



HINDUSTAN ZINC
Zinc & Silver of India



SUSTAINABILITY REVIEW
FY 19/20



SMART MINING FOR A SUSTAINABLE FUTURE

Welcome

Hindustan Zinc Limited (Hindustan Zinc) is India's only and world's leading producer of zinc, lead and silver. Sustainability Review FY 2019-20 is a part of our Integrated Annual Report FY 2019-20. We have been publishing our Sustainable Development Report since FY 2015-16. However, this year, we moved to Integrated Reporting <IR> to provide a holistic, unified view of our value creation process, with special emphasis on Environmental, Social and Governance (ESG) performance. While the Integrated Annual Report provides an overview of our ESG performance during the year, the Sustainability Review presents a more detailed account of the same, besides providing a balanced and fair disclosure of our policies, management systems and performance.



VEDANTA PARENTAGE

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

ABOUT THE REPORT

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standard: Core. We are also reporting as per the GRI Mining and Metals Sector Supplement.

SCOPE AND BOUNDARY

Data presented in this report covers the primary operations of Hindustan Zinc, including five mining locations, three smelters, and one refinery, for the period of April 1, 2019 to March 31, 2020. The report aims at bringing in comparability and completeness of information.

ALIGNMENT WITH NATIONAL AND INTERNATIONAL FRAMEWORKS AND GOALS

As a signatory to the United Nations Global Compact (UNGC), our disclosures reflect UNGC principles. This report also includes disclosures on principles of Federation of Indian Mineral Industries (FIMI). We also work towards contributing to the United Nations Sustainable Development Goals (SDGs), given their importance to our business and to the world. For reporting on safety parameters, we follow the guidelines of the International Council on Mining and Metals (ICMM) – Sustainable Development Framework.

EXTERNAL ASSURANCE

KPMG has done assurance of this report in accordance with the International Standard on Assurance Engagements ISAE 3000 (revised).



Sustainability Snapshot FY 2019-20

1.73%

Share of renewables in energy consumption

31%

Waste reused/recycled

39.36%

Recycled/reused water as a percentage of total water used

₹111 CR

Environmental expenditure

2.87%

y-o-y reduction in GHG emission

71%

y-o-y reduction in fatalities

ZERO

Category 4 and 5 environment incidents

5 LAKH

CSR beneficiaries

₹131.65 CR

Community investments

1.38

Lost-time Injury Frequency Rate (LTIFR)

ZERO

Occupational illness cases

14.39%*

Women among total executives



Inside this Report

02 MESSAGE FROM THE DEPUTY CEO

04 HEALTH AND SAFETY

10 Safer Facilities

11 Safer Mines

12 Safer Logistics

14 ENVIRONMENT

16 Climate Change and Energy

19 Water

21 Air Emissions

22 Waste

24 Biodiversity

26 PEOPLE AND PROSPERITY

27 Human Rights

28 Diversity and Equal Opportunity

29 Learning and Development

31 Local Employment

32 COMMUNITY

40 RESPONSIBLE SUPPLY CHAIN

41 Taking Partners Along

*Round off No. reported in IR-14%

Message from the Deputy CEO

Transforming Intent into Impact



At Hindustan Zinc, we are working closely with our stakeholders to re-imagine a sustainable future through smart mining, making our processes safer and more efficient, across the value chain.

Dear Stakeholders,

We live in unprecedented times, which put to test the collective strength of our characters as individuals and businesses. The Coronavirus pandemic has disrupted our way of life. It has also brought to the fore the global interdependencies between economic, environmental, social and governance outcomes. Simply put, the immunity of the entire ecosystem is compromised, if one part gets affected.

That being said, we are also presented with a unique opportunity – to effect transformative changes in our thinking and actions towards building a better, stronger, resilient, and inclusive future. At Hindustan Zinc, we are working closely with our stakeholders to re-imagine a sustainable future through smart mining, making our processes safer and more efficient, across the value chain.

Defining a Sustainability Roadmap

We have established our Sustainability Goals 2025, in line with the emerging external environment (changing demand dynamics in a post-COVID world) and developments within the organisation (completion of major capacity expansion).

We are prioritising eight material issues of high importance:

- GHG emissions
- Water stewardship
- Waste management
- Biodiversity
- Health and safety
- Community engagement and development
- Diversity and equal opportunity
- Supply chain sustainability

Our sustainability goals for 2025 are the lighthouse around which we will plan all our activities over the next five years.

Conversion of tailings into paste fillings and moving them to underground mines is critical to achieve our goal of having zero waste to landfill. At present, 30-40% of our tailings goes into mine backfills, which we plan to make 50-60% going forward. Further, the commissioning of the fumer project will lead to an annual recovery of 32 MT of silver and 5,500 MT of zinc and lead from zinc residue.

This project will also lead to overall waste reduction and lower landfill requirements.

We are a 2.41 times water positive organisation and we aspire to become a 5 times water positive organisation through exploring alternative water sources, dry tailing and other initiatives enabling us to reclaim more water.

Leveraging Data to Enhance Mine Safety

We have deployed smart, interconnected machines in our wi-fi enabled underground mines, which transmit data in real time. This allows for better planning and faster decision-making, while reducing overall downtimes. Technology is also enabling us to enhance safety in our underground mines. In more high-risk zones, we operate drills and loaders from safe, remote locations. Further, we monitor all our despatches through GPS, as well as movement of men and machines, which minimises the possibilities of collision. Deployment of these cutting-edge technologies comes at a significant financial cost, but we view it as an investment in sustainability, which will provide significant returns over the medium to long term.

Ensuring Sustainability for All

At Hindustan Zinc, we encourage diversity and inclusion at the workplace. We hire talent from premier institutions across India from different educational backgrounds, geographies, special abilities and skillsets. We see significant scope for more women engineers to join our underground mines. As part of our overarching objective of giving back to the society, we work closely with the government to create more employment opportunities for locals in our communities.

During the nationwide lockdown, we worked proactively to support our communities, providing them with masks, food and other basic necessities. We created a facility for mine workers with food and other amenities. They accepted our hospitality and kept our operations running. I extend my heartfelt gratitude to them for their unwavering dedication.

Our customers remain at the core of our existence. Our focus on ensuring responsible and sustainable practices across the value chain is the primary reason why we remain the preferred choice for our marquee customers.

We engage with our suppliers constantly and handhold them to imbibe our principles and values within their businesses. During the year under review, we conducted events such as 'Confluence' and projects such as 'Sarathi' for this purpose. Producing metals with no compromise on safety and environmental norms, ensuring no negative impact from our operations, ancillary units around our community were other focus areas.

We stay committed to creating jobs in our communities, serving our nation to the best of our abilities and creating value for the country in a sustainable manner.

Road Ahead

The pandemic situation continues to evolve, prompting lasting changes to the way we live, work and socialise. There is greater appreciation for cleaner cities than ever before. All organisations have learnt to adapt to a remote work environment, requiring minimal presence of staff at premises. It is difficult to predict what will happen in the future, because it depends on what we do today.

At Hindustan Zinc, our endeavour will be to progress on our sustainable development goals, encourage further collaborations to drive inclusive growth and achieve our Sustainability Goals 2025.

In conclusion, I would like to thank all our stakeholders, including customers, employees, shareholders, business partners, government, regulators, among others and seek their constant support in future.

Warm regards

Arun Misra
Deputy Chief Executive Officer

Health and Safety

Inculcating Safety Culture



HIGH-PRIORITY MATERIAL ISSUES

· HEALTH AND SAFETY

VISION

Achieving 'Zero Harm' to people with the belief that all workplace injuries are preventable.

SUSTAINABILITY GOAL 2025



ZERO

Work-related fatalities and 50% reduction in Total Recordable Injury Frequency Rate

SDGs ASSOCIATED



OUR APPROACH

- Recognising occupational safety as a core value and driving responsibility towards Safety, Health & Environment (SHE) to protect the people we work with and society at large
- Taking initiatives towards ensuring utmost safety of our employees and the environment they work in. The Safety Excellence Journey is significant initiative on this front
- Governing safety through the Apex Body which is the Corporate Safety Council, chaired by the CEO, and involves various leaders from all verticals.
- Building the three safety pillars: safety culture transformation, capacity building and process safety management

STRATEGIC PRIORITIES

- Achieve zero fatality
- Achieve zero occupational illness cases
- Improve occupational health and hygiene
- Effective high potential risk management
- Critical review and audit of safety standards implementation

SAFETY GOVERNANCE STRUCTURE

We have always promoted safety as one of the most integral cogs of our value system and have adopted best-in-class initiatives towards ensuring safety for our employees. The Safety Excellence Journey is a significant initiative on this front.

The Safety Excellence Journey 'Aarohan' is an initiative driven by the desire to protect the people we work with, and was initiated in 2013. We collaborated with DuPont Sustainable Solutions which is known worldwide for its excellent safety systems. Our Corporate Safety Council provides overall direction to the organisation's Safety Management system.

The Corporate Safety Council is chaired by the CEO, with the Chief HSE Officer acting as secretary and senior leaders being its members. It is assisted by seven corporate subcommittees and nine zone apex committees to carry out its primary objective of policy development, resource deployment and laying out the strategic safety roadmap for the organisation. The role of safety subcommittees is to establish various safety systems, standards, rules, procedures and help the organisation achieve its zero harm goal seamlessly.

GOVERNANCE STRUCTURE



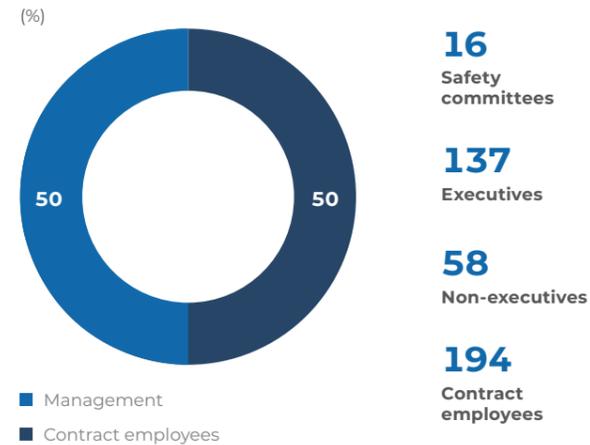
JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEE (JMWHSC)

This is the formal governing body for monitoring the implementation of organisation's occupational health and safety programmes and drives them at all locations. It has an equal representation of management and workers.

The actions emerging from this committee are monitored for implementation at the shop floor.

The functioning of this subcommittee is monitored and tracked monthly and its composition as on March 31, 2020 is presented here.

Joint Management Committee Composition (%)



SAFETY PERFORMANCE

At Hindustan Zinc, safety is our core value and we are committed to ensuring zero harm to our employees. Our prime responsibility is to provide safe workplace to all employees entering our premises. During the reporting year, there was an enhanced leadership focus on incident reporting, incident categorisation and incident investigation. This has led to a more vigilant and aware operations team; ultimately resulting in a significant increase in the number of incidents reported.

Although our LTIFR increased to 1.38 this year from last year's 0.63, our leadership is constructive in taking this as a positive safety cultural shift; and this has resulted in more specific, focused efforts towards reducing the incidents and making our workplace incident free.

Despite promoting a culture of safety and wellbeing, we are deeply saddened by two fatalities that took place this year, one at Sindesar Khurd mine at the parking yard and one at the Fumer project. Their loss is irreparable to their families as well as to each one of us at Hindustan Zinc. We have carried out detailed investigations of the incidents to learn and deploy the learnings across Hindustan Zinc to prevent re-occurrences. These fatalities are alerts that we must remain meticulous in our efforts to achieve our vision of zero harm. Lesson learned and its horizontal deployment is underway to avoid reoccurrence across the locations.



Incidents

Sindesar Khurd Mine
One contract employee was fatally injured due to roll over by reversing mine truck.

Fumer Project
One contract employee was fatally injured due to failure of lifting chain pulley block during erection of L-shaped pipe line

Management Plan and Mitigation Measures

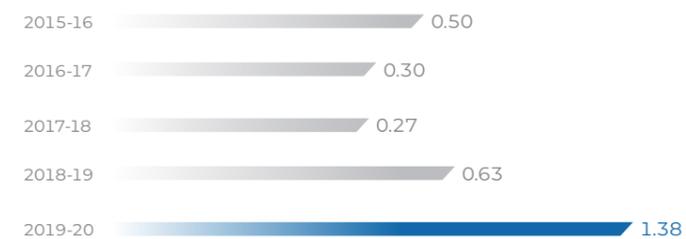
- Any temporary or permanent parking area for Heavy Mobile Equipment (HME) must include safe access for operators and segregation of equipment and pedestrians.
- HME parking areas must be designed as a one-way system, including eliminating the need to reverse vehicles.
- SOPs for vehicle parking areas must be enforced and verified by management review.
- Vehicle/pedestrian segregation must be ensured for all locations.

- All contractors are to set up jobs to ensure that required barricading is in place to prevent unauthorised personnel from entering an area that has a suspended load.
- Rigorous implementation of Permit to Work (PTW) and Job Safety Analysis (JSA) controls to be ensured prior to work
- Train all workers on slinging; lifting gear inspection prior to use.
- Colour coding of lifting tools and tackle standardised and documented in the lifting and shifting standard



Lost Time Injury Frequency Rate* (LTIFR)

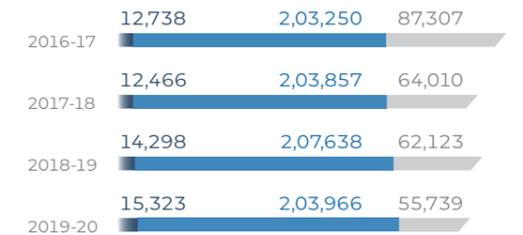
(per million hours worked)



*Based on ICMM guidelines

Leading Indicator

(No.)



■ Near miss reporting ■ Unsafe act reporting ■ Unsafe condition reporting



SAFETY IS NON-NEGOTIABLE

CEO Designated as Head Safety

Leadership plays a key role for building a safety culture at site. Our safety culture is always leadership driven, and mature leaders use this as an opportunity to create connect, improve engagement and care for the employees. Our CEO personally demonstrates safety as his core value. He declared himself as Chief Safety Officer of Hindustan Zinc and has taken ownership to build a safety culture at our Company. He has committed to spend 30% of his time on safety; and is also meeting safety professionals across sites regularly to empower them for the implementation of Safety Standards at Hindustan Zinc.

Our Executive Committee (ExCo) members and unit teams visit nearby communities regularly to create connect and ideate on how better to support them in their development.

Our CEO personally demonstrates safety as his core value and has taken ownership to build a safety culture at our Company.

Launch of 'I Support Aarohan' Initiative

The 'I Support Aarohan' initiative is deeply inclusive, where each team member during the reporting year adopted one safety project in each quarter to improve safety performance of the organisation. In total 4,145 projects were undertaken during the year. This short-term safety KPI has improved overall safety performance of the organisation.

Safety Perception Survey

Safety in Hindustan Zinc has always been a core value. We are striving for continual improvement in our overall safety management system through collective and participative journey named 'Aarohan', which was initiated in 2013.

We have already ramped up enough scale and expanded the scope of the project; and now after six years, it is important to take a pause and seek feedback from all our stakeholders. Their insights are critical for course-correction and necessary changes to make safety systems more effective and robust. With this objective, we launched Safety Perception Survey (SPS) across the organisation. In SPS, 96% of employees and contract employees participated. The key themes/areas of focus emerging out of survey have been identified and action plans have been developed for improvement.

CONTRACTOR SAFETY MANAGEMENT

Launch of Discrete Incentive and Penalty Scheme for Business-wide Application

During FY 2019-20, we launched discrete incentive and penalty scheme for business, to establish an effective structure of incentive and penalty schemes for business participants. This will help us in remodeling the implementation and execution of the safety standards.

Advantages of the proposed scheme:

- Establish a clear line of accountability on business partners in case of:
 - Discrete severity based standard violation
 - Lost Time Injury (LTI) and fatalities at Hindustan Zinc
- Embolden business partners to follow Hindustan Zinc safety standards by encouraging incentive schemes

Project Ru-Ba-Ru

During FY 2019-20, we initiated the Ru-Ba-Ru programme to establish a safe and productive environment at the job sites. Ru-Ba-Ru focuses on capability building of business partners across four areas:

- HSE commitment for safe operations and strengthening our safety culture
- Technical skill enhancement for continuous performance improvement
- Management In Place (MIP) to ensure business partners have the right organisation structure and the right talent in the right positions
- Asset Optimisation (AO) to maximise all aspects of our operational assets

Our approach to improvement on these four areas entails a rigorous capability assessment of our business partners' workforce by technically trained supervisors. Following the assessment, a tailored training programme is implemented to bridge identified skill gaps. The training programme includes aspects of both classroom knowledge building and on-the-job handholding to ensure a comprehensive, practical learning experience.

Skill Development Training Programme at Sindesar Khurd mine

Skill development training programme for miners, mine supervisors and technical personnel are very beneficial as they promote safe practices, assist in the implementation of Standard Operating Procedures (SOPs) on ground and help optimise overall mine operations. Training assists mining operations on the road to 'best practices'.

We started skill development training programme to upskill our critical operators (Jumbo, Load Haul Dumper (LHD) and SOLO) and supervisory training programme for mining mate and foreman in terms of Safety, Quality and Productivity to enhance the overall safety and productivity of mine operation. The purpose is to develop more master trainers in each operation to upskill every individual working with us and to run our operations through safe hands.

Safer Facilities

Our Safety Innovation Cell an independent safety improvement body strives to implement global best practices, innovative engineering solutions/ideas and automation to further enhance safety practices.

The cell is assisted by subject matter experts and technocrats from diverse domains in the business. During FY 2019-20, the Safety Innovation Cell has undertaken high-end projects spanning mines/smelters/captive power plants. Of these, 47 have been completed/ installed across the organisation and trial of seven projects have been completed successfully during the reporting period.



Some of the prominent Pilot Projects undertaken during the year through the Safety Innovation Cell comprise:

HORIZONTAL UNLOADING OF ORE AND CONCENTRATE

Objective

To reduce manual handling and ensure safe and fast unloading from trucks

Issues Faced Earlier

- Need for a person to climb over the truck, which is unsafe activity
- Truck toppling due to shifting of centre of gravity during unloading
- Time-consuming activity
- High probability of collision with roof structure

Action Taken

Retrofitted Keith walking floor in loading vehicles for horizontal unloading of ore and concentrate

Advantages

- Toppling can be avoided
- Reduction in manual intervention
- Safe and fast unloading
- Automatic unloading of trailers up to 40 MT within 5-6 minutes

ZIG-ZAG 360° CONVEYOR GUARD INTERLOCK SYSTEM

Objective

To eliminate possibility of injury while bulk material handling

Issues Faced Earlier

- Bulk material handling equipment with rotating components presented a risk of injury to workers

Advantages

- Enhanced safety
- Allows conveyor to run only when guard is in intact position
- It is fail-proof against the rope being stretched or shortened due to any mis-operation

Action Taken

Introduced interlocking of guard with the conveyor operation

BOOM BARRIER ARRANGEMENT TO PREVENT MACHINE-TO-MACHINE INTERFACE IN RMH

Objective

To eliminate possibility of vehicle collision in the Raw Material Handling (RMH)

Issues Faced Earlier

- No control over the movements in RMH section
- Amid both side vehicle movement gate control and simultaneous vehicle movements there is chance of vehicles collision incidents

Action Taken

Implemented the Boom Barrier system

Advantages

Control of gate operation responsibility will be at loader operator, as this vehicle is most prone for collision type incidents. Only loader driver will have control to allow and authorise entry or exit of transporters vehicles or other vehicles of internal movement inside the RMH yard

Safer Mines

Our utmost priority is to ensure highest level of safety across all our mines. We believe, continued work is needed towards improving health and safety of our stakeholders to control risks around mining. While proactively dealing with identified major risks, we have put in place a number of committees involving mining operations and have taken multiple initiatives to improve health and safety of our personnel involved in mining. Globally too, the concept of safe mining has now become larger than volumes and profits.

Our Focus on Falls of Ground Prevention

We operate fully mechanised underground mines and are currently developing over 100 km tunnels for underground infrastructure and ore access to enable production and expansion projects. Maintaining safe operating environment in ore access tunnels and in mine production areas is critical for achieving our zero harm goal.

In underground mines across the world, most fatalities and potentially fatal events relate to the falls of ground hazards. Over the last three years, we have undertaken a few initiatives to avoid such incidents.

Improved Ground Control Process

- Ground control management plans implemented by all mines
- Improved SOPs through internal and external reviews

Effective Ground Support Systems

- Updated ground support regime to meet geological and stress conditions
- Sourced best-in-class consumables

Strong Geotechnical Capabilities

- Largest geotechnical team in India, trained in rock mechanics
- Leading external geotechnical consultants assist with assessing global mine stability and for resolving difficult ground control issues
- Trainings and awareness programmes in ground control safety for all personnel working underground



TELE-REMOTE OPERATION OF LHD AT RAMPURA AGUCHA MINES (RAM)

We initiated tele-remote operations of LHD to

- Provide ability to relocate operators to a safe, comfortable location underground
- Eliminate exposure to noise, dust, seismic activity and other underground hazards
- Reduce the need for air delivery and cooling
- Allow access to deeper ore bodies and greater productivity gains for long-term remote operations
- Reduce fatigue felt by operators
- Provide ability to monitor machine operation and health through user interface to ensure machine is not at risk
- Eliminate the cost for radio licences required in line-of-sight control
- Scale to surface and align with future mine network development for mine monitoring

Safer Logistics

Logistics is a critical process that involves movement of millions of tonnes of materials across our various units and those of our customers. This activity poses a high business risk in terms of pilferage, safety standards and delay in delivery. We have implemented several initiatives to ensure highest safety standards in our logistics operations.

Our proactive approach in addressing issues has helped us move one step ahead in our ambition of getting end-to-end visibility in logistics, while ensuring essential compliance standards and safety measures.



Logistics Safety Council

Team Logistics undertook this initiative to ensure more effective implementation of vehicle driving and safety standards. This council is bringing uniformity in timely implementation of Vehicle & Driving Safety Standard (VDSS) Compliances across various units of Hindustan Zinc. Every month, it conducts onsite field audits and rates the performance of every unit. The entire logistics fraternity assembles to share the inputs and improve overall efficiency. The Council also ensures participation of service providers to make them aware with our safety requirements and norms.

Two- and Four-Wheeler Simulator at Chanderiya Lead Zinc Smelter (CLZS)

We have installed two- and four-wheeler simulators (in both Hindi and English language) at CLZS. Driving simulators replicate actual driving experiences through all types of scenarios that include vehicle handling, scanning and hazard detection and parallel parking, among others. Each day 30 employees are trained on a defined module through simulation.



Solar-Powered Side Light in Dumpers

- Helps conserve energy by utilising solar power
- Eliminates human error of not turning ON side lights during night or dim conditions.
- Ensures light is switched ON in auto inline with prescribed Lux Level.

Safety Innovation

- Installation of rear-view camera with display in cabin has helped in monitoring the blind spots, which are normally not visible to driver. This rear-view camera has been interlocked with reverse gear or ignition ON, to make the system reliable and fail-proof.
- Reverse sensor with display provides visual and alarm/alert to operator as well as person behind forklift. It helps to predict safe zone.
- Installation of fatigue management devices. This system provides timely alerts in case of any drowsiness felt by operator to avoid any possible incident.



During the year, over 21,242 employees and contract employees underwent periodic and initial medical examinations. No occupational illness related cases were reported.

Environment

Utilising Resources Prudently

HIGH-PRIORITY MATERIAL ISSUES

- WATER MANAGEMENT
- TAILING DAMS MANAGEMENT
- AIR EMISSIONS MANAGEMENT
- ENERGY AND CLIMATE CHANGE

MEDIUM-PRIORITY MATERIAL ISSUES

- SOLID WASTE MANAGEMENT
- BIODIVERSITY MANAGEMENT
- NOISE AND VIBRATIONS MANAGEMENT

LOW-PRIORITY MATERIAL ISSUES

- USE OF RECYCLED MATERIAL

VISION

To become a green technology leader in the industry and reduce our environmental footprint. We are working to achieve this by innovating processes for water stewardship; introducing captive usage of energy from renewable sources; and adopting new methods for waste recycling.

SUSTAINABILITY GOALS 2025

0.5 MNtCO₂e
GHG emission savings in our operations from base year 2017

5x
Water-positive company and achieve 25% reduction in freshwater consumption

3x
Increase in gainful utilisation of smelting process waste

PROTECT & ENHANCE BIODIVERSITY

Throughout the life cycle

SDGs ASSOCIATED



OUR APPROACH

The three key constituents of our strategy to manage environmental footprint are:

- Focusing on conservation of natural resources
- Monitoring our environmental performance
- Minimising the negative operational impacts across the value chain

STRATEGIC PRIORITIES

- Work towards water stewardship, in line with the United Nations Sustainable Development Goal – SDG 6
- Evaluate opportunities to improve energy efficiencies or implement lower emissions sources
- Achieve science-based GHG emission targets through impactful actions
- Reduce carbon footprint by enhancing renewable energy portfolio
- Explore opportunities to reduce, reuse and recycle waste

We work to minimise our potential, direct and indirect impact on the environment – water, land, air quality, climate and biodiversity, complying with and beyond relevant regulations. Our advanced resource management systems and controls as well as continuous support from stakeholders accelerate the path to a more responsible social presence.

A sustainable development framework, comprising comprehensive policies, standards and guidelines, helps manage our impact and ensures compliance with environmental norms and standards. All operating units are ISO 14001:2004 certified, while our Sindesar Khurd mine, Rajpura Dariba mine and Pantnagar Metal plant operate on Energy Management Systems that are ISO: 50001 certified.

Every year, we set goals to use water and energy responsibly and reduce GHG emissions. We strengthen our efforts with technological interventions and infrastructure development. During the year, our focus remained on minimising water consumption, enhancing energy efficiency, conserving biodiversity, maintaining air quality, and recycling and reducing waste.

We conduct impact assessments before initiating new projects to anticipate and mitigate environment

and social risks associated with our plan of action. We record environmental incidents and hazards through our online incident management portal. Incident investigations are undertaken to identify and implement appropriate preventative measures. During FY 2019-20, based on the impact of incidents, there were no high potential environment incidents. We did not receive any significant fines and no reports of non-compliance with environment laws and regulations across our operations.

During FY 2019-20, the operating environment expenditure stood at ₹111 Crore across our locations. Additionally, major progressive capital expenditure on multiple environmental projects came to ₹335 Crore, including MEE installation, capping of Jarofix yard, paste fill plant, hydrofill plant, tailing dam embankment, dry tailing plant, fumer project, among others.

Climate Change and Energy

Climate action is among our key business priorities. Operating in an energy-intensive sector, we seek to use energy in equitable ways. We are exploring new technology avenues to diversify our energy portfolio and lower our Greenhouse Gas (GHG) emissions. We are among the first few companies in India to have verified science-based targets to reduce absolute Scope 1 and 2 GHG emissions by 14% by 2026 and absolute Scope 3 GHG emissions by 20% by 2026 from 2016 base year.

Hindustan Zinc participates in CDP Climate Change Programme, whereby we calculate, and report inventory of GHG emissions i.e. Scope 1 (process emissions and other direct emissions), Scope 2 (purchased electricity) and Scope 3 (downstream and upstream movement) as defined under the World Business Council for Sustainable Development and World Resource Institute GHG protocols.

We have invested in climate science to understand the level of decarbonisation required to keep global temperature increase below 2°C compared to pre-industrial temperatures, among others.

TOWARDS LOW CARBON FUTURE

TARGET

14%

Reduction of Scope 1+2 (absolute) by 2026 from a 2016 base-year

FY 2019-20 EMISSIONS

4,734,644
tCO₂e

Scope 1+2 (absolute) emissions

TARGET

20%

Reduction of Scope 3 (absolute) by 2026 from a 2016 base-year

FY 2019-20 EMISSIONS

4,182,181
tCO₂e

Scope 3 (absolute) emissions

UNFCCC CDM PROJECTS

12*

Registered CDM projects

ENERGY EFFICIENCY

0.39%

y-o-y reduction in energy consumption

RENEWABLE ENERGY

225.62 MN UNITS#

(Waste Heat Recovery Boiler (WHRB)+Solar) Electricity from renewable sources

WIND ENERGY

449.29 MN UNITS

Electricity from other renewable energy sources

*As on March 31, 2020

#During FY 2019-20

GHG Emission: Scope 1 + scope 2 (MtCO₂e)



GHG Emission: Scope 3 (MtCO₂e)



Specific Energy Consumption (GJ/MT of metal)



CLIMATE CHANGE STRATEGY

Energy Efficiency

Renewable Energy Portfolio

Waste Heat Recovery

Solar Energy

Wind Energy

CDM and Carbon Offsets



ENERGY EFFICIENCY

As a leading player, we invest in advanced technologies and processes recognised across the industry for their efficacy.

Our energy management approach is aligned with our energy and climate change management policy, helping us achieve a balanced carbon cycle. We monitor our progress in embedding operational energy efficiency periodically.

RENEWABLE ENERGY

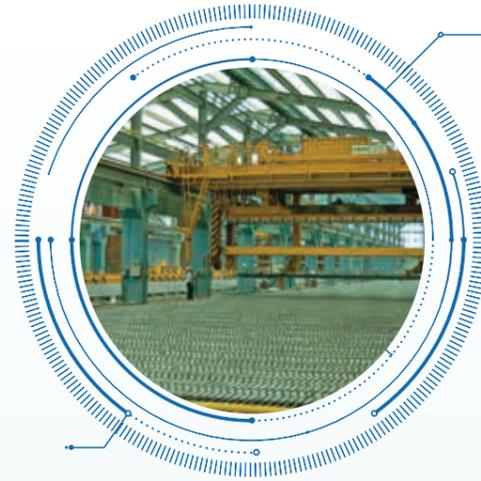
Green energy forms one of the key areas of investment in reducing our greenhouse gas emission and carbon footprint. Green energy capacity of 348.54 MW was installed by our Company from wind solar and waste heat recovery systems.

We are one of India's largest wind power producers with a generation capacity of 273.5 MW in five states across India. Our projects are registered with the Clean Development Mechanism (CDM) by United Nations Framework Convention on Climate Change (UNFCCC) and Verified Carbon Standard programme – VERRA. The Company registered these projects in the Gold Standard category, the most rigorous certification standard globally for carbon offset projects supported by World Wide Fund for Nature (WWF).

A solar power plant with capacity of 39.64 MW was installed for our captive use. Solar power projects amounting to 38 MW were installed at Rajpura Dariba mine, Debari Zinc smelter and Rampura Agucha mine. Additionally, we commissioned 1.6 MW rooftop solar plants at various offices.

We also installed 13.8 KW of floating solar power plant at raw water pond of Chanderiya Captive Power plant. This enabled us to reduce water evaporation and utilise available water surface for green power generation. Currently we are generating 1,250 units power monthly, in the first phase, utilised to run our emergency fire pumps.

The expansion of Waste Heat Recovery Boiler (WHRB) capacity will add 5.58 MW Steam Turbine Generator (STG) project at Dariba Lead smelter and 8.6 MW in the fumer plant at Chanderiya.



INCREASING SMELTER EFFICIENCY

Evaluating and Modifying Current Processes

In early 2015, it became apparent that with changing input concentrate feeds, the impurity load projected for the Company would increase, affecting the current Leaching-Electrolysis process. A Six Sigma based project was initiated to optimise current mechanisms. Effect of process parameters at Leaching-Electrolysis for the electrodeposition of zinc was implemented. Influence of current density on the deposition process was also investigated. It was observed that the efficiency of zinc deposition was affected by cell temperature, Gypsum section pH, acidity of electrolyte and neutral leaching pH, among others. Of this, many elements are detrimental to current efficiency within the electrolysis of zinc sulphate.

93% increase in efficiency of current smelter recorded

Efforts Undertaken to Maximise Efficiency

- Stabilised the leaching parameter
- Improved Process Capability Index of hot purification
- Reduced sulphates in electrolyte by reduction in manganese, magnesium, and sodium
- Maintained spent temperature between 37° to 39° degree Celsius
- Aligned electrode in cells and anode grading
- Enhanced electrode header bar quality in cell house
- Double-washed anodes once in two months
- Upgraded the electrolyte circulation system by stepping up the operations and maintenance of circulation pumps and coolers
- Improved Overall Equipment Effectiveness (OEE) of magnesium removal section
- Optimising the zinc concentration in spent

Overall Impact of the Project

- A significant increase in production volume by 7,800 MT per annum per hydro smelter
- Energy efficiency leading to significant cost reduction of \$1.4 million per annum per hydro smelter

Water

Our operations are water-intensive, and we are working in water scarce areas thus, we must work to reduce our freshwater intake. To bring down process-related water consumption, we improvised several procedures and modified technologies. We are integrating water responsibility into our business strategies and conduct regular assessment of water risk to understand its impact on our business. Our comprehensive initiatives are effective in mitigating water risk in a sustained manner.

Our water management policy encourages the recognition of the social, economic and environmental value of water and the increasing global concern around its scarcity. We aim to reduce our freshwater consumption and protect

water quality of resources. During FY 2019-20, our water accounting assessment was carried out by DNV GL, a globally renowned risk management and quality assurance company, and we were certified 2.41X Water Positive.

We adopted a multi-pronged approach to manage water resources. The key pillars of the approach are:

Minimising the use of water in operations

Increasing the use of recycled water

Developing rainwater harvesting systems to replenish groundwater sources

Exploring alternative water sources

Monitoring and auditing water intake regularly

Recycled/reused water (%)



INCREASING WATER AVAILABILITY FOR THE COMMUNITY

Since 2014, we have been actively exploring alternatives to freshwater sources. We commissioned a 20 Million Litre per Day (MLD) Sewage Treatment Plant (STP) to treat Udaipur's sewage and prevent them from flowing into the city's lakes. The treated sewage is used in our plant for process application and reducing freshwater intake consumption. The STP, a product of an innovative public-private partnership and developed as an alternative potable water source, was the first of its kind.

In June 2017, the project's success and overall positive impact led to an agreement with the government to build a second STP with double capacity at 40 MLD. The local community welcomed the development with widespread approval and 25 MLD of this extra capacity was commissioned in 2019. Two further decentralised sewage treatment plants, with a combined capacity of 15 MLD are under commissioning.

We are eager to take this drive forward and are conducting feasibility studies across five adjoining districts to explore the possibilities of using treated municipal STP water across Hindustan Zinc.

We seek to increase the use of recycled and reused water in our operations and have installed integrated effluent treatment plant at smelters. They ensure maximum recycling of process water and its reuse to reduce freshwater dependency.

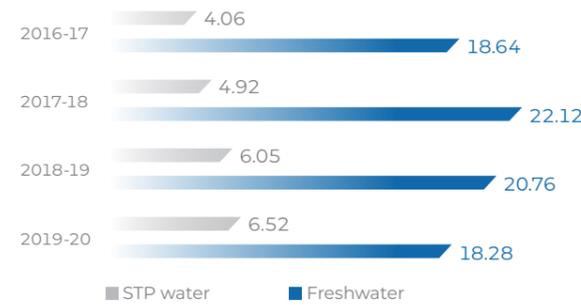
ENHANCING OPERATIONAL EFFICIENCY

Additionally, we executed technology upgradation by installing Multiple Effective Evaporator or Mechanical Vapour Recompression (MVR) in smelters to accelerate water recovery. We reuse excess water from the tailing dam at our mines. Tailings are stored in the dam in the form of slurry and excess water is siphoned from the dam into a pit near our pump house. This water is pumped back to the mines for reuse in the process.

We understand the need to imbue overarching operational efficiency to reduce specific water consumption. We regularly measure water consumed by different processes and sub-processes through extensive internal and external audits and are conducting water risk assessment across our operating sites. Water metres were installed for key processes, alongside online monitoring of water consumption.

Water Consumption

(Million m³)



EFFORTS TO INCREASE WATER AVAILABILITY FOR ADJOINING COMMUNITIES



Pond Deepening

At our Rajpura Dariba complex, we completed capacity deepening of 5.32 Lakh m³ for a pond. This pond is essential for rainwater harvesting and groundwater recharge and the water is supplied to nearby villages for agriculture and household needs.



Lake Fatehsagar Deepening, Udaipur

We undertook deepening of the Lake Fatehsagar in association with Urban Development Trust (UIT). This was done by desilting at the time when the lake was dry, which increased the catchment area and enabled better rainwater harvesting. The lake also became a resting place among migratory birds, thereby enriching biodiversity.

Air Emissions

Our approach to managing air emissions is focused on investing in abatement technologies such as air emission control equipment, maintaining process control and the integrity of key emission controls. We engage with key stakeholders to understand effect of emissions on their lives.

At our smelters, the emissions constitute sulphur dioxide and dust containing zinc, lead, cadmium and other metals. At our facilities, we work with stringent controls and best-in-class emission treatment technologies. Sulphuric acid plants, used to capture sulphur dioxide emissions are installed at our smelters.

Air emissions from our mining operations comprise dust from ore handling and storage, vehicle movements on unpaved roads and wind-blown dust from tailing beaches.

We use multiple measures to control air emissions such as filters, electrostatic precipitators, scrubbers, regular water sprinkling for dust control, enclosures for dust-related activities and process monitoring.

Continuous Emission Monitoring Systems (CEMS) have been installed at all sources of emissions. Data is continuously stored in a central server and shared with statutory bodies like State and Central Pollution Control Board on their servers. Corrective actions are taken on priority in case of any deviation observed, along with a preventive plan of action to avoid recurrence.

Particulate Emissions

(MT)



SOx Emissions

(MT)



Waste

We are on a steady path to achieving zero waste to landfill and have aligned waste management practices to the 4-R Policy of Reduce, Reuse, Reclaim and Recycle. This year, we adopted state-of-the-art technologies to mitigate waste generation and promote reuse of waste, recovery or recycling of metal or material from waste and safe disposal of residual waste.



A large part of the waste generated through our operations comprise mineral waste from our mining and metal processing activities. Jarosite is a key waste generated at our smelters during hydro metallurgical processes. The pro-metallurgical process at our smelters leads to creation of significant slag. Majorly, fly ash and bottom ash are generated from our captive power plants.

REDUCE AND RECYCLE WASTE WITHIN OUR OPERATIONS

While our mines produce waste rock, most of it is disposed underground where it originates to prevent associated environmental risks. The operations generate smaller quantities of non-mineral wastes, including both hazardous and non-hazardous materials. Systems and processes for responsible management of waste are active across all sites.

We are implementing fumer technology to eliminate jarosite generation from one of the hydro zinc smelters. The slag generated will be completely utilised in the cement industries.

HAZARDOUS WASTE TREATMENT AND METAL RECOVERY

Our ancillary plant at Dariba smelter unit was followed by the installation of the Chanderiya ancillary plant for associated ecological benefits. This helps convert hazardous waste to resources. The residues containing metal values were transported to different vendors for further processing and metals extraction from them. Following the establishment of ancillary units close to main plants, the need for hazardous waste transportation is eliminated and there is reduction in fuel consumption, vehicular traffic on roads, among others.

This ancillary unit treats four residue types, of waste copper dross, purification waste cake, antimony dust or slag and raw zinc oxide.

Treatment of copper dross is already in progress at one of our plants. This enables us to recover lead, copper and silver from ~60% to over 95%, which is otherwise lost in slag generated in the main plant.

Purification cake treatment plant is commissioned in this year and the remaining plants are expected to be commissioned by next year.

RECOVERY OF SODIUM SULPHATE SOLID FROM EXISTING MEE SALT AT DARIBA SMELTER

Effluent from Lead, Zinc and Captive Power Plant (CPP) is treated in Effluent Treatment Plant (ETP) for neutralisation and removal of heavy metals. Treated effluent, subsequently, passes through Reverse Osmosis (RO) plant to remove dissolved solids. The RO treated product is recycled into the water treatment plant whereas the reject water is fed into Multiple Effect Evaporator plant (MEE).

The MEE salt was previously used for eco-friendly disposal in captive secure landfills. To separate sodium sulphate from a mixture of sodium sulphate and sodium chloride (MEE salt), Dariba smelting complex commissioned sodium sulphate recovery plant this year.

Recovered sodium sulphate is reused in the leaching process

REUSE AND RECLAIM WASTE FOR DERIVING VALUE FROM IT

Our waste is being utilised for cement manufacturing, road construction and other construction activities. Additionally, multiple studies in collaboration with eminent institutes like IIT and IISc were undertaken to enhance waste utilisation in other construction activities.

Recovery or recycling of metal is a crucial link in natural resource conservation. Process residues are recycled and metals are being recovered for our own processes. Remaining waste is disposed in an environment-friendly manner in our captive secure landfill or sent to common hazardous waste disposal facilities.

Waste generated



Waste reused/recycled



Waste disposal



*Million Metric Tonnes



COVERING LANDFILLS

The establishment of secure landfill facility is necessary for industrial waste disposal in an environmentally safe manner. At Secure Landfill of Dariba Smelters, operations were completed for phase 1 and 2 and currently hazardous waste disposal is being continued in secure landfill phase 3.

After full capacity utilisation, SLF phase-1 and 2 were capped this year. Landfill capping is a containment technology that forms a barrier between the contaminated media and the surface, thereby shielding humans and the environment from adverse effects of its contents and limiting contents migration

TAILINGS DAM MANAGEMENT

At our mines, tailings waste is generated from beneficiation plant. At Hindustan Zinc, we have three active Tailing Storage Facilities (TSFs). Our sites have dedicated facility managers and TSF committee comprising design engineer as well as operations, construction and environmental staff. The TSFs and associated pipeline and pumping infrastructure are subject to regular audit and inspections. In addition to our tailing management policy, we follow an organisational tailing management standard, which provides methodology and guidance on tailings management. We are reusing waste rock and tailings for mine backfilling, tailing dam embankment and back filling through paste or hydrofill.

Biodiversity

Protecting and enhancing biodiversity is an integral part of our commitment to sustainable development. We developed a unique and exclusive Biodiversity Management Plan for our nine operational sites, none of which are situated near biodiversity hotspot areas as per IBAT survey conducted across sites.

Our dedicated Biodiversity Policy and Management Standard is our compass in reducing flora and fauna disruption and minimise or compensate through project scoping, site closure and beyond.

Our aim is to achieve a minimum of No Net Loss (NNL) and Net Positive Gain (NPG) of biodiversity (in case any critical habitat is present) across our operations.

Peacock Conservation Park, endangered plant nursery, butterfly garden, medicinal park, tree inventorisation, plantation on Kalimagri and Ratnagiri are a few of our biodiversity management projects, which continued successfully. As a member of the IUCN Leaders for Nature (LfN) network, we are committed to enhancing and restoring biodiversity. We regularly organise employee training programmes and awareness campaigns, in partnership with the LfN team.



MASSIVE PLANTATION AT KAYAD MINE

At our Kayad Mine, we undertook a plantation programme in FY 2019-20. We planted 4,000+ saplings within the mine lease area and 58,000+ saplings outside the area, around government buildings and in private land. Fruit and shade-giving

trees were planted based on soil type and respective owner's demand. The landowners pledged the written oath to help these plants grow in their own land by timely watering, watching and warding and taking care of these plants.

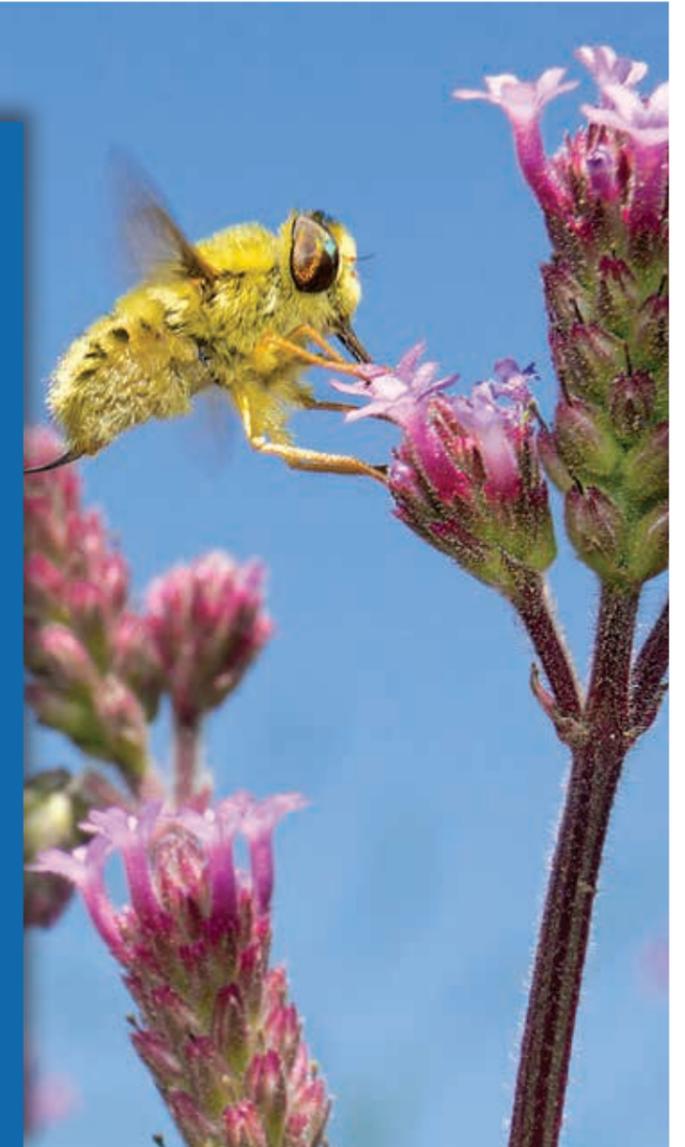
REHABILITATION OF WASTE DUMP BY PLANTATION

Plantation activities were undertaken on the waste dump of boulders and waste rock at 50m height at Maton Mines. To stabilise the benches and slopes of waste dump and develop a vegetation and ecosystem on it, efforts were made in scientific and cost-effective manner by using native species. Initially durable and fast-growing species were selected for benched stabilisation and seeds collected from plants within our premises were utilised for slope stabilisation.

CONSERVATION OF ENDANGERED SPECIES

We endeavour to minimise the impact of upscaled mining activities, maintaining pollutant levels within permissible limits in the surrounding environment and conserving wildlife populations in their habitats. In sync with this vision, our Sindesar Khurd Mine conducted a study and made conservation plans for 6 schedules -1 species (3 reptiles, 2 avifauna, 1 mammal species).

These avifaunal, reptilian and mammalian species and their corresponding habitats require stringent protection and management, for which we drew up a comprehensive Wildlife Conservation Plan. The species-specific plans primarily focus on habitat conservation and generating awareness on biodiversity, its importance, activities that threaten them and conservation actions among the industrial staff and the buffer area population.



LEADERS FOR NATURE PROGRAMME

As part of our commitment towards biodiversity conservation, we are a member to IUCN 'Leader for Nature India' and have arranged internal sessions on biodiversity awareness. The event aimed to emphasise the importance of biodiversity and the extent to which anthropogenic activities causes it to decline. Some concerns around Biodiversity Management Plan (BMP), rehabilitation, global biodiversity standards and our policy and regulations were also discussed during the session.

The environment heads as well as team and plant team members engaged in the preparation of EIA/EMP reports. Additionally, the plantation or horticulture partner also attended the training programme.

Hindustan Zinc, as a member of the IUCN LfN network, is committed to enhancing and restoring biodiversity and we are working closely with the LfN team to organise different awareness and training programmes for our employees.

Paid total membership fees (National and International) of ₹4.72 Crore during the year. Sponsored few conferences and seminars of industry and trade associations for ₹2.14 Crore.

People and Prosperity

Nurturing Talent



HIGH PRIORITY MATERIAL ISSUES

- DIVERSITY AND EQUAL OPPORTUNITY
- LEARNING AND DEVELOPMENT
- HUMAN RIGHTS
- LOCAL EMPLOYMENT

VISION

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

SUSTAINABILITY GOALS 2025



30%

Diversity in an Inclusive and diverse workplace

SDGs ASSOCIATED



APPROACH

- We believe in diversity and inclusion and believe a diverse workforce can contribute significantly to our success
- We have zero tolerance for racial, sexual or workplace harassment
- We follow strict adherence to our Code of Conduct, ethics and Prevention of Sexual Harassment at Workplace (POSH) policies
- We are committed to continuously push the envelope in providing the right work environment to our workforce and engage continuously with them
- We undertake continuous learning and development initiatives to upskill people across all functions and levels

STRATEGIC PRIORITIES

- Impart essential operational skills to people engaged in underground mining to enhance their performance and productivity
- Ensure seamless business activities by focusing on building strong leadership pipeline and undertake succession planning for key positions
- Optimise HR processes by deploying best-in-class technologies

Human Rights

We have adopted a 360-degree approach in upholding the fundamental rights of our employees as well as contract workers, along with those in their circle of influence. Human rights is a high-priority material topic for us, which is reflected in our values, policies and actions.

We strive to protect human rights across our value chain by engaging proactively to ensure strict compliance with applicable laws and regulations and facilitate adoption of best practices.

Our Human Rights Policy aligns with the UN Guiding Principles on Business and Human Rights and the Modern Slavery Act. The policy covers our employees, contract workers, suppliers, contractors, joint ventures and business partners. We conduct our businesses in a fair and equitable manner, meeting social responsibilities as a direct and indirect employer and respect human rights of all stakeholder. We strictly prohibit the use of child and forced labour – either directly or through contract vendors.

Our business ethics and Code of Conduct provide guidelines on upholding fundamental rights.

SLAVERY AND HUMAN TRAFFICKING

At Hindustan Zinc, we are committed to tackling modern day slavery in our business and supply chain, consistent with the disclosure obligations under the UK Modern Slavery Act 2015. We expect the same high standards from all our contractors, suppliers and other business partners. We are committed to prohibiting the use of forced, compulsory or trafficked labour or anyone held in slavery or servitude. We conduct regular trainings to enhance awareness on the issues among our employees.

SECURITY PRACTICES AND TRAINING TO SECURITY PERSONNEL

We provide regular training to our security staff on our Code of Conduct and human rights policy. Our security personnel are not typically armed, and we have not experienced any significant human rights abuses involving them. None of our operational procedures violate the human rights of any individual.

100%

of our new hires received code of conduct and human rights training

93%

of our security personnel underwent human rights training

PROTECTING WORKER RIGHTS

The right to freedom of association is endorsed at all our operations. The collective bargaining agreements are formed, based on transparent and fair discussions between the management and union representatives. Remuneration, allowances, working conditions, incentives and bonuses, manpower productivity, health and safety, are part of the arrangement. 100% of our non-executives are covered by collective bargaining agreements.



Diversity and Equal Opportunity

Team Hindustan Zinc comprises a diverse mix of talented people belonging to different regions and possessing distinct skill sets. We also have a strong representation of women across different roles and designation levels. We aim to improve gender diversity at Hindustan Zinc, which currently stands at 14.39% in executives. Our workforce is young and dynamic, with the average age of executives at 31.47 years and that of executives and workmen combined at 38.95 years. We firmly believe our diverse workforce plays an important role in our success.

Total Full Time Employees

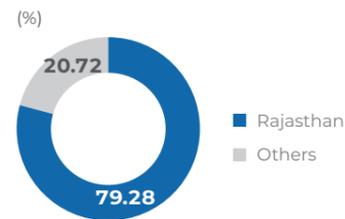


	Executives	Non-Executives
Rajasthan	1,383	1,383
Others	1,335	97

Total Full Time Employees



Contract Workmen (%)



Total Contract Workmen



Women Executive in Workforce (%)

Representation in total workforce	14.39
Joining at entry levels	23
In junior management positions	19.20
In top management positions	6.33
In management positions in revenue generating functions	10.36 in O&M 29.73 in enabling functions

WOMEN'S COUNCIL - EMPOWERING WOMEN

To engage, collaborate, unleash potential and develop future leaders among women employees, Women Councils have been formed at each SBU, comprising of women across functions; each member being coached by SBU ExCo (Executive Committee) member. The Women Councils are driving various initiatives like self-defence training, hygiene and sanitation, safety among workers and knowledge sharing at their respective locations.

We have appointed a dedicated diversity and inclusion head to promote equal opportunity and well-being of our employees.



Learning and Development

At Hindustan Zinc, we have developed a full suite of learning and development programmes to enhance capabilities and skills of our people across locations and roles. These programmes are designed following a structured process of skill assessment and training need identification, to effectively upskill as well as bridge any identified skill gaps.

1,64,840*

Total Training manhours (FTE)

60.65 HOURS*

Average hours per Full Time Equivalent (FTE) of training and development

₹6.8 CRORE*

Total expenditure on training

₹30,000*

Average amount spent per FTE on training and development

76%*

Open positions filled by internal candidates

*As on March 31, 2020

We have completely digitised our Learning Management system (LMS) to ensure seamless access to training modules. The employees can register for courses, attempt pre- and post-test, and provide feedback on the trainings conducted on the LMS platform. The training passport feature allows employees to have a consolidated view of the trainings they have attended.

Return on Employee Development Investment*

₹66.96 LAKH

Total expenditure on six sigma training to employees

₹424 LAKH

Total cost savings made through six sigma projects

*During FY 2019-20

In FY 2019-20, we tied up with an external agency to provide Six Sigma training to our employees. The current batch of GETs were trained on Six Sigma during induction and the earlier batches are undergoing training in a phased manner. Project mentors and managers are also being trained, so that they can guide their mentees on how to complete projects using Six Sigma. The trained employees have taken up various projects under the guidance of their mentors and have achieved cost reduction.





OTHER KEY TRAINING PROGRAMMES IN FY 2019-20

Training Programme	Brief of the Programme	Employees Benefitted
LEAD	In line with our belief of creating leaders from within, the LEAD programme was launched targeting mid and senior managers. It is an integrated six-month programme with group coaching, development discovery labs and one-on-one sessions with certified coaches.	45 leaders
Managerial effectiveness workshops	This programme is aimed at building managerial capability of first-time managers, in association with a leading leadership training consultancy. It consists of a structured and high impact learning intervention with several assessment tools.	30 leaders
V-build	A theme based monthly workshop to identify and promote young individuals to lead high-impact growth projects as project managers.	35 leaders
Work Integrated Learning Programme	We partnered BITS Pilani and IIM-Udaipur to enable our executives to participate in specific programmes aimed at upskilling for the future.	37 leaders
Art of Living session	To ensure both physical and mental wellbeing of our employees, their families as well as our business partners, a structured four-day 'Art of Living' session was conducted across locations.	800+

EXECUTIVE COACHING PROGRAMME

In FY 2019-20, the executive coaching programme for our senior leadership was launched to equip them with greater self-awareness as individuals and as leaders, create their own development plans, focus on their areas of improvement, identify and bridge competency gaps, and help build business sustainability by ensuring effectiveness of the executive committee. Currently, 19 of our leaders are undergoing this programme, which includes psychometric assessments, 360-degree feedback for assessment and periodic personalised one-on-one coaching with external coach for six to twelve months.

We partnered with an external management consultancy to conduct a job evaluation exercise across the organisation, followed by an assessment of our senior leaders with the purpose of identifying and bridging their skill gaps and strengthening the leadership pipeline.

HZL believes in nurturing its talent by identifying High Potential Individuals and building a healthy talent pool in the organization. Our ACT UP program has successfully identified and fast-track the careers of many employees. It is designed to comprehensively assess employees' technical and behavioural competencies through a rigorous assessment process. During FY 2019-20, 170 employees participated for the ACT UP - one day assessment. 31 Technical and Business employees were identified as 'Stars' - best performers

Local Employment

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

We provide direct and indirect employment to 4,198 full time employees and 14,954 contract labourers.

27.62%

New hires in FY 2019-20 were local youth

NEW EMPLOYEE HIRES DURING THE YEAR

Age range	20-30 years		31-50 years		51-58 years		Above 58	
	Local	Non-local	Local	Non-local	Local	Non-local	Local	Non-local
Men	97	307	7	25	2	3	0	2
Women	52	75	0	2	0	0	0	0

34.94%

Senior management across operations are local

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

BUILDING AN ENGAGING WORK CULTURE

We strive to create a vibrant workplace at Hindustan Zinc. Our senior management engages with employees on various forums like CEO connect, townhalls, SBU Director connects, as well as informal Connects. Being an ardent promoter of meritocracy, we have designed our performance system with the objective of turning our vision into reality.

Employee Engagement Survey

We are steadily improving our employee engagement scores by introducing innovative, employee-centric practices. We partnered Gallup and Great Place to Work (GPTW) to conduct an employee engagement survey in FY 2019-20. The objective was to gauge the employee pulse and identify the factors that drive them to perform at their best and the ones that hinder. The Gallup survey covered all our executives, recording 81% participation. The GPTW survey was conducted for a small group consisting of both executives and non-executives. We were certified as a 'Great Place to Work' for our HR processes and practices. In the Gallup survey, we scored high on employee recognition, setting clear expectations and contribution to CSR. Based on the survey results, we have devised strategies to work on our areas of improvement, which will have a direct positive impact on productivity and employee turnover.



Community

Nurturing Community Aspirations



HIGH PRIORITY MATERIAL ISSUES

- COMMUNITY ENGAGEMENT AND DEVELOPMENT INITIATIVES

VISION

Enhance the quality of life and economic well-being of communities.

SUSTAINABILITY GOALS 2025

POSITIVELY IMPACT 1 MILLION LIVES

Through social, economic and environmental outcomes

SDGs ASSOCIATED



APPROACH TO MANAGEMENT

The broad vision of our CSR policy, 'to enhance the quality of life and economic well-being of the communities around our operations', is drawn from the management belief that 'our license to operate comes, not only from the government, but also from the communities surrounding our operations, and particularly from the people of Rajasthan'.

Key Highlights

- Our CSR spend was ₹131.65 Crore, an increase of nearly 1.11% over last year
- We touched the lives of 5,00,000 people through our CSR interventions
- Total grievances received 90 and closed stood at 61.
- Our CSR initiatives are rooted in 189 villages near our operations including 184 in Rajasthan and five in Uttarakhand; The projects address issues of national importance and the SDGs, and are carried out in close partnerships with the government, local communities and credible NGOs.



CSR FOCUS AREAS

- Education**
Enhance the quality of education accessible to children and youth
- Sustainable Livelihoods**
Help families reach financial security and stability
- Women Empowerment**
Empower rural women and helping them achieve economic independence
- Health, Water and Sanitation**
Ensure easy access to quality healthcare and clean drinking water
- Sports and Culture**
Support young sport enthusiasts in achieving excellence
- Environment and Safety**
Undertake several initiatives to enhance environment and safety within our communities
- Community Asset Creation**
Support creation of appropriate common property resources in villages

CSR GOVERNANCE AT HINDUSTAN ZINC

Transparency and accountability are the core of governance achieved through strong systems/processes and multi-tiered reviews to ensure quality and impact. Our community initiatives are spearheaded by the CSR Board Committee, which provides strategic directions towards fulfilling social commitment. ExCo and IMC plays an instrumental role in transforming the Board's vision into actions. In FY 2019-20, the Board met on April 25, 2019 and January 30, 2020.

Key responsibilities of various committees

CSR Board	Meets twice a year
Sub-Committee	<ul style="list-style-type: none"> Approves annual plan/budget Ensures that CSR activities are being undertaken as per Board policy Reviews progress of projects
Executive Committee (Ex-Co)	<ul style="list-style-type: none"> Approves annual CSR plans/budget Reviews progress of programmes once every quarter
Implementation Monitoring Committee	<ul style="list-style-type: none"> Meets monthly Approves specific projects, partnerships and budget Reviews audit reports and their compliance Reviews CSR programme processes and outcomes





Our dedicated CSR professionals are responsible for designing and implementing programmes by adhering to the Monitoring, Evaluation, Accountability and Learning (MEAL) system.

All flagship CSR projects are long term and defined with clear measurable indicators and impact parameters. Project Advisory Committees consisting of esteemed external experts on relevant subject matter provide guidance and solutions to ensure effective implementation of projects. Flagship projects also have Project Steering Committees (PSC) that meet monthly/bi-monthly. The PSC comprises implementation partners and CSR team members, and is responsible for ensuring implementation as per plan, efficacy of interventions and keeping alive innovation, cross-learning and competitiveness.

Due diligence, accountability and transparency around the execution of all CSR projects are constantly ensured through dedicated concurrent internal CSR auditor, who audits expenditures and programmes on a quarterly basis. In addition, audits like Vedanta Sustainability Assurance Programme (VSAP) and Management Assurance System (MAS) are carried out by independent auditors.

VEDANTA SUSTAINABILITY ASSURANCE PROGRAMME

This is an annual audit of sustainability practices and processes, which is conducted across Vedanta. The audit covers a review of CSR practices within the Social Sustainability and Stakeholders Engagement module.

MANAGEMENT ASSURANCE SYSTEM AUDIT

This is an independent process audit conducted annually and it highlights any discrepancy in processes vis-à-vis laid down policies, commitments and laws.

CSR INTERNAL AUDITS

We have also appointed dedicated internal auditors, who carry out quarterly audits of our CSR projects. These cover both financial and physical audits of activities carried out on the ground.

In addition, we commission a comprehensive baseline and impact study by a third party, at all our locations, once every three years.

KEY INITIATIVES DURING THE YEAR



Education



Khushi Anganwadi Programme

This programme focuses on proactively supporting the government's Integrated Child Development Services (ICDS) system by improving the functioning of Anganwadis and helping them provide early childhood care interventions at the centres.

Over the past five years, the project has covered 3,117 Anganwadi Centres (AWCs). During FY 2019-20, the project directly reached out to



58,000

Children



30,000

Mothers



5,000+

Anganwadi staff

Shiksha Sambal

The objective of this project is to provide quality teaching of Science, English & Math (SEM) subjects to students of 9th to 12th standard of government schools. Through this project, we place additional teachers into schools and develop a strong conceptual foundation among students using innovative learning techniques and activities such as group learning, worksheets, learning camps, science fairs and more.

- The project has reached out to more than 7,300 students across 64 government schools
- Total schools having pass percentage above 91% has increased from 24% schools to 43% schools during 2016-2019 period for class 10 board exams
- Total schools having 100% passing rate increased from 22% to 90% schools during 2017-2019 period for class 12 Science stream board exams

SHIKSHA SAMBAL

Kavita Prajapat, a 10th standard student belonging to a potter family at Kayad, transformed from being an indifferent student to an avid learner. Kavita comes from an extremely poor family. She did not take much interest in studies and started making pots to earn livelihood for her family. Through the Shiksha Sambal programme, visits were made to Kavita's house to encourage her to resume studies and convince her parents for the same. After continuous persuasion, she attended the summer camp. This helped boost her confidence level, post which she also attended the winter camp and gradually started being a regular at school. She also joined extra classes of Shiksha Sambal Programme (SSP). Kavita and her parents are now very confident of her future.

Impact

- Improvement in attendance at AWCs from 43% (2016) to 63% (2020)
- Organised 1,393 Community Based Management of Acute Malnutrition (CMAM) camps for treatment of malnourished children; 1,571 of the 2,012 (78%) children identified as Severely Acute Malnourished (SAM) moved out of the SAM category

Nandghar

This is about re-imagining the AWCs into state-of-the-art centres to provide a child with a nurturing learning environment and amenities like safe drinking water, uninterrupted solar power supply, digital learning aids, among others.

We have transformed 314 AWCs (out of 3,117) into Nandghars, over the last three years.



Unchi Udaan

This is one of our most ambitious projects in the field of education. It is built on the foundation of Shiksha Sambal and seeks to provide opportunity for high-performing students in these schools to join leading engineering institutes across the country. Under this project, we provide coaching support to select group of students. During FY 2019-20, we conducted three new batches for students belonging to 9th to 11th standard. It benefited 123 students during FY 2018-19. Our aim is to put one batch through the JEE exams every year.

Impact

Out of the 24 students from the first batch who wrote JEE last year, three students secured admissions in IITs and one in NIT

Jeevan Tarang

The programme has completed three years and has reached out to over 700 Persons with Disabilities (PwDs). Out of 700, ~600 hearing impaired students have been educated on Indian Sign Language through a disciplined curriculum and 100 visually impaired students in technology. The programme focuses on empowering PwDs to become contributing members of their families.

Impact

- Improvement in teacher student classroom communication and interaction
- Active usage of sign language by teachers classrooms made education accessible
- Sensitisation session with parents of those with impaired hearing – awareness on career prospects, gender equality and issue of child marriage
- Intensive awareness on women's health on menstrual hygiene and sexual violence, girl students share and seek support from family members for better health



Sustainable Livelihoods



Samadhan

This is our flagship programme for on-farm sustainable livelihood, under which we form several farmer interest groups based on the type of land they hold, the farm activity they undertake and so on. The objective is to enhance the groups' access to market and provide them with better product pricing. We undertake comprehensive initiatives to support farmers. Some of the initiatives undertaken during the year included improving soil health, quality of agriculture seeds and horticulture plants, improving breeds of animals like goats, buffaloes and cows, besides improving farming practices and technology. During FY 2019-20, this project was featured in the publication of Federation of Indian Chambers of Commerce & Industry (FICC) CSR Centre for Excellence for the best CSR projects on the enterprise development model.

Impact

- The project reaches out to **13,835 farmers through agricultural interventions and 11,507 families through livestock interventions till date.**
- An increase of **17% observed in crop cutting of wheat production on 253 plots of treatment. Average production was ~8.6 quintals per bigha**
- Inflow of **₹61 Lakh from production of 285 orchards**
- Conducted **4,975 artificial inseminations from conventional semen, of which 492 female calves were born**



Skill Development Projects

Train local youth for appropriate job-related skills based on their aptitude and education to improve their employability. Mining Academy, Skill & Entrepreneurship development centres, ITI training at Maruti Suzuki, National Employability Enhancement Mission and BPO Training are some of the key projects running currently.

Impact

Trained 1,083 youths (104 under training) in 10 different trades, out of which 887 youth received placement



Women Empowerment



Sakhi

This is our flagship project and is geared towards mobilising rural women into Self-Help Groups (SHGs) to develop their capacities around leadership, skill development, savings and entrepreneurship.

Impact

We have six federations, 189 village organisations and 2,161 SHGs comprising ~26,560 women with cumulative savings of ₹9.35 Crore and cumulative loans of ₹26.9 Crore (as on March 31, 2020)

In order to provide sustainable livelihood opportunities to the women in these SHGs, we have established micro-enterprises of spices, pulses and pickles in Chanderiya, Agucha, and Kayad locations, engaging 200+ women. Several trainings and capability building programmes are conducted for imparting leadership skills to over 500 women. Now these women are working as community cadres. We are involved in driving awareness regarding various government schemes among women within our communities.

Impact

4,549 women have been linked with the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), 3,123 women have received job cards under MNREGA and 1,870 Women have benefited with Ujjwala Yojana (as on March 31, 2020)



Health, Water and Sanitation



Health

With the objective of bringing quality healthcare services to the doorsteps of the needy and promote healthcare awareness, we run four Mobile Health Vans (MHVs) covering 110 villages at four of our locations in Rajasthan and Uttarakhand. These vans provide facilities such as OPD, special health camps, awareness sessions through Information, Education, and Communication (IEC) activities and lab tests.

Impact

We provided 1,916 OPD sessions to 84,851 patients.

The six company-run hospitals treated over 10,72,500 external patients during FY 2019-20.

Over 22,000 patients were treated at a homeopathic camp supported by us at Gulabpura near Rampura Agucha mine during the year under review.

Water

During the year under review, we continued our interventions in the water space with an objective to provide clean, safe and affordable drinking water to the community through the hub and spoke model of community RO plants. The hub, which is the mother RO plant, can produce 1,000 LPH of drinking water. Spokes are water dispensing ATMs with storage tanks and a vehicle to fetch water from the hub. The project operates on a variable gap funding model where the beneficiary is charged a nominal amount for the water dispensed, and the revenue thus generated is used to meet operations and maintenance costs of the RO plant.

Impact

During FY 2019-20, we installed three plants and six standalone ATMs at nine villages, benefiting over 2,500 people across 18 villages.





Sports and Culture



Sports

Zinc Football (ZF) is our flagship project in sports and is aimed at promoting emerging talent in football across our communities. It comprises ZF Schools (Football for All), ZF Academy (Football for Excellence) and ZF Youth Tournament (Football for Talent Hunt) to identify, groom and promote budding football sportspersons across different stages. We have 12 community football schools, where 350+ boys and girls receive football training by certified coaches. The ZF Academy provides residential courses with world-class facilities at Zawar and is the country's first-ever 'technology-hinged football training' centre. The academy is currently training 40 children, where they are coached using innovative training programmes with equal emphasis on learning and playing. During FY 2019-20, we introduced ZF Youth Tournament to provide equal opportunity to 5,000+ boys and girls up to the age of 15 years, through the largest state-level tournament. This will serve as a formal platform for children to be inducted in to the ZF Academy and to promote football culture in the state. The phase 1 of ZF Youth Tournament ended in five zones of Rajasthan, with a participation of 1,400+ boys and girls.

Impact

- **Indian Football Team Captain Mr. Sunil Chhetri visited ZF Academy in July 2019, and heaped praise on the initiative**
- **ZF Academy players represented DAV HZL school in the International Subroto Cup at New Delhi**
- **Three players from ZF Academy were selected in Rajasthan state team for the B. C. Roy Trophy**
- **Mohd. Adnan, our Residential Academy (RA) player, was selected amongst top 25 players in the International Subroto Cup**

This year, Zinc Football has set up its Advisory Committee to provide valuable insights and value additions to the academy. It appointed Mr. Shaji Prabhakaran, Ms. Oinam Bemben Devi and Mr. Renedy Singh as advisors of the initiative.



FULFILLING DREAMS THROUGH THE ZF ACADEMY

13-year-old Sandeep Marandi, born in the Godda district of Jharkhand, has been dreaming of representing India at the FIFA World Cup since his childhood.

At the age of 6, Sandeep left his parents to pursue further studies at a missionary school in Kota. His football dreams started taking shape about a year ago at the Rajasthan Under-14 State Championship Final match held in the Bundi district, where he represented his school from Kota and gave a brilliant performance that got noticed by the Zinc Football scouting team.

Today, the defender has blossomed to be one of our most promising players at the ZF Academy and that has enabled him to wear the Captain's armband for the team.

We have 12 community centres training over 350 boys and girls from nearby villages known as Zinc Football Schools. Although discouraged by their parents earlier, girls are now participating in the game with high enthusiasm and giving strong competition to the boys.

Nine-year-old Bindu Meena, from Zawar Zinc Football School says, "I love running with the ball, but every time someone takes it away from me. I come here to have fun with my friends and Monika Ma'am (her coach)."

A little older than her, Kanchan Meena happily added, "My father now asks me about the things I learn in the training sessions as soon as I reach home. Chandrakala Ma'am (her coach) has made us run with the ball, make passes and then shoot."



Community Asset Creation



Culture

At Hindustan Zinc, we continue to support cultural events and protect heritage to make them accessible for all. We supported a three-day World Music Festival in Udaipur which was attended by 150 artists from 15 different countries and over 42,000 spectators. The Company continues to support the Smritiyaan and Maharana Kumbha Sangeet Samaroh.

We are the CSR partner for Ajmer Dargah, under Government of India's Swachh Iconic Places initiative as part of the Swachh Bharat Mission. The purpose of this initiative is to make the Dargah a cleaner place. During the year under review, cleaning and revitalisation of Jhalra (an ancient water body inside dargah premises that caters basic needs of pilgrims) was completed. This has led a rise in water level up to 28 feet. rolled out by Prime Minister of India.



Environment and Safety



In 2014, Hindustan Zinc set up Udaipur's first Sewage Treatment Plant (STP) with a capacity of 20 MLD, with the twin objective of preventing untreated sewage from entering the city's lakes and to reduce the freshwater consumed for industrial purposes. In June 2017, the plant's success led to an agreement to build a second STP project to increase the capacity by another 40 MLD. The development was greeted with widespread local approval and 25 MLD of this extra capacity was commissioned in 2019. Two further decentralised STPs, with a combined capacity of 15 MLD, are under commissioning.

Employee Engagement

We have been motivating employees to devote their time under various initiatives. During FY 2019-20, we engaged 1,600+ employees in volunteering for various projects including Shiksha Sambal's winter camp, V-Smile and V-Care. We organised a friendly football match between our employees and Zinc Football Academy players at the academy ground.

PERFORMANCE METRICS DURING FY 2019-20

Total Contribution

₹1.24 LAKH

Cash & kind contribution by employees

3,292.5 HOURS

Employee volunteering during paid work days

₹131.65 CRORE

CSR spends

Responsible Supply Chain

Enhancing Sustainability Across our Ecosystem



HIGH-PRIORITY MATERIAL ISSUES

- COMPLIANCE TO GOVERNMENT REGULATIONS
- HUMAN RIGHTS
- ETHICS AND INTEGRITY

MEDIUM-PRIORITY MATERIAL ISSUES

- SUPPLY CHAIN SUSTAINABILITY
- LOCAL SOURCING

VISION

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

SUSTAINABILITY GOALS 2025



IMPLEMENT 100%

Responsible sourcing in supply chain

SDGs ASSOCIATED



APPROACH

- Our approach to supply chain management is collaborative and provides opportunities for digitalisation, innovation, cooperation and mutual growth
- We upskill and empower our suppliers to share responsibility for integrating sustainability and human rights by building their own management systems and internal controls
- We exchange ideas, insights for deeper engagement, knowledge acquisition and intellectual development

STRATEGIC PRIORITIES

- Identify supply chain risk by assessing performance when selecting suppliers and contractors
- Monitoring of all suppliers
- Suppliers' and contractors' conduct business in alignment with our Supplier Code of Conduct
- Digitisation in supply chain

Key Performance Highlights of FY 2019-20

- **Share of local procurement is 51% of total procurement spent**
- **Local suppliers formed 34% of the total suppliers**
- **Assessed 668 Tier-1 suppliers (57% of total) by external agencies**
- **Migrated most of our processes for supply chain to web-based solutions**
- **Inaugurated industry's best-in-class logistics operations control tower under the project named, 'Sarathi' for real-time tracking of materials transported**
- **Organised 'Confluence', a business value-creation workshop with critical suppliers; attended by 59 suppliers**

Taking Partners Along

Our large and expanding landscape of operations comprise a plethora of activities. It starts from raw material procurement, production, distribution to final delivery to customers. An array of physical transactions and processes are integral to our operating universe. Efficiency is the watchword in this context, where each member of our team, along with our suppliers collaborate and contribute to achieve better outcomes. Strengthening collaboration with our suppliers provides us opportunities for innovation, influencing sustainability performance, co-operation and economic development.

We screen our potential vendors based on stringent selection criteria; and expect them to imbibe and adhere to relevant regulations laid down in our suppliers' code of conduct.

It predominantly covers Environment Protection, Minimum Wages, Child Labour, Anti-Bribery, Anti-Corruption, Health and Safety.

Suppliers' Code of Conduct

This code embodies our commitment to internationally recognised standards, including the core conventions of the International Labour Organization, United Nations' Universal Declaration of Human Rights and prevalent industry standards.

We ensure that our suppliers integrate our Code of Conduct into their supply chain; and also make their agents, sub-contractors and suppliers aware of this code, and its implications, so that they also adopt the code. The objective is to craft a holistic and sustainable procurement process that benefits all business partners and stakeholders.

ASSESSMENT OF SUPPLIERS

1,163
Total Tier-1 suppliers

57.4%
Tier-1 suppliers were assessed in last 2 years

130
New suppliers were screened for ESG criteria in FY 2019-20

140
Total critical Tier-1 suppliers, which constitute 60% of procurement spent

4%
Tier-1 suppliers classified as high risk

400
Local suppliers (Rajasthan based) are part of Tier-1 suppliers and constitute 51% of procurement spent





Key Performance Indicators	Action Plan	Performance
Productivity	<ul style="list-style-type: none"> Driving supplier co-innovation to improve Total Cost of Ownership (TCO) and technological investments 	<ul style="list-style-type: none"> Implemented (Commerce Automation) Reduced turnaround time Eliminated manual intervention for suppliers
Sustainability	<ul style="list-style-type: none"> Upgrading skills of Hindustan Zinc's supervisor team as well as business partners from Lisheen Technical and Mining Services (LTMS) Evaluating vendors on sustainability criteria 	<ul style="list-style-type: none"> Implemented revised pre-qualification criteria for evaluation of business partners on sustainability efforts
Environment-friendly Innovation And Automation In Product Supplies	<ul style="list-style-type: none"> Setting up automatic lubricant filling system in Sindesar Khurd mine to reduce pilferage of oils due to multiple handling Reducing use of plastic containers 	<ul style="list-style-type: none"> Completed the project of automating lubricant filling system in Sindesar Khurd mine
Encouraging Tier-2 and Tier-3 vendors to adopt sustainable processes	<ul style="list-style-type: none"> Ensuring consistent safety practices and zero discharge at our critical commodity vendors and single vendor/proprietary vendors 	<ul style="list-style-type: none"> 668 key vendors went through a due diligence exercise conducted by an external agency. Findings of the above due diligence are under implementation
Collaborations for achieving enhanced production targets and improving bottom line of the organisation	<ul style="list-style-type: none"> Engaging with our business partners through a structured framework Ensuring timely redressal of vendor/supplier grievances 	<ul style="list-style-type: none"> Prepared monthly engagement plan for business partners and senior leadership across sites Compliance to the above is monitored regularly

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

- Supplier identification and selection
- Supplier audits and review
- Supplier engagements
- Innovation and technology building supply chain efficiency

SUPPLIER ASSESSMENT STRATEGY

Supplier identification and qualification are the first two steps in the supplier management process. Our new supplier selection criteria are based on our sourcing strategy that includes:

Pre-Qualification (PQ) Form

We undertake pre-qualification of all potential business partners through obtaining and monitoring evidence to ensure that a potential partner meets or exceeds our standards, as a pre-condition to be engaged for the supply of products and services to Hindustan Zinc.

Only suppliers with a minimum score of 75% are inducted. Key qualifiers include, quality standards, environmental performance, social performance, health and safety performance, among others.

Formalised Process of Vendor Onboarding

This process involves categorisation of suppliers based on the supplies. As part of our initiatives towards greening of our supply chain, we ensure stringent vigilance on the implementation of the management standards and advise our suppliers to avoid non-conformance.

Field Visits

Employees of safety, commercial and user departments frequently visit the works and offices of major vendors associated with us.

They inspect contractors' premises for safety, housekeeping, monitoring employment of child labour and other aspects.

Performance Linkage with Contract

Monthly payments are also linked with performance and safety score for partners having long-term agreements. Key personnel from business partners are part of our safety committees at sites to create a sense of ownership among them.

SUPPLIER IDENTIFICATION AND SELECTION

Criteria for Critical Suppliers

- Critical component suppliers
- Strategic business partners
- Non-substitutable/Proprietary suppliers
- Others including mining and Operation and Maintenance (O&M) service providers, OEM vendors

A formalised process in place to identify potential sustainability risks in the supply chain

Prominent factors of supplier sustainability risk management include:

- Undertaking thorough vendor mapping for suppliers, contractors, OEM vendors, manufacturers, dealers /distributors, and so on
- Involving strategic suppliers in our organisation's strategy around innovation and growth outlook
- Organising structured monthly meetings of all critical business partners with our senior leadership team
- Conducting annual supplier meets/workshops to strengthen our engagement levels
- Recognising deserving members of the contractor workforce by giving merit certificates and proper training, among others



SUPPLIER AUDITS AND REVIEW

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

Due diligence

The pre-qualification of all potential business partners is done through, obtaining and monitoring evidence, that a potential partner meets or exceeds our standards, as a pre-condition to be engaged for supply of products and services to Hindustan Zinc. This approach screens out the suppliers who are unable or unwilling to meet the requirements of our standards. We carry out this activity in partnership with D&B and DHS, where each vendor is periodically scored on a comprehensive set of fixed parameters like ISO/OSHAS certification, Modern Slavery Act requirements, Environmental aspects and General Supply Chain Management, among others.

A letter/notice seeking clarification and mitigation plan is sent across to such vendors, who fail to meet or sustain the minimum criteria. Further, if these partners are unable to satisfy compliance to the conditions laid down in the standards, they will not be engaged till the compliance is met.

SUPPLIER ENGAGEMENT

Apart from audit, review and corrective actions, we engage with our suppliers on a continual basis, as we believe collaborations bring out the best results and help in mutual prosperity and growth. There is also a structured vendor engagement plan in place across all levels.

Through our focus on responsible supply chain management, we aim to minimise, if not eliminate, any potential impacts on stakeholders and environment. We plan to further reduce our limited dependence on imports, by strategically partnering with qualified indigenous vendors or by nurturing and developing the potential local vendors, wherever possible.



Confluence

At Hindustan Zinc, we focus on pushing the bar higher on business excellence by undertaking the following:

- Ensuring highest level of safety standards and zero tolerance for unsafe acts and behaviour
- Achieving operational excellence and cost leadership through continuous benchmarking, innovation, asset optimisation, use of cutting-edge technology and automation in the entire value chain
- Establishing the right people in the right positions

In sync with these principles, we organised 'Confluence', a business value creation workshop on December 23, 2019. The event had several joint exercises and brainstorming sessions for identifying potential areas of improvement in operational excellence and formulating a combined business action plan. This workshop was attended by 59 business partners of Hindustan Zinc.

The objective of the workshop was to:

- Communicate Hindustan Zinc's vision and growth plans to our business partners
- Re-emphasise the importance of adherence to our safety standards and zero tolerance to unsafe acts and behaviour
- Co-create areas of operational excellence and costs for achieving our targeted volumes and cost of procurement

SUPPLIER TRAINING

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

Digitalisation is another focus area for us in the realm of supply chain management. The relevant initiatives undertaken comprise realigning our monthly spend, basis the data generated by the SAP platform. We have also introduced smart touch-less purchase order for annual rate contract. Another encouraging step that we have undertaken is the launch of Commerce Automation to improve Total Cost of Ownership (TCO) and technological investments. These initiatives have long-term positive impact on our cost-rationalisation strategies.

LME Responsible Sourcing Guidelines

London Metal Exchange (LME) rolled out responsible sourcing guidelines for brands listed with the exchange. Under these requirements, Hindustan Zinc would be required to complete annual risk assessments of its supply chain and file these with the LME. As a first step, we are participating in International Zinc Association's (IZA's) efforts on preparing Base Metal Standard to meet the LME requirement. We expect this work to be advanced in 2020. No incidents concerning environmental, social and governance impacted our supply chain during the year.



Our reporting suite FY 2019-20

- Annual Report (Integrated)
- GRI indicators reported in Integrated Annual Report 2019-20
 - Organizational Profile (102-7 Page 8-9), (102-11 Page 44-49)
 - Strategy (102-14 Page 12-15)
 - Ethics and Integrity (102-16 Page 84-85)
 - Governance (102-18 Page 86-89)
 - Stakeholder Engagement (102-40 to 102-44 Page 28-31)
 - Reporting Practice (102-45, 102-46 Page 2, 102-47 Page 32-35)
 - Employment (401-2 Page 170-171)
 - Diversity & Equal Opportunity (405-1 Page 35, 80, 114-115)
 - Non Discrimination (406-1 Page 141)
- CDP Water Security Response
- CDP Climate Change Response
- UNGC – Communication of Progress
- Hindustan Zinc website
 - Key Performance Indicator 2019-20 <https://www.hzlindia.com/sustainability-management/doc/Sustainability%20Key%20Indicators%202019-20.xlsx>
 - GRI, UNGC, FIMI mapping <https://www.hzlindia.com/sustainability-management/pdf/GRI%20Mapping.pdf>





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