

2013-2014

Hindustan Zinc Ltd.

**UN Global Compact
Communication on Progress
2013-14**

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. 13,636 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, Kayad 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 6000 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.

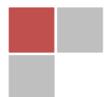
HZL is India’s largest Zinc producer and is a vertically

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*



integrated Mining & Smelting company, gearing up to

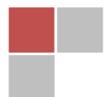
- ✓ Harnessing mining resources to help India maintain self-sufficiency in Zinc.
- ✓ Become a global leader in Zinc.
- ✓ Create value for all entities whether it is Customers, Investors or Employees.

The Company has made remarkable progress in the areas of production, productivity and all other parameters of performance and 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 contributed positively to the lives of people in the areas where we operate. 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

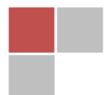
Hindustan Zinc has been conferred with a number of accolades in the areas of operational excellence and sustainable development recognized by the way of awards at both National and International level. Some of these are:

Corporate Awards received in year 2013-14

- Business Today Best CEO (Core sector) award to Mr. Akhilesh Joshi, CEO of Hindustan Zinc
- Indian Institute of Metals 'Gold Medal' to Mr. Akhilesh Joshi
- Dun & Bradstreet Corporate Excellence Award
- Top 100 CISO Award
- CIO100 Award
- NASSCOM IT User Award
- CII National HR Excellence Award 'Strong Commitment to HR Excellence' - Commendation Certificate

Sustainability Awards received in year 2013-14

- IMC - Ramakrishna Bajaj National Quality Award awarded to Chanderiya Lead Zinc Smelter (CLZS) for its exemplary contribution in the area of quality and business excellence.
- National Energy Conservation Award - 2nd prize to Sindesar Khurd Mine
- Green Manufacturing Excellence Award to CLZS.
- CII ITC Sustainability Award- 2013 – Commendation Certificate
- The Economic Times Indian Manufacturing Excellence Award 'Gold Award' to Hydro-II, CLZS
- Par Excellence Award at National Convention on Quality Concept Circles



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 operations 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.

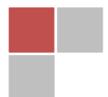


Health, Safety and Environment

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.

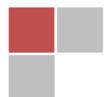


Corporate Social Responsibility (CSR)

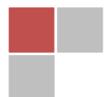
HZL is committed to bring a sustainable change in the lives of weaker sections through various need-based community interventions. This commitment paved the way for undertaking social projects for sustainable socio-economic development of the weaker sections of the society in the operational villages 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 programme. It is quiet essential 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. During the year, Vedanta Heart Hospital in Udaipur was upgraded to provide world-class cardiac treatment to the underprivileged. We also commissioned the first Sewage Treatment Plant in Udaipur, which will address the problem of untreated sewage flowing into the city's lakes. Inclusive of this project and many of our ongoing activities, Among the plethora of various CSR activities, our Social Policy, CSR overview and Key signature projects which speak 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.

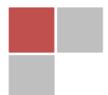
Hindustan Zinc strives to:

- 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 responsibility 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.

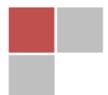
Akhilesh Joshi
Chief Executive Officer

Date: 29th 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.

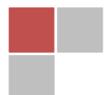
Our Approach & Strategy

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

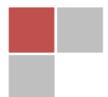
- i. Health & Nutrition
- ii. Water & Sanitation
- iii. Education
- iv. Sustainable Livelihood (farm & non-farm)
- v. Women Empowerment
- vi. Bio-investment/ Environmental Conservation

Vision

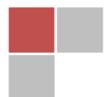
Being regarded as a socially responsible corporate entity at par with global standards

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.



HZL's Key Signature Projects of CSR



Key Signature Projects

Focus Area: Health and Hygiene

Name of Project / Activity: Rural Health Camps

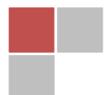
- Objective: To improve the health standards of the rural people through preventive and curative health care measures
- Partners: PHC, Helpage India
- Coverage: All our operational 180 villages
- Work done: Provided preventive and curative medical facilities to the rural population through various need 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
- Total no. of beneficiaries including Rural camps, awareness program and company run hospital is 304681 annually.

Name of Project / Activity: Rural Drinking Water Project

- Objective: To provide safe potable drinking water to the rural population thereby, reducing water borne diseases
- Coverage: 16 villages
- Work done: Supply of drinking water in the identified villages near our operations thru; tankers
- Outcome/ Impact: The total population of these 16 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: Financial Inclusion Improves Sanitation And Health (FINISH), Bhoruka Charitale Trust (BCT), Social Welfare and Cultural Society(SWCS) & District Administration
- Coverage: Construction of 30,000 toilets in 3 Districts of Rajasthan i.e. Udaipur, Chittorgarh & Bhilwara.
- Work done: Constructed 3668 toilets in the identified villages.
- Outcome/ Impact: Open defecation has been reduced significantly in approx. 70 identified villages. 3668 families have been benefited from the household sanitation project



Focus Area: Education and Nutrition

Name of Project / Activity: Vedanta Bal Chetna Anganwadi Project

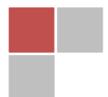
- Objective: To provide supplementary nutrition and pre-school education to children of the age group 3-6 years
- Partners: Govt. of Rajasthan, Vedanta Foundation, Integrated Child Development Services
- Coverage: Benefitting more than 42000 children through 1500 Anganwadi centres in 4 districts of Rajasthan
- 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 40%

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
- Coverage: Benefitting around 80000 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 80000 rural students through computer education of which 68% of the students are equipped with basic Computer knowledge in Word, Excel & Power Point.



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 18 centers 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 550 children through 18 running centres

Name of Project / Activity: Shiksha Sambal

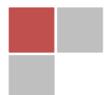
- Objective: To provide remedial preparatory classes to the board students of government schools
- Coverage: 5926 students of 49 Government schools
- Work done: Providing education through remedial classes and preparing their foundation for board examinations
- Outcome/ Impact: The project is benefiting 5926 rural students of 49 Government schools with improvement in their board result from 48% to 87%.

Name of Project / Activity: School Adoption Programme

- Objective: To promote and facilitate education amongst rural students
- Partners: District Education Dept.
- Coverage: Adopted 152 Govt. Schools under School Adoption Programme wherein renovation / infrastructure work is being undertaken.
- Work done: Repair / renovation / construction of school building, boundary wall.
- Outcome/ Impact: The project is benefiting approx. 30,000 students under school adoption programme and other educational interventions.

Name of Project / Activity: Other Educational Initiatives

- Objective: To promote and facilitate education amongst rural students
- Partners: Swami Vivekananda Seva Nyas, District Education Dept.
- Coverage: Sponsored 22 BPL girls for higher education, benefitting more than 1700 students by distributing study material and infrastructure facilities in schools,
- Work done: Coaching Classes for class X & XII, Distribution of study materials, sponsorship, etc.
- Outcome/ Impact: The project is benefiting approx. 2000 students.



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: Sofia's Academy for Need-based Knowledge Advancement for Local People (SANKALP)
- Coverage: 500 youths
- Work done: Capacity building and vocational training provided to 450 rural youths ensuring 80% placements of the trained youth
- Outcome/ Impact: The project will benefit 7800 youth in four districts of Rajasthan in five years.

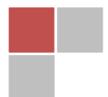
Name of Project / Activity: Income Generation Trainings to SHG Women

- Objective: To provide income generation trainings to near about 6030 SHG women of 483 Self Help Groups in various trades
- Partners: Vishwas Sansthan and Centre of the Study of Values, Local Non-Governmental Department(NGOs)
- Coverage: 1010 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, beautician, handmade bags, etc.
- Outcome/ Impact: The project is benefiting 1010 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 5000 farmers through various agri-based initiatives by benefiting many farmers in more than one activity.



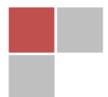
Name of Project / Activity: Livestock Management Programme

- 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 has benefited approx. 163522 cattle

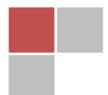
Focus Area: Infrastructure Development

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: Installation of solar lights, Constructed bus stand, gravel road, prayer shed, community centres, school buildings, class rooms, boundary walls, drainage systems, CC Roads, Water Pipelines, Water tanks, tube wells etc.
- Outcome/ Impact: Community at large is benefitted Community at large have been benefited through our rural infrastructure project.



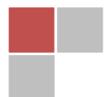
Alliance Building and Partnerships



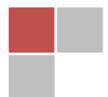
Alliance Building and Partnership with NGOs, Industry Associations/ Organizations:

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, AlakhNayanMandir District Medical and Health Department, NRHM	Mobile Medical Camp, Immunization, vasectomy operation, Mega Health Camp, eye care 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 BalChetna Anganwadi Project.
6.	District Veterinary Department	Cattle Camp, Cattle Immunization, Artificial Insemination
7.	IL&FS, VishwasSansthan, Ranthambo reSevaSansthan, Ministry of Rural Development, District Industries Centre	Skill Based Vocational Training
8.	District Agriculture Department, KrishiVigyan Kendra	Vermi Compost Unit, Farmers Training, Micro irrigation System
9.	BAIF-RRIDMA	Agriculture and Livestock Development Project
10.	TERI-BCSD	Sustainable Development
11.	DRDA, ZilaParishad	Infrastructural Development, Watershed Fruit Plantation and social mobilization
12.	Financial Inclusion Improves Sanitation And Health, Social welfare & cultural Society, Borukha Charitable Trust	House-hold sanitation and hygiene project
13.	VishwasSansthan, Centre for the Study of Values, PrayasEkkadam	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.

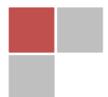
Category 1: Human Rights (UNGC Principles 1-2)

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, if any 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.

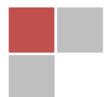


- Ethical behavior is promoted through regular communication and commitment to the HZL Code of Conduct. HZL has a well-documented Business Code of Ethics and Principles and adheres to it with zero tolerance principle.
- We have whistle blower policy under which Employees have the opportunity to submit / 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:

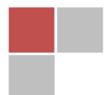
- Going beyond the compliance of regulatory, legal norms.
- Annual Vendor Meet justifies our commitment which was also shared with all our vendors to ensure collective ownership towards the business and stakeholders relations.
- Each unit of the company have developed respective newsletters for sharing 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, Environment conservation, 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 and completed in 2012, We are in process of Long Term Settlement negotiation with Trade Union.
- We continue our focus on learning and development to build an enhanced and effective knowledge base, to provide The Company provides a vibrant working environment to enable employees to innovate, discover potential and realise professional dreams. It uses appropriate and modern methods for training encompassing simulator based trainings, workshops & conferences and learning clubs. The Company also encourages visits to best practice companies in India and abroad, institutional training, knowledge sharing meetings and learning implementation projects, which help to bridge the identified gaps. During FY 2014, total of 32,993 man days of training were conducted.



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.

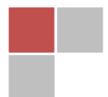
Principle- 6- Business should Support the Elimination of discrimination in respect of employment and occupation.

For addressing the issue of labor 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 the 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, House allotment committee, sports, cultural committees, Welfare committee and Grievance handling committee 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.

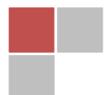
§ **Working Conditions :** HZL ensures to provide safe and healthy working environment to all the employees

§ **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 to employees 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** HR Manual and are circulated widely amongst all sections of employees. Information is shared with others on request. Well documented grievance redressal machinery exists and periodically grievances of all stakeholders are addressed.



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:

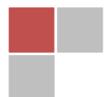
Principle -7- Business should Support precautionary approach to Environmental challenges

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 Adopting appropriate technology to maximize extraction of all metals
- ü Operating responsibly with least footprints for water, carbon, land and hazardous wastes
- ü Caring for people and bio-diversity around our operations
- ü Developing green belt in and around operating sites.

At Hindustan Zinc, we believe that a business cannot be sustainable without a sustainable planet and social harmony. Our sustainability framework provides robust structure for driving our future growth. We are committed to sustainable growth through fulfilling our environmental, social and economic responsibilities associated with our business activities by way of:

- ü Responsible stewardship to minimize our footprint
- ü Building strong relationship with our stakeholders and
- ü Adding value to stakeholders through social investment



SUSTAINABILITY FRAMEWORK

Through the implementation of this framework, we can advance both our business outcomes and those of the communities and environment that surround us by offering significant benefits beyond our operations.

Responsible Stewardship

Responsible stewardship is the foundation on which we build our business – the way in which we respond to, and manage, our business. This includes: how we manage our employees and their health and safety, the management of our land and our environmental impact and our supporting business processes.

Building Strong Relationships

We work hard to engage with our stakeholders to understand their key concerns and expectations of our business and practices. Proactive engagement also enables us to identify opportunities and mitigate risks by understanding and responding to issues rather than reacting to them.

Adding and Sharing Value

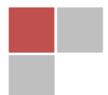
We seek to add and share value through everything that we do. As a business we make a considerable economic impact: through employment, the payment of taxes, royalties and other contributions to local, state and national governments. We also build local infrastructure that benefits local communities in the form of roads, schools and healthcare centres.

Under the responsible stewardship, which is of relevance here, we have launched policies on Water Management, Energy and Carbon Management and Biodiversity and HSE policy.

Our HSE policy governs the Company's operations with direct focus on reducing the related Health, Safety and Environment risks. The key objectives of our HSE policy are:

Health, Safety & Environmental (HSE) Guiding Principles:

- Management shall demonstrate its strong commitment towards HSE at all times
- All injuries, occupational illnesses and adverse environmental incidents are preventable
- We are responsible and accountable for preventing injuries, occupational illnesses and adverse environmental incidents

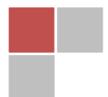


- We are empowered and obligated to stop any job being carried out in an unsafe manner
- HSE values shall never be compromised
- Adherence to HSE management system is a condition of employment
- Reporting and investigation of all incidents is an obligation

Hindustan Zinc Ltd. is committed to conduct all business activities in a responsible manner, which ensures the health and safety of our stakeholders and the environment. In order to achieve that, we shall:

- Ensure zero harm to personnel and environment
- Demonstrate Visible HSE Leadership that Safety, Health & Environment is our core value.
- Comply with all HSE rules, regulations, obligations & requirements and shall continually improve our Safety, Health & Environmental management systems.
- Incorporate appropriate HSE criteria for all business decisions for selection of plant, technology and personnel.
- Identify and evaluate HSE risks of all activities and take actions to eliminate/mitigate risk & hazards.
- Encourage, train, equip and empower personnel to adopt a healthy and safe working approach both on and off the job.
- Conserve natural resources and eliminate waste through reduction, recycling & reuse methods which are environmentally friendly and energy efficient.

Driven by our stated policies, we emphasize on **“Prevention”** 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

Hindustan Zinc is committed to be world-class zinc and lead producer by developing technologies that maximize metal recovery, at the same time operate responsibly with least footprint for water, carbon, land and hazardous wastes and caring for people & surrounding bio-diversity. Energy & Carbon policy and HSE policy guide the Company to proactively address the impact of climate change and other global environmental issues.

The Company's key focus areas are conservation of mineral resources and judicious use of limited resources like water and energy. We are constantly working on enhancing technical capabilities for enhanced recoveries of main products and by-products, especially minor metals.

Water

Water conservation is integral part of the Company's Environment Management System. Most of our operational locations are zero discharge. Water is the key resource in our process. We continue to identify business risks and opportunities for water access, reuse or recycling, efficient use and responsible waste water management. Various technologies are adopted to reduce its consumption. Hindustan Zinc proactively manages its water usage in the operations and also promotes sustainable use of water in agriculture practices in nearby community, and constantly develops water resources by joining hands with government of Rajasthan to facilitate sustainable use of this scare resource.

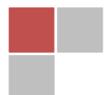
The Company has developed several water sources for sustainable water supply to the community as well as its operations. These include Mansi Wakal, Gosunda, Tidi and Matrikundiya dams. Recently, it has commissioned the first Sewage Treatment Plant (STP) in Udaipur, India's city of lakes.

The STP is the first sustainable development project of its kind in Rajasthan and has been constructed as per a tripartite agreement between Hindustan Zinc, Udaipur Municipal Corporation (UMC) and Urban Improvement Trust (UIT). The STP will treat 20 million litres of sewage water per day. It is vital for the city of Udaipur, which is witnessing rapid urbanization and is a popular tourist destination. It will treat city's sewage leading to a substantial reduction in sewage inflow to the lakes and help maintain the beauty of lakes. The treated water will act as one of the sustainable source for our operations. Additionally, it will generate manure that will be sold by UMC to local bodies.

Reduce water footprint and develop sustainable water resources

Driven by our comprehensive water policy, we aim to reduce the water footprint and develop sustainable water resources by:

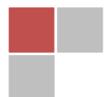
- Conserving water by source reduction and utilizing it efficiently through the adoption of best available technology.



- Maintaining zero discharge operations through reduction, reuse, recycling and reprocessing of rejected water.
- Promoting efficient use of water by community through capacity and awareness building.
- Rainwater Harvesting.
- Measuring, monitoring and accounting for water uses.

Given below is summary of our water conservation initiatives:

Source reduction	Efficient utilization	Discharge reduction
<p>Replacement of conventional cooling towers by Adiabatic cooling towers at Dariba Smelting Complex: Resulted in 70% reduction in cooling water makeup. A source reduction of about 2000 cum per day of fresh water achieved ensures equivalent source sustainability.</p>	<p>In-process reuse: Every process area has its dykes to capture leaks and spills which is reused in the process without any treatment.</p>	<p>Storm water management: Different drains for collection of process effluent and storm water to separate the two sources</p>
<p>Process waste disposal:</p> <p>Smelter: Higher density disposal (>50% solids) vs. wet disposal (<35% solids) of Jarofix resulting in lower evaporation losses.</p> <p>Mines: Deep cone decanter/high rate thickener to reduce water content in mine tailing disposal and thus, evaporation losses.</p>	<p>Intra-plant recycling: A comprehensive mapping of water and stream quality enables an effluent generated in one part of the manufacturing process to be effectively utilised in another.</p>	<p>Effluent management: Based on total dissolved solids and toxicity, process effluents generated are treated through utilisation cycles at chemical treatment plants</p> <ul style="list-style-type: none"> • Reuse of processed effluents and maximum recovery through secondary and tertiary treatments of these effluents. The process includes two stages – reverse osmosis and multiple effect evaporation and solar evaporation ponds.



<p>Use of less water-intensive technology: Replacement of water-pressing filters with air-pressing at beneficiation plant.</p> <p>Reduced dust: Use of dust-suppression chemicals for haulage roads to reduce water usage at Rampura Agucha mine.</p>	<p>Inter-plant recycling:</p> <p>We have integrated operations with multiple manufacturing plants within a complex. Hence, have flexibly to utilise effluents from one plant to other plant as water source.</p>	
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As a testimony to our efforts to reduce fresh water consumption, the specific water consumption at HZL has reduced by 21% over last four years.

Energy Conservation

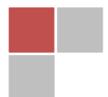
At HZL, we believe in optimization and efficient use of energy, which is one of the most critical resources in the world today. Utilizing energy effectively has the two-fold benefit of reducing operating costs and also reducing direct and indirect greenhouse gas emissions.

The production of Lead and Zinc are energy intensive processes and that brings a responsibility for us to use it efficiently. Our energy source in different forms includes Coal, High Speed Diesel, LPG, Propane and Grid power. Reducing energy consumption in all forms is an integral part of our business strategy that focuses on reducing carbon foot print. While we focus on adopting the best available technology in terms of resource and energy utilization, we constantly focus on energy consumption reduction through various in-process innovations and adopting best practices. We also largely focus on machine productivity and accordingly focus on improving the throughput that largely contributes to reduction in specific energy consumption.

Generation of Power from wind energy is one such initiative. We are leading wind power generator in India and currently we have installed capacity of 273.5 MW.

Adoption of best resource and energy utilization technology is an important area for us. Besides, constant focus is made on:

- Reducing energy consumption through various in-process innovations/ initiatives.
- Adopting best practices and technologies.



To improve the throughput and reduce specific energy consumption, we focus on machine productivity. Major initiatives undertaken are:

- Installation of variable frequency drives across operations
- Use of energy-efficient motors, right capacity motors, lighting savers etc.
- Replacement of Fibre Reinforced Plastic blades with aerodynamic energy efficient blades of cooling towers.
- Replacement of conventional tube lights with energy efficient LED tube lights
- Energy audits and implementation of their recommendations

Our constant efforts over the last three years have resulted in reduction of specific energy consumption at HZL by 1% over last four years.

Climate Change

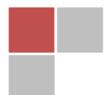
As a responsible corporate entity, the Company measures its carbon foot print and constantly focuses on reducing the same. The Company has 10 UNFCCC registered projects in wind power and waste heat recovery under clean development mechanism. During the year 3,41,182 Voluntary Emission Reduction (VER) were verified. We have been voluntarily filing Carbon Disclosure Project (CDP) responses over the years as a proactive step towards reporting our carbon footprint.

Solid Waste Management

We focus on reduce, recycle, reuse and reclaim—and ‘eco-friendly’ disposal of process residues. The proper management and disposal/recycling of these wastes is necessary to avoid any adverse environmental impact. We aim to reduce the quantity and toxicity of our waste; find opportunities for environment-friendly recycle/reuse of wastes and continue to ensure our remaining wastes are sold and disposed in a safe and environmentally responsible manner.

We have implemented innovative processes to ensure that the wastes that get disposed off from the plant do not harm the environment. We undertake continual improvement projects to optimize our waste efficiency by reducing the waste generation and maximizing recycling. All our plants have defined waste segregation practices for hazardous and non-hazardous waste. We have a system of recycling of our waste resulting from our operations. Our waste such as Anode mud, ETP sludge, HGP dust and Cobalt cake are recycled back into the process.

This year around 4, 47,877 MT of Fly ash and about 50,600 MT of ISF slag has been reused for cement manufacturing which is ~ 79 % of our total non-hazardous waste generated. This has helped in reducing waste inventories and conserving natural resources by replacing the virgin material at the other end where it is gainfully utilized.



Biodiversity Management

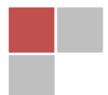
We recognize the importance of protecting local ecosystems and biodiversity and strive to mitigate the adverse impact of our operations through afforestation and greenbelt development. We have a separate policy on Biodiversity and stay committed to prevent risk on biodiversity throughout our business and conservation of threatened/rare and endemic species and high priority conservation areas in line with our policy.

All our operating sites are surrounded with plantation and every year plantation is done to further improve its density and increase the greenbelt coverage. Some of our sites have engaged horticulture experts to restore the wastelands by plantation. Over the years, we have planted 1.41 million plants across our operating locations. We continue to further improve the density and greenbelt coverage.

During the year, Biodiversity assessment has conducted at some of our location like Rampura Agucha mine, Rajpura Dariba Complex, Zawar mines, Debari Zinc Smelter, Haridwar Zinc Plant, Pantnagar Metal Plant and Maton Mines. Actions are under implementation for improving biodiversity of the operating area. Scope for biodiversity assessment was to assess the biodiversity index (adopting the published Shannon Weiner Diversity Index) within industrial area and nearby areas and to prepare Biodiversity Management Plan.

To conserve the local endangered and threatened species a Nursery has been developed at Rampura Agucha which serves as a source of 10,000-15,000 saplings every year and also model initiative to revive endangered and threatened floral species of Rajasthan.

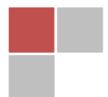
For healthy bird population, an initiative was taken on World Environment Day to save birds by providing shelters in the forms of breeding huts and feeding platforms. This is a step for Bio diversity conservation towards journey of Sustainability. A total of 175 breeding huts and feeding platform were installed across units.



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

Our in house research focuses on continual improvement and value addition to the business by enhancing realization of by – products and wastes, identifying new specialty chemicals to reduce Cost of production, and improvements in existing systems. This year too we have taken such projects, major of them are listed below;

1. Successful Commissioning of Hot Gas Precipitator dust (a hazardous by-product) plant in Unit – I, CLZS during Jun' 13, process developed by in-house R&D team.
2. A process is developed to treat Antimony dust, a minor metal bearing by-product to produce Potassium Antimony Tartarate (a value added product) that will be consumed internally by our own Hydro smelters. The cost of production is about 50% the cost of commercial grade P.A.T.
3. Two successful campaigns conducted at Dariba Zinc Hydro plant to bring down chloride levels below 300 ppm in water. Based upon plant results, a flow sheet is developed to control chloride levels in plant. This will help in improved availability of leaching equipments.
4. Process for removal of Sulfates in Moore Cake Plant's Raw Zinc Oxide has been developed. Successful pilot plant trials completed at Central Research & Development Laboratory (CRDL).
5. Flotation responses of different silver promoter reagents were explored with Zawar ore. Selected reagents indicated a potential of 1% Silver recovery improvement with Zawar ore.
6. Modeling and simulation studies have proposed a scope of improvement in Zawar beneficiation plant throughput by 10% with modifications in the grinding circuit (Cyclone sizing & Ball top size to grinding Ball Mills).
7. A new graphite depressant explored and successful plant trials completed at Rampura Agucha mine, which showed an annual potential saving in the reagent cost.
8. A cost effective reagent which can be used as a pre-activator for Zinc has been tested successfully at lab scale which has a potential of reduction in the Copper Sulphate consumption by blending of 40% with Rampura Agucha, 25% with Sindesar Khurd and Rajpura Dariba ore.



Category 4: Anti-Corruption (UNGC Principles 10)

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

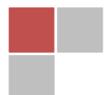


Management Systems:

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. 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.

