators include safety interactions, which promote discussion of workplace health & safety between the senior management and the shop floor workers. We also track the number of high potential incidents and process safety incidents, along with near miss, unsafe acts and conditions. Our Incident Management

Committee ensures complete investigation of all such incidents and sharing of lessons learnt across locations.

The lagging indicators we track are Lost Time Injuries (LTI) and Total Recordable Injuries (TRI). This helps us understand the severity and frequency of injuries at our operations, recognize trends, and act to focus our safety management efforts.

Lost-Time Injury Frequency Rate

2016-17		0.30
2017-18		0.27
2018-19		0.63
2019-20		1.38
2020-21		0.97



Safety Training

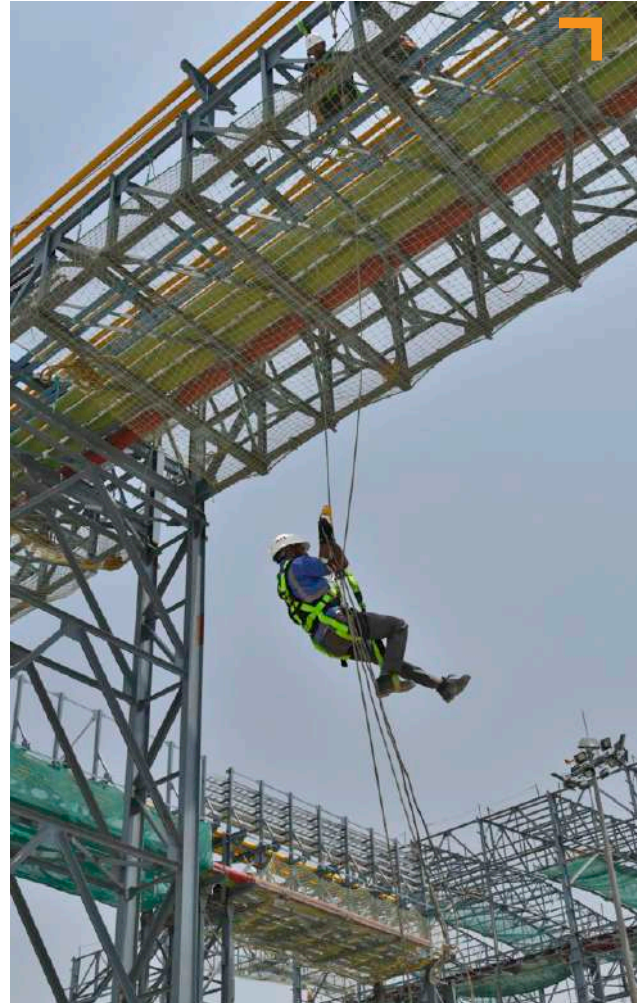
(GRI 403-5)

During the year, 0.65 manhours of safety training were imparted to employees.

During FY 2020-21, the novel coronavirus (COVID-19) forced many businesses around the world to postpone or cancel in-person training/workshops. However, businesses cannot afford to put capacity building on hold, and hence, online digital learning platforms was introduced by Hindustan Zinc for employees. Our management engaged with experts such as M/s DuPont Sustainable Solutions & M/s Industrial Safety System for training our employees and business partners.

During this period, DuPont conducted various training programs, and also held 'train-the-trainer' sessions to build competency of business partners and employees on Contractor Safety Management, Process Safety Management, Contractor Field Safety Audit, Process Hazard Analysis, Mechanical Integrity and Quality Assurance, Emergency Response Crisis Plan, High Risk Safety Auditor etc.

With safety and health of our employees, including contract employees, and business partners, our leadership positively promotes a safety culture within the organization to ensure reduction in incidents, with the aim to make Hindustan Zinc an incident-free workplace.



Monthly Safety Theme Drive

Based on the learnings of past incidents across units, we selected two safety themes each month - one for Smelter and one for Mines, during FY 2020-21. The focus was on ascertaining the cause of past incidents, and study them so that similar future events can be avoided. The aim was to educate through classroom safety trainings, safety standdown, tool box talks, etc.

We focused on connecting and communicating with employees through mass communication, safety Chaupals, gate meetings, quiz and online tests, mock drills, reward and recognition for employee motivation, fostering involvement

through poster making, model making, slogan competition, gap assessment through audits, and compliance tracking. Various safety projects, engineering controls, and safety innovation and initiatives were identified as focus areas during the month. These safety themes are religiously driven across the organization to create enthusiasm and zeal among employees, and enhance their safety awareness on the selected themes, and thus promote a positive safety culture in line with our Zero Harm vision.

Occupational Health Management

(GRI 403-1, 408-1, 409-1)

We believe all occupational diseases to be preventable, and strive to provide a workplace free from occupational health and hygiene risks. We work towards promoting healthier lifestyles for our people, to enable increased productivity, reduced absenteeism and enhanced retention. In addition to conducting lifestyle management trainings, we focus on controlling the source of pollution and monitoring exposure to hazardous substances by using hi-tech processes.

Each business unit at Hindustan Zinc has its own safety and health management protocols, under the guidance of the Corporate Safety Council. Safety performance targets, activity plans and improvements are monitored and reviewed by the respective sub-committees. Occupational Health Centers are established at all locations,

with regular health examination of employees and contract employees. A central health management system coordinates all aspects – from patient registration to care and discharge.

We also provide a range of health services to our people, extending from pre-employment medical check-up to periodic medical check-ups, with on-site medical professionals to monitor the occupational exposure limits.

The Occupational Health Assessment initiated in FY 2020-21 played a central role in on-site Industrial Hygiene for all locations of operations and also extends to business partners.

Hindustan Zinc has partnered with M/s Industrial Safety System for providing industrial hygiene support at smelters and mines, and for developing one framework and four standards specifically for Hindustan Zinc. First phase of exposure assessment study has been completed, and follow-up trainings for management staff, medical and other professionals are ongoing. We have completed industrial hygiene risk assessment, both Qualitative Exposure Assessment (QLEA) and Quantitative Exposure Risk Assessment (QNEA). Training and workshop programs conducted through collaboration with ISS (India) Consultancy Services Private Limited are aimed at empowering Hindustan Zinc professionals in industrial hygiene and occupational health through a targeted medical surveillance program that includes execution capabilities and behavioral skills.



No cases of occupational health illness were reported during the year.

During the year, 16,732 initial and periodical medical examinations were conducted.

Human Capital Management

(FIMI Principle-4)



SUSTAINABILITY HORIZON

ENVIRONMENTAL

SOCIAL

GOVERNANCE

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

22,005

Total employees
(including contract employees)

15%

Diversity ratio
for executives

1,32,905

Total Training manhours
Full-Time Equivalent (FTE)
(Including WILP hours)

163

Six Sigma projects
undertaken by graduate
engineering trainees
inducted

₹760 crore

Employee benefit
expenses

MATERIAL ISSUES



Employee Diversity

High Priority Area



Human Rights

High Priority Area



Talent Attraction and Retention

High Priority Area



Local Sourcing

Medium Priority Area



Learning and Development

Medium Priority Area



Sustainability Goals 2025

Inclusive and diverse
workplace with 30% diversity

OUR APPROACH

We understand that our employees are our best ambassadors and hence, we are sensitive to recruitment, nurturing and retaining the best talent, while keeping health, safety and well-being as our top priority. We undertake specific interventions for the behavioral, managerial and leadership aspects of employees, to ensure their all-round development.

GOVERNANCE - PEOPLE COMMUNITY

The People Community implements people development initiatives at Hindustan Zinc, and works to prepare the diverse workforce for succession planning. The team works with key stakeholders and drives our agenda of achieving our diversity targets and sustaining an environment conducive for retaining the best talent. The community is responsible for creating a roadmap for inclusive workforce development, besides benchmarking, reviewing, reframing the organizational policies to promote an equal opportunity culture.

OUR STRATEGY

To promote the overall development of our employees, including contract employees and our business partners, we have adopted the following strategic approach:

- **Ensure diversity at workplace for high performance, and enable learning and development to improve culture of continuous learning.**
- **Implemented a robust performance management system to align employees and business goals.**
- **Optimize 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, 414-1)

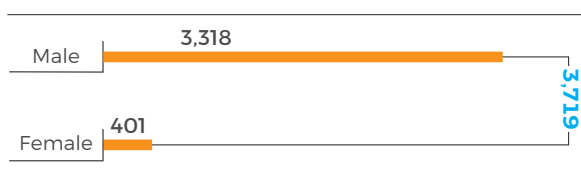
Our Human Resource Management function is structured around Diversity and Equal Opportunity, Talent Acquisition and Retention, Learning and Development. We are focused not only on hiring the right people but also on retaining talent and ensuring capability enhancement of existing talent.

Diversity and Equal Opportunity

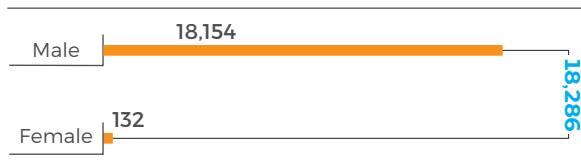
We, at Hindustan Zinc, are a diverse mix of talented people, belonging to different regions with distinct skill sets. We have a strong representation of women across roles and designation levels, currently standing at 15% strength in executive cadre. Our aim is to have 30% workforce diversity by 2025. Our major workforce is in the young and dynamic age group of 30-33 years, while that of executives and workmen is in the 38-40 age group. We believe that our young, dynamic, diverse and passionate workforce plays an important role in our business success. Regional diversity is encouraged to bring in a different perspective in all company operations and dealings with the stakeholders.

We are committed to the Women Empowerment Principles produced and disseminated by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), as well as the United Nations Global Compact.

Total Full Time Employees (Executive + Non-Executive)



Total Contract Employees



Local Employment

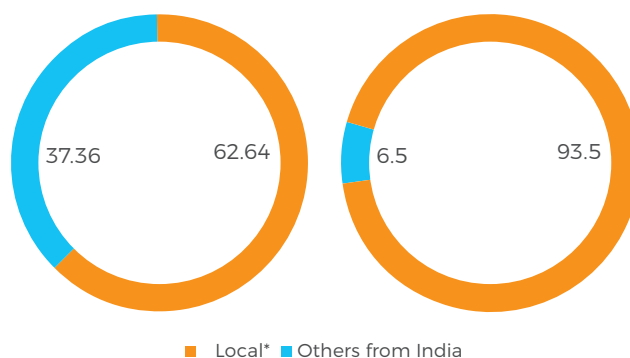
At Hindustan Zinc, we are committed to giving back to the society, which is reflected in our focus on hiring local talent in every state, where we have operations. This provides significant opportunities to strengthen our communities and promote inclusive development. In the process, we reduce costs, improve efficiencies and enhance diversity and inclusion across the organization.



NEW EMPLOYEE HIRES DURING THE YEAR

Age range	< 30 Yrs		30 - 50 Yrs		> 50 Yrs	
	Local	Non Local	Local	Non Local	Local	Non Local
Male	16	127	10	80	1	2
Female	7	50	2	11	1	0

Full-time Employees (%) Contract Employees (%)



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

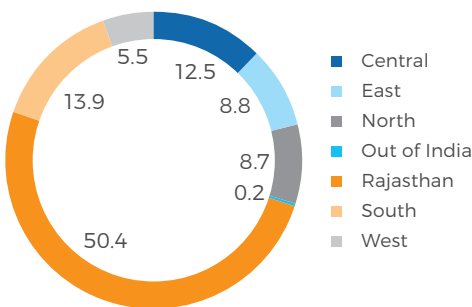
Full-Time Employees

Total Indian	Total International
3,314	4*
401	Nil

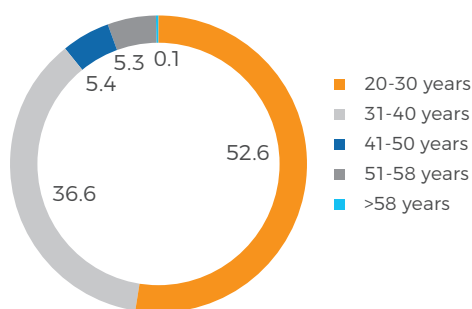
■ Male ■ Female

*Nepal - 2, Canada - 1, Australia - 1

Regional Diversity (%) (Executive)



Age Diversity (%) (Executive)



Strategic Workforce Planning

Human Resources team periodically assess our organizational design and ensure that the management structure across Hindustan Zinc promotes the entrepreneurial spirit of Vedanta, supports the current and long-term vision of the organization, and is we equipped to deal with new challenges when they arise. We have designed comprehensive Management In Place (MIP) guidelines across Hindustan Zinc which are implemented uncompromisingly. We have an institutionalized SBU ExCO structure representative of all key and critical positions and aim to meet the objective of 30% diversity representation in all SBU and Hindustan Zinc ExCO. We partner with industry experts and drive various long-range assessments and development interventions to ensure we have the right management in place, and our leaders are fully capable of making quick and effective decisions, drive best-in-class Health, Safety and Environment (HSE) practices, steer cost-effective measures, raise the bar in innovation and technology, increase business efficiency, promote capability building, build sustainable business excellence processes and achieve the overall business growth plan. It focuses on identifying the workforce implications, current, and includes scenario planning. We also use several tools such as Kirk Patrick Model for evaluating the effectiveness of training and learning programs. It assesses both formal and informal training methods and rates them against four levels of criteria: Reaction, Learning, Behavior and Results. In addition, we use dashboards on headcounts, employee engagement for future projections.

Through these analysis, we gauge employee engagement trends, effectiveness of programs. The results of the data models help to institutionalize and modify HR strategy and thereby improve employee productivity and retention. Our analysis also helps us to project the required skillsets and manpower in line with our business vision.

Women Executive in Workforce	2020-21
Representation in total workforce (full-time employee)	10.78%
Females in all management positions, including junior, middle and senior management (as % of total management workforce)	14.68%
Joining at entry levels	22.40%
In junior management positions	18.41%
In top management positions	9.46%
Females in management positions in revenue-generating functions	9.96% in O&M 33.08% in enabling functions
Share of women in STEM-related positions (as % of total STEM positions)	11.8%

Women in Mining

To support and encourage women mining engineers and geologists going underground in the mines, the Government has lifted the ban on women entering mines. Besides ushering change in the male-dominated industry, this helps in upliftment of women professionals and opens a new avenue for interested engineers keen to study the business and put their theoretical knowledge to test in the conditions of underground mining.

Interested and qualified engineers/geologists at select locations undergo special training and then

go underground with necessary safety clearances. There are currently 31 women professionals in mining function, including exploration, geophysics and geotechnology.

The First Women Mining Engineers in India to achieve the 'First Class Mine Manager' certificate of Competency to work in Underground Mines are from Hindustan Zinc, and they have taken up leadership positions.

Sandhya Rasakatla becomes India's 1st woman mine manager in unrestricted category

Breaking new ground is a legacy at Hindustan Zinc, be it in terms of safety, digitalization, and most recently, women employees. Hindustan Zinc's Sandhya Rasakatla was appointed as India's first woman Underground Mine Manager and Yogeshwari Rane as UG Mine Development Manager. Sandhya assumed the role as Mine Manager of Hindustan Zinc's Zawarmala Mine, while Yogeshwari has been appointed Head Planning & Development for Kayad Mine. Both Sandhya and Yogeshwari Rane are also the first women in Indian Mining to receive the 'First Class Mines Manager' certificate of competency in the "Unrestricted" category. The Company is extremely proud and happy to take this pioneering step in the mining industry, thus underscoring its commitment towards diversity and inclusivity.



Diversity Mentoring Program

The program is designed to guide women professionals and support them in their overall development, while preparing them as future leaders and for proactively addressing the challenges as they embark on their career journey. The major focus of the program is to have a talent pipeline of women leaders by:

- 1 Higher retention and building coping mechanism for organizational change
- 2 Identifying and encouraging high potential women professionals to grow in their career

- 3 Enabling self-development and cross-functional learning - In the first phase, we have identified 169 women professionals at levels from M7 to M5, and they are being mentored by 108 senior leaders in the organization.

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.

Equal Remuneration

(GRI 102-35, 102-36)

We do not differentiate employee compensation (basic salary and remuneration) based on gender or any other diversity in background, across our operations. The remuneration is based solely on the role and experience of the employee. The Remuneration Committee is responsible for evaluating the level of attainment of the targets, to which variable annual remuneration is linked, and for submitting it to the Board of Directors for approval. Hindustan Zinc is proud to be one of the organizations having gender pay parity in most employee structures, with equal remuneration and basic pay provided to employees, irrespective of gender, race, ethnicity, thus ensuring equal opportunity for their career development.

Employee Level	Ratio (Average Female Salary / Average Male Salary)
Executive Level	01:01
Management Level	01:01
Non-Management Level	01:01

As per the applicable acts, while we comply with the Minimum Wages Act, at Hindustan Zinc, the average salary of our direct and indirect employees is much higher than the Minimum Wages Act. Minimum wages are also revised time to time by government basis the inflation rates and other living aspects and we are committed to pay the living wages to the direct and indirect employees as per law and the basic living requirement.

A part of our social commitment and certification to Social Accountability (SA) 8,000 at various location, we surveyed, diverse stakeholders including both on-roll employees and contract employees to capture details such as age, family size, wages/day etc. Input from this survey was used for calculation of parameters - food basket based on calorie requirements including all components of food basket (wheat, rice, pulses, milk, oil), clothing, shelter as well as education and medication. This calculation is based on "The Anker Methodology for Estimating a Living Wage" which are accepted by Social Accountability International. The outcome of the survey also reflected that the average salary of our direct and indirect employees is much higher than the Minimum Wages Act.

Talent Acquisition and Retention

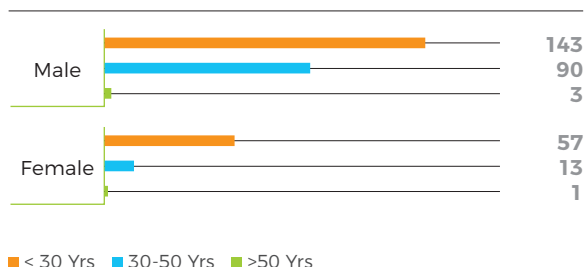
(GRI 401-1, 401-2, 401-3, 414-1) (UNGC Principle-2)

At Hindustan Zinc, we understand that talent and human skills can be leveraged for any kind of business challenges if the employees are equipped with sufficient skills. We are taking concrete efforts to ensure that employees get the right kind of interventions to take care of their holistic development, and that wastage or redundancy of manpower can be avoided. Young employees are trained by the seniors for real-life situations and superior performance. Senior leaders also undergo executive coaching, where individual coaches are assigned to help and support their leadership journey. This ensures proper guidance from top to bottom. Hindustan Zinc has partnered with best coaching institutes in India for the development of its senior leadership. We are also running a 6-month leadership development program - LEAD, to facilitate key mid-level managers transition seamlessly into senior roles.

Our talent acquisition and retention policies reflect our strategic plans. We maintain a database on soft skill enhancement for our workforce, and include practices in our HR framework for achieving the desired level of competency across various management cadres via learning and development initiatives.

Total Number of New Hires FY 2020-21

New Hires Number



Holistic Learning Opportunities

Objective: To enhance leadership and general business skills of the executives.

Our talent management initiatives encompass the learning, development, performance and engagement needs of employees, across demographics, namely millennials / young talent, mid-level executives and top management. The Young Talent Workshop, Business Act-up, Technical Act-up are some of the initiatives for managing young talent, while at the mid-level, we undertake Internal Growth Workshop, Succession Planning etc. Leadership coaching are provided to senior leaders.

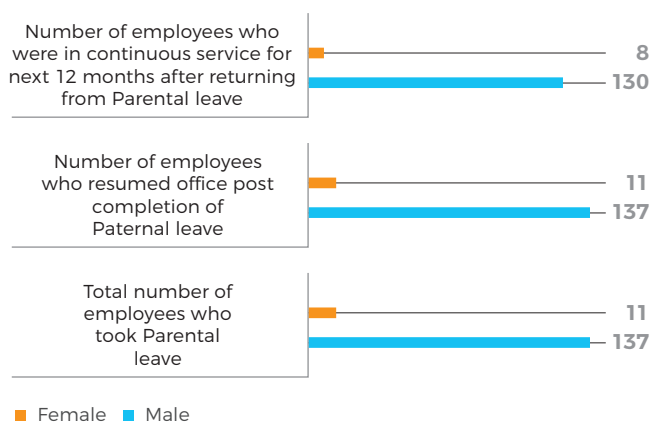
Programs such as Mentor-Mentee, V Build, V Reach provide employees the opportunity for growing their leadership skills. Employees are oriented to be steadfast, resilient, and work responsibly to handle any situation of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity).

We also extend support for education, medical needs, and employee welfare benefits as per employee cadre. Provisions are made for group medical and personal accident insurance, parental leaves, retirement benefits, stock options, disability support, adoption policies, and leaves for extraordinary circumstances.

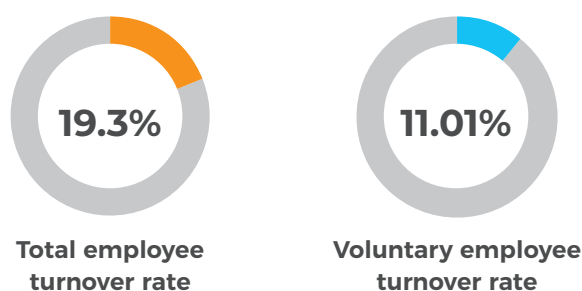
Employee retention rate after parental leave was 95% for male and 73% for females, respectively during FY 2020-21.

% of open positions filled by internal candidates – 94.61%

Hindustan Zinc FY 2020-21 Parental Leave



Employee Turnover Rate (2020-21)



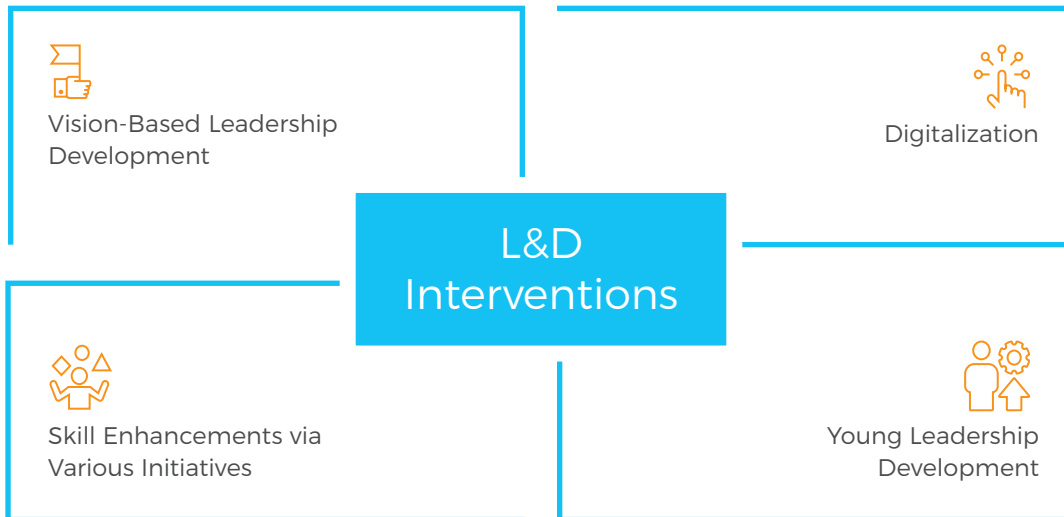
Learning and Development

(GRI 404-1, 404-2)

We have designed a full suite of Learning and Development (L&D) programs to enhance people capabilities and skills across locations and roles. A structured approach to skill assessment and training need identification enables effective upskilling bridging of identified skill gaps.

To improve employee performance, a culture of continuous learning is propagated in the organization. Our flagship Graduate Engineer Trainee (GET) Induction program follows the 70:20:10 learning module, with GETs undergoing 40 days' virtual training sessions on safety,

behavioral, management, operations, and maintenance. Induction is followed by onsite action learning projects in a Six Sigma framework. We have incorporated e-learning platforms, learning management system, mobility, artificial intelligence and a 24x7 learning approach into our L&D programs. We have completely digitized our Learning Management System (LMS) to ensure seamless access to training modules. Employees can register for courses, attempt pre- and post test, and provide feedback on the trainings conducted on the LMS platform.



Our L&D interventions aim to set performance-based indicators (KPIs) for our people to measure their achievements over a fixed time interval (annual), post identification of training needs in various areas, such as behavior-based, safety, leadership skills etc. Our HR strategies seek to inculcate value creation across the business, to aid employees in time-bound target achievement, as per the Group's strategies and vision. They encompass:

- Digitalization of L&D practices - for rich visual and mental experience
- Creation of virtual platforms to develop employees' skills and provide continuous learning opportunity, irrespective of time or space
- Providing opportunity to curious learners for long duration best-in-class programs, enabling them to earn higher degrees while working
- Providing training to new joinees to equip them with unique problem-solving abilities
- Encouraging young leadership development with focus on succession planning
- Enabling employees at all levels to enhance their leadership and general business skills via on-the-job projects, learning management system, e-learning, classroom training etc.
- Leadership development, sharing best practices and values, by helping employees secure holistic understanding of the organization, with vision for the future, and gain crucial insights through knowledge exchange

We have in place an effective feedback mechanism to gauge the effectiveness of training and take corrective action.

The impact of this intervention has shown improved sustainable operational efficiency and growth, with measurable performance of the human assets in each timeframe, thus contributing to the regeneration of efficiency in people and business operations, and resulting in value creation throughout the organization.

During the year, we provided various trainings to our employees and contract employees.

1,32,905

Total Training manhours
(Including WILP hours)

₹2.34 crore

Total expenditure
on training

51.87 hours

Average hours per Executive of
training and development

₹13,000

Average amount spent per Executive
on training and development

Male and Female-wise Trainings

	Total Executive	Covered in Training	Coverage (%)
Male	2,186	2,166	99.1
Female	376	372	98.9

Management Level-wise Trainings

	Total Executive	Covered in Training	Coverage (%)
Senior Management	60	56	93.33
Middle Management	522	519	99.43
Lower Manager	1,980	1,963	99.14

Hindustan Zinc - LEAD Program

Objective: The objective of the program is to equip the participants with tools to enhance their skills and support their journey of becoming an inspiring leader.

Description: In line with our belief of creating leaders from within, the LEAD program was launched targeting mid and senior managers. It is an integrated 6-month program with group coaching, development discovery labs and one-on-one sessions with certified coaches.

Business Benefits:

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

Hindustan Zinc - Six Sigma Initiative

Objective: The basic objective of Six Sigma Green Belt Program is:

Ability to use a structured approach to process improvement, Ability to use DMAIC (Define, Measure, Analyze, Implement and Control) methodology, Skills to predict, prevent and control defects in a process, Skills to achieve sustainable quality improvement through process improvement, Understanding of the tools of process discovery, Understanding of variation in processes, Skills to reduce variation in processes and achieve predicted outcomes, Ability to identify, measure and analyze process potential, To improve business processes and maintains quality improvement.

Description: Hindustan Zinc partnered with American Society for Quality, a global leader in quality improvement and standards, for getting certification for employee in Lean Six Sigma.

GETs were trained in Six Sigma during induction and the earlier batches are undergoing training in a phased manner. Project mentors and managers are also being trained, so that they can guide their mentees on how to complete projects using Six Sigma. The trained employees have taken up various projects under the guidance of their mentors and have achieved

cost reduction. One of our flagship programs is the Graduate Engineer Trainee Induction program. It follows the 70:20:10 learning module, wherein GETs undergo 40 days of Virtual training & interact regularly with our leadership team. After the induction, they take up two projects spanning six to twelve months each under Six Sigma framework.

Business Benefits:

- 1) Enhancement of skills
- 2) Process Quality improvement
- 3) Waste reduction

₹0.67 crore

Invested in Six Sigma training of employees during the year

₹4.24 crore

Total cost savings through Six Sigma projects in 1st year

₹30.57 crore

Projected annualized savings from Six Sigma Green belt projects

Launch of Six Sigma 12 th August 2019	Green Belts Trained 535	Champions Trained 150	Projects Taken 538	Projects Closed 171	Ongoing Projects 367
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Building an Engaging Work Culture

Our senior management engages with employees on various forums, like CEO Connect, Townhalls, SBU Director Connects, and Informal Connects. As an ardent promoter of meritocracy, we have designed our performance system with the objective of transforming our vision into reality.



Senior Leaders & Management Committee

- › Monthly ExCo meetings at Vedanta, Hindustan Zinc and SBU levels, and meetings with stakeholders
- › Periodic Diversity & Engagement, health and safety reviews



Employees

- › ExCo and CEO Interaction Meets
- › HR Connect Calendar
- › Ergonomics and workplace
- › Kaizen & Small Group Activity (SGA)
- › Digital learning platforms - HzlOne, Fiori and Percipio
- › Talent workshops for grooming entry-level employees
- › Feedback surveys for improvement and upgradation



Business Partners & Workforce

- › Monthly and quarterly Townhall at all units
- › Monthly shop floor initiatives like Aap Ki Aawaz, Baatcheet, Suraksha Chaupal and Sankalp across units
- › Award for "Best Operators" on monthly CEO Connect platform – Sampark, given to Business Partners



Families

- › Use of social media platform to connect employee spouses with HR Team
- › Health & safety drives in Hindustan Zinc colonies to generate awareness
- › Fitness Talk, Art of Living and Yoga sessions across Hindustan Zinc colonies

■ Levels › Engagement Methods

Employee Engagement Survey

We firmly believe in building trust throughout our organization. The return is a more vibrant enterprise, more innovative products and more satisfying relationships. Employees who trust their managers give their best, work freely, and their extra effort goes right to the Company's bottom line. Managers who trust their employees allow innovative ideas to bubble up from all levels of the Company. Employees who trust each other report a sense of camaraderie and even the feeling of being part of a family. Together they deliver far more than the sum of their individual efforts.

Keeping this objective in mind, we gauge the engagement levels of our employees. For this, we partner with external domain experts on an annual basis. The engagement survey is rolled out to both white-collared and blue-collared employees on a random basis and anonymously. The survey window is open for approximately 2 weeks where employees are asked to respond to statements using 5-point scale. The responses are captured, analyzed and the score is released. Along with the score, a report is also shared with

the organization highlighting the strengths and opportunities of improvement.

This 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 organization. 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 2017	FY 2018	FY 2019	FY 2020
68	71	72	74

Results of Survey by Age and Management Position

Results of our employee engagement surveys

a. By Age

Age Group	Average Score
<25 years	58
26-34 years	66
35-44 years	77
45-54 years	81
>55 years	85

b. By Management Position

Positions	Average Score
Senior Leadership	83
Managerial Level	77
Supervisory Level	59
Associates	69

Grievances

Routine employee queries are handled through a Query Management System, wherein an employee logs the problem and the responsible person is assigned to resolve the same. For grievances of contract employees, complaint boxes are placed across units, and the Welfare Officer keeps track of the same on regular basis. We also maintain grievance registers in all our units and take immediate actions to resolve complaints. Grievances pertaining to Industrial Relations are discussed and amicably sorted out across the table with the Union office-bearers. Unit-wise grievance committees help resolve internal and external grievances. Across Hindustan Zinc, we have "Aap ki Shakti" for regular updates about our policies, incidents, and important information. Further, if any employee likes to ask any questions regarding any policy or process, they can mail the same to Aap ki Shakti.



Performance Management

The performance management system at Hindustan Zinc is based on SMARTER Model to ensure that individual KPIs are aligned and cascaded to defined annual business targets. At the beginning of every year, targets are defined for each business unit and individual KRAs for Senior Leadership (M2 and above) including high potential employees are tracked through V-Deliver platform and for employees at M3 and below levels are tracked through SAP-Success Factor. There is a robust review mechanism to ensure alignment of business deliverables which includes quarterly review mechanism for M3 & above

employees and half yearly review mechanism for M4 & below levels. The annual appraisal rating is reviewed by a Calibration Committee to even-out the differences of individuals and reviewer after the feedback from immediate supervisor. To ensure appropriateness of the process followed in the Performance Appraisal Cycle, the CEO reviews and signs-off. Non-performers identified through the process are set on Performance Improvement Plan for stipulated timeline and according to the improvement in performance, actions are initiated. 100% of the executives are covered in performance appraisal.

Communities

(GRI 413-1)



SUSTAINABILITY HORIZON

ENVIRONMENTAL

SOCIAL

GOVERNANCE

Vision

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



KEY HIGHLIGHTS

7 lacs+

Lives touched positively through social, environmental & economic outcomes

₹214 crore

CSR investments

MATERIAL ISSUES



Community Engagement & Development Initiative

High Priority Area



Livelihood

High Priority Area



Health & Safety

High Priority Area



Learning & Development

High Priority Area



Human Rights

High Priority Area



Local Sourcing

Medium Priority Area

Sustainability Goals 2025

Positively impacting 1 million lives through social, economic and environmental outcomes



OUR APPROACH

We, at Hindustan Zinc, believe that “Our license to operate comes not only from the Government but also from the communities surrounding our operations. We have, accordingly, aligned our initiatives to community needs, in tandem with the national priorities and the United Nation’s Sustainable Development Goals. We get third party need and impact assessment undertaken every three years to chart our roadmap for designing our community intervention programs. Regular meetings with the community and various engagements at different platforms, also support us in identifying the community needs. We partner with the Government, local communities and credible Non-Governmental Organizations (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 accomplishing sustainable impact at the grassroots.

FY 2020-21 was a particularly challenging year, not just for Hindustan Zinc and its operations, but also globally, in view of the COVID-19 pandemic. However, we believe in transforming adversities into opportunities through innovative and unique approaches. In line with this focus, we concentrated our efforts, during the year, on strengthening our CSR program by creating strong networks across stakeholder groups to fight the pandemic.

Our CSR outreach is not just about touching lives positively but also about leaving a lasting positive impact on people’s lives, the communities and the society at large. Our proactive CSR policies, systems and programs, coupled with our dedicated teams, have been yielding positive results over the past several years.

GOVERNANCE

With transparency and accountability at the core of our governance approach, we have put in place robust systems/processes and multi-tiered reviews to ensure sustained quality and impact.

CSR BOARD SUB-COMMITTEE	EXECUTIVE COMMITTEE	IMPLEMENTATION MONITORING COMMITTEE
<ul style="list-style-type: none"> › Approves annual plan and budget › Ensures that CSR activities are undertaken as per Board policy › Reviews progress of the projects <p><input type="checkbox"/> Twice a year</p>	<ul style="list-style-type: none"> › Approves annual CSR plans and budget › Reviews the progress of programs <p><input type="checkbox"/> Once every quarter</p>	<ul style="list-style-type: none"> › Approves specific projects, partnership & budgets › Reviews CSR program’s processes and outcomes › Monitors audit reports and their compliance <p><input type="checkbox"/> Every month</p>

› Activities Frequency of meetings

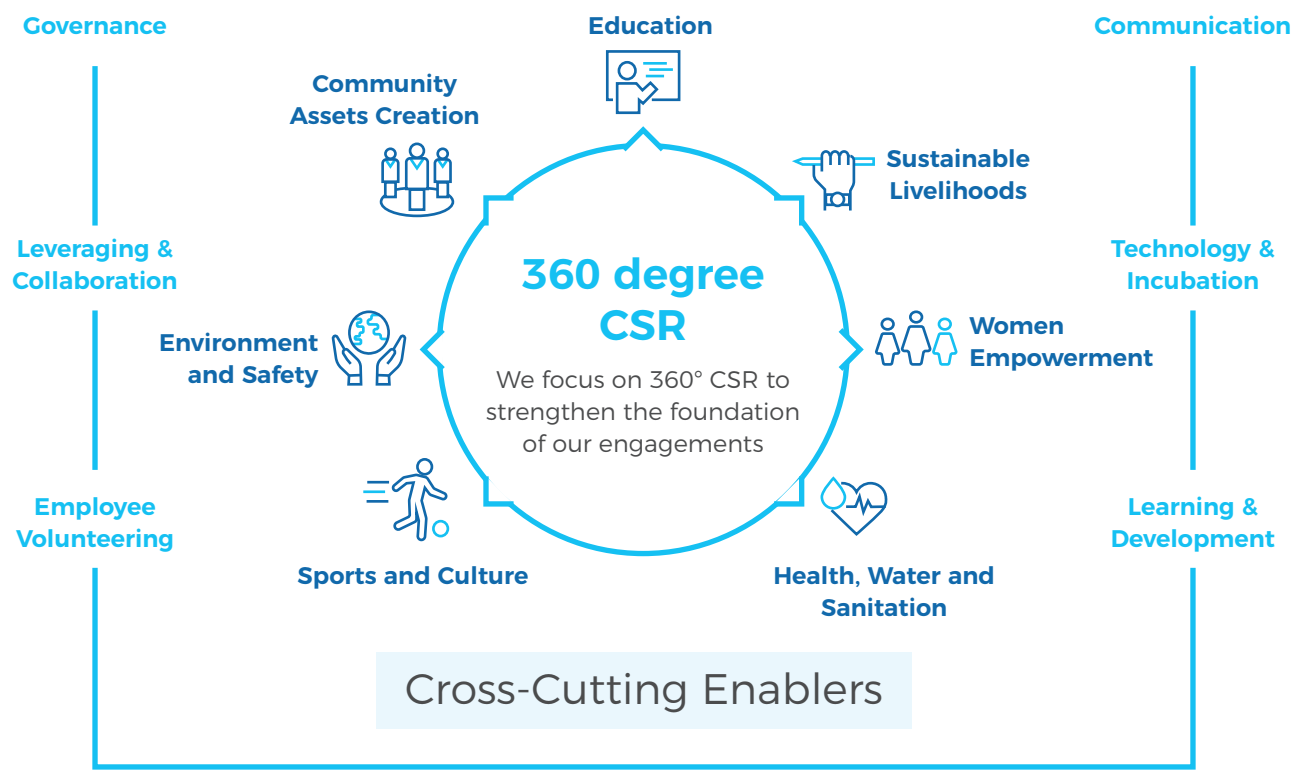
STRATEGY

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 relevant subject matter, provide guidance and innovative solutions to ensure excellent formulation and effective implementation of the projects. Some flagship projects also have Project Steering Committees (PSCs) that usually meet monthly/bi-monthly. The PSC comprises implementation partners and CSR team members and is instrumental in ensuring implementation as per plan, efficacy of the interventions and also in maintaining innovation, cross-learning and competitiveness.

Our CSR projects are executed with due diligence, accountability and transparency, which is ensured through dedicated concurrent internal CSR auditor.

who audits the expenditure and programs on quarterly basis. Apart from quarterly Internal Audits, audits like VSAP and Management Assurance System (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. Projects are designed to effectively address the developmental needs in identified villages.



Our CSR policies & SOPs constitute our core Governance & Guidance document, which steers the implementation of our CSR strategy and programs. The CSR activities are undertaken as per Annexure I of Hindustan Zinc CSR policy (please refer <https://www.hzindia.com/csr/csr-policy/>), or any other activity specified in Schedule VII of the Companies Act. We have prioritized the Sustainable Development Goals (SDGs) basis our material issues as well as operational competency and have designed Vision 2025 for CSR programs in alignment with relevant goals. The key areas of our CSR focus include: Education; Sustainable Livelihoods; Women Empowerment; Health, Water & Sanitation; Sports & Culture; Environment & Safety; and Community Assets Creation. The initiatives are targeted at improving the quality of life of communities which are best suited for company-community

collaboration for long-term outcomes and impacts. Hindustan Zinc also proactively seeks to encourage and involve its own employees in CSR initiatives.

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

Hindustan Zinc does not make any charitable donations and commercial initiatives, and the entire CSR expenditure is through community investments only.



CSR Vision 2025*

HEALTH

- Reduction in anemia & respiratory diseases in operational area
- 100% malnourishment free operational villages
- 100% coverage of health services promoting preventive & curative approach

EDUCATION & SPORTS

- 100% mainstreaming; zero dropouts
- 100% functional literacy of Self-Help Groups (SHGs)
- 5 national sports champions

LIVELIHOOD

- 10K skilled youth
- 8K Sakhi(s) to be linked with measurable income generated activities

AGRICULTURE

- 2x increase in farmers' income through sustainable farming
- Well established Farmer Producer Organizers (FPOs) (5 nos.)

WATER

- 100% core villages to be water sufficient

INFRASTRUCTURE

- 50% core villages to be developed as model villages

CLEAN ENERGY & ENVIRONMENT SUSTAINABILITY

- 100% Shikha Sambal Programme (SSP) schools with solar electricity
- 33% green belt coverage in model villages

LEVERAGE

- 10% of spent to be leveraged from Government, communities & other stakeholders

■ Aspirational Target

*Convergence as cross-cutting element



Themes Prioritized During the Year

Good Health & Well-Being

In addition to continued investments in our regular health programs, we identified COVID response as a key priority area during the year. The focus was on our immediate operational territories at the state level, and also some at the national level. We adopted a 2-pronged approach to address primary healthcare needs, especially in the rural areas. Firstly, we were focused on bringing quality healthcare services to the doorstep of the needy, and secondly, on promoting healthcare awareness and contemporary healthcare seeking behavior among communities. This was undertaken through our Mobile Health Vans, as well as community outreach programs in the form of awareness creation, masks' distribution, regular sanitization, and enabling of food security.

4.20 lacs

Beneficiaries reached at Rajasthan state level through COVID response initiatives

61%

Of CSR investment focused on Health & COVID response

The primary alignment of this priority is with SDG 3 and secondary alignments are with SDGs 1 & 2 leading to:

- continued social license to operate - sustainable growth for both, Company as well as community
- contributing towards health & well-being of the community



Business Benefit KPI

Support to the community during the pandemic was critical, 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 organization's goodwill too.

Social / Environmental Benefit KPI

We extended dry ration to ~1 lac and ready-to-eat meals to 9 lacs daily wage earners and community people. Grain banks were created by 3,269 Sakhi members and 400 Samadhan farmers across villages in the southern parts of Rajasthan. These collected over 16,720 kgs of grains, which



were provided to the needy in the villages. In addition, our community kitchen, through Sakhi, served cooked food to more than 7,000 migrant workers. Besides, 17,000+ families with Severe Acute Malnourished and Moderate Acute Malnourished children were supplied dry ration & take-home ration with the help of Anganwadi Workers (AWWs) and Accredited Social Health Activist (ASHA) workers.

1.3 lac masks and body suits were stitched by Sakhi, generating over ₹ 8 lacs income. More than 1 lac Personal Protective Equipments {(PPEs) (masks, safety goggles, disposable thermometer, face shields etc.)} and 25,000 liters of Sodium Hypochlorite solution were provided to the District Administration. 3,080+ PPEs were provided to frontline workers (AWWs & ASHAs) & 9,490+ masks to needy families. In addition, regular sodium hypochlorite spraying was undertaken at 180+ villages. Also, 23 PPE manufacturing machines were imported into the country, to manufacture PPEs, in partnership with the Ministry of Textiles. We reached out to 3,600+ farmers to create awareness through digital & online messages on preventive measures during farm visits/farm work for harvesting amidst COVID-19.

Technology was scaled up to ensure continuity of the programs. E-learning platforms were explored for teaching rural children and sharing of study materials; Audio books were provided to differently abled children; Online skilling sessions, grooming & placements were conducted; Teachers were groomed to prepare and conduct online sessions; Innovative methods such as story-telling were adopted; and Toll-free helplines were embedded across our programs. Software created for real-time data capturing

& transparency enabled our Sakhi program to smoothly run our micro-finance interventions.

62 employees and employee relatives signed up for volunteering for relief activities during the lockdown. Activities included support through dry ration, feeding stray animals etc.

We extensively engaged & collaborated with District Officials, Local Community Representatives, SHG Members and Union Members to carry out our COVID response measures. Leadership Community Connects helped us remain engaged with the communities and respond effectively to their needs & concerns.

Further, an exhaustive study was conducted by a third party to evaluate the effectiveness of our COVID response efforts.





Quality Education

While education has always been a key driver of our efforts to bring long-term transformation in the communities, it assumed greater importance during the COVID times, when we allocated 18% of our CSR investment for education. While the primary alignment of this priority is with SDG 4, secondary alignments are with SDGs 1, 2, 3, 5, 10 and 17.

Business Benefit KPI

- Continued social license to operate - Sustainable growth for both, the Company and the community.
- Contribute towards education-related awareness in the local region and ensure availability of future talent for the Company.

Social / Environmental Benefit KPI

- **Khushi & Nandghar** - ensuring quality pre-school education, nutrition and health for children in the age group of 0-6 years; Khushi covers ~1,60,000 children.
- **Shiksha Sambal** - improving teaching in English, Science and Maths subjects to students of classes 9 to 12 in 64 schools covering more than 7,300 students.
- **Unchi Udaan** - providing residential schooling and specialized coaching, since 4 years, to crack the admission test to the best engineering colleges. Till date, 184 students have benefited from the

program. There will be one batch appearing for JEE exams every year.

- **Jeevan Tarang** - has reached out to over 700 Persons with Disabilities (PwDs), of whom around 600 hearing impaired students have been educated on Indian Sign Language through a disciplined curriculum and 100 visually impaired students have been trained in technology.

Due to the COVID outbreak, the educational initiatives were undertaken during the year by connecting students through online platforms and through one-to-one connects with home visits.



Decent Work & Economic Growth

Sustainable livelihoods and opportunities to earn a decent and dignified living is a key pillar of the trust-based relationships between Hindustan Zinc and the surrounding communities. 5.08% of our CSR investment focuses on Sustainable Livelihoods, which include enhancing the existing livelihood source of farmers through scientific training & livestock development. SHGs are supported in generating livelihood for rural women, while collective Micro-enterprise development supports women in generating income, thus becoming independent and self-reliant. Skill-based training and placement support is provided to rural youth to fight against unemployment. While the primary alignment of this priority is with SDG 8, secondary alignments are with SDGs 1, 2, 10, 11 and 12.

Business Benefit KPI

- Shared growth, creating trust-based relationships between the Company and communities.
- Training local youth for appropriate job-related skills based on their aptitude & education to enhance their skills and thereby provide them a source of livelihood.
- Enhancing the brand value of the organization, thereby minimizing unemployment in nearby community.

Social / Environmental Benefit KPI

Our flagship program 'Samadhan' has reached more than 13k farmers to promote on-farm sustainable livelihood through agricultural interventions, and more than 15k families through livestock interventions. A saturation model of engagement has been adopted to ensure that even small and marginal farmers benefit from



this initiative. 12% increase has been observed in Kharif production, with average production of ~6.3 quintals per bigha. Average income of 5,500 families has gone up by ₹ 21,282/- per annum. 6,900 Artificial Inseminations were conducted from conventional semen leading to birth of 534 female calves. Goat AI was introduced for the first time in the state of Rajasthan under Samadhan. A total of 356 AI's were done and 163 kids were born. Sakhi is a Women Empowerment program of Hindustan Zinc making the rural women financially and socially independent. Sakhi program is spread across more than 200 villages with around 27k women and 2,248 SHGs. This year, Sakhi partnered with UN Women empowerment program for second-chance education to promote continuing education to help girls appear for 10th and 12th grade through Open School. Till date, 370 women have enrolled for the program. Further, 700 women have benefited through improved agriculture and vegetable cultivation program. To provide sustainable livelihood opportunities to SHG women, spice, pulses and pickle-based collective micro-enterprises have been established, engaging 250+ women. These 11 micro-enterprises collectively generated turnover of ₹ 67+ lacs and the women generated revenue of ₹ 18+ lacs. 32 Business Sakhis are actively working to promote sales of products manufactured in operational villages. More than 856 women (individual microenterprises) were encouraged and supported to develop their capacities through training & handholding support. Project Sakhi has federated the women artisans under the brand Upaya. "UPAYa™" stands for "Fashion for Development", a platform that promotes women artisans to hone new skills, linking them with the market and building a self-reliant social enterprise. Job-related skill training was provided to local youth in various trades, such as Micro-finance, Data Entry Operator, Asst. Electrician, etc. 929 youths have been trained in 10 different trades (80% received placements).



Grievance Redressal

To enhance the visibility of our CSR programs, we have two-way communication with our communities for addressing their grievances. For our internal stakeholders, we share CSR success stories from the field via monthly magazines, newsletters, mailers. Other initiatives include employee volunteering plans for active participation of employees and their families in various initiatives, such as Buddy for Study and exposure visits by employees in the field. For our external stakeholders, we have electronic and print media, social media platforms, testimonials and meetings at community events for sharing success stories and latest updates in local languages.

In line with its sustainability goals of establishing strong relationships with stakeholders, and adhering to the International Finance Cooperation (IFC), ICMM, Organisation for Economic Co-operation and Development (OECD) and United

Nations Environment Programme (UNEP) Standards for responsible stewardship, UN Global Compact (UNGC) Principles & 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 Hindustan Zinc business and the context of its operations.

The Company has a Whistle Blower Policy for reporting any unlawful action. Apart from this, the HR team looks after all disputes and enters them into their database. We also have an external grievance mechanism, which is now online through the "Nivaran" portal and is accessible across the management. A Grievance Box has been placed outside the main gate of the plant for stakeholders to share their grievances in written form in the local language.



Employee Volunteerism

(SDG 11; SDG 17)

Aligning with its value of 'Caring for Community', Hindustan Zinc has been fostering employee volunteering by motivating them to devote time under various initiatives.

1,148 employees were engaged through virtual and physical platforms during FY 2020-21.

Programs

- **Learning Indian Sign Language** - Through this online course, employees learnt Indian Sign Language and took a step forward towards connecting with our hearing-impaired beneficiaries.
- **Skill-based Trainings** - To promote structural and skill-based volunteering, employees took sessions based on their expertise, like financial planning, cyber security etc.
- **Support an Anganwadi** - This campaign focused on identifying felt needs of an Anganwadi Centre (AWC), and motivated employees to participate and contribute in enhancing the facilities at community-based institutions.

- **Sakhi Stalls** - To promote in-house products manufactured by Sakhi project beneficiaries, Sakhi stalls were organized at various locations of Hindustan Zinc.
- **COVID Support** - Employees and their families came forward and supported the community during tough times by preparing masks and connecting with community.

Philanthropic Contributions

Type of Contribution	Total
Cash contributions	₹ 1,22,92,312 (donation for COVID support)
Time: employee volunteering during paid working hours	1,795.45 hours
In-kind giving: product or services donations, projects/ partnerships or similar	0
Management overheads	₹ 4,09,00,000



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, Education Initiatives Private Limited, Resonance, Noida Deaf Society, Vedanta PG Girls College Ringus, Muskaan Dream Creative Foundation, Shikshadaan Foundation & Avanti Learning Centres Private Ltd., Badhir Bal Kalyan Vikas Samiti, Badhit Bal Vikas Samiti



Sustainable Livelihood

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



Women Empowerment

Manjari Foundation & Saheli Samiti, Center for Study of Values, Gyanam Education & Social Welfare



Community Asset Creation

Local Panchayats & Government



Health, Water & Sanitation

Smile Foundation, Jimmedari Foundation, Shri Subham Seva Sansthan, Workhardt Foundation



Sports & Culture

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

Human Rights

(GRI 402-1, 407-1, 410-1, 412-2) FIMI Principle-6, 7)



Upholding people's fundamental rights is central to our everyday business operations. We are, at the very least, committed to complying with all applicable local, state and national laws regarding human rights and workers' rights in regions of our business. We have zero tolerance towards any form of forced or compulsory labour, child labour, slavery and human trafficking. All employees are required to comply with our Human Rights Policy, which also covers all our suppliers, contractors, joint ventures and NGOs, as well as business partners. The Policy is aligned with the UN's Guiding Principles on Business and Human Rights.

Local Communities

We operate in diverse area of Rajasthan, and our respect for the norms, culture, and heritage of local communities is unwavering. We adhere strictly to the various standards we have laid down in this regard, including the Cultural Heritage Standard, Land & Resettlement Management Standard, and Indigenous People and Vulnerable Tribal Groups Standard. The standards are aligned with international practices, including ICMM guidelines and IFC standards. Our CSR teams help ensure that there is no violation of human rights, local cultural norms and heritage. However, there is no indigenous people as community around our neighborhood.

Direct & Indirect Workforce

We maintain cordial and constructive relations with all employees and labour unions. Non-compliance to the provisions of the Human Rights Policy and standards is severely dealt with. We also have a Code of Conduct policy to educate our employees on various human rights aspects. We train our workforce on identification of potential human rights issues within their activity areas, and also promote awareness on raising concerns/escalation of human rights issues if identified in the business and value chain activities. We have robust mechanisms, such as employee grievance processes, collective bargaining and contract labour management cells, at all our operations. In line with the UK Modern Slavery Act, 2015, we expect our suppliers to work with transparency in human rights practices, and take responsibility for

compliance with respect to managing the modern slavery risk. We ensure there is no discrimination between the employees and labour unions, with equal involvement of both in trainings, gatherings or functions and meetings.

Collective Bargaining

We uphold our workers' right to freedom of association at all our operations. Collective bargaining agreements are negotiated and accepted by the management and union representatives. The agreements include clauses relating to remuneration, allowances, working conditions, incentives and bonuses, health and safety, manpower productivity etc. We aim to ensure that compensation for workers' meets or exceeds the legal requirements. Collective bargaining also gives us the opportunity to create a better and more productive work environment.

Security Practices and Training of Security Staff

Under our Code of Conduct Policy, we provide our employees with training on our human rights expectations as part of their induction training program. Enhanced specialist human rights training is provided to our security staff. The employees who receive this training range from our on-site security guards to our transport workforce. 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 (rather than local security forces or military). Our security personnel are not typically armed, and we have not experienced any significant human rights abuses involving them.

Due Diligence Across the Value Chain

We encourage suppliers/business partners/joint ventures to adopt principles and practices comparable to our own. Our due diligence process covers own operations, joint ventures and activities related to our business. It is undertaken through inductions, screenings, inspections and audits. For any of our new projects or

significant changes to existing operations, human rights at Hindustan Zinc, upholding people's fundamental rights is central in our everyday business operations. At a minimum, the Company will comply with all applicable local, state and national laws regarding human rights and workers' rights where the Company does business. All our businesses are compliant with applicable regulations, strive to uphold all labour rights and are aligned with national and international regulations. The clauses of the Code of Conduct are extended to all business partners. All units are required to evaluate human rights aspects covering forced and compulsory labour, child labour, slavery, human trafficking, freedom of association or collective bargaining etc., into their assessments (through social impact assessments). Our significant suppliers and contractors generally include well-reputed and well-governed organizations, with robust human rights and fair practice mechanisms. Human rights are an important part of the supplier onboarding process, and all suppliers are required to commit to our Supplier Code of Conduct, which includes human rights provisions. We also conduct basic due diligence in the pre-qualification process, including for human rights issues, on all direct suppliers before contracting with them. We track human rights compliance at every step of any activity – right from document verification at registration, to screening and inspections for vendors / suppliers. Any concerns identified during the due diligence process are addressed through corrective and preventive action planning. Further, any concerns raised by interested parties on any of our key suppliers are promptly addressed by undertaking an independent assessment.

Child Labour Violations

The Suppliers' Code of Conduct is implemented as part of the terms and conditions of supplier contracts across Hindustan Zinc, and all new suppliers are required to sign, endorse, and practice this Code. We also have in place a Supplier & Contractor Sustainability Management Policy, which, coupled with the Code, clearly communicates our expectations from our suppliers: to operate in compliance with all relevant legislations and follow our policies while executing work for or on behalf of Hindustan Zinc. The Supplier and Contractor Technical Standard further includes a Supplier Screening Checklist to evaluate contractor compliance relating to key issues, e.g. legal compliance, HSE management, labour management, human

rights and child labour. This checklist is used to screen suppliers and contractors as part of the pre-qualification process. At the time of engaging new suppliers, the contract mandates the supplier to abide by the law of the land and ensure that there is no violation of labour laws. Checks are also carried out to ensure adherence to labour practices at various levels.

Ensuring Right Age for the Right Job

We take utmost care to ensure that our workforce, be it executives or contract employees, are adults and willing to work. We have proper systems in place to strictly check child labour and forced labour across all our operations. Our Suppliers' Code of Conduct stipulates that all our suppliers also commit to the same norms.

Management Approach

The Vedanta Sustainability Framework has a detailed standard and guidance note (GN-12) for human rights and their compliance, and all SOPs are aligned to this note. Through the Vedanta Sustainability Assurance Programme (VSAP), an internal risk management tool run by Vedanta's Management Assurance System team, we conduct gap analysis and identify any lacunae between current systems and processes with respect to human rights compliance. The identified gaps are discussed and reviewed by the leadership teams, and action plans are put in place to ensure compliance.

DISCIPLINARY ACTION – Violation of our Human Rights Policy will lead to disciplinary action, including and up to termination of employment or contracts, depending on severity.

Performance

- Trained 778 security personnel on Business Ethics and Human Rights, Modern Slavery Act (99.87% of staff trained)
- All employees completed the Code of Business Conduct e-module, covering Human rights aspect
- 2,587 employees (70%) of the employees covered in specific trainings conducted on human rights - 2,880 training manhours
- We have recognized trade unions at Hindustan Zinc, 100% of non-executives (1,157) and all contract employees (18,286) are part of these associations and collective bargaining agreement



Governance



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Business Ethics

(GRI 102-16 & 102-17)



We believe that an organization benefits from practicing and promoting ethical behavior. Honesty and integrity foster a positive work environment that strengthens the confidence of our stakeholders. Our Business Ethics & Code of Conduct (“the Code”) addresses ethical conduct in our work environment, business practices and relationships with external stakeholders.

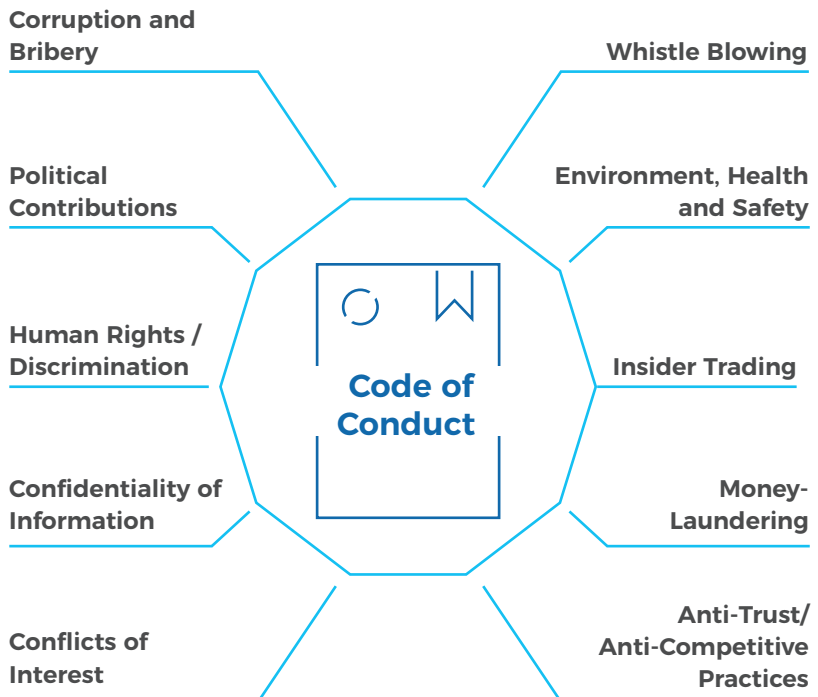
The Company follows “zero tolerance policy” with respect to unethical behavior, bribery and corruption.

In Compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act 2013, Hindustan Zinc has framed and adopted the Code, which is applicable to all our employees, business partners and joint ventures, and an annual affirmation of the same is mandatory. Compliance to the Code is a condition for continued employment of all executives. Non-participation could result in disciplinary action. The Code also complies with the UK Bribery Act and is aligned with the UK Modern Slavery Act 2015.

The Code Guides our Behavior and Promotes:

- > Honest and ethical conduct
- > Ethical handling of conflicts of interest between personal and professional relationships
- > Full, fair, accurate, timely and understandable 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
- > Conduct and behavior of employees towards women employees - employees are expected to respect women professionals and employees, and not to sexually or otherwise harass them through their conduct
- > Accountability for adherence to the Code

Our Code of Conduct covers the below aspects:



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

- › Anti-trust Guidance Notes
- › Corporate Tax Strategy
- › Whistle Blower Policy
- › Business Partners' Code of Conduct
- › Prevention of Sexual Harassment Policy
- › Related Party Transaction Policy
- › Insider Trading Prohibition Policy

All these policies, notes and codes are publicly available on our website, and are incorporated in contracts, where relevant, in order to ensure transparency and easy access to them. These policies provide clear guidance on how we should conduct our business.

Implementation of Code of Conduct

Our values and principles are enshrined in our Business Ethics and Code of Conduct, which is applicable to all employees, including our Directors and officers. All Board members and all executives annually digitally affirm compliance with the Code. As part of our commitment to continual improvement, and going beyond legal compliance, we use a mandatory e-learning module for Code of Business Conduct training to all employees every year. Additionally, all new joiners undergo a mandatory classroom session, during onboarding, on compliance requirements. At the time of their selection, the Code is narrated to our business partners, and is a part of their contract, with compliance mandatory for them.

Political Contributions

As part of our Code of Conduct, no funds or assets of the Company may be contributed to any political party or organization, or to any individual who either holds public office or is a candidate for public office, except where such contribution is permitted by applicable law and has been authorized by the Chairman or

the Board of Directors. The Company, under no circumstances, can make donations or contributions to political organizations. Should any such donations be contemplated by the Board of Directors, shareholder approval would be sought in advance.

Charitable Donations/Sponsorships; CSR Donations/Sponsorships/CSR activities are payments made to third parties for a social or charitable cause, which include promoting sustainable community development, combating poverty and disease, protecting the environment, promoting sports, religious purposes, and developing the capacities of people or institutions in the countries where we operate.

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 designated e-mail ID: hzlwhistle.blower@vedanta.co.in

Dedicated hotline number (000-800-100-1681), as well as web-based reporting platform <http://www.vedanta.ethicspoint.com>, have also been created for complaints under our Whistle Blower Policy.

We treat all breaches of the Code seriously, and assess and investigate them as appropriate.

The Head - Management Assurance is responsible for ensuring investigation of complaints, and submits regular reports on any complaints received, to the Company's Audit Committee for review. The findings are communicated as an awareness alert to all the employees.

During the year, zero cases of child labour, zero cases of discriminatory employment, and 4 cases of sexual harassment were reported and closed.

Responsible Supply Chain



Vision

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

KEY HIGHLIGHTS

Express Logistics and Supply Chain Conclave

Outstanding Digital Transformation in Supply Chain Award

-100% Online & Completely Transparent Contract Awards sourcing

ACE for Procurement and Sourcing Excellence

-Automation of procure to pay process
-50% reduction in Purchase Requisition (PR) to Purchase Order (PO) process

1,000+

Total business partner base

63%

Share of local procurement spent

30%

Business partners are local

768

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

MATERIAL ISSUES



Regulatory Compliance

 High Priority Area



Local Sourcing

 Medium Priority Area



Human Rights

 High Priority Area



Sustainable Supply Chain

 Medium Priority Area



Ethics & Integrity

 High Priority Area



Energy Saving and Water Saving Initiatives

 Medium Priority Area



Carbon Footprint reduction

 High Priority Area



Enhanced Processes Towards Transparency & Governance for Sustainable Environment

 Medium Priority Area



Sustainability Goals 2025

100% Responsible Supply Chain



OUR APPROACH

We have structured our Responsible Supply Chain function around the three pillars of collaboration, empowerment and engagement, for and with business partners. The framework is elaborated below:



Collaborate

Opportunities for:

- Digitalization
- Innovation
- Cooperation and mutual growth



Empower

Upskill and empower business partners to share responsibility for integrating sustainability and human rights



Engage

Exchange ideas, insights for deeper engagement, knowledge acquisition and intellectual development

GOVERNANCE STRUCTURE

The Supply Chain Community is tasked with reviewing compliances in accordance with the necessary guidelines of Responsible Sourcing and Sustainable Supply Chain. The Community is authorized to update supply chain policy, classify business partners in different tiers and risk categories by screening them, increase local procurement, create awareness in business partners on sustainable practices, source initiatives to reduce carbon footprint, and commission advisories or steering groups to provide focus or advice on creating sustainable supply chain module.

OUR STRATEGY

We strive to enhance sustainability across the value chain, and nurture a local ecosystem which ensures procurement from local business partners. We regularly monitor and evaluate the performance of our business partners. In addition, our critical partners are monitored and evaluated on ESG metrics. We ensure alignment of our business processes with our Business Partners' Code of Conduct, Human Rights and Labour Rights.





Business Partners' Code of Conduct

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

This code embodies our commitment to internationally recognized standards, including the core conventions of the International Labour Organization (ILO), United Nations' Universal Declaration of Human Rights and prevalent industry standards. It predominantly covers Labour and Human Rights, Child Labour, Health and Safety, Environment Protection, Climate Change, Business Integrity, Legal Compliance, Zero Tolerance on Governance, Unfair Trade Practices, Anti-Bribery Program, Insider Trading Prohibition, and Grievance Redressal Mechanism.

We ensure that our business partners integrate our Code of Conduct into their supply chain, and make their sub-contractors, and suppliers aware of it and its implications.

Total tier 1 business partners	Critical tier 1 business partners
1,050	214
100%	68%

- Absolute number of business partners
- Share of total procurement spent (%)



Integration of ESG Objectives

Assessment of business partners is carried out to identify areas of improvement, or change required to promote acceptable working conditions, environmentally responsible management and ethical behavior in our supply base. We have introduced the ESG consideration in our entire value chain. Our primary objectives are:

Implement 100% responsible sourcing by 2025

Focus on local economic development by increasing our local sourcing and procurement spend to 75% by 2025

Building digital adoption capabilities of all business partners in digital procurement practices by 2023, to enable digital value network that enhances ethical and environmental footprint

Mitigate risks related to human rights in supply chain by training critical business partners and their employees on human rights issues, compliances and best practices

Improve supply chain resilience under risk assessment framework of all critical and new business partners

Grievance redressal mechanism to provide our business partners a platform to provide us with feedback regarding ESG risks and all areas of business by 2022

Introduce electric vehicles/vehicles with cleaner fuels in supply chain by 2025



Key Performance Indicators

We have reviewed our Key Performance Indicators (KPIs) of the last five years and have redefined them for the next years, based on their importance to our goal of creating a robust sustainable supply chain.

KPI	Action Plan	Performance in Last 3 Years	Targets
Local Procurement Spend	<ul style="list-style-type: none"> › Exploring more opportunities to procure locally › Increase spends on current local business partners 	<ul style="list-style-type: none"> › FY 2019: 65% › FY 2020: 51% › FY 2021: 63% 	<ul style="list-style-type: none"> › 75% of total procurement spend by 2025
Supply Chain Due Diligence	<ul style="list-style-type: none"> › Evaluating vendors on ESG criteria › Third-party surveys initiated for feedback 	<ul style="list-style-type: none"> › FY 2019: 600 › FY 2020: 68 › FY 2021: 100 	<ul style="list-style-type: none"> › 100% business partners by end of 2023
Innovation and Automation	<ul style="list-style-type: none"> › Adoption of digitalized processes in mining operations › Automation of inbound and outbound logistics - Project Sarathi 	Turnaround time for concentrate in transit <ul style="list-style-type: none"> › FY 2019: 4.21 › FY 2020: 3.39 › FY 2021: 3.30 	<ul style="list-style-type: none"> › Sustained performance
Collaborations for Achieving Enhanced Production Targets and Improving Bottom Line of the Organization	<ul style="list-style-type: none"> › Business Partners Engagement Program and Ru-Ba-Ru Program 	GEMBA Scores <ul style="list-style-type: none"> › FY 2019: 2.1 › FY 2020: 2.4 › FY 2021: 3.0 	<ul style="list-style-type: none"> › 2.5 minimum to be met by all business partners and 3.25 is excellent performance



Responsible Sourcing

(GRI 102-9, 308-1)

In accordance with responsible sourcing guidelines, we plan to develop an internal standard of responsible sourcing. This will be done in collaboration with a renowned consultant and social venture. A more detailed assessment will follow, focusing on the identified red flag business partners and locations. We will also map out risk management plans, including a feedback / grievance mechanism, to ensure prevention and quick mitigation of identified risks.

As part of International Zinc Association's (IZA's) Stewardship Working Group (SWG), we have joined its efforts to prepare a Base Metal Standard to meet the LME requirements. A Joint Due Diligence Standard has been created for lead and zinc. Under the LME passport, we are also required to report carbon footprint and recycled content.

Managing Supply Chain Risk

Business Partner Onboarding Procedure

1 Business Partner Identification and Registration

The methods adopted for business partner onboarding include online searches, electronic marketplaces or direct approaches made through supply chain personnel.

- Post identification, the business partners are introduced to a 24x7 online platform of Post Ariba Network, for smooth registration experience
- After registration, supply chain personnel are transparently made aware of our complete business model and structure, including financial statements, and all other applicable and necessary documentation

2 Pre-Qualification (PQ) Form

We undertake pre-qualification of all potential business partners by obtaining and monitoring evidence to ensure that they meet or exceed our standards, as a pre-condition to be engaged for the supply of products and services to Hindustan Zinc, and only those business partners who score minimum 75% are inducted further. The entire process is digital and is verified critically.

3 Technical and Commercial Evaluation

This is done to ensure transparency of our onboarding system, and also that the business partners have all the technical and commercial qualifications to work with us. All the required information is uploaded by the business partners on the Ariba portal where it can be verified.

4 Contract Award

Auctions are used as a tool for better price discovery. They are also one of the options to award contracts for supply with all financial transactions e-signed. The process is 100% online and completely transparent, with business partner's capacity, code of conduct, financial strength, local procurement compliance and previous history etc., taken into account.

5 Performance Linkage with Contract

Our business partners are mapped against their performance on various compliance and ESG criteria, with release of vendor payments linked to compliance criteria, especially on safety aspects. We have in place a discrete penalty/incentive system to ensure best productivity and safety across locations.

6 Business Partner Audits and Review

To monitor and evaluate the business partners' progress in the adoption of sustainability principles, we engage at leadership level and audit & review their performance at their sites. We also assist them in overcoming the identified risks through knowledge sharing, technology transfer and process innovations on ground. All our service providers / vendors, along with their supervisors, must follow Modern Slavery Act (MSA) in all their activities.

Business Partner Classification

(GRI 414-1)

Hindustan Zinc classifies business partners according to their impact on operations, sustainability, unique business partner dependency, and irreplaceability of the solution. Besides helping us understand and manage our supply chain risk profile, this helps in identifying where Hindustan Zinc is dependent upon certain business partners for the ongoing sustainability of its operations.

Tier 1 Business partners

Our tier 1 business partners are those who directly supply goods or services to the Company. We monitor their performance against a range of metrics, including: Delivery in Full On-Time (DIFOT), service delivery, and invoice accuracy. Third-party screening tools are used to record transgressions (as well as for adverse media exposure) across various compliance criteria.

Critical Tier 1 Business partners

Critical tier 1 business partners include high volume suppliers, suppliers of critical components and non-substitutable suppliers. Their criticality depends on their impact on our competitive advantage, market success or operational efficiency.

Critical Non-Tier 1 Business partners

A critical non-tier 1 business partner is one who provides products and services to our business partners at the next level in the chain, i.e. tier-2 business partners and higher.

Business Partner Risk Assessment

(FIMI Principle-3)

We perform regular business partner risk assessment with a formal methodical approach to assess business and sustainability risks associated with our existing business partner base and incorporate necessary procedures to mitigate risks through continuous monitoring.



Risk Model Framework

Due diligence

The business partner sustainability assessment of all key business partners is done in partnership with DTT and Rubix, by obtaining and monitoring evidence that a potential partner meets or exceeds our standards. In the event that the findings of a business partner's sustainability review on pre-defined parameters reveal a potential adverse impact, i.e. the vendor is designated as a high risk business partner, Hindustan Zinc supports such vendor in:

- › strengthening its management systems
- › through training, knowledge sharing, upgrading etc.
- › leveraging the business relationship for corrective action

Discontinuance of the relationship is considered as a last resort.

The approach includes:

- › Desktop Report - based on discrete research from online databases and other information available in public domain
- › Site Visit Report - evaluation on predetermined criteria and weightage assigned to financial, management and compliance to laws and regulations, sustainability-related parameters via questionnaire on sustainability

The major factors in business partner sustainability risk management include:

- › Undertaking thorough vendor mapping for business partners/contractors/ Original Equipment Manufacturer (OEM) vendors
- › Involving strategic business partners in Hindustan Zinc's strategy around innovation and growth outlook

- › Organizing structured monthly meetings of all critical business partners with our senior leadership team
- › Conducting annual business partner meets/workshops to strengthen our engagement levels
- › Recognizing deserving members of the contractor workforce by giving merit certificates and proper training, among others

Other factors of business partner sustainability risk management include:

Child labour and forced labour

Working hours, wages and benefits

Prevention of harassment and abuse, and disciplinary actions

Health & Safety policies and procedures

Management Systems and license to operate

Code of Conduct

Environment Management Systems with permits/license from Pollution Control Board

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.

Type of business partners	Total business partners	Business partners assessed in the last three years	Number of business partners classified as high-risk	Percentage of total business partners in category classified as high-risk
Tier 1 business partners	1,050	768	69	6.6%

Digitalization of Supply Chain

Our supply chain management strategy incorporates processes which help integrate tenets of sustainability across our value chain:

- Business partners' identification and selection
- Business partners' audits and review
- Business partners' engagements
- Innovation and technology to build supply chain efficiency

Our procurement practices are aligned with the goal of implementing 100% responsible sourcing by 2025. To achieve this aim, we are implementing various technology-enabled solutions to optimize our resource use. We have digitized 100% of our supply chain and our Procurement-to-Payment process through Project 'Confluence'.

Project Sarathi

Driven by the goal of achieving 100% responsible sourcing and making our supply chain sustainable, we undertook Project Sarathi, under which inbound and outbound logistics were fully digitized. This helps in tracking material movement in real time, with the ability to deploy measures, as necessary, in case of any unusual event.

With the implementation of Sarathi, we have reduced our carbon footprint significantly by elimination of over 1,00,000 paper-based documents that were normally used for logistics and related processes, as well as by reducing the overall movement of material. We have been awarded "Outstanding Digital Transformation Initiative in Logistics" by Express Logistics and Supply Chain Conclave (ELSC). Multiple organizations have visited us for benchmarking this process.



Business Partner Engagement

(GRI 204-1)

Apart from review and corrective actions, we engage with our business partners on a continual basis, as we believe collaborations bring out the best results, and help in mutual prosperity and growth. A structured vendor engagement plan is in place across all levels. Through our focus on responsible supply chain management, we aim to minimize any potential impacts on stakeholders and environment. We plan to further reduce our limited dependence

on imports by strategically partnering with qualified indigenous vendors, or by nurturing and developing the potential local vendors, wherever possible.

We are also looking at sustainable collaboration through our business partners. This has been done various Business Partner Engagement programs, where we look for new initiatives to build a sustainable future. This year, we

conducted engagement sessions with our CEO to enhance mutual growth and understanding.

In addition, we have signed a Memorandum of Understanding (MoU) with EPIROC, a mining equipment company, for sustainable mining and zero emissions. We took a step closer to achieving our goal of carbon neutrality by setting a new benchmark, and plan to adopt battery-operated mining equipment and vehicles in underground mining processes in all our locations and projects over next few years. This

will make us the first mining company in India to introduce electric vehicles in underground mines.

We also actively engage with local business partners for procurement. In FY 2020-21, we engaged with 318 business partners for local procurement. These Rajasthan-based business partners constituted 63% of the total procurement spend. We also collaborate 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.



Business Partner Training

(GRI 102-9)

Upskilling our business partners and contractual workers regularly is part of our strategic agenda. Our contractors are included in our induction safety training, on-the-job safety training, safety townhalls and other awareness initiatives.

Digitalization is another focus area for us in supply chain management. The relevant initiatives undertaken comprise realigning our monthly spend, basis the data generated by the SAP platform. We have also introduced smart touchless purchase order for annual rate contract. We have launched automation and strategic initiatives to improve Total Cost of Ownership (TCO). These initiatives have long-term positive impact on our cost-rationalization strategies.

We organize Sustainability Awareness Webinar series every month to discuss recent sustainability developments in the industry as well as the Company. These virtual trainings are aimed mainly at employees, but also extend to business partners to help them develop and improve their sustainability strategies.

During the year, we conducted trainings on climate change, social return on investment, human rights, water stewardship and biodiversity conservation. Business partners have shown active participation in these trainings, and we hope to continue and improve these trainings offline with onsite seminars and exercises, after the pandemic ends.



Business Partner Feedback

Feedback from business partners is critical to our business activities, allowing us to maintain healthy working relationships. The feedback process involves, but is not limited to, a review of our supply chain team's process and efficiency. We also seek to understand and take suggestions on collaboration with business partners on areas of safety, energy efficient solutions, digitization etc., through the feedback.

Based on the responses on the feedback form, the outcome is analyzed against industry benchmark

on parameters such as ease of doing business, satisfaction, advocacy, Return on Investment (ROI) etc., to understand and implement better practices. The findings of the survey including business partner feedback on our processes, programs, suggestions, collaborations etc., help in mutual value creation for business growth through implementation of innovative business practices such as TCO and Vendor Managed Inventory (VMI) models etc.

Key Performance Indicators



ECONOMIC INDICATORS

(GRI 201-1)

	UNITS OF MEASURE	FY18-19	FY19-20	FY20-21
Economic Value Generated (A)				
Revenue from Operation (including excise duty)	₹ crore	21,118	18,561	22,629
Other Income	₹ crore	1,782	1,934	1,819
Total (A)	₹ crore	22,900	20,494	24,448
Economic Value Distributed - Expenses (B)				
Employee Wages and Benefits	₹ crore	905	689	760
Operating Costs	₹ crore	6,786	6,541	7,224
Payment to Providers of Capital	₹ crore	8,564	112	386
Payment to Government (Income Tax)	₹ crore	6,585	3,781	4,586
Community Investments	₹ crore	130	132	214
Total (B)	₹ crore	22,970	11,253	13,170
Economic Value Retained (A-B)	₹ crore	-70	9,241	11,278
Profit before depreciation, interest and tax	₹ crore	12,452	10,781	13,491
Profit before tax	₹ crore	10,456	8,390	10,574
Net tax expense/(benefit)	₹ crore	2,500	1,584	2,594
Profit for the year	₹ crore	7,955	6,805	7,980
Earnings per equity share	₹ crore	18.83	16.11	18.89



ENVIRONMENT

MATERIALS USED

	UNITS OF MEASURE	FY18-19			FY19-20			FY20-21		
		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
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
Associated Process Materials	Million MT	0.60	0.51	1.11	0.48	0.52	1.00	0.48	0.49	0.97
Packing Material	MT	0.00	403	403	0.00	381	381	0.00	314	314

ENERGY CONSUMPTION

	UNITS OF MEASURE	FY18-19			FY19-20			FY20-21		
		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
Indirect Energy	Million GJ	0.18	0.56	0.73	0.38	0.73	1.11	0.48	0.86	1.34
Renewal energy (Solar energy)	Million GJ	0.07	0.10	0.17	0.109	0.177	0.285	0.186	0.115	0.300
Renewal energy (WHRB)	Million GJ	0.00	0.58	0.58	0.00	0.52	0.52	0.00	0.73	0.73

TOTAL ENERGY CONSUMPTION

	UNITS OF MEASURE	FY18-19			FY19-20			FY20-21		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Fossil fuels purchased and consumed	Million mwh			12.90			12.40			12.59
Electricity purchased	Million mwh			0.20			0.31			0.37
Total renewable energy purchased or generated	Million mwh			0.209			0.225			0.287
Total non-renewable energy sold	Million mwh			0.023			0.015			0.009
Total non-renewable energy consumption	Million mwh			13.08			12.71			12.96
Total costs of energy consumption	₹ crore			2,419			2,206			2082

WATER WITHDRAWAL

	UNITS OF MEASURE	FY18-19			FY19-20			FY20-21		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Ground water	Million m3	3.13	0.08	3.21	3.05	0.06	3.11	3.32	0.05	3.37
Surface water	Million m3	5.58	14.10	19.68	4.47	12.28	16.75	4.86	12.63	17.49
Rainwater	Million m3	0.00	0.01	0.01	0.00	0.01	0.013	0.00	0.02	0.02
Waste water from another organization	Million m3	1.15	5.02	6.17	0.82	5.93	6.75	0.52	6.66	7.18
Municipal water supplies or other water utilities	Million m3	0.03	0.09	0.12	0.01	0.09	0.10	0.0002	0.00	0.0002
Total net fresh water consumption	Million m3			20.76			18.28			19.04
Water Recycled	Million m3	10.23	5.49	15.72	11.42	4.68	16.10	11.90	4.84	16.74

AIR EMISSIONS

	UNITS OF MEASURE	FY18-19			FY19-20			FY20-21		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
PM Emission from stacks	MT			1,155			1,027			1,097
SOx Emission from stacks	MT			30,235			23,069			19,600
Nox Emission from stacks	MT			8,642			8,913			8,098

GHG EMISSIONS*

	UNITS OF MEASURE	FY18-19			FY19-20			FY20-21		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Scope I Emission	Million MTCO ₂ e			4.70			4.48			4.49
Furnace oil (FO)	Million MTCO ₂ e			0.00			0.00			0.000
High Speed Diesel (HSD)	Million MTCO ₂ e			0.20			0.188			0.160
Propane	Million MTCO ₂ e			0.01			0.01			0.00042
Liquified Petroleum Gas (LPG)	Million MTCO ₂ e			0.001			0.001			0.001
Coal	Million MTCO ₂ e			4.19			4.04			4.09
Coke	Million MTCO ₂ e			0.30			0.25			0.20
Pyrolysis Oil	Million MTCO ₂ e			0.00			0.00			0.00
LSHS	Million MTCO ₂ e			0.00			0.00			0.00
LDO	Million MTCO ₂ e			0.00			0.00			0.021
PNG	Million MTCO ₂ e									0.014
Scope II Emission	Million MTCO ₂ e			0.17			0.25			0.31
Scope III Emission	Million MTCO ₂ e			4.24			4.18			4.28

WASTE GENERATION

	UNITS OF MEASURE	FY18-19			FY19-20			FY20-21		
		MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL	MINES	SMELTERS	TOTAL
Hazardous Waste	Million MT	0.00	0.07	0.07	0.00	0.08	0.08	0.00	0.09	0.09
Non-Hazardous Waste	Million MT	0.04	1.07	1.11	0.05	1.12	1.17	0.06	1.116	1.18
Overburden/ Waste Rock	Million MT	3.18	0.00	3.18	3.20	0.00	3.20	3.38	0.00	3.38
Tailings	Million MT	12.37	0.00	12.37	12.62	0.00	12.62	13.41	0.00	13.41
Total waste disposed #	Million MT			11.50			11.82			12.30

* GHG emissions have been computed in line with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard, evaluated by a third party as per the ISAE 3410 standard

Waste disposal quantity is provided for the Hazardous Waste given which is being disposed in the Secure Landfill (SLF) and the common Treatment, Storage and Disposal Facility (TSDF), tailing which is being disposed in tailings dam, Jarosite or Jarofix are disposed in Jarosite pond or yard and overburden at dump area. Our Non-hazardous Waste is being sold or stored in the store yard.



HEALTH AND SAFETY

HEALTH & SAFETY INDICATORS*

	UNITS OF MEASURE	FY18-19	FY19-20	FY20-21
FATALITIES				
Full-time Employees	Number	2	0	0
Contract Employees	Number	5	2	0
LOST TIME INJURY FREQUENCY RATE				
Full-time Employees	Numbers per million hours worked	0.64	0.68	0.25
Contract Employees	Numbers per million hours worked	0.64	1.50	1.10
Overall Hindustan Zinc	Numbers per million hours worked	0.63	1.38	0.97
TOTAL RECORDABLE INJURY FREQUENCY RATE				
Full-time Employees	Numbers per million hours worked	1.17	1.24	1.38
Contract Employees	Numbers per million hours worked	1.37	2.94	2.78
Overall Hindustan Zinc	Numbers per million hours worked	1.30	2.70	2.57
OCCUPATIONAL DISEASE RATE	Numbers per million hours worked	0.00	0.00	0.00
PROCESS INCIDENTS	Numbers	1,282	1,518	2,689

* As per ICMM Guidelines

LEADING INDICATORS

	UNITS OF MEASURE	FY18-19	FY19-20	FY20-21
Near Miss	Number	14,298	15,323	17,484
Unsafe Acts	Number	2,07,638	2,03,966	2,21,585
Unsafe Conditions	Number	62,123	55,739	51,724

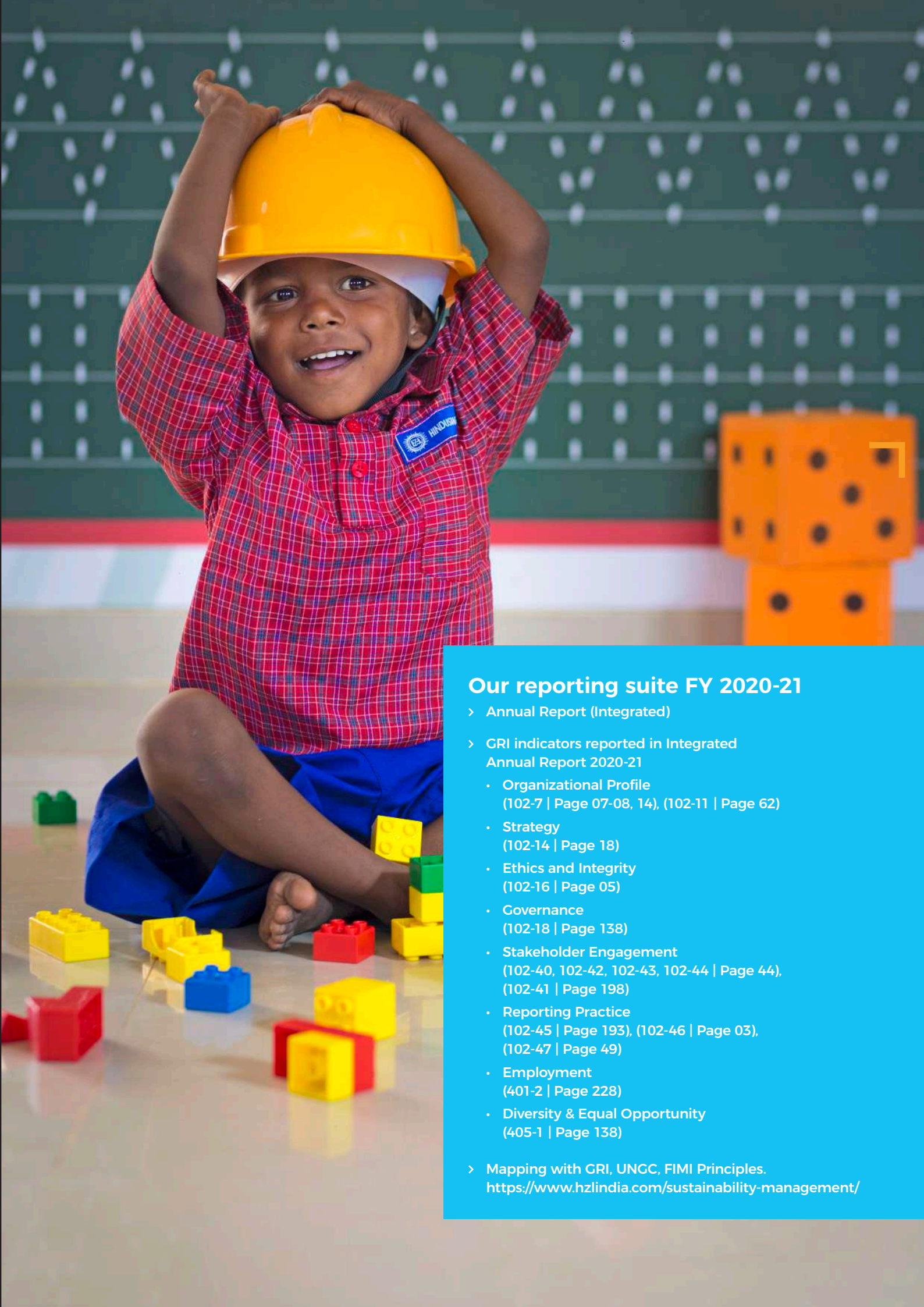


HUMAN RESOURCE

HUMAN RESOURCE INDICATORS

WORKFORCE	UNITS OF MEASURE	FY 18-19			FY 19-20			FY 20-21		
		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
Contract Employees	Number	17,268	116	17,384	14,818	136	14,954	18,154	132	18,286
New Hires	Number	313	81	394	443	129	572	236	71	307
New Hire Rate	Percentage			9.38			13.63			8.52
New Hires (Age-wise split)										
Less than 20 years	Number	0	1		0	0	0	0	0	0
20-30 years	Number	284	75	359	404	127	531	143	57	200
31-45 years	Number	23	4	27	27	2	29	90	13	103
46-58 years	Number	6	1	7	12	0	12	3	1	4
Employee Turnover Rate	Percentage			16.72			13.41			19.30
Employee Trainings										
Full-time Employees*	Man hours	78,722	6,362	85,084	1,38,466	26,374	1,64,840	1,18,286	14,619	1,32,905
Contract Employees	Man hours			477,671			6,95,932			89,757

*including workman



Our reporting suite FY 2020-21

- › Annual Report (Integrated)
- › GRI indicators reported in Integrated Annual Report 2020-21
 - Organizational Profile (102-7 | Page 07-08, 14), (102-11 | Page 62)
 - Strategy (102-14 | Page 18)
 - Ethics and Integrity (102-16 | Page 05)
 - Governance (102-18 | Page 138)
 - Stakeholder Engagement (102-40, 102-42, 102-43, 102-44 | Page 44), (102-41 | Page 198)
 - Reporting Practice (102-45 | Page 193), (102-46 | Page 03), (102-47 | Page 49)
 - Employment (401-2 | Page 228)
 - Diversity & Equal Opportunity (405-1 | Page 138)
- › Mapping with GRI, UNGC, FIMI Principles. <https://www.hzllindia.com/sustainability-management/>



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