

September 30, 2008

## Statement of continuing support in implementing the United Nations Global Compact Principles

Hindustan Zinc team is steadily moving forward in the direction of upholding the following principles of the United Nations Global Compact (UNGC).

### 1. Human Rights

- Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and  
Principle 2 : Make sure that they are not complicit in human rights abuses.

### 2. Labour

- Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
Principle 4 : The elimination of all forms of forced and compulsory labour;  
Principle 5 : The effective abolition of child labour; and  
Principle 6 : Eliminate discrimination in respect of employment and occupation.

### 3. Environment

- Principle 7 : Businesses should support a precautionary approach to environmental challenges;  
Principle 8 : Undertake initiatives to promote greater environmental responsibility; and  
Principle 9 : Encourage the development and diffusion of environmentally friendly technologies.

### 4. Anti-Corruption

- Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

The above ten principles are part of our Business Ethics and Practices in our workplace. We strive to propagate these principles within our stakeholders i.e. vendors, supply chain, customers and workforce at large. We have the strong support of our board and will continue to develop and share innovative ways of meeting our obligation to this global movement.



M.S. Mehta  
CEO & Whole Time Director

**UNITED NATION GLOBAL COMPACT  
HINDUSTAN ZINC LIMITED - COMMUNICATION ON PROGRESS**

**“Towards Inclusive Growth”**

<b>Company Name</b>	Hindustan Zinc Ltd	<b>Date</b>	September, 2008
<b>Unit (If Applicable)</b>			
<b>Address</b>	Yashad Bhawan Udaipur 313004	<b>Membership Date</b>	February, 2006
<b>Country</b>	India	<b>Number of Employees</b>	6359
<b>Contact Name</b>	M S Mehta		
<b>Contact Position</b>	CEO and WTD	<b>Sector</b>	<b>(Mining &amp; Metal)</b>
<b>Contact No. Telephone</b>	0294-2427705		

**About Hindustan Zinc Limited (HZL):**

HZL is the Second largest integrated zinc and lead producer company in the world which has an exemplary record in optimization of capacity, effective marketing, people management and caring for the people and environment. As a part of Vedanta Resources Plc, a London listed metal and mining major; HZL takes advantages of its mineral resources and related core competencies and believes it has growth opportunities for increasing products and improving returns.

HZL is a signatory to the UN Global Compact and its continued commitment is communicated through its CEO in the following words:

“HZL as a corporate citizen was already supporting the 10 principles of UNGC programme as ethics and values in the process of corporate governance. All the ten principles of the UNGC initiative enjoy universal consensus and application. HZL will continue its support to this initiative of United Nations. HZL recognizes the need to generate resources adequate enough to meet the legitimate needs of its stakeholders and to discharge its corporate social responsibility. ”

**Vision**

Be a world class zinc company creating value, leveraging mineral resources and related core competencies.

**Mission**

- Be a lowest cost zinc producer on a global scale, maintaining market leadership.
- Produce One Million Tonne/ Year of Zinc and Lead by 2010.
- Be innovative, customer oriented and eco-friendly, maximizing stakeholder value.
- Committed to Social Well-being of Communities in the vicinity of operations.

### **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.

### **Global Compact Principles**

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 (September 2007– 2008)

#### **CATEGORY 1 HUMAN RIGHTS (UNGC Principles 1-2)**

##### *Principle 1*

*Support and respect human rights*

##### *Principle 2*

*Ensuring the Organization is not complicit in human right abuses*

### **Actions and Outcomes**

HZL 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. Our Initiatives were divided in two broad areas are:

- I) Employee Welfare
- II) Community Welfare

### **Responsibility towards the Employee/ public / community:**

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

- Meeting regulatory and legal norms. Ethical behaviour 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. This is critical for our business integrity and the Annual Vendor Meet justified our commitment which was also shared with all our vendors to ensure collective ownership towards the business and stakeholders relations. More than 1000 vendors participated in the meet.
- 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.
- Social audits are conducted periodically to ascertain the effect of our products/processes and services on society followed by corrective actions.
- ISO 9001, ISO 14001, OSHAS 18001, SA-8000 are used to develop management systems for aspects that affect business.
- Strengthening and supporting the community in a number of ways like maintaining the city, providing free medical treatment to employees and at nominal cost to non-employees at HZL Hospital, organizing eye camps, family

planning, immunization and other camps, encouraging sports and youth development and participating in social programs in the villages.

### **I) Employee Welfare:**

The processes involved have improved performance orientation and have been further aligned and integrated with strategic objectives. HZL continuously injects fresh talent, from business schools and technical institutions into the organization through its cadre based recruitment schemes in order to retain its cosmopolitan nature.

### **Human Resource Management lays emphasis on:**

- Continuous improvement is targeted through employee involvement in cross-functional teams.
- Quality Circles initiatives are examples of organization wide empowerment.
- Flexibility and rapid response is achieved through multi-skilling, cluster manning, Business Process.
- Re-engineering of supply chain, a flatter organizational structure and innovative reward and compensation schemes.
- Trade Unions are engaged in decision making at all levels from top management to shop floor.

### **Employee development & training**

Need based Foreign Training for employees have resulted in higher employee motivation and improved productivity, accountability and job engagement. These were identified through employee participation and brainstorming sessions.

The Learning and Development team guides employee development and training in line with the strategic goals of the Company and its long-term objectives through in-house training centers. A very important development in the latter part of this year has been the introduction of individual and team coaching within the organisation. We initiated National Training award winning **JYOTIRGAMAYA Training Programme-** (Technical and Non Technical Modules) for all executives. Sessions are run by reputed External Faculty NIS SPARTA with staff members by following an annual training calendar for the organization. They are designed to enable employees to develop and grow within their job roles and increase their level of self-awareness. The main objective is to develop leadership qualities among the employees.

- Employees are also deputed to other organizations and training centres in the country and abroad for specialized training.
- Officers are trained to become business managers through special general management programs.

### **Creating an atmosphere to help achieve a world-class workforce:**

- A variety of compensation and recognition systems such as special increments, Person(s) Quality awards have been instituted.
- Numerous state-of-the-art communication channels enable interaction and information / skill sharing across the organization.
- Employees are continuously educated on preventive health care and hygiene, alcohol and drug abuse.

- Occupational Health Services besides creating awareness on occupational hazards also conduct general health check-ups. Health check-ups were given to all contractors' labour working in hazardous areas as part of the SA 8000 implementation.
- To enhance employee motivation and satisfaction HZL provides state of the art facilities for the employees ranging from educational facilities and scholarships for wards of employees to medical facilities, recreational clubs, playgrounds, swimming pool and sports systems, housing facilities along with lush greenery around plant and townships. Active involvement of employees is ensured through a committee which drives these initiatives with resource and valued guidance from senior management. More than 1700 wards of employees are enrolled in company run schools across the units and have demonstrated strong academic track record at state level. Internal and External communication through emails, newsletter, face to face meeting and website have added to vibrancy among employees.

## II) **Community Welfare**

HZL is committed to bring a sustained change in the lives of weaker sections through various projects on Social upliftments which are being implemented in **173 operational villages** in the neighborhood of Mining & Smelting operations. The sustainable Socio-economic development projects are implemented in these villages under well-defined strategies by ensuring community participation.

Through **Corporate Social Responsibility (CSR)** activities HZL is impacting the lives of **approx. 5, 00,000** population. Under the valued guidance of CEO, CSR team of 150 members including professionals and subject matter specialists and grassroot functionaries are engaged in rendering the services.

### **Vision**

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

### **Mission**

Facilitate collaborative development for improving the quality of life of people at large, particularly in the neighbourhood and state for achieving business goals and reputation management.

### **Social Policy**

At Hindustan Zinc Limited, we believe in sustainable development and are committed to raise the quality of life and social well-being of the communities where we operate. Towards this, we will be guided by following

- Our community development initiatives will be prioritized based on local needs. Broad areas of focus will be
  - Social Investment – Health, Education, Livelihood, Social Mobilization & Infrastructural Development
  - Bio Investment – Water harvesting, Agriculture and Animal Husbandry.
  - Environment conservation- Social Forestry

- All operating locations will incorporate CSR activities as an integral part of their business plan and have an appropriate organization to implement the same.
- We will be open to working with like minded associates, Government bodies and other volunteer organization in pursuit of our mission.
- We will measure and report progress as per social accounting systems and encourage third party reviews for effective delivery and measurable impact.

We will regularly communicate with all our stakeholders on the progress and performance on social management.

## **A. Social Investment**

### **1. Health and Hygiene**

*Regular Medical camps*, Health Awareness camps, Child Health Care Camps, First Aid Camps, are being organized in all the 173 operational villages. More than 56000 villagers have been benefited through these initiatives. Rural medical camps are being organized in collaboration with District Health Department and Help Age India, Udaipur.

*Mega Eye Camps* are organized for the treatment of cataract patients and more than 700 villagers were benefited.

*Dental Camp* was organized to provide dental treatment to local community in remote area with a view to curative and prevention of dental infections with support from Government Health Department, Pacific Dental College and Panchayat (Village elected body)

*Blood Donation Camps* are organized to sensitize villagers to donate the blood and to save the lives of others.

*Pulse polio camps* are organized with Government Medical Team to immunize the entire child below 5 years in our operational villages.

*BMD Estimation Camp* is a special Camp which was carried out as it was found most of villagers suffering from Deficiency of Calcium. Mankind Pharmaceutical and State Government Hospitals were partnered for this camp. The villagers were examined and given proper treatment from the medical team.

*Sanitation Work* is carried out keeping in view about the problem faced during the rainy season and to harness the goodwill of environment friendly neighborhood. Stagnant Drainage was creating lot of health related problems to villagers being a breeding ground for mosquitoes and insects. Cleanness drive was carried out for drainage obstructing the water flow in the villages with the support from Government civil department and Panchayat

*Potable safe drinking water* is supplied to reduce water borne diseases in our operational villages 74000 liters/day through tankers and pipelines. People are now access to safe drinking water.

*Family Welfare programme* is being implemented in these villages under well-defined strategies by ensuring community participation. Emphasis was laid on the promotion of reproductive health as well as access of geographic coverage of Family Planning services and also included improvement in quality of services through Infrastructure Development. The main Thrust of the project has been on Antenatal Services, Postnatal Services Reproductive Tract Infections (RTIs), Sexually Transmitted Diseases (STDs), Infertility, Family Planning – Spacing and Terminal Method, Child Immunization, Adolescence Awareness Drives, HIV/AIDS Awareness Programmes.

## **2. Education**

*LEAD Project (Literacy Empowerment and Development)* in collaboration with District Literacy Society Chittorgarh has been launched to achieve 100% literacy among 15-45 years age group people including male and female in 5 remote villages of Chittorgarh district.

*Child Welfare Centre* has been established for imparting education to the children of age group of (2.5 to 5 years) through play way methods. They are also provided with nutritious food and Health check up on regular basis. Parent meet are also conducted in the centre to give feedback about their kid performance. 100 staff of CWC were imparted skill development training in collaboration with Sterlite Foundation.

*Tuition Centers* has been opened for Board Examination Students. The local School Subject Specialist teachers were mobilized to teach the student having low marks in the Board examination.

*Felicitation of meritorious students:*

The rank holder's students of government schools in the nearby villages, who appear in the board examination, are felicitated in a glittering function in presence of education officer and district administration. This motivates them, teachers and fellow students to perform well in studies.

*Teaching materials and Stationary* item was distributed to poor students of primary schools to have more enrollments and to reduce dropouts. The students lists are provided by the primary schools and materials are purchased from commercial department and are distributed.

## **3. Sustainable Livelihood**

The poor employment opportunities, uneven land holdings and decreasing land fertility are leading to poverty in the region and it has become extremely important to increase the income of the operational village communities.

Various livelihood options are provided by HZL to the community to increase their income levels. Various opportunities have been created through programmes like *Technical and Skill based Vocational Training, and Artisan based livelihood projects, Formation of women self-help groups and producer groups* in the region.

The formation of women self help groups was started for socio-economic-political empowerment of women in the society. The capacity building of women is done to make them self- sufficient and capable of taking their financial decisions.

Total 185 SHGs formed out of which 84 SHGs linked o Micro enterprises. Most of the SHGs have used to the loan to start various income generation activities like Mini Diary, Goat rearing, Embroidery, Tailoring, Detergent Making, vegetable cultivation, Spice Grinding, Leaf plate making etc.

The formation of producer groups aimed to involve the people into collective action through various interventions. Group saving is used to start Agri-based business to improve their economic conditions. HZL has motivated the farmers to start small-scale enterprise. All these groups are running successfully in the area.

Skilled Based Vocational Training Programme is being imparted at all units with collaboration with Rajasthan Mission on Livelihood (*RMoL*) and *SANKALP* to

provide skill based training to Rural Youth for self employment. 1250 Rural Youth got training under this project and 90% are employed.

Technical based livelihood project started with Aid-et-Action to provide D.T.P Training, Mobile repairing, electrical appliances repairing, automobile repairing and in plumbing. This project has benefited many people in getting employment and self employment.

#### **4. Social Mobilization:**

Through Social Mobilization we generate sustainable awareness programme. To increase awareness suitable communication tools are used like *Nukkard natak, folk shows, puppet shows, role play, video and local debates*. Village Development Committee is formed in all the Model Villages, which takes responsibility of the entire developmental programme. Local village Panchayat and stakeholders are also involved in VDC.

Plant visit of the villagers from adjoining village are brought to our factory premises to create awareness among the people of surrounding areas about the entire process as well as measures taken for pollution control by our plant. This practice has developed faith and transparent relation among local communities with us.

#### **5. Infrastructural Development:**

Improving infrastructure is an important component of development as this raises the standard of living of the rural community. HZL has taken up various infrastructural projects in the past which includes Renovation, Repair and Construction of number of structures especially in Model Villages under Infrastructure Development Project in joint collaboration with District Rural and Development Authority.

*Link Road, Culverts, Community Centers, School Building & Boundary Wall, Leveling of Lands, Water Tanks, Anicut/Check dam, Cause Way, Drainage, Irrigation Channels, Cremation Ground, Prayer Platform and village Electrification.*

#### **B. Bio Investment:**

To enhance agriculture productivity and to bring awareness among the farmers, at each units training is provided to farmers in collaboration with Agriculture Department on best practices on agriculture and animal husbandry. *Vermi compost units* are established, High Yield Variety of seeds are distributed among farmers, Seeds Bank is formed for the purpose of retaining seeds through out year, vegetable cultivation, soil and seed management are some of the activities undertaken in our villages.

Cattle camps are being organized in all the operational villages on monthly basis. 100% cattle immunization has been done in the vicinity of the operational villages. Through this initiative the morbidity rate in cattle has reduce tremendously.

#### **C. Environment Conservation:**

Main aim of Fruit Plantation project is to improve socio-economic condition of marginalized farming communities and women, while also protecting and enhancing the natural resource base. Social forestry programme is carried out and in every year

40,000 saplings are being distributed to local farmers to create the green belt in the surrounding area.

**Key Signature Projects:**

1. **Model Village Development Project**

Identified 59 poverty stricken villages out of 173, for which a sustainable holistic three year Village Development Plan has been prepared for transforming them into model villages in 3 phases. 32 villages have been transformed into role model in every respect. The validity of the transformation has been done through social audit conducted by national reputed organisation Operations Research Group (ORG), New Delhi.

2. **Mid Day Meal Programme**

Large scale mid-day meal project has been undertaken in joint collaboration with Govt. of Rajasthan & Naandi Foundation (NGO). More than 2,00,000 primary & secondary school going children were benefited through 6 hi-tech kitchens at Udaipur, Chittorgarh & Bhilwara Districts comprehensively covered under centralized mid-day meal scheme. The project has improved the overall school attendance to 90% and girls attendance to 70%.

3. **Computer Education Programme**

Computer Education Programme has been undertaken in 200 rural Government Schools and 50 Literacy centers in Bhilwara, Udaipur, Chittorgarh and Rajsamand Districts of Rajasthan which is benefiting more than 40000 rural school students, out of which 40% are girls. 1000 computers have been installed in all the identified schools in respective districts.

4. **Mansi Wakal Water Project:**

The project has been undertaken under Public Private Partnership with Government of Rajasthan to address drinking water concern in near by Udaipur area at the cost of 60 crores out of which HZL contribution is 30%.

5. **Sterlite Bal Chetna Anganwadi Project:**

The project aim at holistic development of children aged 0-6 years in 400 ICDS Anganwadi Centers benefiting 16000 children by improvement in nutritional level, immunization, attendance, retention level and linkages with formal education. The major activities that are carried are providing supplementary nutrition, capacity building of anganwadi staff, health check-up, cognitive and overall development sessions.

Last year, we invested more than 1% of our net profit in social initiatives.

**Partnership with NGO's, Industry Associations/Organizations**

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

<b>Organizations / NGOs</b>	<b>Area of Partnership</b>
United Nations Global Compact Forum	To promote good corporate practices in the areas of (i) Human Rights (ii) Labour (iii) Environment (iv) Anti-corruption
Helpage India, District Health Department	Mobile Medical Camp, Immunization, vasectomy operation, Mega Health Camp
Naandi Foundation, District Education Department	Mid Day Meal, Computer Education Programme
Rajasthan Women and Child Development Department	Integrated Child Development Services.
Sterlite Foundation	Tailoring, Computer Center, Child Welfare Center, Sterlite Bal Chetna Aaganwadi Project.
District Veterinary Department	Cattle Camp
Aid-et-Action, Sankalp, RMoL, Jan Shikshan Sansthan	Skill Based Vocational Training
District Agriculture Department, Krishi Vigyan Kendra	Vermi Compost Unit, Farmers Training, Micro irrigation System
Nice Foundation and Government of Rajasthan	Enhance Maternal and child Health care services.
Jan Sankhya Sthirtha Kosh	Population Stablization
TERI-BCSD	Sustainable Development
DRDA	Infrastructural Development, Watershed Fruit Plantation and social mobilization

**CATEGORY 2 LABOUR (UNGC Principles 3-6)**

**Principle 3**

*Upholding freedom of Association & right to collective bargaining*

**Principle 4**

*Support to eliminate all forms of forced and compulsory labour*

**Principle 5**

*Effective abolition of Child Labour*

**Principle 6**

*Eliminate discrimination in respect of employment*

**Actions and Outcomes**

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.

- **In-house Forums**

In order to meet the standard for our KPI encouraging open discussion of labour issues, we have been using our regular Status Meetings as a discussion forum. Invariably a short presentation would be followed by a question and answer session which highlighted gaps in our knowledge for follow up in the next session.

- **Stakeholder Feedback**

We conduct short interviews with clients at the end of each project. Findings from these review meetings are shared amongst the team and have helped us reflect more closely on our relationships with other staff and associates to ensure that we continue to develop fair and equitable business relationships.

- **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 THE ENVIRONMENT (UNGC Principles 7-9)**

*Principle 7*

*A precautionary approach to Environmental challenges*

*Principle 8*

*Take initiative to promote greater environmental responsibility*

*Principle 9*

*Encourage development and diffusion of environmentally friendly technologies:*

#### **Actions and Outcomes**

##### **HSE Policy**

Hindustan Zinc has a policy on Environment, Occupational Health, Safety, Security and Community development. The policy aims to attain following objectives:

- Maintain management systems for health, safety, security, environment and the community that are in compliance with law and consistent with world-class standards like ISO 14001, OHSAS 18001.

- Develop a working culture conducive to continuous improvements in performance without compromising with safety, security and health of its employees and its commitment to develop in harmony with nature.
- Develop employees through training and leadership.
- Conserve natural resources through efficient use.
- Work with communities to contribute to their development.
- Institute and update systems to report progress with high standards of reporting integrity.

Hindustan Zinc has an HSE committee at the company level. This committee oversees the performance of unit level HSE committees which work in unison with the unit level operations team. Unit level HSE committees identify the environmental challenges on shop floor which mainly includes hazardous and solid waste disposal and reutilization initiatives, water management, waste water recycling and energy conservation measures. Unit level HSE committees are also responsible for implementing the initiatives and directions of HZL HSE committee.

Several environmental friendly initiatives that were born in HSE committee meetings have matured to fruition in recent years. Hindustan Zinc will meet 10% of its energy needs from renewable energy sources. Today, we have more than 100 MW of installed wind energy capacity and we are in the process to add some more. It was decided in the committee meetings to find alternate gainful use of hazardous wastes like slag. Till date, about 80,000 MT of ISF slag (CLZS) has been given to the cement industry to use as raw material in cement making. Massive efforts have also been made to utilize ISF slag in road construction.

- Initiatives implemented by the organization and the consequent **benefits** in the last 3 years with respect to the following:
  - Renewable energy, such as wind /solar / hydel / water / biomass, etc.
  - Reduce, recover, re-use and recycle renewable and non-renewable resources / wastes.
  - Use of recycled material in its commercial products.
  - Reduce liquid, gaseous and solid wastes from getting into the environment / landfills.

It was decided by the business management group that 10% of our energy requirement should come through green energy sources. To this effect we launched wind energy project in Gujarat and Karnataka. Last year we had reported the commissioning of 38.4 MW wind turbines. This year we added about 68.8 MW of wind energy capacity and our installed capacity has become 107.2 MW in FY 2008. We intend to take up the capacity of our wind energy project to 125 MW. The work on commissioning the remaining part is already proceeding in the state of Karnataka.

### **Waste Management**

**Reduce:** We have reduced the amount of waste water generation through a number of improvement projects. Notable among these projects are increasing the cycle of concentration in cooling tower of power plant in CLZS, standardisation of slag granulation operation in CLZS, leak arresting drives in all units, etc. Rainwater harvesting schemes are being implemented in new projects.

**Reuse:** All our smelters are based on “Zero waste water discharge”. It is achieved by utilization of treated waste water in plant operations, greenbelt and de-dusting

operations. Used oil and waste oil are reused by disposing to registered recyclers and re-refiners.

**Recycle:** Entire fly ash is disposed to cement industries. Permission has been taken from State Pollution Control Board to use slag in cement manufacturing on trial basis. About 80,000 MT of ISF slag (CLZS) was given to the cement industry to use as raw material in cement making. Efforts are on to include more cement industries. In a major development, Indian Road Congress (IRC) has directed NHAI to prepare test bed of sub layer and embankment by using ISF slag. Efforts are in progress with BIS for inclusion in OPC and PSC cement making.

Our plants are designed on the 'zero discharge' philosophy. Water is recycled and used within the plant premises. Reverse Osmosis plants have been installed in all 3 smelters (CLZS: ~310 cum/hr, DZS: ~50 cum/hr, VZS: ~50 cum/hr) for optimisation of recycling of waste water.

- **Efforts to reduce use of hazardous and toxic substances, as well as generation of hazardous solid wastes, emissions and effluents.**

Only toxic or hazardous substance used in our operations is sodium cyanide which is used in ore beneficiation process at our mines. The cyanide radical is destroyed during this process and the sodium cyanide containers are decontaminated before disposal. Reduction of generation of hazardous waste is currently not the focus area. We are rather focussing on reuse of hazardous waste produced.

- **Initiatives to reduce wastes in its operations.**

Waste minimization initiatives are shaped by our belief that *every waste is a resource which is just 'out of its place'*. We are trying to find the place where each of our generated waste can find use. Fly ash and ISF slag have been successfully used in cement manufacturing.

External stakeholder's influences in waste minimization are centred mainly towards government regulations. Community is not affected by our waste production because of state-of-the art disposal facilities.

- **Public Relations**

We strategically engage in public relation in sensitizing our investors, media and other stakeholders about company performance and responsive business with adherence of Corporate Governance and all statutory compliances. We ensure publication of all quarterly results in all local, national media along with sharing of best business practices and award winning innovations and projects. We have been honored with both international and national recognition in the field of HSE, CSR and Business pursuits. Business dailies like Business World, Business Standard etc added to the sharing among investors and other stakeholders in terms of our growth due to focused approach on all elements of business. A radio talk to share our best practices is an integral part of sensitizing stakeholders about Life Cycle Approach of Zinc and its utility in day to day lives.

- **Environmental Impact Assessment**

We have continued to monitor our energy/stationery consumption and report on our overall environmental impact. We review our progress on a monthly basis at our regular Status Meetings, highlighting areas for improvement, setting targets and identifying new initiatives for implementation. Environment Impact Assessment is a critical job undertaken by us to evaluate and minimize environment impact through forward thinking and moving in right direction.

- **Carbon Clause**

We have initiated Carbon Credit Project under Kyoto Protocol to generate power from waste heat recovery based power plant which has really boosted our potential of being innovative thinker under UNITED NATIONS GLOBAL FRAMEWORK FOR CLIMATE CHANGE (UNGFCC). Apart from this, we commissioned Tail GAS Treatment Plant in our smelters to reduce SO2 Emission below national standards as a mission to march beyond compliance.

We strive to be advocates of the UNGC and are always looking for new ways of using our opinion to influence policy decisions on social front at national and state level. We are on the move to ensure paperless organization by ensuring maximization of communication through emails and intranet services.

The Annual Report has been a focused outcome of our communication to stakeholders of our performance and it is also available in our website.

#### ***CATEGORY 4 ANTI-CORRUPTION (UNGC Principle 10)***

##### ***Principle 10***

***Work against corruption in all its forms including extortion and bribery:***

##### **Actions and Outcomes**

HZL has made significant changes to its financial system in this period. We now have an in-house bookkeeper, have cut out duplication of effort and are more actively reviewing financial reports to ensure consistent and accurate data entry. Moreover, we have implemented a system whereby our auditor carries out a quarterly check of our financial system as well as the usual end of year assessment. We have integrated SAP system in our financial management in all units. All tendering process are done through website to allow local and global vendors to competitively bid on principles of equity

- Internal Audit Manual in place allows regular and surprise monitoring of sensitive areas, sensitive payments, delays in payments to vendors/ contractors etc.
- Checks and balances are in-built in the organizational system that helps in preventing corruption.
- Surprise and regular checks are carried out by Internal and External Auditor on all sensitive functions of the work.
- Employees violating code of conduct and ethics are subjected to investigation and appropriate disciplinary action taken, if required.

**Awards and Recognition:**

- Golden Peacock Award for Excellence in Corporate Governance, 2007.
- Golden Peacock Award for Occupational Health and Safety, 2007 for Chanderiya Smelter Complex.
- TERI Corporate Environmental Award 2007.
- Asian Power Plant of the year Award 2007 and best emission reduction project in Asia by Asian power, Singapore.
- Greentech Environmental Excellence Golden Award to Chanderiya Smelter Complex and Rampura Agucha Mines.
- Greentech Environmental Excellence Silver Award to Zinc Smelter Debari and Vizag Zinc Smelter.
- Safety Gold Award 2007 from Royal Society for prevention of Accidents(UK), for Debari Zinc Smelter.
- Golden Peacock Award for Corporate Social Responsibility, 2007
- TERI Corporate Social Responsibility Award 2007
- Reader Digest Pegasus Corporate Social Responsibility Award 2007
- FIMI's "Environment, Social Awareness and Excellence Award, 2008 for Rampura Agucha Mines.