

2012

Hindustan Zinc Ltd.

---

UN Global Compact  
Communication on Progress  
2011-12

---

## HINDUSTAN ZINC LIMITED – AN OVERVIEW

**Hindustan Zinc Limited** – a subsidiary of Vedanta Resources plc is the largest integrated Zinc, Lead & Silver producer in the world (\*) having a revenue of Rs. 11,405 Cr. Vedanta Resources plc (“Vedanta” or the “Group”) is a London-based diversified natural resources group listed on FTSE 100, with extensive interests in aluminum, copper, zinc and lead, iron ore, oil and commercial energy.

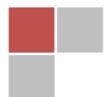
HZL’s Zinc and Lead mines are located at Rampura Agucha, Sindesar Khurd, Rajpura Dariba, Maton Mines and Zawar mines in Rajasthan and smelters at Debari, Dariba and Chanderiya in Rajasthan, and at Vizag in Andhra Pradesh. In addition, HZL also has a rock-phosphate mine in Maton near Udaipur in Rajasthan and Zinc, Lead & Silver refining facilities in the state of Uttarakhand. HZL employs around 6550 persons directly and benefits over 50,000 persons indirectly. HZL’s products include refined Zinc metal, refined Lead metal, Silver, Cadmium and Sulphuric acid. All the operating units are accredited with International Organization for Standardization (ISO) 9001, International Organization for Standardization (ISO) 14001, Occupational Health and Safety Assessment Series (OHSAS) 18001 and 5S certifications.

### VISION

*Be the world’s largest and most admired Zinc-Lead & Silver Company.*

### MISSION

- *Enhance stakeholders value through exploration, innovation, operational excellence and sustainability*
- *Be a globally lowest cost producer*
- *Maintain market leadership and customer delight*



HZL is India's largest Zinc producer and is a vertically integrated Mining & Smelting company, gearing up to

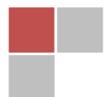
- ✓ Harnessing mining resources to help India maintain self-sufficiency in Zinc.
- ✓ Become a global leader in Zinc.
- ✓ Create value for all entities whether it is Customers, Investors or Employees.

The Company has made remarkable progress in the areas of production, productivity and all other parameters of performance and in line has made significant strides towards structured **community initiatives** in line with the overall CSR philosophy of the Group. The company has an exemplary track record in the areas of Health, Safety and Environment and is consistently upgrading its performance on safety indices and delivering beyond statutory norms.

The company is a vertically integrated lead zinc producer with core competencies including possessing 3 captive mines and 3 smelters in Rajasthan, India.

Our community initiatives have made contributed positively to the lives of people in the areas where we work more so the from the marginalized section of the society. We are also signatories of the **U.N. Global Compact** With a clear belief to run community initiatives like any other business project, all mining units are **SA 8000** certified.

Hindustan Zinc is committed to undertake social and community based initiatives in the vicinity of its operations, to contribute to the socio-economic well being and empowerment of communities.



---

## AWARDS & ACCOLADES

---

Hindustan Zinc has been conferred with a number of accolades in the areas of operational excellence and sustainable development recognized by the way of awards at both national and international level. Some of them are:

### Quality

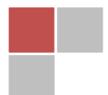
- IMC Ramakrishna Bajaj National Quality Award-‘Performance Excellence Trophy’ (RNBQA-2011)
- Best Prax Compass Award 2011
- SAP ACE Award 2011 in the category of ‘Best run IT Organisation’
- ‘Silver Certification of Merit’ by the jury of ET’s IMEA 2011 in partnership with Frost & Sullivan

### HSE

- ‘Innovation Environment Project’ Award at the CII Environmental Best Practices Award 2012
- Rajasthan Energy Conservation Award FY 2011
- “Vriksh Vardhak” Award 2011 of Rajasthan Forest Department.

### CSR

- ASSOCHAM CSR Excellence Award for FY 2012.

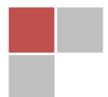


---

# SUSTAINABLE DEVELOPMENT

*An integral part of our business*

---



Sustainable development is an integral part of our business philosophy and represents core commitment of our management and employees. We believe that businesses play an important role in tackling and driving sustainability and developmental challenges. We have been continuously prioritizing and emphasizing the need to ensure compliance and improve our social and environmental performance. We strive to ensure that our business creates sustainable benefits for all our stakeholders.

We practice sustainability within the framework of well defined governance structures and policies and with the demonstrated commitment of our management and employees. We aim not only to minimize damage to the environment from our projects but to make a net positive impact on the environment wherever we work.

We have established stringent management systems centered on safety, health, the environment and social performance.

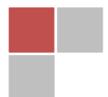


### **Health, Safety and Environment**

We consider Health, Safety and Environment (HSE) as a key element for our business and philosophy; and stay committed to continuous improvement in line with our HSE policy. Our HSE focus is evident all across the Company. Each unit has a dedicated HSE team including energy and water managers.

Our efforts are built around three pillars:

- **Safety:** Provide a safe workplace.
- **Environment:** Minimum harm to environment by conserving natural resources through efficient use.
- **Health:** Eliminate occupational illness.

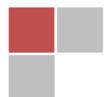


## Corporate Social Responsibility (CSR)

HZL is committed to bring a sustainable change in the lives of weaker sections through various need-based community interventions. This commitment paved the way for undertaking social projects for sustainable socio-economic development of the weaker sections of the society in the operational villages of the company. Driven by this philosophy, Hindustan Zinc has been planning, designing and implementing need-based CSR projects in partnership with the local communities to improve their quality of life. Human Rights are integral to our work with communities, respecting cultural considerations and diversity across all units in the country.

At the outset of each Rural Community Development project we adopt a mechanism, which incorporates deliverance of sustained benefits to the community. Stakeholders feedback are taken into account in the process of project planning and decision making to provide sustainable benefits to the local communities through our corporate social responsibility and community development programmes. It is quintessential for us to evaluate the potential of the projects and community ownership prior to project initiation.

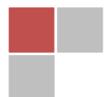
Hindustan Zinc has well structured process to work with communities in the areas of health, nutrition, education, sustainable livelihood, agriculture and animal husbandry and infrastructure development. This comprehensive development program attempts to improve the standard of living of the community and create local prosperity, thereby promoting their basic right to lead a life of dignity. Among the plethora of various CSR activities let us present our Social Policy, CSR overview and Key signature projects which speaks the volume, impact and quality of CSR work carried out by Hindustan Zinc.



---

# SOCIAL POLICY

---





## Hindustan Zinc Limited Social Policy

At Hindustan Zinc Limited, we are committed to the principles of sustainable development; protecting human life, health and environment, ensuring social well-being and adding value to the communities. We respect human dignity and that lies at the core of our business philosophy and business operations. We strive to manage our businesses in a fair and equitable manner meeting all our social responsibilities as a direct and indirect employer and respect the human rights of all our stakeholders.

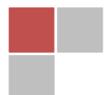
Hindustan Zinc strives to:

- Comply with or exceed the legislative requirements in all jurisdictions in which it operates and develop systems to identify, manage, and mitigate risks and adverse impacts on communities and environment. We will also strive to uphold labour and human rights aligned with national and international regulations as applicable;
- Avoid involuntary resettlement where feasible and consider displacement only when business requirements make it unavoidable. We seek to adopt and implement best possible measures to improve or at least restore quality of lives and standards of living of displaced persons in particular and communities in general;
- Demand and foster leadership, learning and growth so as to deliver value to the organisation and society in a socially responsible manner and train people and provide resources to meet social responsibility, objectives and targets;
- Respect the social, economic, cultural and human rights of communities and preserve the culture and heritage of the local communities and socially vulnerable groups and seek broad-based support for our operations;
- Consult and inform stakeholders in matters that affect them. We will regularly communicate social performance in an accurate, transparent and timely manner to stakeholders.
- Adopt Sustainable Development as an integral part of the business plan and put in place an appropriate institutional structure to plan and implement community development initiatives prioritizing local needs and ensuring long term sustainable benefits to communities.

We will measure and report progress against this policy and review performance on a periodic basis. The content and implementation of this policy will be reviewed periodically and actions taken accordingly including the sharing of good practices throughout Hindustan Zinc organisation.

**Akhilesh Joshi**  
Chief Executive Officer

Date: 29<sup>th</sup> March, 2012

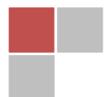


---

# HZL CSR INITIATIVES

## - An Overview

---



## **HZL CSR INITIATIVE – An Overview**

We continue to impact more than 5, 00,000 lives through our relentless Corporate Social Responsibility (CSR) initiatives. We are committed to raise the quality of life and social well-being of communities where we operate. At Hindustan Zinc, we promote sustainable development achieved through two-way, open dialogue with our stakeholders, which is the key for sustainable community development.

Corporate Social Responsibility is an integral part of our business which is accorded as much importance as any business project. We work to establish and maintain our "social license to operate" in the local communities in which we are active by incorporating the principles of sustainable development into all aspects of our engagement.

We have a dedicated team of 150 functionaries including qualified professionals and subject matter specialists who are part of our corporate social responsibility team.

We adopt a need-based approach for all community interventions and have several high impact initiatives/projects in place to achieve sustainable socio-economic development of communities. Our community development efforts are focused on fostering self-reliance through education, livelihood interventions, vocational trainings, integrated village development, empowerment of women and social mobilization.

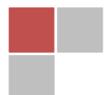
### **Our Approach & Strategy**

Our approach to community development is holistic, robust, integrated, intensive, long-term and sustainable primarily based on the Public Private Panchayat Partnership (4P) model.

HZL's strategy for community engagement is intensive which entails mapping the needs of community and acting upon it with long term sustainable development action plan. We have constructive partnerships with like-minded organizations including government agencies, Non-governmental organizations (NGOs), local communities and Panchayats, for functionalizing our community development initiatives.

Our community development process involves comprehensive engagement / interactions with the local community and various stakeholders. We ensure periodic need assessment and baseline studies based on "Participatory Rural Appraisal" methods including interviews with village heads, Sarpanchs, Panchayat members, farmers, SHG members and other stakeholders as well as focused group discussions. Their feedback is then used to develop new programs and improve on the existing ones.

We use intensive interventions in selected villages identified through an indicator driven process. In all other villages we have an extensive approach. Internal reviews and social



audits are periodically conducted to facilitate transfer of autonomy to the villages and expand our reach.

We measure our social and economic impacts, engage openly with communities and other stakeholders and aim to contribute to the development of sustainable communities. Corporate Social Responsibility is an integral part of our business which is accorded as much importance as a business project. We have undertaken several projects for sustainable socio-economic development of weaker section of society in the operational villages prioritizing on local needs which focuses mainly on

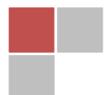
- i. Health & Nutrition
- ii. Water & Sanitation
- iii. Education
- iv. Sustainable Livelihood (farm & non-farm)
- v. Women Empowerment
- vi. Bio-investment/ Environmental Conservation

### **Vision**

Being regarded as a socially responsible corporate entity at par with global standards

### **Objective**

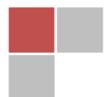
- ◆ To improve the quality of life of more than 5 lacs poor and unprivileged people
- ◆ To establish & strengthen mutual co-existence and cohesiveness with multiple stakeholders.
- ◆ Encourage community participation by establishing and strengthening village institutions across 180 villages at seven locations in 5 districts of Rajasthan and Andhra Pradesh.



---

## HZL's Key Signature Projects of CSR

---



## Key Signature Projects

### Focus Area: Health and Hygiene

#### **Name of Project / Activity: Rural Health Camps**

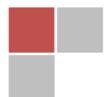
- Objective: To improve the health standards of the rural people through preventive and curative health care measures
- Partners: PHC, Helpage India
- Coverage: All our operational 180 villages
- Work done: Provided preventive and curative medical facilities to the rural population through various need based camps like homeopathic, Ayurvedic, Dental, BMD, Anemia Detection, Hepatitis B&C, Blood sugar, Blood donation camps, Mega Surgical Camps, Family Planning, eye surgery camps, etc. alongwith other health awareness camps
- Outcome/ Impact: The project is benefiting more than 2 lacs people

#### **Name of Project / Activity: Rural Drinking Water Project**

- Objective: To provide safe potable drinking water to the rural population thereby, reducing water borne diseases
- Partners: Environment Planning Group Ltd. (EPGL)
- Coverage: 24 villages in four districts of Rajasthan
- Work done: Installed 8 RO Plants in the identified villages near our operations
- Outcome/ Impact: The total population of these 24 villages are getting safe drinking water thereby reducing water borne diseases significantly

#### **Name of Project / Activity: Rural Sanitation Project**

- Objective: To reduce incidence of diseases arising out of poor sanitation and unhygienic practices. To construct low-cost toilets in rural households promoting awareness about health & hygiene thereby reducing open defecation
- Partners: Action for Community Empowerment (ACE), Boruka Charitale Trust (BCT), Social Welfare and Cultural Society(SWCS) & District Administration
- Coverage: Identified 45 villages
- Work done: Constructed 1200 toilets in the identified villages.
- Outcome/ Impact: Open defecation has been reduced significantly in 45 identified villages



### **Focus Area: Education and Nutrition**

#### **Name of Project / Activity: Vedanta Bal Chetna Anganwadi Project**

- Objective: To provide supplementary nutrition and pre-school education to children of the age group 3-6 years
- Partners: Govt. of Rajasthan, Vedanta Foundation, Integrated Child Development Services
- Coverage: Benefitting more than 42,000 children through 1500 Anganwadi centres in 4 districts of Rajasthan
- Work done: Overall development of children aged 3-6 years in ICDS Centres with improvement in health, attendance, retention and bringing them into mainstream through linking them with formal education
- Outcome/ Impact: Improvement in attendance and retention by 36%

#### **Name of Project / Activity: Mid Day Meal Programme**

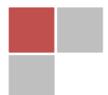
- Objective: To improve health standards and school enrollment, attendance, retention and nutrition standards among primary and secondary schools students
- Partners: Naandi Foundation, District Administration and State Government of Rajasthan
- Coverage: Catering to more than 1,80,000 students through 6 hi-tech kitchens
- Work done: Establishment of 6 Hi-tech kitchens
- Outcome/ Impact: Overall school attendance has improved by 90% and girls attendance by 70%

#### **Name of Project / Activity: Vedanta Computer Education Project**

- Objective: To provide education through computers in Government upper primary schools under CALP Model ensuring formal education through computer in rural schools
- Partners: Rajasthan Council for Elementary Education, Vedanta Foundation and Manipal K
- Coverage: Benefitting more than 88,000 children through 682 schools in 7 districts of Rajasthan i.e. Udaipur, Chittorgarh, Bhilwara, Rajsamand, Dungarpur, Bharatpur and Banswara
- Work done: Created computer learning opportunities in Government upper Primary Schools ensuring formal education through computer in rural schools
- Outcome/ Impact: The project is benefiting 88000 rural students through computer education covering 38% girls

#### **Name of Project / Activity: Vedanta Child Care Project**

- Objective: To provide pre-school education and nutritious meals to children of the age group 2.5 to 5 years with an objective to mainstream atleast 50% children every year
- Partners: Vedanta Foundation



- Coverage: The project is running successfully in 19 centres and 65% of the eligible children have been promoted for formal education to primary schools
- Work done: Providing education and pre-school education to the targeted children
- Outcome/ Impact: The project is benefiting more than 600 children through 18 running centres

**Name of Project / Activity: Shiksha Sambal**

- Objective: To provide remedial preparatory classes to the board students of government schools
- Coverage: 3260 students of 42 government schools
- Work done: Providing education through remedial classes and preparing their foundation for board examinations
- Outcome/ Impact: The project is benefiting 3260 rural students off 42 government schools with improvement in their board result from 48% to 87%.

**Name of Project / Activity: Other Educational Initiatives**

- Objective: To promote and facilitate education amongst rural students
- Partners: SUMEDHA, Swami Vivekananda Seva Nyas, District Education Dept.
- Coverage: Scholarships provided to 81 students, adult education to 266 adults, sponsored 14 BPL girls for higher education, benefitting more than 2500 students by distributing study material and infrastructure facilities in schools
- Work done: To provide scholarships to meritorious students, aid to schools, distribution of books
- Outcome/ Impact: The project is benefiting 3000 students through various educational initiatives

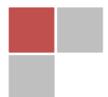
**Focus Area: Sustainable Livelihoods**

**Non-farm Based**

**Name of Project / Activity: Vocational Training to Unemployed Rural Youths**

**1. Vocational Training to rural youth**

- Objective: To provide vocational trainings to unemployed rural youths in 4 districts of Rajasthan i.e. Udaipur, Bhilwara, Rajsamand and Chittorgarh.
- Partners: Vishwas Sansthan, Ranthambore Seva Sansthan, IL&FS, Ministry of Rural Development, Government of India
- Coverage: 7800 youths in the four districts of Rajasthan in five years (1560 youth per year)
- Work done: Capacity building and vocational training provided to 1970 rural youths per year ensuring 80% placements of the trained youth
- Outcome/ Impact: The project will benefit 7800 youth in four districts of Rajasthan in five years.



## 2. Employment generation through Kaushal Vikas Kendra

- Objective: To provide a platform for employing skilled rural youth of Rajsamand. Partners: District Administration, District Industries Centre, Vishwas Sansathan, Paryavaran Vikas Sansathan and IL & FS.
- Coverage: more than 1000 rural youth of Rajsamand per year.
- Work done: Capacity building of unemployed rural youth and linking with employment opportunities prevailing in the market through Kaushal Vikas Kendra.
- Outcome/ Impact: Building confidence, respectability, geographic mobility, entry into urban living and opening up of multiple choices in daily life and an upward socio-economic progress.

### **Name of Project / Activity: Income Generation Trainings to SHG Women**

- Objective: To provide income generation trainings to more than 6000 SHG women of 483 Self Help Groups in various trades
- Partners: Vishwas Sansthan and Centre of the Study of Values, District Rural Development Agency, Women and Child Development Department, Local Non-Governmental Department(NGOs)
- Coverage: 1070 SHG women in 4 districts of Rajasthan
- Work done: Skill Development and Capacity building trainings being provided to the identified SHG Groups in various market driven traits like tailoring, stitching, embroidery, meenakari, terracotta, etc.
- Outcome/ Impact: The project is benefiting 1070 SHG Women in becoming self-reliant and linked with Micro-enterprises.

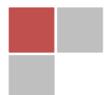
### **Farm Based-Agriculture & Livestock Management**

#### **Name of Project / Activity: Improved Agriculture Programme**

- Objective: To provide livelihood generation opportunities to the farmers through improved agriculture programme
- Partners: BAIF, District Agriculture Dept., District Horticulture Dept.
- Coverage: Covering 180 operational villages
- Work done: Provided farmers training for improved agricultural techniques, multi-cropping, orchard development, watershed development, rainwater harvesting, etc.
- Outcome/ Impact: The project is benefiting more than 15,000 farmers through various agri-based initiatives

#### **Name of Project / Activity: Livestock Management Programme**

- Objective: To provide livelihood generation opportunities to the farmers through livestock management programmes
- Partners: BAIF, District Veterinary Dept.



- Coverage: Covering 180 operational villages
- Work done: Provided livestock management opportunities like cattle breed improvement through artificial insemination, cattle immunization, etc. improving the milk yielding capacity of cattle.
- Outcome/ Impact: The project is benefiting more than 47615 cattle rearers in improving their income.

### **Focus Area: Infrastructure Development**

#### **Name of Project / Activity: Rural Infrastructure Development**

- Objective: To provide basic need based infrastructural facilities in our operational villages like construction/ repair/ renovation of schools buildings, class rooms, community halls, cremation grounds, etc.
- Partners: Gram Panchayat, Dist. Administration
- Coverage: All 180 operational villages
- Work done: provided Mobile bus, Constructed Vedanta-Hindustan Zinc Red Cross Bhawan, Vedanta Stadium, bus stand, prayer shed, community centres, school buildings, boundary walls, drainage systems, CC Roads, bridge, Pipelines, Water tanks, tube wells etc.
- Outcome/ Impact: Community at large is benefitted

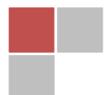
### **Hi- Impact Projects**

#### **1. Integrated Panchayat Development Programme**

For holistic development of 45 poverty stricken villages HZL is acting as a catalyst to fill in the existing gap through convergence approach with various Government schemes / programs based on Public-Private Partnership ensuring multi-stakeholder engagement aligning with Millennium Development Goals. The project is covering 12 Panchayats in Rajsamand covering more than 12800 families BPL, SC, ST, PwDs and other backward class.

#### **2. Vedanta Heart Hospital**

- Objective: To provide modern and affordable heart care facilities to the heart patients of Udaipur, HZL upgraded the existing cardiology centre which will benefit the needy population of southern Rajasthan and will provide free treatment to BPL patients. The project is running in joint collaboration with the State Government of Rajasthan to achieve the common goal.
- Partners: Government of Rajasthan, RNT Medical College-Udaipur, Nous Hospital and Consultants Pvt. Ltd.
- Coverage: Covering the heart patients from Southern Rajasthan
- Outcome/Impact: Reduced turnaround period for indoor patients. To provide networked referral with national level health institutions for higher clinical management.



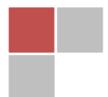
### **3. Vocational Training Institute for Deaf, Blind and Physically Challenged at Bharatpur**

- Objective: Establishment of a vocational training cum resource centre (residential) for differently-abled providing them vocational trainings to enhance their capabilities
- Partners: Vedanta Foundation
- Coverage: 50 differently-abled youth
- Outcome/Impact: Capacity building of the identified differently-abled people linking them with income generation activities

#### **Impact Assessment conducted by XISS, Ranchi and TERI University for the following projects:**

- Mid-day Meal
- Vedanta Bal Chetna Anganwadi Project
- Vedanta Computer Education Project
- Vocational Training to Unemployed Youths
- Improved Agriculture Project
- Livestock Management Project
- Women Empowerment Project
- Shiksha Sambal
- Model Village
- Rural Sanitation Project

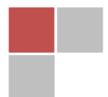
We also conduct social audit of our Hi-impact projects through reputed agencies on every 3 years and communicate the performance/ progress of our CSR interventions to all stakeholders.



---

## Alliance Building and Partnerships

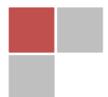
---



## Alliance Building and Partnership with NGOs, Industry Associations/ Organizations:

Table below illustrates some of our ongoing partnership projects in collaboration with NGO's, Industry Associations and National/ International advocacy organizations:

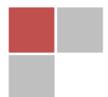
S. No.	Organizations / NGOs	Area of Partnership
1.	United Nations Global Compact Forum	To promote good corporate practices in the areas of (i) Human Rights (ii) Labour (iii) Environment (iv) Anti-corruption
2.	HelpAge India, District Medical and Health Department, NRHM	Mobile Medical Camp, Immunization, vasectomy operation, Mega Health Camp
3.	Naandi Foundation, District Education Department	Mid Day Meal, Computer Education Programme
4.	Women and Child Development Department Govt Rajasthan	Integrated Child Development Services.
5.	Vedanta Foundation	Computer Education, Child Welfare Center, Vedanta Bal Chetna Anganwadi Project.
6.	District Veterinary Department	Cattle Camp, Cattle Immunization
7.	IL&FS, Vishwas Sansthan, Ranthambore Seva Sansthan, Ministry of Rural Development, District Industries Centre	Skill Based Vocational Training
8.	District Agriculture Department, Krishi Vigyan Kendra	Vermi Compost Unit, Farmers Training, Micro irrigation System
9.	BAIF-RRIDMA	Agriculture and Livestock Development Project
10.	TERI-BCSD	Sustainable Development
11.	DRDA, Zila Parishad	Infrastructural Development, Watershed Fruit Plantation and social mobilization
12.	Action for Community Empowerment (ACE)	House-hold sanitation and hygiene project
13.	Vishwas Sansthan, Centre for the Study of Values	Skill Development Trainings to SHG Women



---

# Global Compact Principles Performance Matrix

---



## Global Compact Principles Performance Matrix

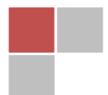
Keeping in view the ten principles, we have developed a performance matrix which was incorporated in all our strategic business functions and regularly reviewed from shop floor to board room level. Our major areas of performance were in the field of employee relations and training and development, Occupational Health, Safety and Environment Management, Supply chain, investor relations and Social Initiatives.

HZL is among the few companies in India to be registered with United Nations (UN), resulting in a compliance with the following Global Compact Principles actions and outcomes.

### Category 1: Human Rights (UNGC Principles 1-2)

**Principle 1-** *Business should support and respect the protection of internationally proclaimed Human Rights.*

**Principle 2-** *Business should ensure that they are not complicit in human right abuses.*

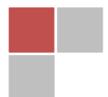


### **Management Systems:**

- HZL follows the principles of the International Declaration of Human Rights. As a model employer in the country owing allegiance to the Constitution of India, we support and respect the protection of human rights and is actively demonstrating commitment to human rights through efforts to address the human right of access to health and fair working conditions.
- We have a Women Committee which takes care of the rights of the women employees and ensures their protection at work place. All the complains related to sexual harassment of women employees are dealt by this committee.
- HZL strongly adheres to UK Bribery Act 2010. Under this we ensure no employee is involved in the action of bribery. Both receiver and payer of the bribe will be prosecuted.
- Ethical behavior is promoted through regular communication and commitment to the HZL Code of Conduct. HZL has a well documented Business Code of Ethics and Principles and adheres to it with zero tolerance principle.
- We have whistle blower policy under which Employees have the opportunity to submit / report 'Complaints' pertaining to the following areas such as: a) fraud against investors, securities fraud, mail or wire fraud, bank fraud, or fraudulent statements b) violations of any rules and regulations applicable to the Company and related to accounting and auditing matters c) intentional error or fraud in the preparation, review or audit of any financial statement of the Company d) any violations to the Company's ethical business practices as specified in the Company's Code of Conduct policy. The policy explicitly mentioned the pre-requisites to ensure that the identity of whistle blower is kept confidential. All employees of the company are eligible to make Protected Disclosure under the policy.
- All our units are accredited with International Organization for Standardization (ISO) 9001, International Organization for Standardization (ISO) 14001, Occupational Health and Safety Assessment Series (OHSAS) 18001 and 5S certifications

### **Actions:**

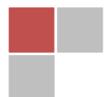
HZL in keeping its commitment to codes and articulated policy incorporates the following as central to its social responsibility:



- Going beyond the compliance of regulatory, legal norms.
- Annual Vendor Meet justified our commitment which was also shared with all our vendors to ensure collective ownership towards the business and stakeholders relations.
- Each unit of the company have developed respective newsletters for sharing information about the business best practices and added to the learning curve by incorporating best global practices.
- Trade Unions are engaged in decision making at all levels from top management to shop floor.
- Quality Circles initiatives are examples of organization wide empowerment.
- Audits are conducted periodically to ascertain the effect of our products/processes and services on society followed by corrective actions.
- Strengthening and supporting the people in a number of ways like maintaining the local areas, providing free medical treatment to employees and at nominal cost to non-employees at HZL Dispensaries, organizing eye camps, family planning, immunization and other camps, encouraging sports and youth development and participating in social programs in the villages.

#### **Performance:**

- Not single cases of violation of human rights abuses reported by any agency against the company.
- Most of the business units are 5s Certified units.
- Most of the business units are certified under different management systems likes ISO 9001, ISO 14001, OSHAS 18001, and SA-8000 and retaining the certification standard after the audits.
- We have always believed in maintaining cordial relationship with our employees. During the year, Long Term Settlement was signed with the Employees' Federation, for a period of five years effective from July 2007.
- We continue our focus on learning and development to build an enhanced and effective knowledge base, to provide skilled manpower for the new expansions. Besides the technical training, 5191 employees were covered under behavioral safety training program 'Suraksha-Jyoti' and 2241 employees were imparted training under 'Navajagaran'. Training programs on 5S, Quality Circles, Six Sigma, etc. were also organized.



## Category 2: Labour (UNGC Principles 3-6)

*Principle- 3- Business should uphold the freedom of Association & effective recognition of right to collective bargaining.*

*Principle- 4- Business should Support the elimination of all forms of forced and compulsory labour.*

*Principle -5- Business should Support the Effective abolition of Child Labour.*

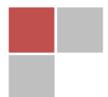
*Principle- 6- Business should Support the Elimination of discrimination in respect of employment and occupation.*



### **Management Systems:**

For addressing the issue of labour standard in comprehensive manner, HZL has adopted international standards like ISO 14000, SA-8000 and OHSAS-18001. We have an explicit anti-discrimination or diversity policy in recruiting, promoting, and training.

We abide by the Indian Factory Act and all other Indian Labour and mining Laws; these laws are in conformance to the ILO and international laws. Different units of company have recognized trade union and staff union for bargainable category of



workmen and supervisory staff. Company also constitutes various committees and councils having equal participation from management as well as elected workmen representatives to discuss and resolve various issues related to operations.

Company has periodic dialogues and negotiations with the recognized union to discuss and settle the charter of demand amicably.

- HZL has a well documented Business Code of Ethics and Principles and adheres to it with zero tolerance principle.
- All our units are accredited with International Organization for Standardization (ISO) 9001, International Organization for Standardization (ISO) 14001, Occupational Health and Safety Assessment Series (OHSAS) 18001 and 5S certifications
- We strongly adhere to Vedanta Sustainability Framework under which cover Labour & Working Conditions and ensures prevention of unacceptable form of labour. It also ensures full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.

#### **Actions:**

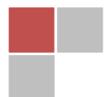
##### § **Promoting collective bargaining:**

In keeping with the spirit of the constitution of India wherein Right of Association is fundamental right, we respect the right for association of its employees and have constructive relationships with trade unions at all locations. Employees are encouraged to join labour union, as we believe that forum like these are effective in resolving the individual and collective grievances. Long term settlement agreement is made.

- ##### § **In-house forum:** canteen management committee, Joint consultative committees, operation review meetings, cost review meetings, BMG meetings, quality circles meetings, sports and cultural committees are different forums where employees can express their concerns and suggestions.

#### **Stake-holders feedback system:**

- ##### § **Statutory Wages:** HZL ensures payment of statutory wages to all the contract workmen.
- ##### § **Working Conditions :** HZL ensures to provide safe and healthy working environment to all the employees
- ##### § **Minimum age for employment:** HZL had prescribed the minimum age limit of 18 years for employment. Even contractors are forbidden to engage child labour. At the time of employment, age verification is done.



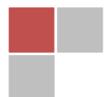
- § **Eliminate discrimination in respect of employment:** HZL prohibits discrimination on grounds of religion, race, caste, creed, sex or place of birth. Further, it provides equal opportunity employer and scrupulously complies with the provisions of Equal Remuneration to men and women and into matters of employment etc.
- § **Equal opportunity** is provided in matters of career advancement, training and development to all employees irrespective of caste, colour, gender, religion or region.
- § Well documented **Recruitment and Promotion Rules exist in the** Personnel Manual and are circulated widely amongst all sections of employees. Information is shared with others on request. Well documented grievance redressal machinery exists.

## Category 3: Environment (UNGC Principles 7-9)

*Principle -7- Business should Support precautionary approach to Environmental challenges*

*Principle -8- Business should undertake initiative to promote greater environmental responsibility*

*Principle -9- Business should encourage the development and diffusion of environmentally friendly technology.*





### **Management Systems:**

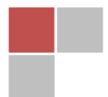
#### ***Principle -7- Business should Support precautionary approach to Environmental challenges***

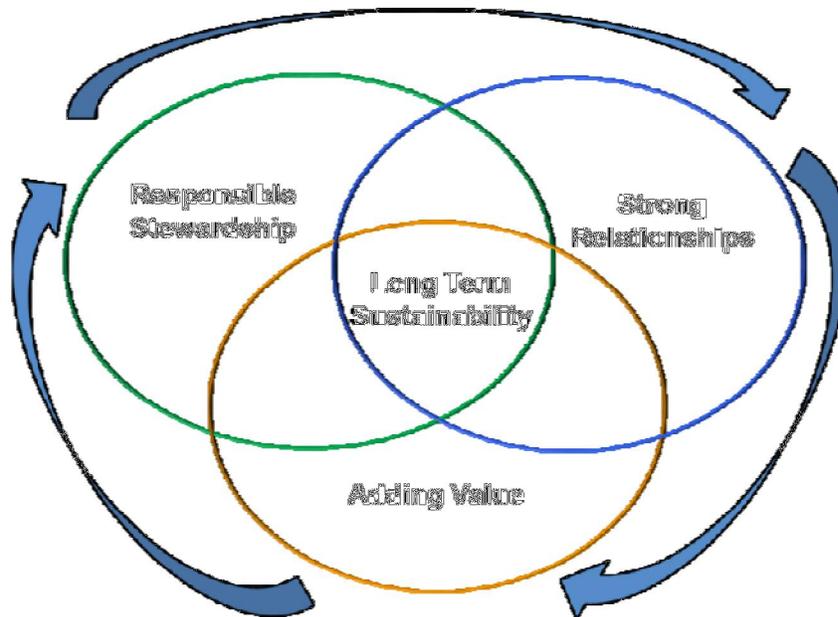
Hindustan Zinc follows the approach of precautionary principle in its environmental management by

- ü minimizing the environmental impacts across the life cycle of our manufacturing process
- ü developing technology to maximize extraction of metals
- ü operating responsibly with small footprints for water, carbon, land and hazardous wastes; and
- ü caring for people and bio-diversity around our operations.

During the year, we have subscribed to group Sustainability framework. The framework comprises three pillars, i.e.

- ü Responsible Stewardship
- ü Strong Relationship
- ü Adding Value

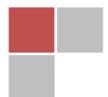




Under the responsible stewardship, which is of relevance here, we have launched the Water Management Policy, Energy and Carbon Management Policy and Biodiversity Policy and suitably amended the existing HSE policy. The group sustainability standards under responsible stewardship, to which we have subscribed, are as follows:

- ü Environmental Management
- ü Conducting ESIA to International Standards
- ü Waste Management
- ü Biodiversity Management
- ü Water Management
- ü Energy and Carbon Management
- ü Transport and Logistics Management
- ü Land and Resettlement Management
- ü Emergency and Crisis Management
- ü Health Management
- ü Safety Management
- ü Security Management

Driven by our stated policies, we emphasize on “Prevention” more than “Control” in every decision making process. Responsible Stewardship of all the assets we manage is our primary goal. To achieve this aim, we are constantly improving our systems and operations. Most of our operations maintain formal environment management systems aligned to the international standards ISO 14001.



***Principle-8 - Business should undertake initiative to promote greater environmental responsibility***

We demonstrate responsible stewardship by reducing our environmental footprint and meeting community expectations to support sustainable development. We constantly look to improve our performance through consistent application of our sustainability standards.

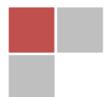
**Water**

In order to increase the efficiency of water usage, we have derived benefits from 51 of the many in-house identified projects with several others under different stages of implementation. To further strengthen our efforts, a comprehensive water and effluent stream mapping is underway at Chanderiya and Dariba smelting complexes, which is expected to identify newer opportunities to reduce fresh water consumption through effective reuse and recycle of water of effluent streams. Further, we have undertaken a sewage water recycling project aiming to treat and recycle the sewage from Udaipur city for use as a source of water for our operations.

As a testimony to our efforts to reduce fresh water consumption, the specific water consumption at smelters has reduced by over 23% over last four years. Specific water consumption at mines has reduced by about 10% over last four years.

Some of the major water conservation initiatives adopted during the year 2011-12 are:

- About 300,000 cu. m capacity has been provided with a High Density Polyethylene [HDPE] lining at Chanderiya Lead Zinc Smelter to increase the harvested rain water availability for reuse in plant
- Increase in the recycling of tailing pond water as a substitute to fresh water at the mines.
- Installation of adiabatic cooling tower at Dariba Smelter Complex (DSC) is in progress that has a potential to reduce fresh water consumption by 2,000 cu. m/ day as compared to the traditional cooling towers
- A new Multiple Effect Evaporator of capacity 600 cu. m/day is commissioned at DSC to treat RO plant reject to recover water from the same
- To reduce evaporation losses of water from tailing dams at Agucha, a new deep cone thickener was commissioned that reduces water in the tailing slurry disposed to tailing dam



## Energy Conservation

Reducing energy consumption in all forms is an integral part of our business strategy that focuses on reducing our carbon footprint. While we focus on adopting the best available technology for resource and energy utilization, we constantly focus on energy consumption reduction through various in-process innovations and adopting best practices. We also focus on improving machine productivity and throughput that largely contributes to reduction in specific energy consumption. Our constant efforts over the last four years have resulted in reduction of specific energy consumption at smelters. However, the specific energy consumption at mines has increased due to higher excavation and recently commissioned projects. At smelters, the specific energy consumption has reduced by about 15% over last four years.

## Climate Change

As a responsible corporate entity, we measure our carbon foot print and constantly focus on reducing the same.

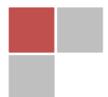
We have a capacity of 274 MW wind power generation, which was achieved by successfully adding 171 MW wind power generation this year. This makes us 4th largest wind power producer in India.

Other major projects for Carbon reduction include:

- Reduction in FO consumption through Fuel emulsification with water vapours at Pyro Plant
- Utilization of heat of exhaust gas of existing hot stove of ISF section of Pyro Plant at Chanderiya for air drying as dehumidifier
- Utilization of heat of exhaust gas of existing hot stove of ISF section of Pyro Plant at Chanderiya for coke drying

We have identified following projects for reduction of carbon foot print which are under various stages of evaluation and implementation:

- Road to Rail transport at Rampur Agucha and Rajpura Dariba Mines to maximise ore/finished goods transportation through rail
- Assessment of use of pure oxygen for roasting as against air, to increase waste heat recovery and throughput in Roasters
- Utilisation of Natural gas at CPP for partial replacement (20%) of coal at CPP
- Carbon capture and storage project at Chanderiya Smelter



- Installation of wind machine at ventilation fan at mines to utilize energy of exhaust air
- 4.3 MW BPTG project at CPP of Chanderiya Smelter
- 9.925 MW Waste Heat Recovery Plant in new Roaster at Zinc Smelter at Dariba Smelter

During the year, 373,665 CERs were verified and we have sold 150,963 CERs generating revenues of more than Rs. 8 crore.

### **Solid waste Management**

We work on reduce, recycle, reuse and reclaim – and ‘eco-friendly’ disposal of process residues. We have implemented innovative processes to ensure that the wastes that get disposed off from the plant do not harm the environment.

This year around 333,872 MT (100% of generation) of Fly ash and about 30,354 MT of ISF slag has been reused for cement manufacturing. This has helped us in reducing our waste inventories and conserving natural resources by replacing the virgin material at the other end where it is gainfully utilized.

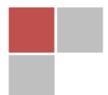
### **Biodiversity**

We recognize the importance of protecting local ecosystems and biodiversity. We strive to mitigate the adverse impact of our operations through afforestation and greenbelt development. We have completed a systematic biodiversity study through a third party expert, in and around Chanderiya smelter, to evaluate the bio-diversity index within the factory premises, the undisturbed forest area (Chittorgarh Fort) and villages within 10 km from the factory area. As per the outcome of the study, a biodiversity management plan shall be developed and implemented, to effectively increase the bio-diversity index of the region where we operate. During the year, we have planted 135,000 plants across our operations taking our total plantation over 1.25 million. We have further plans to plant more than 200,000 saplings in FY 2012-13.

### ***Principle-9- Business should encourage the development and diffusion of environmentally friendly technology.***

Our research focuses on enhancing metal recoveries, recovering values from waste and optimizing waste management. Few of the initiatives implemented include:

- We have undertaken extensive research in developing gainful utilization of Jarosite and Jarofix, in collaboration with reputed research institutes. Results of pilot study conducted for using Jarofix in road construction are encouraging. We are pursuing



with the associated agencies for utilization of Jarofix in the proposed six-lane highway project passing nearby our plant. Evaluation is presently underway with few cement companies for use of Jarosite and Jarofix in cement manufacturing.

- Implemented APC (Advance Process Control) system which resulted in increase in Zinc and Lead recovery at the Mines.
- Developed process to treat waste products together to realize Lead and Silver values. 1000 MT of low-grade Lead concentrate was treated with 250 MT of HGP dust. The additional Lead and Silver production was about 230 MT and 490 Kg respectively.
- Implementation of JAW (Jarosite Acid Wash) circuit has resulted in reduction of Zinc content in Jarosite by 0.6% at Dariba Zinc Plant

---

## Category 4: Anti-Corruption (UNGC Principles 10)

---

**Principle 10**-Business should Work against corruption in all its forms including extortion and bribery:



### Management Systems:

HZL has ‘Business Ethics and Code of Conduct’ under which we are committed for elimination of corruption of any form, bribery, extortion, and fraud. HZL has an elaborate system and processes on the management of business ethics and all employees sign the ‘Code of Conduct’.

### **Actions:**

In case of any complains under this policy should be reported to the Group Head-Management Assurance who is independent of operating management and business. Complains can also be sent to designate E-mail ID: [hzlwhistle.blower@vedanta.co.in](mailto:hzlwhistle.blower@vedanta.co.in). Group Head Management Assurance reviews the complaints, conduct enquiry and initiate appropriate actions.

## Our Commitment

Hindustan Zinc Limited is committed towards advocating and implementing the UNGC Principles and we are always looking for new ways of using our opinion to influence policy decisions on social, environmental and quality front at national and state level.

We have incorporated the triple bottom line principle of doing business in our over-all business strategy and regularly we are communicating it with our stakeholders and feedbacks are incorporated. More details about company's performance on social, economic and environmental front may be accessed from our Annual Report which is available on our website i.e. [www.hzlindia.com](http://www.hzlindia.com) .

