



HZL/2024-25/SECY/108

September 30, 2024

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Kind Attn: General Manager – Department
of Corporate Services

Scrip Code: 500188

Dear Sir/Madam,

Sub: Sustainability Report 2023-24

Please find enclosed herewith the Sustainability Report of the Company for the financial year 2023-24.

This is for your information and records.

Thanking You.

Yours faithfully,
For Hindustan Zinc Limited

Harsha Kedia
Company Secretary & Compliance Officer

Encl: as above



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CIN: L27204RJ1966PLC001208

FORGING AHEAD



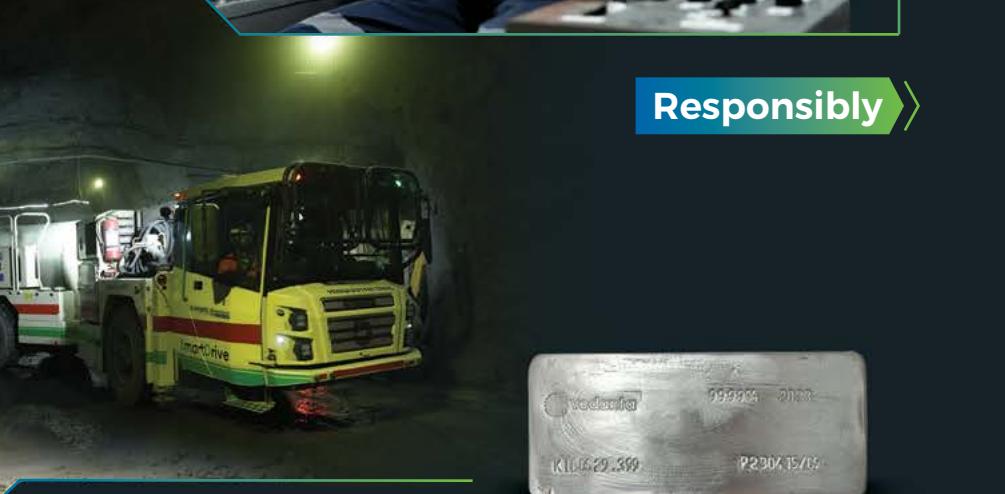
Sustainably ➞



Innovatively ➞



Responsibly ➞



About the Report

(GRI 2-1, 2-2, 2-3, 2-4, 2-5)

Hindustan Zinc Limited (HZL), India's largest and only integrated producer of zinc, lead, and silver, holds a prominent position globally as the second-largest integrated zinc producer and third-largest silver producer. Since FY 2015-16, the Company has consistently published its Sustainable Development Report. This year marks the release of its 9th Sustainability Report, which offers comprehensive disclosures on Sustainability strategy, governance, and prospects. The FY 2023-24 Sustainability Report, Forging Ahead: Sustainably. Innovatively. Responsibly, is a first-of-its-kind dedicated sustainability report in line with the GRI Mining Sector Standards, provides an in-depth look at Hindustan Zinc's ESG performance, detailing policies, management systems, and overall business operations. This report should be read alongside the Integrated Annual Report for a holistic view of the Company's key non-financial aspects.

APPROACH TO REPORTING

At Hindustan Zinc Limited, we adopt an integrated reporting approach that encompasses both financial and non-financial dimensions, ensuring a transparent and comprehensive view of our operations, strategies, and performance. Our commitment to sustainability is highlighted in our Sustainability Report, which detail our ESG initiatives and performance. By aligning these reports with our Integrated Annual Report, we provide stakeholders with a holistic understanding of our business practices and their broader impact.

PURPOSE

Our reporting serves to enhance transparency, accountability, and sustainability, offering a clear communication of our financial performance, strategic vision, and non-financial impacts to stakeholders. This practice underscores our dedication to responsible business operations, highlights areas for improvement, and builds trust while fostering ongoing dialogue with our stakeholders. Through comprehensive reporting, we aim to demonstrate our commitment to ethical practices and sustainable growth.

CONTENT ORIENTATION

The Sustainability Report addresses the most significant environmental, social and governance (ESG) impacts for a metal and mining industry. The content orientation of this report ensures that the report is in line with the principles of GRI, prioritises the sector-specific issues (GRI 14) and provides appropriate in-detail information on how the Company manages them.

VEDANTA GROUP'S STAKE IN HZL

Hindustan Zinc is a subsidiary of Vedanta Limited, with a 64.9% stake, while the Government of India holds 29.5%. The Company is publicly listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange (India) Limited.

REPORTING SCOPE AND BOUNDARY

This Report is an annual disclosure, covering the period from April 1, 2023, to March 31, 2024, is prepared in line with the GRI Standards, adhering to principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability.

The report comprises Hindustan Zinc and its entities, considered for the purpose of financial consolidation of the Company and 100% coverage of the revenue of the Company. The disclosures under Sustainability Report are also made on a consolidated basis which covers Hindustan Zinc and its operating sites under operational control, based on the management's assessment of materiality, with following methodology:

The financial numbers used in some of the indicators of the Sustainability Report are extracted from the Integrated Annual Report FY 2023-24. While the financial numbers for certain entities include inter-company consolidation adjustments as per the applicable financial reporting framework (net figures), the non-financial data used in some of the indicators of the Sustainability Report are given without adjustments (gross figures). Further, some of the entities/sites are considered for the purpose of said consolidated financial numbers, which may have been excluded from the Sustainability Reporting Boundary.

This annual publication aims to enhance the comparability and completeness of the information provided, offering material insights into our sustainability performance (Environmental and Social indicators), material risks, and overall governance.

REPORTING FRAMEWORKS AND GUIDELINES

Our reporting emphasises transparency and accountability, adhering to GRI Standards and the GRI 14: Mining Sector Standard. As a signatory to the United Nations Global Compact (UNG), we align our disclosures with its principles, alongside those of the Federation of Indian Mineral Industries (FIMI). Safety indicators are reported in accordance with the ICMM Sustainable Development Framework. This report underscores our commitment to the UN Sustainable Development Goals (SDGs) and highlights initiatives such as the CEO Water Mandate and the UNGC Women Empowerment Principles, reflecting our dedication to global sustainability and empowerment.

RESPONSIBILITY STATEMENT

HZL is dedicated to responsible business practices that prioritise the well-being of our employees, communities, and the environment. We are committed to sustainability, safety, and ethical conduct in all our operations. Through continuous innovation and adherence to the highest standards, we strive to create long-term value for our stakeholders and contribute positively to a sustainable future.

FORWARD-LOOKING STATEMENT

The report includes forward-looking statements based on the Company's current understanding and historical performance. Such statements can be recognised by words like "beliefs", "estimates", "anticipates", "expects", "intends", "may", "will", "plans" and "outlook", as well as other words with similar meanings. These forward-looking statements contain known and unknown risks, uncertainties, and other factors that could affect the results differently from anticipated ones. Though the Company bases its present projections on reasonable assumptions, it makes no guarantees about the accuracy or precision of the forward-looking statements.



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EXTERNAL ASSURANCE

Mazars Advisory LLP has conducted an external assurance of the information presented here through a 'limited assurance engagement,' following the Assurance Standard ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. Their assurance statement, including a "declaration of independence", ensures their impartial assessment of the Company's environmental and social practices and KPIs.

RESTATEMENT OF INFORMATION

We continuously enhance our data collection systems and measurement methodologies, which may occasionally result in restatements of previously reported data. Such restatements will be issued when changes in measurement methodology or corrections to prior data have the potential to influence users' decision-making. Additionally, restatements will be provided in cases of significant adjustments to reporting parameters, such as changes in Scope 3 emissions following SBTi target validation. Where applicable, these restatements will be clearly noted as footnotes in the report.

ADDITIONAL INFORMATION

More information about HZL is available on our [website](#). For details on our financial performance (Page 408-485) and governance structure (page 296-339), please refer to our [Integrated Annual Report 2023-24](#). Our [Sustainability section](#) on our website includes information on our approach (i.e., governance, risk management, strategy and management approach) for the material sustainability issues.

[Climate Action Report](#) and [TNFD report](#) for 2023-24

FEEDBACK

We welcome your feedback regarding our report and performance. Please contact us at

Sustainability.Hzl@vedanta.co.in



HZL at a Glance »»

(GRI 2-1, 2-2, 2-3, 2-4, 2-5)

Founded in 1966 and headquartered in Udaipur, Rajasthan Hindustan Zinc Limited (HZL) is a prominent global player in the mining sector, distinguished as India's sole fully integrated producer of zinc and lead. As a key subsidiary of Vedanta Limited – one of the leading diversified natural resources companies – HZL significantly impacts the global mining landscape. Vedanta Limited holds a 64.9% stake in HZL, while the Government of India retains a 29.5% stake. This strategic ownership structure underpins HZL's influential role in the industry, driving both operational excellence and sustainable development in the mining sector.

With a legacy spanning over five decades, HZL has established itself as a powerhouse in the industry by seamlessly blending a rich historical foundation with cutting-edge innovation. Our operations encompass the entire spectrum of zinc and lead production, from mining and refining to processing and distribution, ensuring a comprehensive and efficient supply chain.

As one of the world's largest producers of zinc and lead, HZL is committed to delivering high-quality essential resources that meet global demands. Our dedication to sustainability is at the core of our operations, driving us to implement environmentally and socioeconomically responsible practices and pursue continuous improvement in our overall sustainability performance. We prioritise sustainable development by integrating advanced technologies and adhering to rigorous standards that minimise our ecological footprint.

Our commitment extends beyond operational excellence to creating long-term value for our stakeholders both external and internal, communities, and the environment. We actively engage with local communities, fostering positive relationships and contributing to their socio-economic development. Our efforts are focussed on generating meaningful impact through responsible business practices, sustainable resource management, and community outreach initiatives.



Our Vision

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



Our Mission

- ▶ Enhance stakeholder value through exploration, innovation, operational excellence, safety and sustainability.
- ▶ Be a globally lowest cost producer.
- ▶ Maintain market leadership and customer delight

Our activities are primarily centred on lead-zinc mines, hydrometallurgical zinc smelters, lead smelters, and pyrometallurgical lead-zinc smelters, strategically located in North-west India.

India's only and the world's

2nd largest integrated producer of Zinc

World's third-largest silver producer

Hindustan Zinc's inclusion in the top 1% follows its highest CSA score of 85 points in the 2023 Corporate Sustainability Assessment of S&P Global, in the metals and mining sector.



HZL JOURNEY & MILESTONES

Milestone Celebrations through 58 Years

| | | | | |
|---|---|---|--|--|
| 1966 Established foundation of Debari Smelter | 1978 ► Vizag Smelter commissioned ► Balaria Mine at Zawar commissioned | 1984 Rajpura Dariba Mine commissioned | 1989 ► Chanderiya Smelter inaugurated ► Rampura Agucha production commenced | 2002 Sterlite Group (now known as Vedanta Ltd.) acquired 26% equity stake in Hindustan Zinc |
| 2012 New silver refinery at Pantnagar with capacity of 500 MT commissioned | 2010 Rajpura Dariba Hydro-III zinc smelter commissioned | 2009 Hindustan Zinc became the 2 nd largest integrated zinc producer in the world | 2007 ► Sindesar Khurd Mine commissioned ► Hydro-II commissioned | 2005 ► Hydro-I commissioned ► Hindustan Zinc became 3 rd largest integrated zinc producer in the world |
| 2016 Hindustan Zinc shared a special dividend of 1,200% with its shareholders – the largest single dividend in India's private sector | 2018 Secured the London Good Delivery (LGD) status with London Bullion Market Association (LBMA) for silver | 2020 Hindustan Zinc became 6 th largest producer of primary silver and the fastest growing silver company in the world | 2022 Hindustan Zinc crosses 1 mn tonne mined metal mark | 2024 ► Emerged as the 3 rd largest silver producer in the world ► Achieved the top ranking in the Metal and Mining Sector according to the S&P Corporate Sustainability Assessment (CSA) |

OUR PRODUCTS AND APPLICATION

Our products contribute in a large measure to all kinds of daily requirements. From mobile phones and renewable energy products to medical equipment and automobiles to infrastructure such as bridges, these metals are the building blocks of society and the economy. It is our constant endeavour to enhance the sustainability quotient of our products and reduce our environmental footprint through innovation and optimisation.



ZINC

Essential for galvanising to protect steel from corrosion in alloys and die-casting

Key Features:



High Purity

Up to 99.99% LME certified pure zinc



Versatility

Galvanised and die-casted in automotive, infrastructure, sunrise sectors, etc.



Benefits

Enhances durability, strength and longevity of materials



Corrosion Resistance

Zinc's corrosion resistance protects steel from rust and extends product life in tough environments

INNOVATIVE SOLUTIONS

Developed customised zinc alloys for improved performance

- Continuous Galvanising Grade Jumbo
- SHG (Special High Grade)
- PW (Prime Western)
- HZDA3 (Hindustan Zinc Die-Casting Alloy 3)
- HZDAS (Hindustan Zinc Die-Casting Alloy 5)
- SHG Jumbo



SILVER

A metal with brilliant white metallic lustre with high ductility and malleability

Key Features:

Sustainability and Environmental Commitment:

Silver at our Pantnagar Plant is made from 100% Renewable electricity



High Purity

Up to 99.9% LBMA certified pure silver



Applications

Silver finds applications in electronics as well as in new-age sectors like AI, nanotechnology, and biotechnology, and it supports the global energy transition



Benefits

The precious metal has varied uses backed by its excellent heat and electrical conductivity levels



LEAD

A versatile metal used in batteries, construction, and radiation protection

Key Features:

Sustainability and Environmental Commitment:

Safe and Eco-Friendly Mining Practices



High Purity

Up to 99.99% LME certified pure lead



Applications

Automotive batteries, pigments, cable sheathing

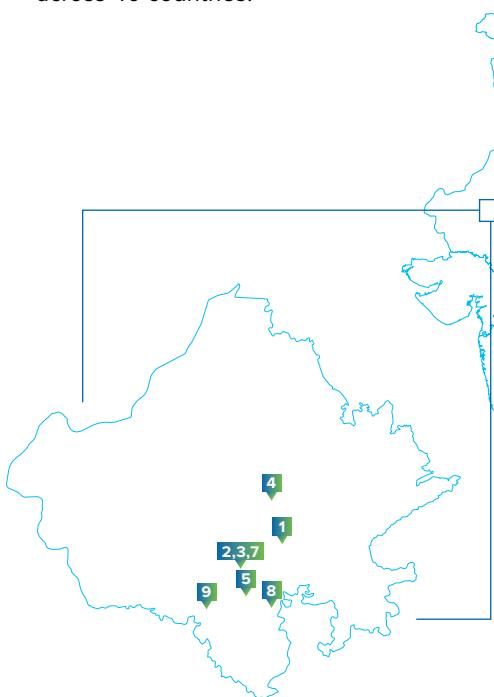


Benefits

Highly ductile, malleable and corrosion-resistant metal and can be used in die-casting applications

OPERATIONAL PORTFOLIO

HZL maintains a strong domestic presence in India, holding a commanding 75% market share in the country's zinc market. Hindustan Zinc Limited's operational portfolio spans multiple strategic sites, including mines and smelting units across Rajasthan and Uttarakhand, India. Key sites like Rampura Agucha, the world's largest zinc mine, Sinesar Khurd, Rajpura Dariba, Zawar and Kayad exemplify cutting-edge mining and sustainability practices. Smelting operations at Chanderiya, Debari, and Dariba contribute to the production of refined zinc, lead, and silver, while also focussing on environmental stewardship. With a strong emphasis on safety, innovation, and efficiency, Hindustan Zinc's operational sites are integral to its leadership in the global zinc industry, driving value creation and sustainable growth. HZL demonstrates a global reach by exporting 23.07% of product turnover, signifying its established international presence in the zinc, lead, and silver industry across 40 countries.



Map not to scale. For illustration purpose only.

| No. | Name of the Site | Geographical Location |
|-----|------------------------------|-----------------------|
| 1 | Rampura Agucha Mine | Rajasthan |
| 2 | Sindesar Khurd Mine | Rajasthan |
| 3 | Rajpura Dariba Mine | Rajasthan |
| 4 | Kayad Mine | Rajasthan |
| 5 | Zawar Mines | Rajasthan |
| 6 | Pantnagar | Uttarakhand |
| 7 | Dariba Smelting Complex | Rajasthan |
| 8 | Chanderiya Lead Zinc Smelter | Rajasthan |
| 9 | Debari Zinc Smelter | Rajasthan |

Key Highlights and Achievements »»

HIGHLIGHTS FY 2023-24



ENVIRONMENT HIGHLIGHTS

Became the first Indian metal and mining company with validated **Science Based Targets**, aiming for net zero by 2050.

Deployment of **10 electric vehicle** (EV) trucks, for inter-unit transportation

Signed MoU for **180 liquified natural gas** (LNG) vehicles for Inter unit and finished good movement, of which **41 LNG vehicles** have already been deployed during the year

Inaugurated **phase 1 of 4,000 KLD zero liquid discharge** (ZLD) plant at Zawar Mines

Commissioning of **India's first fumer**

Obtained **environment clearance** for CLZS expansion project

Rampura Agucha mines and Zawar mines become **India's 1st mines to be GreenCo certified**

Launched **first Task Force on Nature Related financial disclosure** (TNFD) report in India

We advanced significantly towards the execution of our **RE power delivery agreement** and successfully advanced the first phase of delivery to May 2024

Implemented **digitisation project v-Unified (ENABLON)** to manage ESG KPIs through technological tools.



SOCIAL HIGHLIGHTS

₹ 269 crore
CSR contribution

1.91+ mn
CSR beneficiaries

16,633
employment created

21.7%
women representation

122,107 hours
of learning and development

ZERO
Fatality

India's 1st ever all women
underground mine rescue team

Integrated 16 LGBTQA+
individuals into the workforce



GOVERNANCE HIGHLIGHTS

73% of total supplier by value (total 309 suppliers) have been assessed by third party for ESG criteria.

Implemented **ARIBA SLP** for efficient supplier profile and data management.

Established a **vendor grievance portal**.

Collaborated with over **600** active suppliers and service partners.

Integrated **ESG and quality assessments** into the vendor onboarding process.

Commenced product **Life Cycle Assessments** (LCA) for critical commodities and machinery utilising a Scope 3 carbon calculator.

₹ 33,221 crore

Gross income

₹ 10,273 crore

Taxes

₹ 5,493 crore

Dividend

19.7%

Value-Added Products

REWARDS AND RECOGNITION



Ranked **1st** globally in the S&P Global Corporate Sustainability Assessment (CSA) 2023



Won the large industry category in the 2nd FICCI Sustainable Industry Practice Awards.



Featured among the top 1% in the S&P Global CSA Sustainability Yearbook 2024 for the 7th consecutive time.



Achieved global recognition by CDP with a Leadership Band (A-) for climate change and water security efforts.



Won the Mission Energy Foundation Award for efficient fly ash management.



7 business units of Hindustan Zinc recognised by British Safety Council at International Safety Awards 2024



Received two Indian patents, titled 'Method for production of lead by performing dross removal procedures and Method for production of zinc by utilising lead plant slag', for pioneering new methodologies.

TRANSPARENCY & DISCLOSURES FRAMEWORKS



International Integrated Reporting Council (IIRC) - Based Annual Report



Securities and Exchange Board of India (SEBI): The National Guidelines on Responsible Business Conduct, 2018 (NGRBC) based Business Responsibility & Sustainability Reporting



GRI Standard Sustainability Report (GRI Mining Standard)



United Nations Global Compact Communication of Progress



Task Force on Nature Related Financial Disclosure



Tax Transparency Report



CDP Climate, Water and Forest Disclosures



Federation of Indian Mineral Industries (FIMI) - Sustainable Mining Initiative (SMI) Principles Communication of Progress



Climate Action Report Based on IFRS S2

HZL Sustainability Framework »»

Our sustainability management strategy is anchored in Vedanta's Sustainability Framework (VSF) and Integrated Management System (IMS), which are central to our commitment to achieving sustainability goals. The VSF and IMS guide our practices through Board-approved policies, detailed internal procedures, and established standards and guidelines. This structured approach ensures that our sustainability objectives are effectively integrated across the organisation, driving consistent and impactful progress towards our environmental and social commitments.





VEDANTA SUSTAINABILITY ASSURANCE PROGRAMME (VSAP)

The Vedanta Sustainability Assurance Programme (VSAP) acts as a crucial tool. This tool evaluates HZL units against the Vedanta Sustainability Framework, it includes a programme of formal third-party audits to ensure framework compliance across 13 elements covering environment, health and safety, human rights, community etc. The gaps identified from this assessment triggers corrective and preventive actions (CAPA) across departments, fostering a collaborative approach towards sustainability goals.

VSAP is an annual process with clear tracking of results by the Sustainability Committee and the Executive Committee, which in turn report to the Board. Based on the identified improvement areas, respective units make management plans and undertake corrective actions, which are periodically reviewed, evaluated and documented.

The Vedanta Sustainability Assurance Programme (VSAP) scores drive employee and leadership rewards through HZL's compensation model, which links them to performance on relevant KPIs. This structure directly links individual and company-wide success to achieving sustainability objectives.

ESG Component in Annual Performance Bonus

A significant portion (10%) of the annual performance bonus for all employees, including the CEO, is tied to the Company's Environmental, Social, and Governance (ESG) performance. This programme reinforces the importance of ESG factors in daily operations.

Linking Pay to Sustainability

We rigorously apply the Vedanta Sustainability Framework across all our operations, ensuring strict compliance with its management and technical standards. This framework guides our

focus on critical material issues. Annually, each site undergoes an assessment through the Vedanta Sustainability Assurance Programme, which measures the implementation of the framework and provides site-specific sustainability scores based on 13 key pillars. These scores are integral to evaluating the performance of all employees, including the CEO and Executive Committee members, and directly influence performance bonuses, reinforcing our commitment to sustainable business practices.

CEO and Other Senior Leadership

The CEO's performance-based compensation is directly tied to achieving both financial and non-financial objectives. This comprehensive approach considers traditional metrics like revenue and operating profit alongside leadership effectiveness, progress towards strategic goals, and contributions to sustainability performance. To determine the final compensation, Hindustan Zinc's performance is weighted 60% and Vedanta's performance is weighted 40%. This balanced system ensures the CEO is motivated to achieve financial success, promote responsible leadership, and create long-term value for HZL and its stakeholders. The higher weightage given to Hindustan Zinc's performance reflects the CEO's primary responsibility towards this company.

CEO's KRA

Hindustan Zinc is committed to becoming a zero-harm organisation. We achieve this by fostering a robust safety culture, actively contributing to the achievement of the Sustainable Development Goals (SDGs) by 2025, and aligning with the Vedanta Sustainability Framework. Our leadership performance evaluation significantly emphasises sustainability efforts, with the VSAP score accounting for 20%. This scorecard considers water and climate change management, biodiversity, safety and occupational health, and human capital development.

All Executives Performance - Short-term incentive

Performance-based compensation at Hindustan Zinc is directly linked to both business results and safety performance. VSAP scores, which encompass water and climate change management, safety and occupational health, and human capital development, now carry a significant 15% weightage in the overall evaluation. An additional 5% weightage is specifically dedicated to safety performance. To further reinforce our commitment to a zero-harm environment, there are significant

consequences for fatalities. In the event of any fatality, performance-based compensation payouts will be decreased by 10% for one fatality, 20% for two fatalities, and 25% for more than two fatalities. Furthermore, the affected unit will not receive any production or sales incentive payouts. A well-defined responsibility matrix serves as the foundation for consequence management, which can include disciplinary actions such as the loss of the most recent promotion, increment, or even complete exclusion from performance-based pay.

| Bucket | Performance Parameters | M2 & Above | M3-M5 | M6 & Below | Multiplier | |
|----------------------------|---|-------------|-------------|-------------|-----------------------------------|--|
| | | | | | APA Rating | Fatality |
| Org. & Business Parameters | Volume, COP & Reserves Creation EBITDA, FCF Strategic/Regulatory Objectives | 60% | 50% | 40% | | |
| HSE Parameters | Safety (5%) Sustainability/VSAP (10%) | 15% | 15% | 15% | A-125% B-100% C-50% D-0% | Nil - 100% 1-90% 2-80% >2-75% |
| People Metrics | MIP Talent Retention/Development Employee Engagement | 5% | 5% | 5% | | |
| Individual Performance | APA Rating | 20% | 30% | 40% | | |
| Total | | 100% | 100% | 100% | | |

Long-Term Incentives with an ESG Focus

Our long-term incentive plan, the Employee Stock Option Scheme (ESOS), rewards employees based on pre-determined criteria that include ESG performance. To give prime importance to sustainable business delivery, ESG and Carbon footprint are part of additional parameters to measure business performance. To ensure that we operate sustainably in line with our

motto of 'zero harm, zero waste and zero discharge', multiplier based on fatalities has also been included as a performance parameter for vesting.

This extended focus on sustainability goes beyond annual bonuses and reinforces a long-term commitment to responsible practices.

Performance parameters:

| Business Category | Business Performance (40%) | | | | Individual Performance | Management Discretion | Multiplier | |
|-------------------|----------------------------|-----|-----|----------------------|------------------------|-----------------------|------------------------------------|--------------|
| | Vol | COP | NSR | ESG/Carbon Footprint | | | APA Rating | Nil Fatality |
| Hindustan Zinc | 60% | 15% | 10% | 15% | 40% | 20% | Sustained 3 years excellent rating | 110% |

Business Partners

To reinforce our commitment to a comprehensive safety culture, we are actively integrating Business Partner performance into our safety framework. This includes utilising monthly safety scorecards to evaluate their performance, with a gradual transition towards incorporating these scores into their payment structures. This initiative aligns our safety goals with those of our Business Partners, fostering a collaborative environment where everyone prioritises safety.

By integrating sustainability into its compensation structure, we foster a culture of shared responsibility and motivates employees at all levels to contribute to achieving the Company's environmental, social, and governance goals.

Message from the Chairperson >>>

Dear Stakeholders,

Hindustan Zinc is a shining beacon in the Group's portfolio. Since assuming the role of Chairperson, I have witnessed the organisation achieve many milestones. HZL has always been focussed on 3 pillars - People, Profit, and Planet. Not only did we remain on course to realise our ambitious ESG goals, but also stayed ahead of the market curve to deliver an excellent performance during the year.

Our 9th Sustainability Report is not just a summary of our actions; it reflects our unwavering commitment to environmental, social, and governance (ESG) principles. This report showcases our focus on reducing carbon emissions, using resources efficiently, supporting a circular economy, managing water wisely and protecting biodiversity. Every achievement is a testament to the hard work and dedication of the HZL team that strives to create a more sustainable future for generations to come.

I'm proud to share that we've made remarkable strides on our sustainability journey. We became the first company in India within the metals and mining sector to have our net-zero and near-term targets validated by the Science-Based Targets initiative (SBTi), marking a significant step forward in our efforts to combat climate change. We've also been globally recognised by CDP for our climate change and water initiatives, earning a Leadership Band (A-) rating.

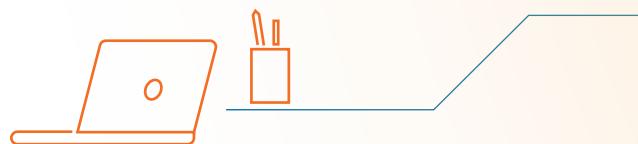
Our goal of becoming Net Zero by 2050 or sooner remains at the heart of everything we do. Over the past four years, we've recorded a 14% reduction in the intensity of our greenhouse gas emissions. We've made substantial progress in integrating renewable energy into our operations. Hindustan Zinc now has a captive solar power capacity of 40.70 MW and WHRB 48.46 MW, which relies on conventional fuel sources for the remainder of its power needs. The addition of renewable power from Serentica will ensure that 50% of our power needs are met through renewables. We've also launched EcoZen, Asia's first low carbon 'green' zinc, with a carbon footprint 75% lower than the global average.

As we continue to enhance our sustainability efforts, I'm excited to share that Hindustan Zinc is now the third-largest silver producer in the world, with Sindesar-Khurd Mine ranking as the second-largest silver-producing mine globally. This achievement underscores our commitment to strengthening supply chains for global energy transition as silver plays a vital role in green technologies like solar energy and e-mobility.

Water conservation and resource efficiency are also key focus areas for us. This year, we achieved an 8.67% reduction in freshwater usage from FY 2019-20 and inaugurated a 4,000 KLD zero liquid discharge plant at Zawar Mines, enhancing our environmental stewardship.

Another achievement close to my heart is the progress we've made in promoting diversity and inclusion. Our female workforce now stands at approximately 21.7%. The Company is aiming for 30% diversity in its workforce by 2025 as part of its broader sustainability and inclusion goals. These milestones are a reflection of our commitment to creating a safe and inclusive environment for everyone at Hindustan Zinc.

It's incredibly humbling to see our efforts recognised on the global stage. Hindustan Zinc has been ranked #1 globally in the S&P Global Corporate Sustainability Assessment 2023 in the metals and mining sector. We are ranked in the



top 1% of companies in the S&P Global CSA Sustainability Yearbook 2024, and we've also received the top award for large industries at the 2nd FICCI Sustainable Industry Practice Awards.

As we look to the future, we recognise that the path forward is filled with both challenges and opportunities. With regulations around ESG disclosures becoming more stringent, we're committed to enhancing our transparency, particularly in areas such as biodiversity and supply chain sustainability.

I want to extend my heartfelt thanks to all of you – our stakeholders, partners, and employees for your continued support.

Together, we are making a lasting impact and paving the way towards a more sustainable and inclusive future.

Warm regards,

Priya Agarwal Hebbal

Chairperson, Hindustan Zinc





CEO's Message »»



Dear Stakeholders,

I am pleased to present Hindustan Zinc's 9th Sustainability Report, underscoring our enduring commitment to Environmental, Social and Governance (ESG) principles. Sustainability is a core tenet of our operations, driving value creation across our business and the communities we engage with. The Sustainability Report is particularly noteworthy as we have aligned our performance with the Global Reporting Initiative (GRI) Mining Sector Standard and proactively mapped our content to International Financial Reporting Standards (IFRS S1). This approach reflects Hindustan Zinc's commitment to staying ahead of industry expectations, especially in the realm of sustainability.

In response to the evolving global focus on sustainable business practices, we have intensified our efforts to foster resilient and future-ready growth. Our zero-fatality record across all operations underscores our strong safety culture and adherence to rigorous standards like Critical Risk Management (CRM). These achievements have been recognised through numerous awards, including the prestigious British Safety Council International Safety Awards.

Aligned with our sustainability framework, we strategically focus on a two-pronged approach of mitigating and offsetting our carbon footprint. To mitigate our carbon footprint, we are increasing the quantum of renewable energy in our energy mix and improving our operational efficiency. For instance, we generated 2.51 mn GJ of renewable energy this year and signed a Power Delivery Agreement (PDA) for a 450 MW renewable energy project. Additionally, we have deployed battery electric vehicles (BEVs) in underground mines and initiated the deployment of 180 LNG vehicles and EV trucks in logistics for inter-unit and finished goods transport as a step towards reducing Scope-3 emissions by 25% by 2030.

To offset our carbon footprint, we continue to conduct massive afforestation drives to create carbon sinks and have planted 0.67 mn trees as part of our pledge to plant 1 mn saplings by 2025, compared to FY 2019-20, across our operational units. We also made significant strides in circularity, recycling 6.32 mn MT of waste and 18.41 mn m³ of water during the reporting period. These efforts align with and go beyond India's Nationally Determined Contributions (NDCs).

Our sustainability initiatives have garnered international recognition. Hindustan Zinc ranked No. 1 in the S&P Global Corporate Sustainability Assessment 2023 and achieved a leadership rating (A-) from CDP (formerly Carbon Disclosure Project) for our efforts towards Climate Change

For instance, we generated 2.51 mn GJ of renewable energy this year and signed a Power Delivery Agreement (PDA) for a 450 MW renewable energy project.

and Water. These accolades affirm our commitment to maintaining high ESG standards.

Our Corporate Social Responsibility (CSR) initiatives are closely aligned with the United Nations Sustainable Development Goals (SDGs). We continue to invest in education, skill development, livelihood creation, environmental conservation, and community engagement. Key projects such as the Sakhi programme, support for farmer producer organisations (FPOs), and the Zinc Football Academy exemplify our commitment to social impact. During this reporting period, we impacted over 1.91 mn lives and invested ₹ 269 crore in CSR activities.

Diversity and inclusivity remain central to our business strategy. Hindustan Zinc is proud to be the first mining company in India to establish an all-women underground mine rescue team and to implement progressive parenthood policies. Our sustainability efforts extend throughout our supply chain, supported by initiatives such as 'Wednesday for Transition' and sustainable sourcing practices.

Our robust governance framework, centred on sustainability, ensures the integration of ESG principles across all aspects of our operations. This framework supports our focus on energy efficiency, carbon footprint reduction, water management, biodiversity conservation, and fostering an inclusive work environment.

At Hindustan Zinc, sustainability is a key driver of our long-term growth strategy. We are committed to environmental stewardship, social responsibility, and operational excellence, and we will continue to prioritise ESG metrics to guide our future endeavours.

Best regards,

Arun Misra

CEO & Whole Time Director, Hindustan Zinc



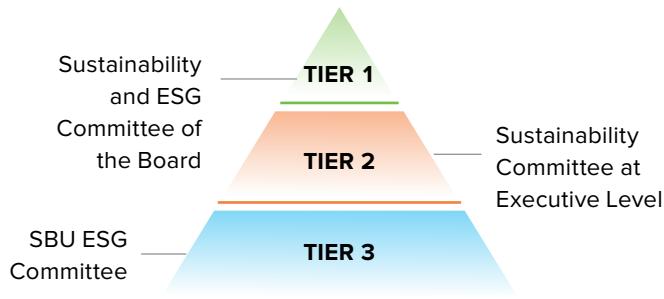
Sustainability Governance at HZL

SUSTAINABILITY VISION

We have embedded sustainable development principles into our operations and growth strategy, aligning with our **ZERO HARM, ZERO WASTE, ZERO DISCHARGE** vision.

Strategic Approach

We recognise that strong sustainability governance is essential for building a genuinely responsible business. Our framework goes beyond basic regulatory compliance, embodying a deep commitment to integrating environmental, social, and governance (ESG) principles into every aspect of our operations. This comprehensive approach ensures that our commitment to sustainability is not only about meeting legal requirements but also about setting a higher standard of ethical and responsible business practices. By embedding ESG values throughout our activities, we strive to foster a culture of conscientiousness that drives long-term positive impact for our stakeholders and the environment.



SUSTAINABILITY GOVERNANCE FRAMEWORK

Our three-tier sustainability governance framework encompasses all ESG aspects, allowing us to set and monitor both short- and long-term goals. This robust, transparent structure ensures systematic performance tracking at every level, guiding us toward our sustainability objectives.

TIER 1

Sustainability and ESG Committee at Board-Level

Chaired by an Independent Director, this committee enhances our focus on sustainability and ESG. It includes an independent director, an executive director, and two non-executive nominee directors. The committee provides strategic oversight, formulates sustainability strategies, and sets long-term goals, addressing issues like climate change, environmental safety, and transparent disclosures.

TIER 2

Sustainability Committee at Executive-Level

Led by our CEO, this committee is responsible for shaping our sustainability strategy and setting long-term goals. It oversees 10 specialised communities that manage and coordinate sustainability efforts, driving progress toward our Sustainability Goals 2025.

TIER 3

SBU ESG Committee

Established at all strategic business units (SBUs), this committee ensures the implementation of ESG practices in alignment with guidance from the higher tiers. It plays a critical role in achieving our 2025 sustainability goals by continuously identifying, monitoring, and mitigating location-specific risks.

Sustainability Communities



Energy and Carbon Community



Waste to Wealth Community



Biodiversity Community



Water Management Community



Central Occupational Health & Safety Council



People Community



Corporate Social Responsibility (CSR) Community



Supply Chain Community



Communication Community



Finance Community



[Click here to read more about our Sustainability Governance Framework](#)

Sustainability Goals

HZL takes pride in its established sustainability leadership. We recognise the ever-changing landscape of responsible business practices, and continuously refine our Environmental, Social, and Governance (ESG) framework to reflect this evolution. HZL continues to refine and elevate ESG framework building on our decades of strong foundation of sustainability leadership. Our 2025 Sustainability Goals remain our strong embodiment of commitment, through which we actively manage and address emerging opportunities and challenges while contributing the global sustainability agenda and aligning with UN SDGs.



Climate Change

0.5 mn tCO₂e greenhouse gas (GHG) emission savings in our operations from the base year 2017

Progress Status

0.40 mn tCO₂e GHG emission savings achieved from base year 2017



Water Stewardship

Become 5x water positive company and achieve 25% reduction in freshwater consumption

Progress Status

8.67% reduction in freshwater withdrawal achieved from base year 2020



Circular Economy

3x increase in gainful utilisation of smelting process waste

Progress Status

1.67x increase in gainful utilisation of smelting process waste (2.55 lakhs MT)



Biodiversity Conservation

Protect and enhance biodiversity throughout the life cycle

Progress Status

Restoration of the habitat, with 0.67 mn trees planted (from base year 2020)
IUCN Progress - Primary data collection for 3 seasons including impact assessment completed

PROGRESS AGAINST SUSTAINABILITY GOALS



Zero Harm

Zero work-related fatalities and 50% reduction in total recordable injury frequency rate (TRIFR)

Progress Status

Zero fatalities
32% reduction in TRIFR (1.84) from base year FY2019-20
0.88 LTIFR



Social Impact

Positively impact one mn lives through social, economic and environmental initiatives

Progress Status

3,685 villages & 1.9 mn people reached through sustained CSR initiatives (100% target achieved)



Diversity In Workforce

Inclusive and diverse workplace with 30% diversity

Progress Status

Gender diversity enhanced from 14.4% in FY 2019-20 to 21.7% (Executive)



Responsible Sourcing

100% responsible sourcing in the supply chain

Progress Status

787 suppliers assessed (in past 3 years)

Note: Progress status of each goal is as of March 31, 2024.

INTEGRATED MANAGEMENT SYSTEM

The Integrated Management System (IMS) is the cornerstone of Hindustan Zinc's sustainability strategy, meticulously aligned with the Vedanta Sustainability Framework. This comprehensive system integrates key elements such as environmental stewardship, energy efficiency, safety protocols, and cybersecurity into a cohesive framework. By unifying these critical areas, the IMS promotes a holistic approach to sustainability that extends across the organisation.

The IMS facilitates seamless interdepartmental collaboration, ensuring that all stakeholders work towards

common sustainability objectives. The system supports the development and execution of actionable initiatives, translating high-level sustainability targets into concrete actions and measurable outcomes.

Through the IMS, we not only manage compliance and operational efficiency but also foster a culture of continuous improvement and innovation. It provides the tools and processes needed to monitor performance, address challenges, and seize opportunities in a structured manner. This approach enhances our ability to meet regulatory requirements, advance environmental goals, and maintain rigorous safety standards.

All operational units are IMS certified which includes the following certifications



ISO 9001 Quality Management System



ISO 31000 Risk Management System



ISO 14001 Environmental Management System



ISO 37301 Compliance Management System



ISO 50001 Energy Management System



ISO 27001 Information Security Management System



ISO 45001 Occupational Health & Safety Management System



ISO 22301 Business Continuity Management System & Disaster Recovery System



SA8000* Social Accountability Standards



ISO 27701 Privacy Management System

*66% units are SA8000 certified

MEMBERSHIPS AND ASSOCIATIONS

Hindustan Zinc participates in multiple national and international industry associations, advocating for best practices and contributing to industry standards. Through these memberships, they network, build consensus, and raise awareness through events like seminars and conferences. HZL holds membership in trade and industry associations like:



Contributions & Other Spending (₹)

| | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|--|-------------|------------|------------|------------|
| Lobbying, interest representation or similar | 0 | 0 | 0 | 0 |
| Local, regional or national political campaigns / organisations / candidates | 250,000,000 | 0 | 0 | 0 |
| Trade associations or tax-exempt groups | 62,745,110 | 57,200,000 | 52,900,000 | 58,950,000 |
| Total contributions and other spending | 312,745,110 | 57,200,000 | 52,900,000 | 58,950,000 |

Largest Contributions & Expenditures (₹)

| Issue or Topic | Corporate Position | Description of Position / Engagement | Total spend in FY 2023-24 |
|--|--------------------|--|---------------------------|
| Memberships with industry associations, sector associations | Support | Support for various industry initiatives, collaboration and best practice sharing | 62,745,110 |
| Sponsorships for creating awareness towards sustainability, ESG, climate change etc. | Support | Sponsorships are payments made for raising awareness on Sustainability issues such as climate change, digitisation, waste management, human rights etc. with Trade associations - CII, FICCI, FIMI, Federation of Mining Associations of Rajasthan, Indian Institute of Metals, Chamber of Commerce etc. | 21,500,000 |

Climate Alignment with Trade Association

HZL has a comprehensive programme to align its trade association membership with the Paris Agreement. This system ensures that all engagements are consistent with our commitment to climate action.

Our governance framework for public policy engagement includes clear accountabilities, underscoring our dedication to transparency and responsibility. To ensure alignment with these commitments, we have established

a rigorous process for reviewing and monitoring our public policy engagements, particularly regarding trade associations. This process includes a clear framework for addressing any misalignments between the climate change policy positions of these associations and our own climate objectives. Our programme covers all jurisdictions where we operate, ensuring a consistent approach to climate advocacy across our global footprint.

Click here to read more at https://www.hzlindia.com/sustainability-management/pdf/HZL-Memberships-and-Associations_2024.pdf

Materiality - Sustainable Value Chain ➤

Materiality - A Key Driver of Value Creation

(GRI 2-25, 3-1, 3-2, 3-3)

At Hindustan Zinc, we systematically undertake materiality assessments to identify issues that are significant for both our internal and external stakeholders. This process is essential in refining and enhancing our ESG strategy. We adopt a two-pronged approach to evaluate the substantial effects that society, the environment, and the economy have on our business, as well as the impact our operations have on economic, environmental, and social well-being. Our continuous communication with stakeholders allows us to understand their perspectives, enabling us to be proactive in responding to changing market conditions. This engagement helps us anticipate market risks and develop quick-response measures to mitigate them.

We place immense confidence in our stakeholders, recognising their ability to influence our business and acknowledging the reciprocal impact our business has on them. Every three years, we perform a comprehensive materiality evaluation, which is then reviewed annually by our ESG board committee to ensure our business remains resilient and prepared for future challenges. In line with the principles of double materiality, we conducted an extensive materiality assessment in FY 2022-23 to identify the impacts of our business on external and internal stakeholders, society,

and the environment, in accordance with GRI Universal Standards. We engaged with key internal and external stakeholders to deeply understand the significance of these material impacts, ensuring our strategy aligns with both our business goals and the broader societal and environmental context.

MATERIALITY ASSESSMENT GOVERNANCE

We make sure that our process for addressing material issues is both thorough and effective. The first step is to bring these issues before the Sustainability Committee for approval. Once approved, we pass the information to the relevant teams and functions within the Company. This ensures that everyone involved is fully informed and can plan and execute strategies that align with our sustainability goals.

Our Board-level ESG Committee conducts a thorough review of our progress toward achieving our Sustainability Goals 2025 twice a year. This regular oversight ensures that we can make timely adjustments to stay aligned with our objectives. Additionally, an annual external audit of our materiality assessment is performed by a third party as part of our assurance process, ensuring that we consistently meet both our company standards and industry benchmarks.

MATERIALITY ASSESSMENT PROCESS

Identification of Significant ESG Matters

- ▶ Complete assessment to identify all significant material topics offering risks and opportunities to the business and external environment
- ▶ Comprehensive exercise to identify and prioritise other ESG matters important for long-term business success and impact on economy, environment and society through analysis of four industry-specific standards SASB, MSCI, ICMM, S&P global and peer reviews
- ▶ Creation of Mutually Exclusive and Cumulative Exhaustive (MECE) set of 24 material topics for Hindustan Zinc

Understanding the Significance of Identified Topics

- ▶ Evaluation of identified topics on the level of significance through extensive engagement with diverse internal and external stakeholder groups via surveys and focussed group discussions
- ▶ 483 stakeholders were consulted using multiple channels. Stakeholders included senior management of HZL, employees, customers, suppliers, business partners, investors, civil society, regulators, industry forums, communities and NGO partners

Risk & Opportunity Assessment

- ▶ Analysed the potential impact of identified topics against the effectiveness of internal systems and associated financial implications
- ▶ The topics were then assessed against the risk threshold as defined in the Enterprise Risk Management matrix

Prioritisation of Material Topics

- ▶ Deliberation of survey results with Company's leadership team to prioritise the topics into High, Medium and Low based on significance to the stakeholder, business and impacts on Environment Economy and Society (EES)

MATERIALITY MATRIX



IDENTIFIED MATERIAL TOPICS



INTEGRATION OF MATERIALITY ASSESSMENT RESULTS INTO ERM FRAMEWORK

We are strengthening our Enterprise Risk Management (ERM) framework by mapping ESG issues identified during double materiality assessment. It ensures our ERM framework effectively integrates key sustainability issues. We have identified a strong alignment between the “principal risks” within the framework and the high-priority material topics from our materiality assessment. Additionally, some of the “other risks” also correspond with these high-priority topics. This approach allows us to manage risks more holistically and contribute to

long-term sustainability. Biodiversity and climate change are included as key parameters in ERM due to their array of associated risks, including regulatory, operational, reputational, financial, market access, and physical risks. ESG considerations, including biodiversity and climate, are integrated into our overall business strategy. From the inception of any project or initiative, we assess its potential ESG impacts and incorporate risk mitigation measures accordingly. Our ESG risk management process takes a holistic view of risks and opportunities, recognising the interconnected nature of ESG factors to address them comprehensively rather than in silos.

| Material Topics | Impact on Stakeholders/ Environment | Impact Type | Category of impact (Actual/ Potential) | Positive/ Negative | Likelihood of Occurrence | Coverage in Risk Management Framework | Alignment with Sustainability Goals |
|----------------------------------|---|-------------------|--|--------------------|--------------------------|---|---|
| Environmental | | | | | | | |
| Tailings Management | External Stakeholder Impact on Community - Occurrence of any incident/accident due to tailings dam failure Interest from Investors, Regulators, Civil Society Impact on Environment | Risk | Actual | Negative | Highly likely | Tailings dam seepage and breach categorised as a ‘principal risk’ | Complete transition from wet tailings to dry tailings disposal by 2025* |
| Water Management | External Stakeholder Impact on Community, Customers- Availability of freshwater for nearby communities Interest from Regulators, Investors Impact on Environment | Risk | Actual | Negative | Highly likely | Potential water scarcity categorised under ‘other risks’ | Become 5x water-positive company and achieve 25% reduction in freshwater by 2025 |
| Air Emissions & Quality | External Stakeholder Impact on Community, Civil Society Internal stakeholder – impact on Employee Interest from Regulators, Investors, Customers Impact on Environment | Risk | Actual | Negative | Highly likely | Potential non-compliance with emission norms is categorised as ‘principal risk’ | 17% reduction in non-GHG emissions (SOx and NOx emissions) by 2025* |
| Circularity & Waste Management | External Stakeholder Impact on Community, Customers, Supply Chain Interest from Investors, Regulators Impact on Environment | Opportunity | Actual | Positive | Likely | - | 3x increase in gainful utilisation of smelting process waste by 2025 |
| Climate Change & Decarbonisation | External Stakeholder Impact on Community, Civil Society, Customers, Employees Interest from Regulators, Investors Impact on Environment | Risk/ Opportunity | Actual | Negative | Likely | Risks associated with physical changes in climate matters are categorised as ‘other risk’ | Achieving Net Zero emissions by 2050 or sooner. 0.5 mn tCO ₂ e GHG emission savings in operations by 2025 |

*Part of strategic initiatives

| Material Topics | Impact on Stakeholders/Environment | Impact Type | Category of impact (Actual/Potential) | Positive/Negative | Likelihood of Occurrence | Coverage in Risk Management Framework | Alignment with Sustainability Goals |
|--------------------------------------|--|-------------|---------------------------------------|-------------------|--------------------------|---------------------------------------|--|
| Biodiversity & Ecosystems | External Stakeholder Impact on Community | Risk | Actual | Negative | Likely | - | Protect and enhance biodiversity throughout the life cycle |
| | Interest from Investors, Regulators | | | | | | 1 mn plantations to be achieved by 2025 |
| | Impact on Environment | | | | | | |

Social

| | | | | | | | |
|---|---|-------------|--------|----------|-------------------|--|--|
| Health, Safety & Well-being | Internal Stakeholder Impact on Employees | Risk | Actual | Negative | Highly likely | Risk of fire, fall of ground, accidents and fatalities, structural collapses categorised as a 'principal risk' | Zero work-related fatalities and 50% reduction in Total Recordable Injury Frequency Rate (TRIFR) by 2025 |
| | Interest from Investors & Regulators | | | | | | |
| | Impact on Environment (Air quality management, water & waste management) | | | | | | |
| Community Engagement & Development | External Stakeholder Impact on Community - Development of local communities with proper stakeholder engagement by various means possible includes CSR activities, employment opportunities etc. | Opportunity | Actual | Positive | Highly likely | Rising community unrest identified as a 'principal risk' | Positively impacting 1 mn lives through social, economic and environmental initiatives by 2025 |
| | Interest from Regulators, Employees & Workforce | | | | | | |
| Talent Attraction & Retention | Internal Stakeholder Impact on Employees - Employment generation and retention of high-performing individuals for organisation growth | Opportunity | Actual | Positive | Likely | Disruptions in operations due to higher expectations from labour union identified as 'other risks' | Inclusive and diverse workplace with 30% diversity by 2025 |
| | Interest from Investors | | | | | | |
| Diversity, Equal Opportunity & Inclusion | Internal Stakeholder Impact on Employees - Equal opportunity creation without any discrimination to maintain an inclusive workplace | Opportunity | Actual | Positive | Possible/moderate | Identified as other risk | Inclusive and diverse workplace with 30% diversity by 2025 |
| | Interest from Investors | | | | | | |

Governance

| | | | | | | | |
|---|---|-------------|--------|----------|--------|---|---|
| Risk Management & Controls | Interest from Investors - Lower environmental & societal risk with proper risk management & controls | Opportunity | Actual | Positive | Rarely | Risk Management framework is being reviewed and updated under Project Pragya | - |
| | | | | | | | |
| Data Privacy & Cybersecurity | Interest from Regulators, Investors, Customers - Database management for all the confidential information with stringent policies and framework of cyber security | Risk | Actual | Negative | Likely | Risks of data loss, vulnerability of IT infrastructure categorised as 'other risks' | - |

FINANCIAL MATERIALITY (OUTSIDE IN EFFECT ON THE ORGANISATION)

| Pillar | Material Topic/area | Risk/ Opportunity | Likelihood of occurrence | Potential financial impact | Impact on company's finances by the particular matter |
|---|---|----------------------|-----------------------------|-------------------------------|---|
| Environmental  | Tailings Management | Risk | Possible/ moderate | Moderate | <ul style="list-style-type: none"> ▶ Financial cost in case of any incident/accident ▶ Fine/penalty due to violation of any laws/regulations |
| | Water Management | Risk | Possible/ moderate | Moderate | <ul style="list-style-type: none"> ▶ Cost of water in a case of non-water availability for operations |
| | Air Emissions | Risk | Possible/ moderate | Moderate | <ul style="list-style-type: none"> ▶ Management cost of high level of air pollution ▶ Fine/penalty due to violation of any laws/regulations |
| | Circularity & Waste Management | Opportunity | Rarely | Low | <ul style="list-style-type: none"> ▶ Cost of waste management & building some circular model waste recovery & circularity |
| | Climate Change & Decarbonisation | Risk | Rarely | Low | <ul style="list-style-type: none"> ▶ Fines/penalties due to exceeding the limit of GHG emissions ▶ Impact on company's finances due to management of higher level of GHG emissions |
| | Biodiversity & Ecosystem | Risk | Rarely | Very low | <ul style="list-style-type: none"> ▶ Fine/penalty due to violation of any laws/regulations |
| | | | | | |
| Social  | Health, safety & well-being | Risk | Possible/ moderate | Moderate | <ul style="list-style-type: none"> ▶ Disruption in operation, structure collapse |
| | Community Engagement & Development | Opportunity | Possible/ moderate | Moderate | <ul style="list-style-type: none"> ▶ Financial cost of any environmental / social incidents occur/happen among the community along with the management/ mitigation cost of such incidents |
| | Talent attraction and retention | Risk | Possible/ moderate | Low | <ul style="list-style-type: none"> ▶ Financial loss due to higher attrition rate |
| | Diversity, equal opportunity, and inclusion | Opportunity | Possible/ moderate | Low | <ul style="list-style-type: none"> ▶ Positive benefits/impact on the Company's finances by maintaining balanced diversity and a high-performing workforce |
| | | | | | |
| Governance  | Risk Management & Controls | Opportunity | Possible/ moderate | Moderate | <ul style="list-style-type: none"> ▶ Fine/penalty due to violation of any national laws/regulations ▶ Mitigation and management cost of any sort of risk/incident due to failure of risk management and control framework |
| | Data Privacy and Cybersecurity | Opportunity | Rarely | Moderate | <ul style="list-style-type: none"> ▶ Financial cost in case of any incident due to cyber security and data leakage ▶ Fines/penalties due to violation of any relevant laws/regulations |
| | | | | | |

 [Click here to read more about our Materiality](#)

MATERIAL ISSUES FOR ENTERPRISE VALUE CREATION

WATER MANAGEMENT

(Business Impact: Cost)

Strategic Approach

Water is vital to our operations, given our extensive extraction, processing, and smelting activities. We're dedicated to reducing water use throughout our value chain and maximising reuse. Aware of the risks posed by climate change, particularly extreme weather events leading to resource scarcity, we are implementing proactive water management strategies. This is crucial, especially since parts of our sites in Rajasthan, identified as water-stressed by the WRI Aqueduct Tool, face increased risks of droughts and heat waves.

Business Impact

Water is essential to our mining and smelting processes, and any shortage could have serious consequences for our operations and financial performance. Water being a significant input in our business operations, is required for required for drilling, mining & beneficiation, smelting, refining, dust suppression, sanitation, hygiene and cooling activities. These events have a huge potential to disrupt our operations, impact the productivity of our staff, leading to high O&M costs. For instance, the WRI Aqueduct study shows, that the Chanderiya Lead Zinc Smelter has a high operational risk due to drought, and the non-availability of water from Gosunda dam, can impact the cost of water for operating Captive Power Plant (CPP).

Business Strategies

We actively ensure downstream water quality remains pristine, fostering responsible water usage. Our approach to water management includes:

- ▶ Increasing water efficiency and exploring new technologies which are less water-intensive
- ▶ Installation of ETP & ZLD plants across our operational sites, to augment water recycling across operations and maintain zero discharge. For instance, in FY 2023-24, Zero liquid discharge plant of 4,000 KLD capacity was inaugurated at Zawar mines to facilitate water recovery and reduction in freshwater dependency, reaffirming our vision of zero discharge as well as 5x water positivity by 2025
- ▶ Exploring alternatives to fresh water such as utilisation of treated municipal wastewater (sewage)
- ▶ Installation of dry tailings plant

- ▶ Rainwater harvesting

- ▶ Water risk assessment using WRI aqueduct water risk atlas, water risk monetiser, WWF and water risk filter

TARGET

Become a 5x water-positive Company and achieve a 25% reduction in freshwater usage by 2025

Performance

Water recycling rate
41.3%

Reduction in freshwater consumption from base year FY 2019-20 **8.67%**

Linkage with Strategic Objectives and SDGs

S5

Progressing towards a sustainable future



Clean water and Sanitation

Executive compensation

▶ ESG Component in Annual Performance Bonus

The annual performance bonus at Hindustan Zinc Limited is strategically designed to promote and reward sustainable business practices by embedding critical ESG metrics into the compensation structure. Key areas such as health, safety, water management, and climate change are prioritised, with ESG performance making up 15% of the performance-based bonus. This applies to all employees, including the CEO and executive committee members, emphasising the Company's commitment to integrating sustainability into every level of its operations. This approach not only aligns personal incentives with corporate sustainability goals but also fosters a culture of responsibility and long-term value creation.

▶ Conditional Long-Term Incentive Plan (LTIP)

Conditional LTIP is based on a 3-year business and individual performance against pre-determined criteria. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, Free Cash Flows, ESG including Water Management & Carbon Footprint.

HEALTH & SAFETY

(Business Impact: Risk)

Strategic Approach

We acknowledge that our mining and smelting activities carry inherent risks to both our workforce and the environment. We are committed to implementing a comprehensive health and safety programme to address and mitigate these risks effectively. Neglecting health and safety not only poses serious threats to our employees' well-being but could also result in substantial financial liabilities, including heightened litigation costs. Furthermore, such neglect could diminish workforce availability and morale, putting the sustainability of our operations at risk.

Business Impact

The mining industry operates in a complex and hazardous environment, where health and safety incidents can have severe consequences, including financial losses and human suffering. Ineffective safety controls create a high risk of accidents and health issues, leading to worker downtime, reduced operational efficiency, and disruptions to essential business functions. Additionally, poor safety practices can significantly damage the Company's reputation and erode stakeholder trust. To address these challenges effectively, prioritising robust health and safety measures is crucial. It is essential to integrate these practices into our core operations to ensure responsible and sustainable business management.

Business Strategies

Our unwavering commitment is to create a work environment where fatalities, injuries, and occupational illnesses are eliminated. Our approach to enhancing health and safety includes:

- ▶ Identifying, understanding, controlling, and eliminating the risks associated with hazards at the workplace, including man-machine interactions, molten metal handling, and underground fire
- ▶ Implementation of critical risk management measures to ensure all identified critical controls are being monitored and effective on the ground
- ▶ We ensure that all operational sites are certified to ISO 45001 occupational health and safety management system
- ▶ Structured skill improvement and competency enhancement of employees and business partners
- ▶ Automation and mechanisation plan to eliminate high-risk manual activities
- ▶ Exposure monitoring for better and timely controls

- ▶ The Company partnered with a globally recognised industrial hygiene service company to develop a sustainable industrial hygiene programme to reduce potential health risks by recognising, evaluating and controlling occupational health hazards and occupational exposures.

TARGET

Zero work-related fatalities and 50% reduction in Total Recordable Injury Frequency Rate (TRIFR) by 2025

Performance for FY 2023-24

| | |
|---|--|
| Fatality – Achieved Zero | Total Recordable Injury Frequency Rate (TRIFR) |
| Fatality during the year | 1.84 |
| Lost-Time Injury Frequency Rate (LTIFR) | Reduction in TRIFR from base year FY 2019-20 |
| 0.88 | 32% |

Linkage with Strategic Objectives and SDGs

| | | | |
|---|---|--|--|
| S1 | Maintaining a portfolio of mines with long life | S2 | Expansion of capacities |
| S3 | Strengthening cost leadership | S5 | Progressing towards a sustainable future |
|  3 GOOD HEALTH AND WELL-BEING | Good health and Well-being |  8 DECENT WORK AND ECONOMIC GROWTH | Decent work and Economic growth |

Executive Compensation

CEO's annual bonus has a weightage of 60% (Hindustan Zinc scorecard) and 40% (Group scorecard). Any fatality in the group impacts the annual bonus of all the employees associated with the respective entity as a negative multiplier. The VSAP scores and business performance are used to determine compensation based on performance. VSAP scores now carry a 10% weightage in addition to a 5% weightage for safety. Additionally, the total pay-out under performance-based compensation is to be decreased in the event of any fatality by 10%, 20% and 25% for one, two, and more than two fatalities, respectively. In the event of any fatality, there is no production or sales incentive payout to the affected unit. The responsibility matrix serves as a base for consequence management, which also includes measures for punishment such as loss of the most recent promotion or increment or even no payment under the performance pay system.



TALENT ATTRACTION & RETENTION

(Business Impact: Risk)

Strategic Approach

At HZL, our people are our greatest asset. We prioritise fostering a safe, diverse, and highly engaging work culture. This commitment positions us as an employer of choice for top talent. To achieve this, we have implemented a robust employee engagement framework that fuels our efforts to attract and retain the best and brightest. We believe in utilising best-in-class talent management practices that not only boost employee performance but also strengthen our employer brand, solidifying our position as a magnet for top talent.

Business Impact

At Hindustan Zinc, we firmly believe that a diverse workforce, including women, LGBTQ+ individuals, and those with special abilities, is not just about inclusivity, it is a strategic advantage. This variety of backgrounds and perspectives fuels better decision-making, fosters innovation, and ultimately leads to higher productivity. Our core business of mining, smelting, and refining relies heavily on a specialised talent pool. We understand that potential attrition in this area could threaten our business reputation. We are committed to providing equal employment opportunities and creating a workplace free from discrimination based on sexual orientation, gender identity, or any other protected characteristic.

Business Strategies

We have designed a comprehensive workforce management model that guides our investment in our people throughout their careers. This includes fostering a diverse and inclusive workplace culture that attracts top talent, and leveraging their skills through a robust talent development framework:

► **Promoting Young Talent:** We actively identify high-potential employees ("stars") through various interventions. These individuals are then provided with targeted growth platforms like Chairman Workshops, V-Build programmes, and CEO Connect sessions. These platforms offer early opportunities to develop their leadership potential and showcase their talents. This prepares them to take on leading roles in various business functions and cross-functional projects.

► **Capability Building:** We empower our employees at all levels to excel by providing comprehensive learning opportunities. Through a robust learning

platform, we offer integrated training solutions to enhance safety, technical skills, business acumen, and leadership capabilities. This includes online training, video libraries, classroom sessions, virtual labs, video sharing platforms, and assessment centres. We further strengthen our offerings by partnering with universities and providing executive coaching by industry experts. This commitment to continuous learning ensures a highly skilled, knowledgeable, and safe workforce prepared to drive business excellence.

► **Driving Diversity:** Diversity and inclusion are cornerstones of our workforce strategy. We actively promote a welcoming environment that leverages the collective experience and skillset of our employees, fostering innovation and success. To achieve this, we have implemented several key initiatives:

- Formed a well-articulated [D&I](#) and [LGBTQ](#) policy
- Hindustan Zinc's proactive efforts in fostering a culture of inclusion and respect included a "No Questions Asked" monthly work-from-home day for women executives to support their physical and mental health. We also launched the gender reaffirmation leaves policy, providing financial support & medical reimbursement as per Mediclaim policy of up to ₹ 2 lakhs for gender reaffirmation surgery. We organised interactive sessions to honour and celebrate the LGBTQ+ community. Zinclusion is an organisation-wide initiative to embrace diversity in all forms, including the LGBTQ+, differently abled individuals, and people from different geographies and ethnicities initiated an awareness and sensitisation drive for all employees across Hindustan Zinc

TARGET

Inclusive and diverse workplace with 30% diversity by 2025

Performance for FY 2023-24

Gender diversity increased from 14.4% in FY 2019-20 (base year) to 21.7% in FY 2023-24 within executive positions. This shows gender diversity in FY 2023-24 aligned with the target metric.

LGBTQ members who joined Hindustan Zinc in front end roles – **16**

Linkage with Strategic Objectives and SDGs

| S1 | S2 |
|---|---|
| Maintaining a portfolio of mines with long life | Expansion of capacities |
| S3 | S5 |
| Strengthening cost leadership | Progressing towards a sustainable future |
|  Quality Education |  Gender Equality |
|  Decent work and Economic growth | |

Executive Compensation

At Hindustan Zinc, our annual performance bonus scheme is meticulously crafted to align with and promote sustainable business practices, incorporating essential ESG metrics into the compensation structure. Every employee's bonus, from the CEO to executive committee members, is based on a thorough assessment of Organisational Parameters, HSE factors (including VSAP and Safety scores), People Metrics, and individual performance.

A crucial component of this scheme is the focus on People Metrics, which hold a 5% weight in the overall evaluation. This category includes critical elements such as Management in Place (MIP), Talent Retention and Development, and Employee Engagement. By prioritising these aspects, we underscore our commitment to cultivating a supportive and dynamic work environment where talent is nurtured and retained.

IMPACT ON EXTERNAL STAKEHOLDERS

Our comprehensive materiality assessment helps us proactively identify any potential environmental, social, or economic impacts on our external stakeholders, resulting from our operations, products, or value chain. Here, we highlight the most significant issues we've identified.

| Material Issues for External Stakeholders | Cause of Impact | Impact Area | Rationale for Identifying the Issue | Quantitative Impact |
|---|-----------------|---------------------|---|--|
| Water Management | Operations | Environment/Society | <p>Assessment Methodology — Net Impact Ratio</p> <p>NEGATIVE IMPACT</p> <p>Our relationship with the communities depends on efficient use of this shared resource to ensure sufficient availability of water for the communities. The communities also expect us to prevent any potential impact on the quality of water. Simultaneously, regulators scrutinise water consumption patterns of industries in Rajasthan, which is classified as a water-stressed zone. Our customers are becoming more ESG conscious in their purchasing behaviours, and expect us to offer low environmental and social footprint products, including carbon and water footprint</p> <p>Despite operating in water-stressed regions (100% of our facilities), we're committed to improving community water access. This includes rainwater harvesting initiatives and supplying high-quality water directly. We're further expanding access through RO/ATMs and water tankers across 6 locations in 5 districts of Rajasthan.</p> | <p>We define our output metric on the 'Quantity of freshwater available' for our communities.</p> <ul style="list-style-type: none"> 18.24 mn m³ Fresh Water Withdrawn which is lesser than 8.67% from FY 2019-20 9.34 mn m³ Sewage Treated Water Used which is 38.42% more than FY 2019-20. 87 lakhs m³ Ground Water Augmented Through Rainwater Harvesting at Rampura Agucha Mine <p>We measure the impact of our operations on water management by net impact ratio of Freshwater for consumption to communities.</p> <p>IMPACT METRIC: 2.41x Water Positivity Ratio</p> |
| Biodiversity & Ecosystems | Operations | Environment | <p>Assessment Methodology — Environmental Gain/Loss</p> <p>NEGATIVE IMPACT</p> <p>Hindustan Zinc recognises that healthy ecosystems, rich in biodiversity, provide essential services for communities and our operations. However, mining and exploration activities can negatively impact biodiversity through habitat loss and fragmentation of protected species' habitats. To mitigate these risks and maintain our social licence to operate, we have established a robust biodiversity policy and management standards. These programmes actively promote biodiversity conservation and protect the natural ecosystems surrounding our operations, contributing to our overall sustainability goals.</p> | <p>We define our output metric on 'Mine lease area covered under mining' for Biodiversity & Ecosystems</p> <ul style="list-style-type: none"> Total Mine Lease Area (Hectares) 6,642 <p>We measure the impact of our operations on Biodiversity & Ecosystem by Environmental value lost/gained Hectares of area disturbed</p> <p>IMPACT METRIC: 1,929.9 Hectares of mine lease area disturbed.</p> |



Environmental

(GRI 2-27, 302-1, 302-3, 302-4, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5) (MM-3) (FIMI Principle 5, 8) (UNGC Principle 7, 8, 9)

| Material Issues | Priority Area | SDG Linkage | Sustainability Goals 2025 | Performance in FY 2023-24 |
|---|---------------|---|---|---|
| Climate Change and Decarbonisation | ➡➡➡ | 7 CLIMATE ACTION 13 LIFE BELOW WATER | 0.5 mn tCO ₂ e greenhouse gas (GHG) emission savings in our operations from base year 2017 SBTi Approved target Scope 1 & 2 reduction by 50% by 2030 and Scope 3 emission reduction by 25% by 2030 Achieving Net Zero emission by 2050 or sooner | 0.40 mn tCO ₂ e GHG emission savings 14.34% emission intensity decrease from FY 2019-20 |
| Air Emissions & Quality | ➡➡➡ | 11 CLEAN ENERGY COMMUNITIES 13 LIFE BELOW WATER | Reduction in non GHG emission (SOx and NOx emission) by 17% by 2025* | SOx Emission from Stacks - 25,199 MT NOx Emission from Stacks - 7,033 MT |
| Water Management | ➡➡➡ | 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 11 CLEAN ENERGY COMMUNITIES 15 LIFE ON LAND | 5x water-positive company and achieve 25% reduction in freshwater consumption | 2.41 times water positive 8.67% reduction in freshwater withdrawal from FY 2019-20 |
| Circularity & Waste Management | ➡➡➡ | 11 CLEAN ENERGY COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND | 3x Increase in gainful utilisation of smelting process waste | 1.67x increase in gainful utilisation of smelting process waste from baseline 2020 (2.55 lakhs MT utilisation of jarosite and jarofix in FY 2023-24) |
| Tailings Management | ➡➡➡ | 6 CLEAN WATER AND SANITATION 11 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND | Complete transition from wet tailing to dry tailing disposal* | Dry tailing plant commissioned at Zawar mines Commissioning of combined paste-fill and dry tailing plant at RD & SK mine Under planning stage at RA mines |
| Biodiversity & Ecosystem | ➡➡➡ | 15 LIFE ON LAND | Protect and enhance biodiversity throughout the life cycle Avoid deforestation and habitat loss in internationally recognised areas such as world heritage sites. IUCN category protected areas, legally designated protected areas and key biodiversity areas. Compensate with future reforestation (no net deforestation) by appropriate on or off site habitat restoration. Plan to achieve no gross deforestation in protected areas and strive to achieve no net deforestation in operating sites by 2050 against the baseline of 2020. | 0.67 mn trees planted as part of commitment to plant 1 mn trees by 2025 122,755 planted during the year |

➡➡➡ High Priority

➡➡ Medium Priority

➡➡ Low Priority

*Part of strategic initiatives



Environment Management »»

APPROACH TO ENVIRONMENTAL SUSTAINABILITY

At Hindustan Zinc, environmental stewardship is central to our operations, driving our commitment to sustainability and proactive environmental protection. We focus on resource efficiency, circular economy practices, pollution prevention, biodiversity preservation and consistently aiming to exceed regulatory standards. We invest in eco-friendly technologies and equip our employees with the necessary training to cultivate an environmentally conscious culture within the organisation.

In FY 2023-24, we invested ₹148 crore in operating expenditures for environmental initiatives and ₹ 463.7 crore in capital projects focussed on environmental management. These efforts included enhancing tailings storage safety, expanding renewable energy, and implementing zero liquid discharge systems. By adopting eco-friendly technologies and reducing landfill waste through fumer plant, we are leading the way toward a more sustainable future.



POLICY & COMMITMENTS

At Hindustan Zinc, we ensure the success of our Environmental Management System (EMS) through a focussed approach and strong commitments. Our comprehensive Environment Policy clearly defines roles and responsibilities, emphasising strict compliance with environmental laws and regulations. We set ambitious targets for continuous improvement, aiming to reduce our environmental impact. By raising awareness among stakeholders and fostering a culture of environmental responsibility, we minimise our footprint across the value chain, reinforcing our dedication to environmental stewardship.

We actively set ambitious environmental targets, driven by a continuous improvement strategy, to minimise our impact. Additionally, we engage stakeholders in raising awareness of environmental issues, making it a collective effort. Our specialised policies that drive the EMS include:



These robust policies are crucial for reducing our environmental footprint across the entire value chain. Through implementing these measures and fostering a culture of environmental responsibility, we strive for a reliable and robust EMS, demonstrating our unwavering dedication to environmental stewardship.

ENVIRONMENTAL INCIDENTS AND PERFORMANCE

HZL has established a sophisticated digital platform known as “Vunified” for reporting. This system allows employees to report incidents also that occur within the plant premises. It ensures a systematic approach to incident management, facilitating prompt responses and fostering long-term improvements.

There are no category 4 & 5 incidents reported during FY 2023-24

ENVIRONMENTAL COMPLIANCE

We have established a rigorous environmental management framework that goes beyond mere compliance, embedding adherence to laws, regulations, and standards into our corporate responsibility. This approach not only enhances operational efficiency but also strengthens public trust by ensuring that our practices minimise environmental impact. Our commitment is evident in our investments in advanced monitoring and documentation systems, which track environmental performance and support effective mitigation strategies. We continually raise the bar on environmental stewardship, fostering a culture of responsibility within

our workforce and collaborating with stakeholders to achieve a sustainable future for our communities and the environment.

| Financial Year | Any fines / penalties / action taken by regulatory agencies such as Pollution Control Boards |
|----------------|--|
| FY 2023-24 | NIL |
| FY 2022-23 | NIL |
| FY 2021-22 | NIL |
| FY 2020-21 | NIL |

Return on Environmental Investments (in ₹)

| | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---|---------------|---------------|---------------|---------------|
| Capital Investments | 4,637,300,000 | 3,885,333,836 | 3,075,000,000 | 1,680,000,000 |
| Operating Expenses | 1,480,000,000 | 1,358,406,918 | 1,035,000,000 | 980,000,000 |
| Total Expenses (Capital Investments + Operating Expenses) | 6,117,300,000 | 5,243,740,754 | 4,110,000,000 | 2,660,000,000 |
| Savings | 1,666,494,500 | 1,370,616,216 | 653,111,392 | 175,225,000 |
| % of Operations Covered | 100% | 100% | 100% | 100% |



Energy and Climate Change Management >>>

STRATEGY & APPROACH

At Hindustan Zinc, we actively encourage a proactive approach to energy management and climate action. We acknowledge the significant role our energy consumption and operational greenhouse gas (GHG) emissions play in climate change. We prioritise energy efficiency across all operations. This commitment manifests in investments in cutting-edge energy-saving technologies, process optimisation, and fostering a culture of conservation among our employees. We actively pursue renewable energy alternatives to create a more sustainable energy mix. We have integrated climate change adaptation strategies into our business planning. These strategies assess and address potential risks and vulnerabilities associated with a changing climate. Through this proactive and comprehensive approach to energy management and climate action, we strive to contribute to a more sustainable future, building resilience not only within our organisation but also in the communities we serve.

GOVERNANCE

Hindustan Zinc has a robust governance structure for managing ESG (Environmental, Social, and Governance) initiatives, organised into three tiers. The Tier 1 ESG & Board Committee provides overarching guidance and strategic oversight. Tier 2 consists of the Executive Sustainability Committee and the Energy and Carbon Community, which focus on executing sustainability strategies, including carbon pricing and emissions reduction. Tier 3, the SBU-level ESG Committee, drives implementation at the operational level. The Energy and Carbon Management Community plays a pivotal role in reducing Scope 1 and 2 emissions through audits, risk assessments, and mitigation measures, ensuring progress towards GHG reduction targets.

POLICY & COMMITMENT

Hindustan Zinc's [Energy and Climate Change Policy](#) is centred on reducing our carbon footprint and enhancing energy efficiency across all operations. We are committed to adopting renewable energy sources, optimising resource use, and investing in innovative technologies that align with global climate goals. Our

policy drives initiatives to minimise greenhouse gas emissions, promote sustainable energy practices, and integrate climate resilience into our business strategies.

Climate Change – Net Zero commitment

Climate change mitigation is integral to our strategy at Hindustan Zinc. We are dedicated to building resilient infrastructure and implementing innovative solutions to address climate risks. Our commitment to decarbonisation reflects our unwavering dedication to a sustainable future. We aim to achieve net-zero carbon emissions by 2050 or sooner, aligning with the Science Based Targets initiative's (SBTi) "Business Ambition for 1.5°C" campaign. This commitment underscores our proactive approach to environmental responsibility and our resolve to contribute to global climate goals.

50% reduction in Scope 1 & 2 emission and 25% reduction in Scope 3 by 2030, achieve net zero emission by 2050 (SBTi approved target)

ACCELERATING OUR JOURNEY TO NET ZERO

Renewable energy & RE-Opportunity

We, at Hindustan Zinc, are embarking on a journey to deploy renewable energy solutions in our operations. This involves implementing two captive power development plans with capacities of 200 MW and 250 MW. The project is set up by the Group Captive model under a Special Purpose Vehicle (SPV), where we own 26% equity (₹ 3.5 bn) and the developer holds the remaining 74% equity.

After completion of all the phases of project, this initiative will ensure a minimum assured supply of renewable energy for Hindustan Zinc from solar, wind, and energy storage systems annually at the delivery point, which is the 'Guaranteed Annual Generation' (GA). We will procure 450 MW of renewable energy with a 70% Capacity Utilisation Factor (CUF), corresponding to 1,226 mn units of green power annually. This will help us avoid 2.7 mn tCO₂e carbon emissions. The power delivery will be initiated in a phased manner and we successfully advanced the first phase of delivery to May 2024.

Biomass: In FY 2023-24, we made significant progress on our decarbonisation journey by replacing conventional energy sources with greener alternatives. A key accomplishment was substituting coal with biomass.

This impactful initiative successfully achieved the lowest ever specific coal consumption of 422 gm/kWh at our captive power plants with a corresponding reduction of 76,035 tCO₂e GHG emission by utilising biomass.

Electric Mobility

Leading the Charge in Low Carbon Mining:

Hindustan Zinc is spearheading the electrification of mining fleets in India. We have taken a pioneering step in FY 2022-23 by introducing the first underground Battery Electric Vehicles (BEVs) at our Sindesar Khurd Mine (SKM). This commitment extends beyond our own operations – we have partnered with three global manufacturers to introduce battery-powered service equipment and utility vehicles for future use.

Investing in a Sustainable Future:

Hindustan Zinc is dedicated to combating climate change. We have allocated approximately US\$ 1 bn towards climate change initiatives, with a bold goal of achieving 75% electrification of our entire mining fleet by 2035.

We also flagged off 10 EV trucks and 41 LNG trucks for inter-unit and finished goods transportation.

Energy Efficiency

Recognising that electricity is a major contributor to our emissions (85-90% of Scope 1 and 2).

Numerous initiatives and projects are in place to attain the goal of energy efficiency and improve the overall performance. Innovative energy-efficiency projects such as revamping of all the turbines, improvement of cellhouse efficiency, and other projects like installation of variable frequency drives across operations, switching from high-speed diesel to piped natural gas, have contributed to energy savings in our operations.

Emission Abatement

By investing in process innovation, emissions abatement, and clean energy solutions, we're significantly reducing our direct greenhouse gas emissions across our entire value chain.

Internal Carbon Pricing:

At Hindustan Zinc, we are taking a significant step towards decarbonisation by implementing an internal carbon pricing mechanism across all our units. This innovative approach assigns a cost (US\$ 15/tCO₂e or ₹ 1,241.8) to carbon emissions. Think of it as a financial incentive that prioritises low-carbon choices throughout the Company. By integrating this cost into every capital expenditure decision, we're empowering our teams to identify and prioritise energy conservation and efficiency projects within our operations. Ultimately, this strategy is designed to propel us towards achieving our ambitious Science Based Targets initiative (SBTi) goals for emission reduction.

 [Click here to read more about our Climate Action Report](#)

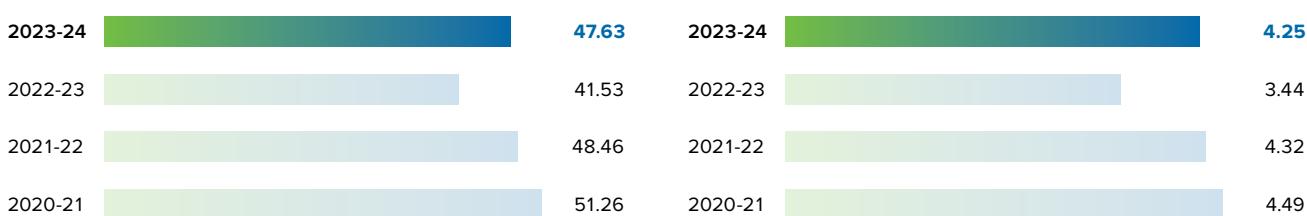


PERFORMANCE MATRICES (FY 2023-24)

Total Energy Consumed (In mn GJ)



Energy Intensity (GJ/MT)



Scope 2 Emissions (mn tCO₂e)



Scope 3 Emissions* (mn tCO₂e)



*Scope 3 reinstated post SBTi validation and basis Scope 3 methodology developed in-line with International Zinc Association (IZA)

[Scope 3 Emissions Accounting and Reporting Guidance ZINC for the value chain.](#)

Water Management »»

STRATEGY & APPROACH

Hindustan Zinc prioritises water stewardship, implementing advanced technologies, efficient systems to reduce freshwater use and regular monitoring of water consumption patterns. Our water management practices minimise environmental impact, protect ecosystems, contribute to the well-being of the communities where we operate and ensure responsible water management for present and future generations.

GOVERNANCE

At Hindustan Zinc, water stewardship is a key priority, driven by active collaboration with stakeholders to

promote responsible water management across our operations. Recognising water as a vital resource, we have embedded water management responsibilities at the highest levels, including the Chairman of the Water Community and the Chief HSE&S. The Water Management Community, a task force under the Executive Sustainability Committee, ensures strong governance and accountability. This team is focussed on enhancing resource efficiency, maximising water recycling, and implementing risk mitigation strategies, while also advancing water conservation practices, zero liquid discharge, and rainwater harvesting initiatives across our sites.

POLICY & COMMITMENT

Water Management Policy

Our dedicated [Water Management Policy](#) empowers us to implement sustainable water-use strategies across all operations. This policy, aligned with Vedanta's Sustainability Framework, guides us in utilising water resources efficiently and addressing water-related challenges.

Key practices to manage our water use

Minimising
fresh water
consumption

Exploring
alternative
water solutions

Increasing use
of recycled
water

Replenish
ground water

Monitoring and
auditing



[Click here to read more about our Water Management](#)

COMMITMENT TOWARDS WATER STEWARDSHIP

We are actively driving positive change in water stewardship by focussing on two key areas includes "Enhancing Water Efficiency and reduce dependency on fresh water".

Company has taken several initiatives to increase water conservation by -

- 1 Reducing fresh water usage through improving water recycling and enhancing overall water management like Dry tailing in mines, Technology and capacity upgradation of ETP, RO and MEE/MVR
- 2 Using alternative water sources like treated water from sewage treatment plant to reduce dependency on freshwater
- 3 Replenish water within local watersheds and development of rainwater harvesting structures for nearby communities
- 4 Collaborating and capacity building for tier-one suppliers having water intensive value chain to strengthen their water conservation and management efforts.
- 5 Various awareness training provided to employees on water efficiency management programmes on the occasion of World Water Day, Water is key risk to us so awareness on water is key part of each induction programme, refresher trainings, climate change trainings etc.

"Our ambitious long-term goal is to become a 5x water-positive Company, surpassing our base year ratio of 2.41, while reducing our freshwater consumption by 25% by 2025, starting from the base year of 2020"

MANAGEMENT

We depend on freshwater for both our operations and employee well-being – from drinking water to proper sanitation. We have intensified mitigation plans including investment in alternative sources of water, effluent treatment, zero liquid discharge plant and other water efficient technologies to ensure the continued availability and security of our water sources. **Every Hindustan Zinc site is ISO 14001 certified, leveraging the Vedanta Sustainability Framework's Water Management Technical Standard.** This ensures transparency – monthly performance reports go directly to the CEO-led Executive Sustainability Committee. Each site has a dedicated water management plan for tracking water usage, and daily data is meticulously collected through metered user-end reporting. We are constantly vigilant in reducing our reliance on fresh water.

Water monitoring and procedure:

We have installed analysers and water flow meters across our operations to monitor water quality and quantity in real-time. To enhance water management, we have implemented cutting-edge IoT-based monitoring systems in certain locations for even tighter control. To further demonstrate our commitment to transparency, we undergo external water assurance annually against GRI standards and Vedanta Sustainability framework. HZL's all sites are Zero Liquid Discharge (ZLD) plants with no liquid effluent discharged/disposed into surface water, groundwater, or land, eliminating the environmental pollution. To ensure this process, real-time monitoring systems along with flow meters and PTZ camera are installed at the plant outlets for

all smelters and captive power plants and data is shared with RSPCB & CPCB.

We utilise a fully digitised and automated Closed Loop Distributed Control System (DCS) for real-time water monitoring and tracking across all our operations. This system helps us maintain and enhance our overall water performance. Daily data monitoring is conducted for all water sources and plant operations. Each operation and process are equipped with electromagnetic flow meters, which are directly connected to the DCS system to ensure that water input and output are managed according to requirements.

In addition, we have established in-house water monitoring laboratories and online analysers to regularly assess the quality of water and wastewater. These facilities enable us to promptly take corrective and preventive actions when necessary. Furthermore, we perform regular groundwater monitoring using piezometers.

Technological Interventions and Water Conservation Initiatives in past four years:

- ▶ Installation of Dry Tailings Plant at Zawar mines
- ▶ Phase 1 of Zero Liquid Discharge (ZLD) plant 4,000 KLD commissioned at Zawar Mines
- ▶ Commissioned 3,000 KLD and 600 KLD RO-ZLD plant respectively at Zinc Smelter Debari and Chanderia lead Zinc Smelter
- ▶ Initiated ZLD plant construction in Rampura Agucha Mine (RAM) with targeted capacity of 3,800 KLD
- ▶ Rainwater harvesting structures in nearby communities (RAM) – groundwater augmentation of 87 lakhs m³
- ▶ Water Conservation projects with total water savings of – 3,149,950 m³
- ▶ Commissioned a dry tailing plant and a paste-fill plant at Rajpura Dariba Complex (RDC) for saving 3,000 KLD of water with improved recovery and recycling



PERFORMANCE MATRICES

Water Withdrawal

(Freshwater v/s Treated Municipal Waste Water Withdrawal)

| Financial Year | Water Withdrawal (mn m³) | |
|----------------|--------------------------|--|
| | Freshwater | Treated Municipal Waste Water Withdrawal |
| FY 2023-24 | 18.24 | 9.34 |
| FY 2022-23 | 18.09 | 8.57 |
| FY 2021-22 | 16.78 | 9.52 |
| FY 2020-21 | 20.88 | 7.18 |

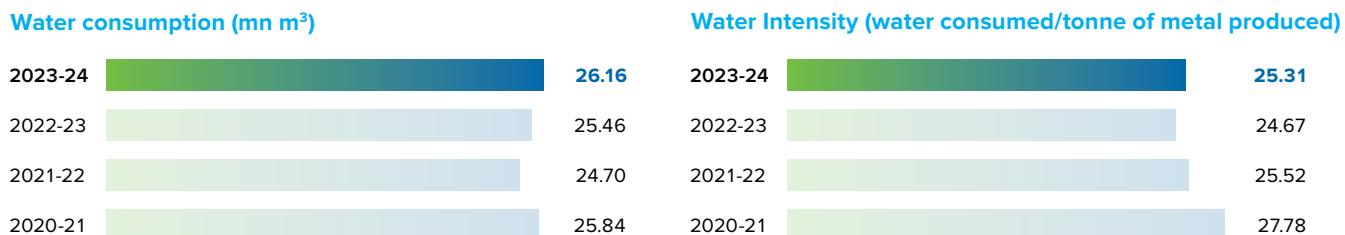
Total Water Withdrawal by Source (%)

(Freshwater v/s Treated Municipal Waste Water Withdrawal)

| Unit (mn m³) | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|--|------------|------------|------------|------------|
| Groundwater | 4.55 | 3.87 | 3.05 | 3.37 |
| Surface Water | 13.68 | 13.99 | 13.71 | 17.49 |
| Rain Water | 0.015 | 0.23 | 0.02 | 0.02 |
| Waste water from another organisation (treated municipal waste water) | 9.34 | 8.57 | 9.52 | 7.18 |

Water Consumption

Though water is consumed at all stages of the manufacturing process, most of it is used in cooling towers.



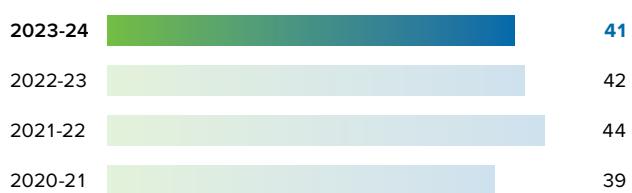
* Non-operational use is distribution of water in township, nearby communities and CSR activities (Total Water Withdrawal - Total Water Consumption in Operation)

EFFLUENT MANAGEMENT

We are maintaining zero discharge across our locations.

We reuse produced water and integrate effluent treatment plants across all smelters. This maximises process water recycling and reduces our dependence on freshwater resources. We have upgraded to cutting-edge MEE/MVR technology, replacing conventional evaporators at all smelters. This strengthens our zero-discharge commitment and boosts water recovery. These two approaches minimise our water footprint.

Water Recycling (%)



Waste Management and Circularity »»

STRATEGY & APPROACH

At Hindustan Zinc, we are dedicated to achieving zero waste to landfill as part of our broader commitment to the circular economy. By continuously monitoring and reducing waste, we actively seek opportunities to repurpose, recycle, and recover materials, thereby minimising waste generation. Our initiatives include the adoption of cutting-edge technologies that transform waste into valuable resources, contributing to a closed-loop system. This approach not only reduces our environmental footprint but also mitigates potential waste-related impacts, aligning with our vision of sustainable resource management and environmental stewardship.

GOVERNANCE

The Waste to Wealth Community at Hindustan Zinc is dedicated to transforming how we handle waste. Our team conducts cutting-edge research and development to find innovative methods for reducing and reusing waste materials. We meticulously track our company's progress towards ambitious waste minimisation goals and strive to ensure that every bit of waste generated from our operations is put to productive use.

Waste Management Framework

For effective waste management, we have implemented a comprehensive waste management framework built around the 4Rs: Reduce, Reuse, Recycle, and Reclaim. This framework outlines our strategies for minimising waste, enhancing recycling efforts, and fostering a culture of sustainability within our organisation policy & commitment

 [Click here to read more about Waste Management at HZL](#)



Commitment Towards Waste Management

At Hindustan Zinc, we focus on reducing waste generation in key areas identified through continuous evaluation, based on best available technologies. Based on that, we implement targeted actions to minimise waste, ensuring effective waste management in areas of significant concern.

Waste Management Plan

Across the sites, we have developed detailed waste management plan that includes procedures, roles, and responsibilities for implementing the 4Rs.

Leading the way in waste management, we are committed to:

- ▶ Oversee the gainful utilisation of waste and guidance to ensure continual improvement in waste minimisation, utilisation, and recycling by implementing appropriate processes and policies
- ▶ Identify and track the wastes generated throughout the mine life cycle along with their characterisation and classification
- ▶ Find innovative ways and methods to utilise the residue waste
- ▶ Undertake R&D, outline initiatives, and develop strategies to minimise waste
- ▶ Monitoring and Reporting Compliance and Continuous Improvement in waste management

“ONE OF OUR SUSTAINABILITY GOALS 2025 IS TO ACHIEVE A THREE TIMES INCREASE IN GAINFUL UTILISATION OF SMELTING PROCESS WASTE BY 2025”

MANAGEMENT

Waste by type and disposal method

The disposal/management practices that we adopt for different types of wastes generated as follows:

MINERAL WASTE

| Waste | Source of Generation | Disposal/Management Practice | % of Waste Recycled |
|------------|---------------------------|--|---------------------|
| Waste Rock | Mining | Utilised in mine backfilling and tailing dam height raising/embankment, the remaining is safely disposed of in a dedicated dump yard as per mine plan | 17.44% |
| Tailing | Ore beneficiation process | Utilised in mine backfilling through Hydro fill or Paste fill technology, while the remaining is safely disposed of in Tailings Storage Facilities (TSF) | 32.54% |

NON-HAZARDOUS WASTE

| Waste | Source of Generation | Disposal/Management Practice | % of Waste Recycled |
|------------------|------------------------|--|---------------------|
| Slag | Smelting process | Utilisation in cement manufacturing and road construction | 72% |
| Fly Ash | Power generation | Fly ash is reprocessed by cement manufacturers and brick manufacturers | 100% |
| Jarosite/Jarofix | Hydro smelting process | Jarosite - Utilisation in Cement Industry Jarofix - Stabilisation with lime & cement as Jarofix using patented Jarofix Technology (M/s Canadian Electrolytic Zinc), followed by disposal in Jarofix yard/Utilisation in road construction | 29% |

HAZARDOUS WASTE

| Waste | Source of Generation | Disposal/Management Practice |
|--------------------------|----------------------------|--|
| Used oil | Maintenance | Sale to authorised recyclers |
| Cooler cake | Cell house | Disposal in SLF/TSDF after stabilisation with cement |
| Purification cake | Purification | Recycle/sale to authorised recyclers |
| ETP sludge | Effluent treatment plant | Disposal in SLF/TSDF after stabilisation with cement |
| Anode mud | Cell house | Reuse/recycle/sale to authorised recyclers, surplus disposal in SLF/TSDF, if any |
| MEE/MVR salt | Recovery of Glauber's salt | Recovery of Sodium Sulphate and Disposal in SLF |
| Copper dross | Lead smelting | Recycle/sale to registered recyclers |
| Zinc dross | Zinc smelting | Recycle |
| Lead dross | Lead smelting | Recycle |
| Bio-medical waste | Health services | Handed over to authorised treatment facilities |
| Used acid – lead battery | Maintenance | Sale to authorised recyclers |



Tailing Dam Management »»

STRATEGY & APPROACH

Our strategy on responsible tailings management broadly includes the following aspects from both technical and governance perspectives:



GOVERNANCE

At Hindustan Zinc, we've established a strong governance structure for our Tailings Storage Facilities (TSF) with committees at both the Group corporate level and across all three mining sites and this meets on monthly basis. The committee at site level helping us enhance accountability and oversight. As part of this structure, there is one TSF chairman, Engineer of record and members from various departments like civil, mill, environment, geotech and E&I as per the requirement of GISTM.

These committees are responsible for raising awareness about our tailings management policy, strict adherence to the Operations, Maintenance, and Surveillance (OMS) Manual, ensure effectiveness of reclaim water systems and are responsible for continuous monitoring, reporting, and ensuring that all necessary resources are available to maintain safe and sustainable TSF management.

POLICY & COMMITMENT

Our dedicated [Tailings Management Policy](#) and Tailings Management Facility Standard (TMFS) ensure zero harm to people and in the environment in which we operate. We comply with all national, and international regulations and our own [Environmental Policy](#).

“HZL IS COMMITTED TO ACHIEVING FULL COMPLIANCE WITH THE GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT (GISTM) BY 2025”

Complete transition from wet tailing to dry tailing disposal by 2025

Tailing dam Management

- ▶ All the Company's tailings facilities are designed and constructed to the highest engineering standards and best-in-class benchmarked practices
- ▶ External and internal inspection and monitoring of the TSFs to review the integrity/stability of our TSF structures and their associated management practices
- ▶ Effectiveness of reclaim water system
- ▶ Collection and recycling of supernatant water
- ▶ Conducting periodic TSF risk assessments and developing mitigation plans to minimise associated risks
- ▶ Surveillance of tailings storage facility
- ▶ Effectiveness of emergency planning and response

- ▶ Utilisation of tailings in backfilling
- ▶ Replacement of wet tailing disposal system with dry tailing disposal
- ▶ Dam break analysis and Emergency preparedness
- ▶ Company introduced a novel, satellite-based Interferometric Synthetic Aperture Radar (InSAR) monitoring technique to provide early warning of surface ground movements

PERFORMANCE MATRIX

- ▶ Zero incidents associated with existing tailings facilities failure in last four years
- ▶ 100% of active tailings facilities have undergone independent third-party reviews in the last three years
- ▶ During the year, a third-party audit was conducted to identify any deficiencies against Global Industry Standard on Tailings Management (GISTM) requirements for which we are working on gaps

High Risk Potential Tailing Sites

| | Total Number of Facilities | Number of facilities categorised as "high risk potential" sites ("extreme" and "very high") | Percentage of "high risk potential" sites |
|--|----------------------------|---|---|
| Active Facilities | 3 | 3 | 100% |
| Inactive Facilities (including facilities in care maintenance or closed) | 1 | 0 | |
| Planned Facilities | 0 | 0 | |

 Click here to read more about our Tailings Management practices

Acid Rock Drainage Management

At Hindustan Zinc, we are committed to preventing environmental contamination and ensuring the safe management of our mining operations. To this end, we rigorously monitor the pH levels of mine water, which consistently range from 6.5 to 8.0, indicating that there is no acid drainage. We have also constructed garland drains around waste dumps to collect runoff water, which is treated appropriately to prevent surface water

contamination. Furthermore, we ensure zero discharge by effectively collecting and recycling all water used in our operations.

In addition to regular monitoring, we engaged ERM to conduct a comprehensive Acid Rock Drainage (ARD) assessment across our sites. The study confirmed that none of our mines are geochemically reactive, and no acid generation is currently occurring. The findings for our four key mines are as follows:

ZAWAR MINE

Acid Base Accounting (ABA) results indicate a negligible risk of ARD generation due to the high Neutralising Potential (NP) of the tailings, which significantly exceeds the Acid Potential (AP).

RAMPURA AGUCHA MINE

The ABA results suggest that the tailings material could become acid-generating over the long term if exposed to oxygen. Although no immediate risk is observed, we have incorporated waste management and closure plans to mitigate this potential future issue.

RAJPURA DARIBA & SINDEsar KHURD MINES

The ABA results show that while tailings may eventually become acid-generating if exposed to oxygen, the presence of substantial neutralising minerals will delay this process for an extended period.

In all our mines, we have implemented robust management plans to prevent acid generation. Tailings and waste rock disposal are carried out with sufficient neutralising materials to ensure long-term environmental safety and prevent future contamination. These proactive measures reflect our commitment to responsible mining practices and environmental stewardship.

Air Quality Management »»

STRATEGY & APPROACH

We take a comprehensive approach to air quality management and are committed to a healthier environment for all. We follow a systematic strategic approach helps to identify potential air pollutant sources at each site and actively managing them through emission inventories. Cutting-edge digital technologies and state-of-the-art control measures minimise air emissions, including sulphur oxides (SOx), nitrogen oxides (NOx) and particulate matter (PM). Cleaner fuels and continuous improvement initiatives further reduce our operational footprint.

GOVERNANCE

A robust air quality monitoring system ensures regulatory compliance. Recognising the interconnectedness of the environment, we prioritise employee health and

community well-being. Robust policies and procedures mitigate our environmental impact, contributing to a sustainable future. Ultimately, our operations safeguard the environment, protect human health, and promote the overall well-being of surrounding communities.

Our governance framework allows us to address concerns from both internal stakeholders and local communities. This transparency fosters trust and ensures the well-being of employees and residents. We have significantly enhanced monitoring capabilities by installing online, continuous emission, and ambient air quality monitoring systems. These systems connect directly to Central and State pollution control boards, enabling real-time tracking of emissions and swift mitigation measures. Implementing these measures, alongside transparency, has demonstrably minimised the impact of our operations on air quality.

POLICY & COMMITMENT

We ensure robust Air Quality Management through the following commitments:

Our commitment to maintaining ambient air quality parameters aligns with the National Ambient Air Quality Standards (NAAQS) 2009

We also engage with the local communities to address their environmental concerns concerning air emissions and formulate processes and procedures to address the same

Base line ambient quality monitoring and prediction of ground level concentration through modelling and selection of air pollution control devices

We ensure strict compliance with the conditions of our environmental licence. Our continuous emissions monitoring systems, directly connected with the servers of the Pollution Control Board, provide real-time updates on our air emissions

“REDUCTION IN NON-GHG EMISSION (SOx AND NOx EMISSION) BY 17% BY 2025”

PERFORMANCE MATRICES

Ambient Air Quality Monitoring

| Air Emission | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---|------------|------------|------------|------------|
| Particulate Matter (PM) Emissions from Stack (MT) | 1,261 | 1,048 | 963 | 1,097 |
| Nitrogen Oxide (NOx) Emission (MT) | 7,033 | 4,851 | 6,145 | 8,098 |
| Sulphur Oxide (SOx) Emission (MT) | 25,199 | 17,247 | 22,006 | 19,600 |

 Click here to read more about our Air Emission Management

Biodiversity Management »»

STRATEGY & APPROACH

At Hindustan Zinc, we're committed to actively integrating biodiversity conservation into our operations, ensuring our environmental efforts go beyond traditional practices. We recognise the critical importance of safeguarding ecosystems and strive to minimise any potential impacts through a strategic and proactive approach. Each of our mining and smelting sites operates under a site-specific Biodiversity Management Plan (BMP) that outlines clear objectives and targets designed to mitigate biodiversity risks while enhancing management practices in surrounding ecosystems.

We collaborate closely with international organisations such as the International Union for Conservation of Nature (IUCN) and Environmental Resources Management (ERM) to conduct thorough biodiversity risk assessments.

GOVERNANCE

Hindustan Zinc is committed to biodiversity conservation through active stakeholder collaboration, with the aim of safeguarding and enhancing biodiversity across

our operations. To ensure robust governance, we have established a Biodiversity Community under our Executive Sustainability Committee. This task force is responsible for risk assessment, strategy formulation, and continuous improvement in biodiversity management.

Recognising the critical importance of biodiversity, managerial responsibility has been embedded within the goals of our Biodiversity Community's Chairman. This Community oversees the evaluation of our operations' nature-related impacts and coordinates efforts to improve resource efficiency. By implementing rigorous standards and procedures, we ensure the conservation of ecosystems and the protection of biodiversity.

Our site-level biodiversity goals are executed by environment heads and biodiversity managers, who are also members of the corporate Biodiversity Community. Their efforts are key to mitigating potential risks, such as the loss of protected species and habitat fragmentation, which could threaten both ecosystems and business continuity.

Hindustan Zinc has implemented several initiatives to manage biodiversity-related impacts, including:

Conducting biodiversity risk assessments using the Integrated Biodiversity Assessment Tool (IBAT)

Developing and implementing a Biodiversity Management Plan aligned with global best practices

Engaging with the International Union for Conservation of Nature (IUCN) for a three-year partnership focussed on risk screening, ecosystem service review, and preparing roadmap to achieving No Net Loss (NNL) in biodiversity

Undertaking extensive afforestation projects, such as Miyawaki forestation

Restoring waste dumps and Jarofix yards

Implementing Wildlife (Schedule-1) Conservation Plans

Through these initiatives, Hindustan Zinc proactively manages its impact on biodiversity, ensuring the preservation and restoration of ecosystems in which we operate.

"There were no fines, enforcement orders and/or other penalties for any type of violation of biodiversity-related regulations in the current reporting year."



POLICY & COMMITMENT

We have dedicated [Biodiversity Policy](#) and Management Standards to strengthen our biodiversity management approach. Our Goal is to achieve No Net Loss (NNL) at our project operations and ensure that we will operate on the principles of Net Positive Impact (NPI) for critical habitat.

We recognise the vital role our employees play in biodiversity conservation. We invest in annual training programmes and awareness campaigns. These initiatives spark a conversation about the importance of protecting our natural world and fostering a culture of environmental responsibility within our workforce.

Our programmes are designed to avoid and minimise impact to flora and fauna throughout the entire lifecycle of our projects, from initial scoping to site closure. This includes initiatives to prevent deforestation, restore natural ecosystems, and ensure that no operations are conducted within protected areas, national parks, wildlife sanctuaries, or biosphere reserves. Additionally, we use the Integrated Biodiversity Assessment Tool (IBAT) to verify that no protected areas or wildlife corridors fall within our operational zones. We are also committed to avoiding any activities in World Heritage sites and IUCN Category I-IV protected areas. Through these efforts, we aim to uphold our dedication to biodiversity conservation and sustainable development.

 [Click here to read more about our Biodiversity Management](#)

RISK ASSESSMENT

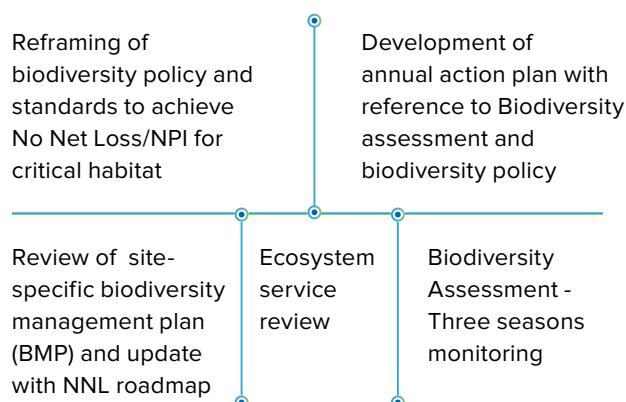
Hindustan Zinc takes a comprehensive approach to biodiversity. Our 4-stage approach to risk assessment identifies and evaluates the potential impacts of various activities on interconnected habitats. The scope of the assessment includes its own operations and adjacent areas of the operations.

| | |
|---|--|
| STAGE 1: Biodiversity Risk Screening | To promote a best practice management approach to biodiversity, Hindustan Zinc conducts a screening assessment before the start of any project to identify the sensitive ecological areas. Aligned with Vedanta's Technical Standard on Biodiversity Management, the Company evaluates its biodiversity-related impacts as well as risks and opportunities. We conduct risk screening for each site initially through the Integrated Biodiversity Assessment Tool (IBAT) and Species Threat Abatement and Restoration (STAR) metric. |
| STAGE 2: Biodiversity Risk Assessment | Biodiversity risk assessment is conducted at the site level to assess the biodiversity risks identified during the risk screening process in both the core and buffer zones within a 10-km radius of the proposed mines. The assessment involves: <ul style="list-style-type: none"> ▶ Desk-based research ▶ Baseline biodiversity survey ▶ Assessment of ecosystem service ▶ Impact dependency assessment |
| STAGE 3: Biodiversity Management Plan | A unique and exclusive Biodiversity Management Plan (BMP) is framed for all our operations based on the findings of the baseline study and biodiversity risk assessment that provides detailed guidance on the implementation of proper and required mechanisms to avoid and minimise impact of operations on biodiversity in addition to the conservation and restoration of the ecosystem. The BMP is prepared to achieve NNL and NPI for any critical habitat impacts that cannot be avoided. |
| STAGE 4: Implementation and Monitoring | Implementation of BMP recommended measures are carefully monitored. Progress on actions, which is continually tracked covers collection of data on the implementation of activities and outputs, delivery of results and impact according to the indicators identified in the logical framework in addition to its monitoring and evaluation activity as per the protocol identified under the BMP. |

No biodiversity risk was identified during the assessment.

IUCN ENGAGEMENT

Recognising the importance of biodiversity, we, at Hindustan Zinc, have embarked on a comprehensive review of our impact on ecosystems. To drive meaningful conservation, we've partnered with the International Union for Conservation of Nature (IUCN) in a dedicated three-year collaboration. This partnership focusses on aligning our conservation efforts with global best practices, while enhancing ecosystem services to ensure a sustainable balance between our operations and the natural environment. This collaboration aims to enhance our performance in biodiversity conservation and management, guided by the following objectives:



Mitigation of Biodiversity Impacts

Hindustan Zinc actively assesses its impact on, and reliance upon, biodiversity. We use a comprehensive Corporate Ecosystem Services Review (ESR) to analyse the natural systems that support our business, along with those potentially impacted by our operations. By understanding these connections, we develop effective strategies to manage risks, identify opportunities, and ultimately minimise our environmental footprint.

Mitigation Strategy

Avoid: Aligned with the ICMM principle and their focus on biodiversity under principle 7, Hindustan Zinc avoids operations, exploration, and drilling in World Heritage Sites and IUCN Category I-IV protected areas.

Reduce: To mitigate impacts on freshwater ecosystems and minimise associated risks, the Company has installed Zero Liquid Discharge systems at its plant locations. This initiative significantly reduces freshwater withdrawal from natural sources, promoting sustainable water management and reducing environmental stress on freshwater ecosystems and aquatic lives.

The Company commissioned 60 MLD Sewage Treatment Plant (STP) in Udaipur under a public-private partnership. The replacement of fresh water for operations with STP-treated water has increased the availability of fresh water for the community. Nearly 36% of the total water withdrawal was satisfied with treated sewage.

Regenerate: Initiatives taken by Hindustan Zinc to regenerate include -

To regenerate the degraded landscape, the Company has taken certain steps:

- ▶ Extensive plantation drives have been conducted across all nine operational sites, focussing on native species to restore local biodiversity

- ▶ A notable initiative includes the planting of 32,500 saplings from 65 diverse species using the Miyawaki method, which promotes rapid forest regeneration through natural, chemical-free processes
- ▶ At its Rampura Agucha Mine (RAM), the Company has planted native species developed in its own nursery. Additionally, the Company has spread seeds on waste dump slopes during the rainy season to stabilise the edges and enhance the local biota

Restore: The Company is transforming wasteland into productive land by increasing green cover and enhancing biodiversity. At its Chanderia Lead Zinc Smelter, the Company, in collaboration with the Energy and Resources Institute (TERI), has converted the Jarofix Yard into a greenbelt area. This initiative addresses industrial waste management while setting a benchmark for sustainable development and ecological restoration. As part of this project, approximately 11,000 native plant saplings were planted, covering 6.25 hectares of the Jarofix dump.

Transform: We have undertaken initiatives to transform biodiversity which involves long-term commitments and includes the following activities:

- ▶ Plantation of 1 mn trees by 2025
- ▶ Plan and strive to achieve no net loss of biodiversity at all mine sites through closure by applying mitigation hierarchy against a 2020 baseline
- ▶ Plan to achieve no gross deforestation in protected areas, and strive to achieve no net deforestation in operating sites by 2050 against the baseline of 2020
- ▶ Ensuring revision of our Biodiversity Management Plan to mitigate the impact on biodiversity caused by our operations



ALIGNMENT WITH TASK FORCE ON NATURE-RELATED FINANCIAL DISCLOSURE (TNFD)

Hindustan Zinc is a leader in adopting the Taskforce on Nature-related Financial Disclosures (TNFD) framework. In FY 2022-23, we identified improvement areas through a gap assessment and began integrating the TNFD's LEAP approach into our Corporate Ecosystem Services Review (ESR). As active members of TNFD, we contribute to the development of TNFD framework by providing feedback. Our commitment to managing nature-related risks and opportunities was solidified with the publication of our first [TNFD Report](#) in 2024, making us one of the early adopters of this globally endorsed framework.

ALIGNMENT WITH SCIENCE-BASED TARGET FOR NATURE (SBTN)

We are currently piloting targets for nature based target with the Science Based Targets for Nature (SBTN) and worked on Assess and Prioritise steps (Steps 1 & 2) to assess its impacts on nature and define where action is most needed. This would help the Company in setting science-based targets (Step-3) to reduce pressures on Nature.

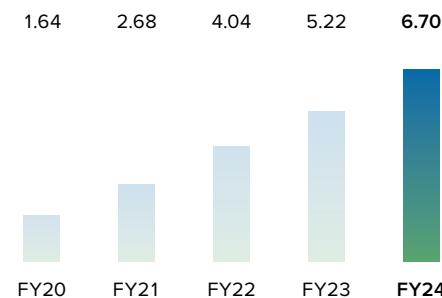
Additionally, we have devised a mitigation hierarchy plan and integrated the Science Based Target for Nature AR3T framework to effectively implement our biodiversity goals.

- We assessed direct operations (smelters, mines, power plants, and refineries) in Rajasthan and Uttarakhand, along with critical upstream suppliers
- We adopted the TNFD's LEAP approach, utilising tools like ENCORE and the Biodiversity Risk Filter to assess sector and site-level nature-related issues
- Key findings include high dependency on climate regulation and water, with significant impacts on terrestrial ecosystems and pollution
- Site-level assessments reveal varying dependencies on ecosystem services, with water stress being a significant issue for most operations

PERFORMANCE MATRICES

Plantation and green belt development

Cumulative Plantation (Lakhs)



Mining and Land Use & Disturbance

| Particulars | ZM | SKM | RDM & DSC | RAM | KM | ZSD | CLZS | PMP | Maton* |
|---|-------|-----|-----------|-------|-----|-----|------|-----|--------|
| Total Mine lease area (Ha) | 3,620 | 200 | 1,142 | 1,200 | 481 | | | | |
| Acquired Area-(Ha) till FY 2023-24 | 483 | 126 | 554 | 1,027 | 49 | 183 | 437 | 18 | 195 |
| Plantation area-(Ha)+ Rehabilitated till FY 2023-24 | 171 | 62 | 190 | 348 | 20 | 76 | 181 | 7 | 50 |
| Disturbed till FY 2023-24 | 312 | 64 | 327 | 679 | 29 | 107 | 256 | 11 | 145 |

Biodiversity Exposure & Assessment

| | Number of Sites | Area (Hectares) |
|--|--|---|
| a) Overall Total number and total area of own operational sites | 9 | Total acquired - 3,072.29 |
| b) Assessment Information on biodiversity impact assessment conducted for own operational sites | 9 | Total acquired - 3,072.29 |
| c) Exposure No. of sites that have a significant biodiversity impact, or are in proximity to critical biodiversity, of the sites assessed and the total area of those sites | Nil as per IBAT report | Nil as per IBAT report |
| d) Management Plans No. of sites from those assessed that have a significant biodiversity impact or are in proximity to critical biodiversity that have a biodiversity management plan with total area of those sites | Nil. None of the sites are in proximity to critical habitat BMP available at all the 9 sites | Nil. None of the sites are in proximity to critical habitat |

*Maton has been considered in reporting boundary for Biodiversity only.

Sustainable Site Closure »»

STRATEGY & APPROACH

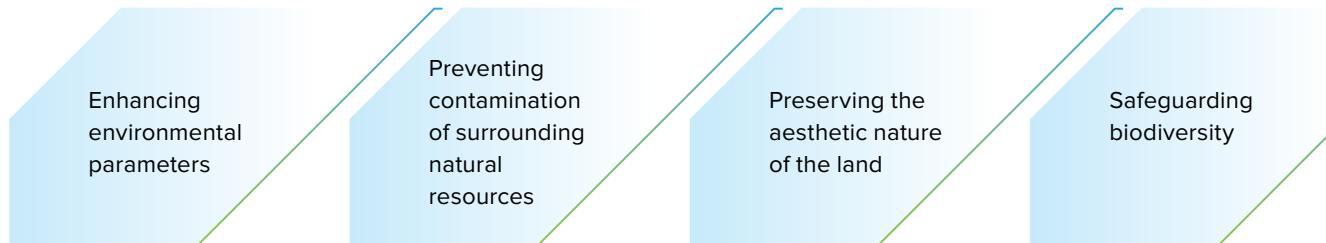
Ensuring responsible mine reclamation and closure is central to our mining practices at Hindustan Zinc. Our goal is to restore land to a state that supports environmental conservation and future land use. By integrating safety, environmental preservation, and community well-being into every phase of mine closure, we aim to leave a positive legacy with minimal long-term impact.

Our approach adheres to Rule 23 of the Mineral Conservation & Development Rules, 2017, and aligns with international standards such as ICMM principles and IFC guidelines. We develop progressive closure plans with clear targets and KPIs, integrating new technologies and stakeholder feedback to address both environmental and social impacts.

Key to our strategy is backfilling underground voids, which enhances stability, reduces the need for tailings storage, and minimises environmental impact. We allocate sufficient funds for closure and rehabilitation, conducting regular reviews to ensure comprehensive and up-to-date plans.

Our CSR initiatives focus on long-term, research-based projects that engage local communities and government agencies and are running on self-sustaining model. We employ external experts for project guidance and maintain transparency through regular audits and independent impact studies.

Through these efforts, Hindustan Zinc is committed to sustainable development, effective land restoration, and community engagement, ensuring a responsible and environmentally sustainable mine closure process.



POST CLOSURE

Hindustan Zinc's mine closure process is committed to environmental sustainability and proactive stakeholder engagement. Adhering to stringent regulations, we ensure that our reclamation practices meet top international benchmarks. Our approach integrates internal processes and stakeholder consultations to incorporate diverse perspectives into our closure plans. Responsibilities are clearly assigned for efficient execution, and transparent communication keeps all stakeholders informed throughout the process.

PERFORMANCE METRICS

Currently, none of our mines are nearing closure

100 percentage of mining operations are with the closure plans

Key closure activities include:

- ▶ Removal of surface and underground equipment
- ▶ Fencing and sealing all mine entries
- ▶ Dismantling mine infrastructure
- ▶ Restoring the land to its natural profile, including drainage and revegetation
- ▶ Decontaminating soil by excavating and replacing affected areas
- ▶ Maintaining existing plantations
- ▶ Securing necessary statutory approvals for progressive and final closure plans
- ▶ Conducting post-reclamation surveillance and monitoring



Social



(GRI 2-6, 2-7, 2-8, 2-19, 2-23, 2-24, 2-25, 2-26, 2-29, 2-30, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 412-2, 413-1) (UNGC Principle 2, 3, 4, 5, 6) (FIMI Principle 4, 6, 9)

| Material Issues | Priority Area | SDG Linkage | Sustainability Goals 2025 |
|--|---------------|--|--|
| Community Engagement & Development | ➡➡➡ |             | Positively impacting 1 mn lives through social, economic and environmental initiatives |
| Health, Safety & Well-being | ➡➡➡ |   | Zero work-related fatalities and 50% reduction in Total Recordable Injury Frequency Rate (TRIFR) |
| Talent Attraction & Retention | ➡➡➡ |  | Inclusive and diverse workplace with 30% diversity |
| Diversity, Equal Opportunity and Inclusion | ➡➡➡ |    | Inclusive and diverse workplace with 30% diversity |
| Learning and Development | ➡➡➡ |  | |
| Labour Practices | ➡➡➡ |  | Zero work-related fatalities and 50% reduction in Total Recordable Injury Frequency Rate (TRIFR) |
| Indigenous People & Cultural Heritage | ➡➡➡ |    | Positively impacting 1 mn lives through social, economic and environmental initiatives by 2025 |
| Human Rights | ➡➡➡ |   | |

 High Priority

 Medium Priority

 Low Priority

Social Performance »»

Our commitment to aligning our success with the interests of our stakeholders and the broader community is at the heart of our sustainability approach. We recognise that our operations have a profound impact on the regions where we operate, and we are dedicated to driving positive economic and social outcomes. By focussing on job creation, sourcing local goods and services, and making substantial community investments, we contribute to the economic development of host governments and enhance the well-being of local communities. Our proactive approach to fulfilling tax and royalty obligations further supports the economic infrastructure of these regions.

Maintaining our 'Social Licence to Operate' is crucial for sustaining our operations and fostering long-term relationships with the communities we serve. We prioritise social acceptance at every stage of our operation's lifecycle, from initial project development through to ongoing operations. This commitment is guided by our Stakeholder Engagement Standard, which outlines our responsibility to engage with stakeholders in a respectful and inclusive manner, acknowledging and valuing cultural diversity.

Our [Corporate Social Responsibility \(CSR\) policy](#) reflects our dedication to providing economic development opportunities and capacity-building initiatives within the communities where we operate. This policy ensures that our activities create lasting benefits, empower local populations, and contribute to sustainable development.



Central OH & Safety Council

The role of this community is to plan and execute the organisation's strategic roadmap. It helps achieve the Company's zero-harm vision by establishing and implementing various safety systems, standards, rules and procedures.



CSR Community

The CSR community is aligned with various international and national sustainable development agendas, including the UN Guiding Principles (UNGPs) for Business and Human Rights, the UN Sustainable Development Goals, the National Guidelines on Responsible Business Conduct, and the various national priorities. It is working on a target to impact one mn+ lives positively. The community has conducted a baseline assessment to understand the community needs and is engaged in strengthening Hindustan Zinc's social plans accordingly.



People Community

The People Community reviews and reframes the relevant policies for promoting equal opportunity, and an inclusive and diverse workforce in the organisation. It prepares the workforce for leadership roles, conducts internal engagement surveys, raises awareness and communicates with external stakeholders.

SITE LEVEL

Additionally, each operational unit is supported by a dedicated committee on ESG focussed on addressing and resolving grievances swiftly. This layered governance structure ensures that our sustainability and social responsibility objectives are effectively managed, promoting transparency and responsiveness across all levels of our organisation.

POLICY AND COMMITMENT

At Hindustan Zinc, robust policies and their implementation are crucial for fostering positive relationships with our stakeholders and ensuring sustainable operations. These policies guide our approach to stakeholder engagement, social responsibility, and ethical practices, which are vital for maintaining our social licence to operate. By implementing strong social policies, we not only enhance our corporate reputation but also address potential social risks effectively. This proactive stance helps us build trust, drive community development, and ensure that our operations contribute positively to society.



SOCIAL PERFORMANCE APPROACH

Our Social Performance approach is centred on safeguarding and maintaining our social licence to operate. This approach is built on three core principles: building trust through inclusive stakeholder engagement, proactive social impact management, and benefit sharing. By focussing on these areas, we aim to establish and maintain strong, positive relationships with our communities and stakeholders.

Stakeholder Relationship Management

- ▶ External Stakeholder Engagement
- ▶ Community Relations Management
- ▶ Grievance Management

Social Impact

- ▶ Respecting Human Rights
- ▶ Indigenous Peoples Management
- ▶ Cultural Heritage Management
- ▶ Land Acquisition & Resettlement

Benefit Sharing

- ▶ Supplier Development
- ▶ Local Procurement & Employment Opportunities

IN NEW PROJECTS

Before starting any greenfield projects, we conduct Environment & Social Impact Assessment (ESIA) studies through reputable and approved third parties to identify all potential risks. Based on these studies, we prepare a mitigation plan, which forms an integral part of the Environmental & Social Management Plan included in the ESIA document. Evaluating human rights issues is a crucial component of these social impact assessments, mandated for all our units.

Hindustan Zinc is a large-scale integrated mining company engaged in the exploration, extraction, and processing of lead, zinc, and silver. The concentrates from our four captive zinc ore mining sites are transported to our smelters for processing. We do not rely on external ore concentrates, thereby minimising the risk of artisanal and small-scale mining (ASM) in nearby areas. None of our sites currently host or are located near ASM activities involving high-risk commodities such as gold, copper, diamonds, or tin.

No environmental impact assessments of projects were undertaken by the Company during the reporting year.

Stakeholder Engagement for Development Projects in FY 2023-24

| KPI | FY 2023-24 |
|---|------------|
| Total number of current production assets | 9 |
| % of current production assets that have required community consultation | 100% |
| Number of development projects | 0 |
| % of development programmes that are in the process of community consultation | NA |

HUMAN RIGHTS MANAGEMENT

Hindustan Zinc is steadfast in its commitment to uphold the fundamental rights of every individual with whom we engage in business. We advocate for the promotion and protection of human rights across all our operations and are dedicated to preventing any violations within our organisation. We maintain a strict zero-tolerance policy towards human trafficking, slavery, forced labour, and child labour. Our protective measures are rigorously enforced at each company location to ensure that these practices are not tolerated.

We are also committed to safeguarding the freedom of association and the right to collective bargaining. We actively support our employees in voicing their concerns and encourage them to engage with both union representatives and HZL management at the unit and corporate levels.

PLANNING

At Hindustan Zinc, we understand that maintaining social acceptance is crucial to our operations, particularly in light of potential impacts on community health, safety, and socio-economic development. Our approach is built on a comprehensive Environment & Social Impact Assessment (ESIA) system, designed to identify and address environmental and social risks which is integrated to Enterprise Risk management.

Our ESIA Standard mandates that each operational site, whether new or undergoing expansion, conducts thorough assessments at the outset or when significant changes occur. These assessments provide valuable insights into social baseline conditions and potential impacts on the community. An essential component of this process is a formal public consultation, allowing community feedback and project review. This inclusive approach ensures that we address any concerns and align our operations with community expectations.

To manage and mitigate negative impacts, we develop and implement social management plans based on the findings from our ESIA studies. These plans cover critical areas such as human rights, land acquisition, resettlement, and cultural heritage, setting minimum standards for managing social risks and leveraging opportunities.

IN OPERATIONS

Hindustan Zinc is committed to ensuring compliance with human rights regulations and policies across our operations. To uphold this commitment, we conduct a comprehensive human rights assessment every two years. During the fiscal year 2022-23, we engaged a third-party assessor to evaluate our current readiness and adherence to human rights standards.

The assessment focussed on two primary objectives:

1

Identifying Risk Areas

Pinpointing potential vulnerabilities and areas where our practices might not fully align with human rights regulations.

2

Formulating Mitigation Plans

Developing strategies and actions to address and rectify the identified risk areas.

In addition to this assessment, we utilised the Global Compact Self-Assessment Tool, developed by the Danish Institute for Human Rights, the Confederation of Danish Industries, and the Ministry of Economic and Business Affairs. This tool evaluates our performance across five key categories:



Management



Human Rights



Labour



Environment



Anti-Corruption

By leveraging these comprehensive tools and methodologies, we ensure that our human rights practices are robust, effective, and continuously improved, aligning with both national and international standards.

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others – please specify | 100% |

Assessment Results

| | % Assessed in last three years | % Assessed where risks have been identified |
|-----------------------------------|--------------------------------|---|
| Own Operations | 100% | No such risk identified |
| Contractors and Tier- I Suppliers | 100% | No such risk identified |

A ROBUST PORTFOLIO OF COMMITTEES

To advocate and govern employee rights on various issues, we have established several committees. Our Joint Consultant Committee (JCC), an apex body at the unit level, features equal representation from both management and the union. The JCC meets quarterly to address matters related to production, productivity, overtime reduction, safety initiatives, and other workplace concerns.

Additionally, we have specialised committees, including the Welfare Fund Committee, Housing Committee,

100% sites were assessed for risks related to Human Rights. None of the sites were identified with potential human rights risks. Therefore, no mitigation plans were developed. However, as part of the human rights standard implementation, several measures were undertaken.

In addition to these internal mechanisms, we conduct regular VSAP (Voluntary Social Accountability Programme) and compliance audits, carried out by both external and internal agencies. These audits are designed to verify our adherence to human rights standards and protocols, ensuring that our practices align with established regulations and guidelines.

Canteen Management Committee, Welfare Committee, and Transport Committee. These committees convene regularly to address specific issues related to their respective areas, ensuring that employee welfare and operational efficiency are continuously monitored and improved.

Through these comprehensive measures and structures, Hindustan Zinc demonstrates its unwavering commitment to human rights and employee welfare, fostering a respectful and supportive work environment.



Resettlement

Land is a crucial resource for communities, providing livelihood opportunities and cultural connections. Recognising the challenges associated with relocation and livelihood restoration, Hindustan Zinc is committed to addressing these issues in accordance with international best practices to achieve mutually beneficial outcomes.

We strive to avoid resettlements whenever possible and have established a comprehensive strategy for responsible land access and resettlement, guided by our Land Acquisition and Resettlement Standard, which aligns with IFC Performance Standard 5. No indigenous people have been identified near the operating areas.



Our approach includes

Community Engagement

Regular interactions with local communities and government authorities to address grievances related to relocation.

Support Measures

Providing alternative homestead lands, homebuilding assistance, employment opportunities, and cash payments when necessary to ensure a smooth transition for relocated families.

Modern Slavery Act Compliance

At Hindustan Zinc, we uphold a strict code of conduct regarding human rights across all our sites. Our commitment is reinforced through various sensitisation programmes for stakeholders on human rights and ethical practices. Board members, executives, and new employees affirm their commitment to human rights annually through dedicated E-Modules of our business Code of Conduct.

We enforce adherence to the UK Modern Slavery Act 2015 among our suppliers, ensuring transparency and accountability. Our Ethics Committee is tasked with overseeing responsible business conduct and ensuring no human rights violations occur within our operations.

Our measures to address human rights concerns include:

Employee Grievance Reporting:

Robust mechanisms for employees to report grievances, including grievance reporting boxes and online platforms.

Collective Bargaining:

Implementation of collective bargaining agreements and contract labour management cells to address and resolve issues.

Grievance Redressal

A dedicated Grievance Redressal Committee and [Whistle-blower Policy](#) to protect the confidentiality and anonymity of complainants, with appropriate reviews and risk assessments.

We are committed to fair and equal treatment of all employees, workers, and stakeholders, with timely redressal of grievances through discussions and meetings with employees and labour unions. Disciplinary actions, including termination of employment or contracts, are taken against any individuals who violate the human rights code.

Collective Bargaining

Hindustan Zinc supports workers' rights to collective bargaining through established worker unions at all our operating sites. We work collaboratively with these unions to develop agreements that promote transparency, trust, and strong relationships. These agreements cover various aspects, including remuneration, allowances, working conditions, incentives, bonuses, health, safety, and productivity.

Our commitment to collective bargaining is reflected in our workforce coverage: 100% of our non-executive employees (21.29% of our total full-time workforce) are covered under collective bargaining agreements, ensuring that our remuneration standards meet or exceed legal requirements.

ACROSS SUPPLY CHAIN

We thoroughly vet our critical and new suppliers through a rigorous due diligence process. This year, we engaged a third party to conduct both desktop and on-site risk assessments for 309 vendors. The evaluations revealed no significant risks related to human rights. Our pre-qualification process includes checks on human rights issues, ensuring compliance before contract signing.

Hindustan Zinc has also established a robust internal system for managing mineral supply chain risks. We follow strict protocols for responsible sourcing, including guidelines for conflict-affected and high-risk areas (CAHRA). Our process ensures that any red flags identified during assessments are reported to senior management and addressed with enhanced due diligence.

Performance Metrics

- ▶ Zero incidents of discrimination were reported during the reporting period
- ▶ Zero operations and suppliers were considered to have significant risks of incidents of child labour, forced or compulsory labour
- ▶ Zero sites in conflict-affected or high-risk areas

PERFORMANCE METRICS

TRAINING ON BUSINESS ETHICS AND HUMAN RIGHTS

Total Security Personnel Trained

886 (100%) security personnel received training on Business Ethics and Human Rights.

Specialised Training for Officers

Officers underwent customised training led by certified Master Trainers from Rashtriya Raksha University, a central university under the Ministry of Home Affairs, Government of India.

MASTER TRAINERS' ROLE

Certified Training

The Master Trainers, who have received certification from Rashtriya Raksha University, provide advanced training to both private and public security personnel.

Focus on Voluntary Principles Initiative

The training emphasises the Voluntary Principles on Security and Human Rights (VPSHR), ensuring that security personnel understand and implement these principles effectively.

 Click here to read more about Human Rights at HZL

Community Development »»

At Hindustan Zinc, Corporate Social Responsibility (CSR) is a fundamental element of our growth strategy, intricately aligned with the United Nations Sustainable Development Goals (SDGs). Our commitment to fostering inclusive growth is evident in our diverse range of initiatives spanning education, sustainable livelihoods, women's empowerment, health, and more.

In FY 2023-24, our CSR efforts extended across Rajasthan and Uttarakhand, as well as into Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Goa, Odisha, Punjab, and Uttar Pradesh through our flagship programme, Nand Ghar.

Our outreach efforts have touched 3,685 villages, benefiting more than 1.91 mn individuals. Since FY 2019-20, we have achieved a 3.8-fold increase in our outreach, reflecting our sustained commitment to enhancing lives through impactful CSR initiatives.

VISION

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

APPROACH TO CSR AT HINDUSTAN ZINC

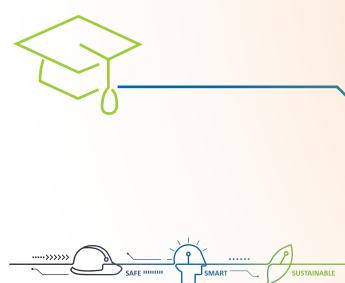
At Hindustan Zinc, our approach to Corporate Social Responsibility (CSR) emphasises long-term sustainability and self-sufficiency, aiming to create enduring positive change rather than just immediate impact. Our strategy centres on fostering community ownership and empowering individuals to spearhead their own development.

Collaboration forms the cornerstone of our approach. We actively partner with local institutions, government bodies, and NGOs to ensure our initiatives align with and complement local development plans. This collaborative

effort helps integrate our CSR activities into the broader socio-economic framework, laying the groundwork for sustainability beyond our direct involvement.

To instil a culture of ownership and leadership within communities, we have established a range of community-based institutions, including Federations, Farmer Producer Organisations (FPOs), and Anganwadi Management Committees (AMCs). These organisations play a crucial role in sustaining the impact of our initiatives and ensuring ongoing community engagement.

Capacity building is another key focus. By investing in skill development, education, and entrepreneurship programmes, we empower individuals within communities to drive their own growth. The 'Sakhi Utpadan Samiti', a social enterprise under our flagship programme, exemplifies this commitment by enhancing the livelihoods of women through microenterprises. These enterprises, owned and managed by women from underprivileged backgrounds, serve as catalysts for change, creating a ripple effect of sustainable impact. Our initiatives are designed not only to deliver immediate benefits but also to build a legacy of self-sufficiency and empowerment, deeply embedded in the communities we serve.



STRATEGY FOR CSR INITIATIVES AT HINDUSTAN ZINC

At Hindustan Zinc, our CSR strategy is deeply rooted in collaboration, with partnerships serving as the backbone of our implementation efforts. We embrace a multifaceted approach that includes third-party implementation through external partnerships, in-house design and delivery, and collaboration with like-minded organisations.

Government Collaborations

We work closely with the Government of India, the Ministry of Women and Child Development, and the Government of Rajasthan Education Department and Child Development. These partnerships enhance our support continuum for children, spanning from birth through higher education. Our education programmes under Vidya Bhawan, Shiksha Sambal, along with healthcare and infrastructure initiatives, benefit significantly from these collaborations.

Livelihood and Agriculture

Our partnership with the BAIF Institute for Sustainable Livelihoods and Development (BISLD) and the Ambuja Cement Foundation focusses on advancing hi-tech vegetable cultivation, breaking traditional cropping cycles to improve agricultural productivity and sustainability.

Sports Development

In collaboration with the Rajasthan Cricket Association, we are spearheading the construction of the Anil Agarwal International Cricket Stadium in Chonp, Jaipur. Once completed, this stadium will be the third-largest globally, serving as a premier venue for cricket and other sports, thereby fostering national and international sporting excellence.

Financial Inclusion

We have partnered with India Post Payments Bank (IPPB) and Manjari Foundation to promote financial inclusion among the unbanked and underbanked communities in our operational villages. This initiative provides doorstep delivery of banking and insurance services, facilitating cash-lite transactions and improving financial access in remote areas.

These strategic collaborations embody our commitment to making a lasting and positive impact on the communities and environments where we operate. They are integral to achieving the comprehensive CSR impact we aspire to and are more than just alliances – they are vital contributors to our mission of sustainable development.

CSR expenditure



*Hindustan Zinc does not make any charitable donations, nor does it undertake any commercial initiatives.
The entire CSR expenditure is through community investments only.

CSR GOVERNANCE AT HINDUSTAN ZINC

CSR Governance at Hindustan Zinc

Board-level CSR Committee

Headed by strong and independent members, the committee oversees the effective implementation of CSR programmes. The committee meets on a quarterly basis to approve CSR strategies and programmes, review the policy and financial budgets

Executive Committee (ExCo) and ManCom

The executive oversight of CSR programmes is undertaken by the CSR Executive Committee & ManCom

Three-tier Project Level Implementation Committees

- ▶ Implementation & Monitoring Committee (IMC)
- ▶ Project Steering Committee meetings (PSC)
- ▶ Project Advisory Committee (PAC)

Effectiveness Checks

Our CSR processes undergo rigorous evaluation through multiple auditing mechanisms. This includes regular reviews by the CEO and senior management, internal audits, operational audits conducted quarterly, and comprehensive assessments through the Management Assurance System, Sustainability Assurance System, and Vedanta Sustainability Assurance System on an annual basis.

Strategic Direction and Compliance

Strategy and direction for CSR are guided by our [CSR Policy](#), Standard Operating Procedures (SOPs),

Delegation of Authority (DOA), and technical standards for grievance redressal and stakeholder management. We adhere to CSR protocols as per the Companies Act Schedule VII and align with CSR amendments 2022. This includes conducting impact assessments, mapping CSR programmes as ongoing or one-time interventions, and following recommended compliance measures.

Through this structured governance framework, Hindustan Zinc ensures that our CSR efforts are impactful, compliant, and aligned with our organisational values and societal responsibilities.

RELATIONSHIP WITH COMMUNITIES

Hindustan Zinc is dedicated to sustainable development and social responsibility, focussing on fostering strong, trust-based relationships with communities and local governments. Our approach includes:

Our measures to address human rights concerns include:

Community Needs Assessments

Conducted every three years by an external entity to guide the planning and direction of our initiatives.

Annual Perception Studies

External evaluations each financial year help us adjust and improve our community programmes.

Impact Assessment and SROI

These evaluations inform our programme strategies and implementation phases.

Our CSR framework is designed for responsiveness and adaptability to the needs of underserved communities. We engage regularly with stakeholders – communities, government bodies, NGOs, and industry experts – to gather insights and feedback. This ongoing proactive dialogue helps us address evolving priorities and align our initiatives with community needs.

We use a variety of engagement methods including CSR initiatives, a robust grievance mechanism through Social Performance Steering Committees (SPSC), and regular community meetings. SPSC, comprising cross-functional leaders, review risk matrices, stakeholder plans, and grievances. We also communicate through newsletters, leaflets, hoardings, and social media, and conduct third-party assessments to ensure transparency and effectiveness.

Our commitment integrates community well-being with business growth and sustainability, aiming to enhance social performance and mitigate negative impacts.

CSR INITIATIVES

In line with our CSR vision, our initiatives operate around the twin objectives of promoting quality of life and the economic well-being of the communities around which we operate. Evolving and strengthening the grassroots institutions for sustainability of the initiatives thereby bringing in ownership from the community. We've entrenched ourselves in these domains, becoming a beacon of positive transformation in the lives of the communities we serve.

Creating Value through Convergence

At Hindustan Zinc, we actively foster partnerships with state and central governments, peer companies, NGOs, and local communities to amplify the impact of our initiatives. These collaborations are pivotal in expanding the reach and sustainability of the grassroots institutions we establish. By working together with these stakeholders, we enhance the effectiveness and longevity of our programmes, ensuring they continue to thrive and benefit the communities we serve.

 [Click here to read our Impact Assessment Report](#)

 [Click here to read our CSR Policy](#)





Encouraging Volunteering

At Hindustan Zinc, we embed volunteering deeply into our organisational ethos to advance sustainable development and raise awareness about global challenges. Our volunteering initiatives not only provide our employees and their families, business partners, and like-minded organisations with opportunities to engage in social

development but also enhance their understanding of critical societal issues.

Throughout the year, our Shiksha Sambal Project has been a focal point for volunteering activities, engaging over 130 external volunteers. We have made employees volunteering a cornerstone of our CSR efforts, encouraging staff to contribute actively to societal betterment.

KEY HIGHLIGHTS

Summer and Winter Camps

External volunteers played a crucial role in our month-long Summer Camps, generating over 2,800 learning hours for more than 1,500 students. Similarly, Winter Camps, spanning 11 days, provided 6,600 learning hours for over 2,400 students. These camps focus on both academic and holistic development, benefiting students from rural backgrounds.

University Fellowship Programme

For the past two years, we have onboarded fellows from prestigious institutions like Delhi University for year-long engagements. Last year, these fellows conducted 120 interactive modules designed to enhance language and math skills for students in grades 6 to 8 of Government schools. Their activity-based learning approach has significantly improved educational outcomes.

Through these efforts, we strive to create a meaningful impact on both individual lives and the broader community, reinforcing our commitment to social responsibility and community engagement.

| Focus Area | Description | Key Milestones | Impact Created |
|---|---|--|---|
| Economic Wellbeing  | At Hindustan Zinc, our CSR initiatives are dedicated to enhancing the economic vitality of the communities we serve through skill-based training and sustainable livelihood programmes. Our flagship initiatives, Samadhan and Zinc Kaushal, are designed to foster long-term economic growth and self-sufficiency. | <ul style="list-style-type: none"> ▶ Centre of Excellence: Established the first-of-its-kind livestock centre of excellence within the Vedanta Group. ▶ Market Expansion: Ghatawali Mataji Farmer Producer Company's dairy products now supply Taj Group of Hotels. ▶ Revenue Generation: Five independent Farmer Producer Organisations (i-FPOs) and two microenterprises achieved a total revenue of ₹ 4.92 crore. ▶ FPO Milestone: Successfully organised the first Annual General Meeting (AGM) for five FPOs, with over 1,000 shareholders, announcing a patronage bonus of ₹17.48 lakhs and issuing share certificates. ▶ Women's Empowerment: Achieved 33% female representation as the Board of Directors for FPOs, enhancing decision-making. ▶ Animal Care Clubs: Developed the first TACO (The Animal Care Organisation) Club, followed by 20 more, totalling 21 clubs. ▶ Vocational Training: Launched a 21-day pre-vocational course benefiting 255 students from eight government schools. ▶ Zinc Kaushal Training: Initiated three batches of 75 female trainees with 100% diversity in unarmed security, retail sales, marketing, and office assistance. | <p>Samadhan Programme: Focussed on sustainable livelihoods through integrated farming and livestock development in 184 villages. Established five FPOs with 6,400+ shareholders and two microenterprises (Dairy & Mineral Mixture units), empowering farmer families and boosting community livelihoods.</p> <p>Impact: Covered 30,000+ farmer families across seven districts and six locations.</p> <p>Zinc Kaushal Programme: Addressing youth unemployment by providing market-oriented skill training. The programme equips youth with the skills needed for sustainable employment or entrepreneurship.</p> <p>Impact:</p> <ul style="list-style-type: none"> ▶ 1,357 (74%) trainees either secured positions in reputable organisations or became self-entrepreneurs. ▶ Achieved an average monthly income of ₹14,000+ for successfully trained youth. |
| Women Empowerment  | At Hindustan Zinc, empowering women is a core component of our CSR strategy. We focus on building financial and social independence through strategic programmes and platforms that enable women to lead and excel. Our initiatives support women's development at multiple levels, from local leadership to entrepreneurial success. | <ul style="list-style-type: none"> ▶ Leadership Platforms: We have integrated women into key decision-making roles, ensuring that 33% of board positions in our farmer producer organisations and federations are held by women. This inclusion fosters leadership and strategic input at the highest levels. ▶ Uthori Awareness Programme: Launched with 91,000 beneficiaries, including 10,000 students, this programme raises awareness and supports the development of women and girls in our operational areas. ▶ Recognition of Leadership: Ms. Manju Meena, Federation Leader of Zawar-Sakhi Shakti Samiti, was honoured by XLRI Jamshedpur for Social Entrepreneurship in Tribal Areas, highlighting the impact of our leadership development programmes. ▶ Financial Impact: Over ₹100 crore in cumulative credit and ₹10 crore in cumulative interest have been generated, reflecting the economic empowerment of women through our initiatives. | <ul style="list-style-type: none"> ▶ 24,130 women benefited through Sakhi and associated microenterprise initiatives, enhancing their economic and social status. ▶ 2,043 self-help groups have been established, providing a support network for women across various regions. ▶ 196 villages and village organisations across 8 districts in Rajasthan and Uttarakhand have been engaged, expanding the reach and impact of our programmes. |

| Focus Area | Description | Key Milestones | Impact Created |
|--|--|---|--|
| Child Development  | <p>At Hindustan Zinc, enhancing access to quality education is a cornerstone of our CSR strategy. We focus on supporting students throughout their educational journey, from early childhood through higher education, ensuring they receive the resources and opportunities necessary for their success.</p> | <ul style="list-style-type: none"> ▶ Job Placements: 19 students from batches 1 and 2 of Unchi Udaan Programme have secured placements with companies, with the highest package being ₹16 lakhs per annum. ▶ Top Engineering Institutes: 3 students from batch of Unchi Udaan 5 were admitted to IITs, and 1 student to an NIT, demonstrating the programme's success in fostering top-tier academic achievement. | <ul style="list-style-type: none"> ▶ 8,000+ students benefited through the Shiksha Sambal programme, enhancing their educational experience and opportunities. ▶ 850+ deaf, mute, and visually impaired students received targeted support, though alignment of major activities is being reviewed for improvement. ▶ 100% admission rate for students of Unchi Udaan batch 5 into various government engineering colleges, reflecting the programme's effectiveness in achieving educational goals. |
| Sports and Culture  | <p>Hindustan Zinc is dedicated to fostering a balanced lifestyle through sports and cultural engagement, recognising their vital role in personal and community development. Our initiatives in sports and culture reflect our commitment to promoting physical well-being and preserving regional heritage.</p> | <ul style="list-style-type: none"> ▶ Zinc Football Academy (ZFA) bestowed with the topmost Elite 3-star rating by the All India Football Federation ▶ Two Zinc football players, Ashish Mayla & Sayed Saniya, were selected for the Rajasthan state team ▶ ZFA, proudly represented DAV HZL School Zawar Mines, became the first team from Rajasthan to win the CBSE Under-19 National Football Tournament ▶ Four ZFA players represented Rajasthan in the National School Tournament and 2 ZFA players represented Rajasthan and Haryana in the Santosh Trophy, with ZFA playing a total of 24 matches ▶ AIFF U-17 Youth League, 4 home matches played out of 4; 2 matches won by ZFA against Sports Authority of Gujarat & Baroda FC and 1 match drawn against Rajasthan United Football Club ▶ Sahil Poonia, goalkeeper, became 1st ZFA player to sign a long-term professional contract with the top ISL Club ▶ 15-year-old Mohammed Kaif, who joined our Academy in 2018, was handpicked to represent India at the 2023 SAFF Under-16 Championship in Bhutan, where he captained Team India on his international debut versus Bangladesh Debut in the Reliance U-21 League & qualified for AIFF U-17 Youth League final round ▶ Started 1st U-13 (non-residential) team with players from the local community in Zawar and surrounding areas ▶ Conducted 2 AIFF Blue Cubs League for U-7 to U-11 players in Zawar & Agucha locations respectively | <ul style="list-style-type: none"> ▶ 26,100+ Youth benefited through various sports initiatives, mostly across Rajasthan and pan India ▶ 86,700+ Population covered through various regional, district, state, national and international level cultural programmes |

| Focus Area | Description | Key Milestones | Impact Created |
|--|--|--|--|
| Community Development Programmes  | At Hindustan Zinc, our goal is to transform communities into model villages by enhancing infrastructure and fostering sustainable development. Our initiatives span rural, educational, water, and health sectors, aiming to create lasting, positive change. | <p>Pannadhy Government College:</p> <ul style="list-style-type: none"> Constructed a 26,000 sq. ft. facility in Chittorgarh, serving the Gangrar block, 22 Gram Panchayats, and over 150,000 people <p>Community Infrastructure:</p> <ul style="list-style-type: none"> Built 18 community halls and centres High Mast lights installed in 20 villages Developing a new Sports Complex at Debari | <ul style="list-style-type: none"> 251,000+ beneficiaries across 6 locations and 7 districts in Rajasthan Strengthened community assets through targeted infrastructure projects |
| Health, Water & Sanitation  | At Hindustan Zinc, we prioritise community health by focussing on preventive and curative healthcare, clean drinking water, and sanitation. Our comprehensive programmes are designed to promote well-being and ensure sustainable access to essential resources. | <p>Organ Donation Awareness:</p> <ul style="list-style-type: none"> Conducted sessions for 3,000+ community members, including students, highlighting the significance and process of organ donation <p>Water Accessibility:</p> <ul style="list-style-type: none"> Established RO/ATMs and provided water tankers to enhance clean drinking water availability | <ul style="list-style-type: none"> 1.22+ lakh beneficiaries through 6 company-run hospitals 1,800+ patients treated via mobile health vans at Pantnagar 4,900+ beneficiaries supported by homeopathic and naturopathy centres 63,000+ beneficiaries of various water initiatives |
| Environment & Safety  | At Hindustan Zinc, our dedication to environmental stewardship and safety drives us to create a sustainable and secure future. Our commitment extends from our operational sites to the broader community, ensuring that environmental and safety practices are integral to our CSR initiatives. | <p>Miyawaki Plantation:</p> <ul style="list-style-type: none"> Planted 5,000+ indigenous plants on one acre of land, including fruit-bearing, shade, flowering, and medicinal species <p>High Mast Lights:</p> <ul style="list-style-type: none"> Installed 20 high mast lights benefiting 41,000+ people, promoting safety and sustainability through energy-efficient LED lighting in villages <p>Sewage Treatment Plant (STP):</p> <ul style="list-style-type: none"> Supported Udaipur city with a 60 MLD STP, covering the entire population of Udaipur to improve waste management and environmental health <p>Suraksha Margdarshika Module:</p> <ul style="list-style-type: none"> Developed a comprehensive safety training module for home and domestic safety, including LPG, electrical, and ergonomics safety, creating safety master trainers to enhance community safety awareness | <ul style="list-style-type: none"> 3+ lakhs people covered through the sewage treatment plant 40,043+ individuals benefited from environmental and safety initiatives 15,237 beneficiaries reached through various safety events and training 24,806 individuals directly impacted by safety master trainers |

People Management »»

At Hindustan Zinc, we view our employees as the cornerstone of our success and sustainability. Their expertise, dedication, and passion drive our achievements and shape our future. Our strategy revolves around harnessing this human capital to not only meet our organisational goals but also to foster a thriving, inclusive, and respectful workplace.

We are dedicated to creating a work environment that prioritises safety, health, and well-being. By nurturing a diverse and engaged workforce, we ensure that every individual has the opportunity to grow and contribute meaningfully. Our commitment extends to fair labour practices, ethical recruitment, and the protection of employee rights, guaranteeing that all our team members are treated with respect and dignity.

Our approach to human resource management is a continuous journey of improvement. We are committed to evolving our practices to better support our employees and align with our sustainability goals. Through ongoing investment in our people, we aim to secure not only the long-term success of Hindustan Zinc but also to enhance the well-being of our employees and deliver lasting value to all our stakeholders.

VISION

Our HR vision is to develop our People, Partnerships and to build a Future-Ready organisation

OUR PHILOSOPHY

Our HR philosophy is inspired by the belief that people are at the centre of our growth strategy. It is led by our vision to be the most admired employer brand where every employee can openly engage within the organisation with a clear sense of ownership and develop in a high trust and high-performance work culture.

23,796

Total Employees
(including Contract Workers)

21.7%

Diversity Ratio for
Executives (Gender)

122,107

Total Training Man Hours
(Full Time Employee)

₹ 828 crore

Employee Benefit
Expenses



[Click here to read more about our People Practices](#)



GOVERNANCE

The People Community, an integral part of our ESG programme, is dedicated to advancing our workplace through a strong commitment to diversity and inclusivity. This initiative focusses on transforming our work environment by embracing a wide range of perspectives and fostering an inclusive culture. The People Community is crucial in driving employee diversity, crafting and recommending tailored policies that address the unique needs of our diverse workforce and enhancing talent retention.

By collaborating closely with key stakeholders, the People Community strives to build an inclusive culture that offers equal opportunities for everyone. This is achieved through the development of strategic plans and the implementation of innovative programmes designed to attract, develop, and

retain a diverse talent pool. To ensure the effectiveness of these initiatives, the People Community regularly assesses their impact and incorporates feedback gathered from dip-stick surveys. This ongoing evaluation process allows us to continuously refine our approach and address any emerging needs, ensuring that our commitment to diversity and inclusivity remains strong and effective.

STRATEGY

At Hindustan Zinc, we have established a comprehensive HR framework designed to deeply engage with our employees at every level of the organisation. Our approach is grounded in a thorough understanding of their diverse needs, spanning technical skills, functional expertise, behavioural traits, and leadership development, all aimed at fostering their overall growth within the Company.



Organisational Design

We continuously refine our organisational structure to remain agile and responsive to evolving internal and external dynamics. This ensures that our design supports both strategic goals and operational efficiency.



Talent Empowerment

We are committed to attracting and retaining top talent through a blend of scientific practices and personalised support. Our strategy includes tailored performance management, diverse growth opportunities, and a robust reward system to recognise and nurture talent.

Our employee engagement strategy is built around four key pillars



Digitalisation

We prioritise comprehensive digital integration across all processes to enhance efficiency, foster collaboration, and improve accessibility. Our goal is to leverage technology to streamline operations and facilitate a seamless work experience.



Harmonious Industrial Relations

We maintain an ongoing dialogue with both internal and external stakeholders to promote positive industrial relations. This involves proactive communication and collaboration to address concerns and foster a supportive work environment.

Our strategic response is designed to ensure that our HR practices not only meet current needs but also anticipate future challenges, thereby supporting both individual and organisational success.

LOCAL EMPLOYMENT (GRI 202-2, 401-1)

We are deeply committed to making a positive impact on society, as evidenced by our strong emphasis on recruiting local talent in the states in which we operate. Prioritising local hiring helps us to create significant opportunities to empower our communities and promote inclusive growth. This approach not only benefits the society but also has

numerous positive effects on the business, such as cost reduction, improved efficiency and enhanced diversity and inclusion. We recognise the importance of investing in local talent as it not only enhances economic opportunities but also fosters a sense of pride, empowerment and ownership among community members.

As a responsible organisation our commitment to supporting local employment that shall constitute
50% of our graduate hires by 2025

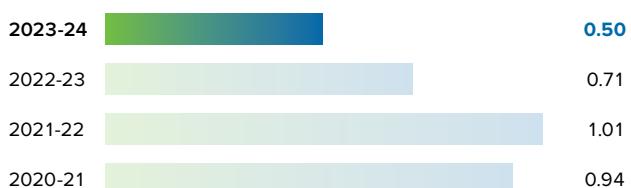
New Hires in FY 2023-24

| Category | <30 Years | | 30-50 Years | | >50 Years | |
|----------|-----------|-----------|-------------|-----------|-----------|-----------|
| | Local* | Non-Local | Local* | Non-Local | Local* | Non-Local |
| Male | 129 | 251 | 4 | 12 | 1 | 3 |
| Female | 89 | 102 | 0 | 5 | 0 | 0 |

*Local, we consider among the state we are operating

| | |
|---|---|
| 61% Share of local people employed at the operating sites | 37% New hires (executive) during the year are local |
| 40% Senior management personnel are local | 33% New hires are women |

Average Hiring Cost/FTE (in ₹ Lakhs)



Change in methodology of reporting, revised numbers of past years also

| | Total Full-Time Employees | Contract Employees |
|--------|---------------------------|--------------------|
| Male | 2,941 | 19,937 |
| Female | 623 | 279 |
| Others | - | 16 |
| Total | 3,564 | 20,232 |



DIVERSITY AND INCLUSION

At Hindustan Zinc, we understand that a diverse and inclusive workforce is vital for our success and growth. We are dedicated to creating an environment where every employee is respected, valued, and treated with fairness and dignity. Our commitment to diversity is not just a moral imperative but a strategic business advantage that drives innovation and excellence.

We have set a clear target to achieve 30% gender diversity within our executive and management teams. This goal reflects our belief in providing equal opportunities for all, ensuring that our leadership mirrors a rich mix of perspectives and experiences. By fostering such diversity, we enhance our decision-making processes, encourage innovative thinking, and strengthen our overall business performance.

Our “Zinclusion” initiative is at the heart of our diversity and inclusion efforts. This comprehensive programme, developed in collaboration with external experts, aims to promote awareness and combat biases. Through targeted training for employees, business partners, and their families, we are cultivating a culture of inclusivity that embraces all forms of diversity.

As a testament to our commitment, we have made significant strides in increasing gender diversity within our executive ranks, reaching 21.7%, including 16 transgender professionals. This progress demonstrates our dedication to building a workplace where diversity thrives, and all individual's unique contributions are recognised and valued.

 [Click here to read more about our Diversity-Inclusion Policy](#)

WOMEN IN WORKFORCE

| Women Executives in Workforce | FY 2023-24 | Target 2025 |
|---|---|-------------|
| Representation in total workforce (full-time employees) | 17.5% | 30% |
| Females in management positions, including junior, middle, and senior management (as % of total management workforce) | 21.7% | 25% |
| Entry level hires | 34% | 35% |
| Junior management positions (M7, M8, M9) | 29% | 25% |
| Top management positions | 4.5% | 15% |
| Females in management positions in revenue-generating functions | 17% in O&M 40% in Enabling functions | 20% |
| Share of women in STEM-related positions (as % of total STEM positions) | 17% | 20% |

WORKFORCE BREAKDOWN: NATIONALITY

| Nationality | Representation in total workforce (as % of total workforce) | Representation in management positions (as % of total management workforce) |
|--------------|--|--|
| India | 99.92% | 99.89% |
| Nepal | 0.03% | 0.04% |
| Australia | 0.03% | 0.04% |
| South Africa | 0.03% | 0.04% |

EMPLOYEE WELL-BEING

At Hindustan Zinc, we prioritise comprehensive employee support to foster growth and engagement. Our Employee Assistance Programme (EAP) offers confidential counselling and mental health resources. Flexible work options, including work-from-home and part-time arrangements, support work-life balance. Our paid parental leave policy helps employees manage family responsibilities. Work-integrated learning programmes provide opportunities for skill enhancement and career advancement. By investing in these initiatives, we aim to retain top talent, reduce

turnover, and create a positive, inclusive work environment that supports both personal and professional development.

This includes group medical and personal accident insurance, parental leave, retirement benefits, stock options, disability support, adoption policies, and leave for exceptional circumstances. These initiatives underscore our dedication to the holistic growth and welfare of our employees, ensuring they are well-supported as they progress in their careers and contribute to the success of Hindustan Zinc.

A. Employee Assistance Programme

At Hindustan Zinc, we are deeply committed to the well-being of our employees, their families, and our business partners. Our Employee Wellbeing & Assistance Programme (EWAP) is designed to support mental health and overall wellness comprehensively. Partnering with Silveroak Health, we offer a range of services including:

Mental Health Initiatives

We host Stress Awareness Month programmes featuring expert-led webinars on stress management and coping strategies. Free counselling services are available to employees and their families, supported by stress, anxiety, and depression surveys to monitor mental health.

Coping Mechanisms

We provide ongoing support through emails and sessions with psychologists, and bi-weekly webinars cover topics like mindfulness and work-life balance.

Wellbeing Sessions

Our EWAP includes 24x7 confidential counselling and support for diet, nutrition, legal, and financial matters. In the last financial year, we conducted 36 webinars and a week-long series of on-site sessions engaging over 500 participants.

B. Sports & Health Initiatives

Promoting physical well-being is a core focus at Hindustan Zinc. We encourage healthy lifestyles through:

Health Webinars

We organise webinars emphasising the importance of health as wealth, promoting physical wellness.

Sports Activities

Our locations host regular fitness and sports events such as yoga sessions, cricket leagues, volleyball tournaments, and marathons.

Recreational Facilities

We provide comprehensive recreational options including indoor games at office locations, and playgrounds, badminton courts, and swimming pools at our colonies.

Zawar Football Tournaments

Annual football events like the Zawar Football League foster physical fitness, teamwork, and stress relief, enhancing workplace morale and engagement, courts, and swimming pools at our colonies.

These initiatives reflect our dedication to supporting a balanced and healthy lifestyle for all employees, contributing to a positive work environment and overall organisational success.



C. Flexible Working Hours

Employees can work in Flexi hours for up to 3 days in a month wherein Employees can clock-in 2 hours before or 2 hours after the standard shift start time.

Flexibility in Attendance Regularisation

Employees are provided with flexibility in attendance regularisation wherein they can work for 6 hours in day which is allowed 3 times owing to personal reasons.

D. Work-from-Home Arrangements

Recognising individual needs, we provide work-from-home options on a case-by-case basis to support work-life balance.

E. Compensatory Off Options

For employees working beyond standard hours in our 24x7 operations, we offer compensatory off days. We also provide Half Day Leave to help employees manage personal matters.

F. Childcare Facilities

We offer on-site creches and a well-equipped school with summer camps, digital classes, and sports activities for the children of employees, even at remote locations.

G. Breastfeeding and Daycare Facilities

Our day care centres include dedicated lactation rooms, nutritious meals, and engaging activities. We also provide extended nursing breaks and real-time updates for working parents.

H. Paid Parental Leave

We offer 26 weeks of maternity leave, 12 weeks of adoption leave, and 7 days of paternity leave, with additional paid family care leave options to support employees in managing family health needs.

I. Work Integrated Learning Programme

In partnership with IIM Udaipur and BITS Pilani, we support employees pursuing post-graduate courses through job and workload adjustments, enhancing their career development.

J. Compassionate Leave

We offer 3 Compassionate leave to employees in case of bereavement of employee's immediate family.

These initiatives underscore our commitment to creating a supportive and flexible work environment that fosters personal and professional growth.

| FY 2023-24 | Male | Female |
|---|------|--------|
| Total number of employees who took parental leave | 104 | 17 |
| Number of employees who resumed office post completion of parental leave | 104 | 17 |
| Number of employees who were in continuous service for next 12 months after returning from parental leave | 94 | 10 |

EMPLOYEE ENGAGEMENT

At Hindustan Zinc, we place a high value on building trust and cultivating strong relationships to create a dynamic and innovative workplace. We understand that an engaged workforce is key to a thriving and fulfilling environment. By fostering open communication, recognising achievements, and providing opportunities for growth, we aim to enhance job satisfaction, reduce burnout, and build loyalty.

HZL has partnered with Great Place To Work since 2018, wherein our scores have increased to 85 till the year 2023. Since the framework has been used for more than 6 years, we had decided to change our lens and aspired to shift our focus from being a certified Great Place to Work to transform to be one of the Happiest Workplaces. As we strive towards inclusivity and belongingness this conscious decision was taken to run both the frameworks in parallel for 2 years and then completely shift to 'Happiest Workplaces' framework.

This year, we've partnered with external experts to measure workplace happiness and implement strategies that promote a positive work culture. Our commitment to integrating behavioural science with organisational

practices ensures a supportive and motivating atmosphere. We believe that these efforts will not only improve employee well-being but also establish us as one of the happiest workplaces.

Engagement Index



We have observed a significant increase in the eNPS scores from -1% to 16% in last two years by adopting this framework and have created an action plan to further improve the Employee Satisfaction Index.

The Engagement Index is established on 3 pillars – Performance, Presence and Pride and has increased from 73% in FY 2022-23 to 76% in FY 2023-24. Employees have rated the organisation high in 4 major pillars that are core to the organisation – Performance Management, Enabling Infrastructure, Empowerment and Diversity & Inclusion. Our employee survey focusses on these key aspects:





Job Satisfaction

We continuously refine our organisational structure to remain agile and responsive to evolving internal and external dynamics. This ensures that our design supports both strategic goals and operational efficiency.



Purpose

We evaluate the internal motivations that drive our workforce, ensuring that their work aligns with a clear sense of purpose.



Happiness

We gauge the overall happiness of our employees at work, striving to create a positive and supportive atmosphere.



Stress

We address the stress levels within our workforce, aiming to provide a balanced and healthy work environment.

Our commitment to these areas reflects in the high levels of **Performance** (81%), **Presence** (67%), and **Pride** (89%) reported by our employees. We strive to maintain and improve these metrics to ensure that Hindustan Zinc remains a place where employees are motivated, fulfilled, and proud to contribute.

TALENT ACQUISITION AND RETENTION

(GRI 401-1, 401-2, 401-3)

At Hindustan Zinc, we recognise that continual career and skill development are essential for maintaining a competent workforce capable of driving our business strategy forward. Our commitment to employee growth is reflected in our targeted interventions, which are designed to support holistic development and address inefficiencies or redundancies.

Experienced senior employees play a pivotal role in mentoring new hires, preparing them for real-world challenges and fostering superior performance. To further support our senior executives, we offer executive coaching, pairing them with personal coaches who provide guidance and mentorship on their leadership journey.

We have forged strategic partnerships with prestigious coaching institutes in India to enhance the development

of our senior leadership. Additionally, our comprehensive six-month leadership development programme, LEAD, facilitates a smooth transition for key mid-level managers into senior roles, ensuring they are well-prepared for increased responsibilities.

Our talent acquisition and retention strategies are meticulously aligned with our strategic goals. We maintain an extensive database to track the development of soft skills among our employees. Our HR framework integrates procedures to ensure that necessary competencies are acquired across all management levels through targeted learning and development programmes.

This approach not only supports individual career growth but also strengthens our organisational capability, positioning us to achieve our strategic objectives effectively.

| FY 2023-24 | <30 Years | | | 30-50 Years | | | >50 Years | | |
|----------------------------------|-----------|--------|-------|-------------|--------|-------|-----------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Employee Turnover Rate | 17.9% | 17.3% | 17.7% | 8.4% | 13.2% | 8.8% | 19.5% | 24.2% | 19.5% |
| Voluntary Employee Turnover Rate | 16.2% | 15.5% | 16.0% | 7.2% | 11% | 7.5% | 2.8% | 22.2% | 0.4% |

| | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|----------------------------------|------------|------------|------------|------------|------------|
| Employee Turnover Rate | 15% | 17% | 18% | 19% | 16% |
| Voluntary Employee Turnover Rate | 11.8% | 10.8% | 11.8% | 11% | 7.1% |

PERFORMANCE ORIENTATION

At Hindustan Zinc, our culture of performance excellence drives us to continuously set new standards in operational achievement and industry-leading growth. We achieve this by focussing on comprehensive business planning, defining key performance indicators (KPIs), and rigorously monitoring progress through a robust performance measurement system.

Our performance measurement framework, which applies to all employees, including the CEO and Board of Directors, is built on the following pillars:

ESG Objectives

Environmental, social, governance, risk, and compliance goals are integrated into the responsibilities of all leaders. These objectives are embedded in our reward systems as we strive towards our vision of ‘zero harm, zero waste, zero discharge.’

Remuneration Review

Executive remuneration is benchmarked against industry peers and reviewed annually by the Nomination and Remuneration Committee (NRC). A significant portion of the remuneration is directly linked to business performance.

Performance-Based Bonuses

Annual performance bonuses are determined using a balanced scorecard that incorporates financial, operational, sustainability, and strategic metrics. This ensures fair weightage is given to both people-oriented and individual performance efforts.

Long-Term Incentive Plan

Our long-term incentive plan rewards sustained business and individual performance over a three-year period, with vesting based on meeting pre-defined criteria.

Multiplier Concept

To encourage positive behaviour and accountability, our rewards programme includes a multiplier concept. Exceptional performance and adherence to safety protocols can lead to positive multipliers, whereas incidents, such as workplace fatalities, invoke negative multipliers affecting the bonuses of all employees.

Stakeholder Engagement

We actively involve employees from diverse functions in policy formulation.

Risk Assessment and Claw back Policy

We regularly assess the risks associated with our remuneration policies to ensure they align with our reward philosophy. This includes:

- ▶ Simulating the long-term costs of reward plans and their ROI
- ▶ Incorporating claw back clauses to recover bonuses or incentives in cases of misconduct or misrepresentation
- ▶ Defining caps on incentive payouts to prevent windfall gains from overachievement

Equity and Compliance

We maintain rigorous checks to ensure our pay practices are both legally and ethically sound, supporting equity across the organisation.

Business Planning Exercise

Our annual business planning exercise sets the strategic tone for the year. By refining our KPI definitions and goal-setting processes, we ensure objectives are SMART (Specific, Measurable, Achievable, Relevant, Time-bound) and aligned with organisational goals.

Continuous Feedback and Robust Assessment

We believe in continuous development. Our robust assessment process includes ongoing feedback, with over 30 feedback sessions conducted across more than 300 managers last year. This ensures that performance appraisals are constructive and ongoing, rather than restricted to periodic reviews supporting equity across the organisation.



In line with our commitment to ethical practices, the Annual Performance Pay for all employees, including the CEO and key managerial personnel, is subject to claw back and malus provisions. These provisions apply in

cases of misconduct, violation of ethical standards, or misrepresentation of business performance leading to unjustified payouts. This policy ensures accountability and integrity in our compensation practices.

| Female: Male | Executive Level | Management Level | Non-Management Level |
|--|-----------------|------------------|----------------------|
| Ratio of Average Base Salary | 0.52 | 0.86 | 0.83 |
| Ratio of Average Base + Other Cash Incentive | 0.54 | 0.85 | 0.83 |

PERFORMANCE MANAGEMENT

At Hindustan Zinc, our unwavering commitment to a performance-driven culture is the cornerstone of our continued success. In FY 2023-24, we made significant strides in aligning individual contributions with our overarching vision, reinforcing the critical role each employee plays in our journey towards excellence.

To ensure that impactful Key Performance Indicators (KPIs) are effectively cascaded across the organisation, we launched a series of “Quality KPI Workshops” under the theme “Re-crafting KPIs for Excellence”. These workshops, which are closely aligned with our “One Team - One Goal” philosophy, equipped over 200 managers with the skills to reassess and refine their team’s KPIs. By incorporating elements of ESG, core responsibilities, enablers, self-development, and value-added projects, these sessions fostered a culture of collaboration and teamwork, driving both individual and collective success.

In addition to KPI alignment, we prioritised the optimisation of feedback mechanisms. Our “Constructive Feedback Workshop” provided managers with the tools to deliver quality, continuous feedback to their direct reports. This initiative is a critical step in ensuring that feedback is not just a formality, but a powerful tool for growth, enhancing both individual and organisational performance.

Our performance management process is anchored in a comprehensive annual appraisal cycle. For confirmed employees, we employ SMARTER-based goal setting and evaluate performance through a multi-dimensional and team-based lens. Those still in training or probation are appraised based on their specific development milestones. KPIs are carefully derived in alignment with our strategic growth levers, focussing on work quality, progress, and productivity.

Moreover, our 360-degree feedback process plays a pivotal role in our talent assessment framework. This confidential and anonymous evaluation system, involving input from managers, peers, and direct reports, is particularly vital in identifying leadership potential among employees at the M4 level and above.

124

Executives covered
out of eligible 446
employees

28%

Employees covered under
360-degree process for
performance review



HINDUSTAN ZINC – ELEVATING EMPLOYEE DEVELOPMENT

LEARNING AND DEVELOPMENT

At Hindustan Zinc, our commitment to continuous growth is reflected in our robust Learning and Development (L&D) framework, designed to elevate the capabilities and expertise of our workforce across all roles and professions. Through a systematic approach to skill assessment and the identification of training needs, we ensure that our employees are empowered to upskill, bridging any gaps and enhancing their performance.

Our flagship Graduate Engineer Trainee (GET) Induction programme exemplifies this commitment. Following the 70:20:10 learning model, GETs participate in 4-8 weeks of comprehensive classroom training, covering critical topics such as safety, behaviour, management, and operations. This foundational knowledge is then reinforced through on-the-job training and action learning projects, allowing trainees to gain hands-on experience in real business environments. This blended approach ensures that

our trainees are not only equipped with theoretical knowledge but also practical skills that are crucial for their professional growth.

Embracing the future of learning, our L&D activities are increasingly digitalised, providing employees with access to e-learning platforms, learning management systems (LMS), and advanced technologies such as artificial intelligence. This shift towards a 24x7 digital learning environment ensures that our employees can engage with training modules at their convenience, fostering a culture of continuous learning.

Our HR initiatives are strategically aligned with our corporate vision, instilling a deep sense of value creation across the organisation. These initiatives are designed to help employees achieve time-bound targets while also contributing to their long-term professional development. Key components of our L&D strategy include:

Digitalisation of Learning

We are transforming learning experiences through immersive, technology-driven platforms that offer both visual and mental engagement, making training more effective and accessible.

New Hire Training

Our training programmes for new hires are tailored to develop unique problem-solving skills, preparing them to tackle challenges and contribute meaningfully from the outset.

Long-term Education Programmes

We provide best-in-class opportunities for curious learners to pursue higher education while continuing to contribute to the organisation, ensuring their growth alongside the Company's.

Focus on Young Leaders

Succession planning is a core focus, with dedicated programmes aimed at developing the next generation of leaders, ensuring that our leadership pipeline is strong and future-ready.

These initiatives not only broaden our employees' perspectives but also equip them with a forward-thinking vision and critical insights. Through information exchange, leadership development, and a focus on our core values, we are building a workforce that is resilient, innovative, and aligned with Hindustan Zinc's strategic goals.

Employee Training Programmes

| | Total No. of Executives | Covered in the Training | Coverage (%) |
|-------------------|-------------------------|-------------------------|--------------|
| Male | 2,197 | 2,178 | 99% |
| Female | 608 | 598 | 98% |
| Senior Management | 58 | 55 | 95% |
| Middle Management | 1,141 | 1,127 | 99% |
| Lower Management | 1,606 | 1,594 | 99% |



Average Training Hours:

| As per Position | Average Training hrs. per emp |
|-----------------|-------------------------------|
| Top | 24.1 |
| Middle | 49.1 |
| Lower | 40.3 |

| As per Gender | Average Training hrs. per emp |
|---------------|-------------------------------|
| Male | 45.4 |
| Female | 36.8 |

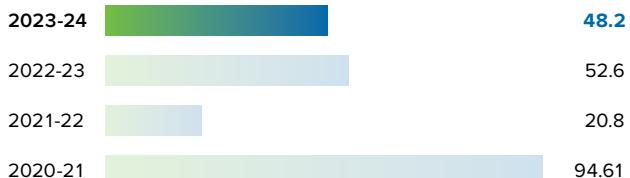
| As per Age | Average Training hrs. per emp |
|-------------|-------------------------------|
| <30 years | 41.9 |
| 30-50 years | 46.5 |
| >50 years | 37.4 |

Average hours per FTE training:

43.5 per employee

Average amount spent per FTE training:

₹ 6,727

Organisational Positions filled by Internal Candidates

TRAIN THE TRAINER: BUILDING INTERNAL EXPERTISE
Description:

The “Train the Trainer” (TTT) programme at Hindustan Zinc is a targeted initiative designed to transform selected individuals into Subject Matter Experts (SMEs). These specialised workshops equip participants with the skills, knowledge, and techniques necessary to deliver high-quality, impactful training sessions to their colleagues. By fostering internal expertise, this programme enhances the overall effectiveness of our training efforts in a more detailed, relatable, and cost-effective manner.



Objectives

The TTT programme is strategically aligned with several key objectives:

Promote Professional Development

Enable employees to advance their careers through specialised skill development.

Facilitate Internal Learning

Create a sustainable learning environment by cultivating in-house experts who can continually share their knowledge.

Ensure Subject Matter Expertise

Develop a cadre of SMEs to maintain high standards and ensure accuracy in specialised areas.

Develop Training Skills

Equip trainers with effective teaching techniques, ensuring they can deliver complex information in an accessible way.

Provide Cost Benefits

Reduce reliance on external trainers, leading to significant cost savings while maintaining or enhancing training quality.

Business Impact

The TTT programme has had a profound impact on both our employees and the organisation as a whole:

Identification of Internal Trainers

We successfully identified and trained 285 professionals as internal trainers, representing 10% of our full-time employees (FTEs). These individuals are now recognised SMEs, contributing to our strategic goals by leading specialised training within their respective areas.

Comprehensive Training Coverage

Through the efforts of our internal trainers, 99% of FTEs have been trained, ensuring that our workforce is highly skilled and prepared to meet the demands of their roles continually share their knowledge.

Enhanced Technical Expertise

The focus on technical training by SMEs has directly contributed to achieving significant production volumes, including 817 Kt of Refined Zinc, 216 Kt of Refined Lead, and 746 Mt of Refined Silver.

Financial Performance

The programme's emphasis on continuous training and innovation has resulted in a 58% return on net funds for business operations, underscoring the financial benefits of investing in internal expertise.

Sustained Growth and Innovation

With a long mine life of over 25 years, the ongoing delineation and upgradation activities, driven by the expertise developed through TTT, ensure that we remain at the cutting edge of safety, technology, and operational efficiency.

Broad Participation and Success

All Integrated Business Units (IBUs) identified their most eligible candidates for the programme, with 100% of those selected successfully clearing assessments and being promoted to SMEs. This widespread success highlights the programme's effectiveness in cultivating internal talent and securing the organisation's future growth.

The "Train the Trainer" initiative is not just a training programme; it is a strategic tool that fosters a culture of continuous learning, drives innovation, and ensures that Hindustan Zinc remains a leader in its industry. Through this programme, we have built a strong foundation of internal expertise that will continue to deliver value across the organisation for years to come.

285 employees

(10% of overall FTEs) - FTEs Participating in the Programme



DIGITAL LEARNINGS: EMPOWERING THROUGH E-LEARNING

Description:

Digital learning, or e-learning, at Hindustan Zinc (HZL) leverages advanced digital technologies and tools to deliver educational and training content across all executive levels. With the rapid evolution of technology and widespread internet access, digital learning has become an integral part of our employee development strategy. HZL employs two robust platforms to facilitate continuous learning: Percipio via Skillsoft and Upside LMS. These platforms provide easily accessible, high-quality content tailored to meet the specific needs of our employees, ensuring they stay at the forefront of industry knowledge and skills.

Percipio:

As part of our commitment to tailored learning, we have launched five major training modules via Percipio: UDAAN, Workplace Diversity, Risk Management, Leadership at Peak, and Leadership+. These programmes are designed to upskill employees in a highly customised manner, fostering a culture of continuous learning and professional growth.

Upside LMS:

This in-house developed platform features the “Mine to Metal” module, which offers comprehensive coverage of the entire process from exploration to economic contribution. This module is meticulously designed to reflect HZL’s unique business needs, providing employees with an in-depth understanding of the Company’s operations, history, and the value chain from ore to the final product.

Objectives

The digital learning initiatives at Hindustan Zinc are strategically aligned to achieve the following objectives:

24x7 Access

Provide employees with the flexibility to learn at their convenience, ensuring continuous personal and professional development.

Widespread Content Availability

Offer a broad spectrum of learning materials to cater to diverse learning needs.

Personalised Learning

Tailor training content to individual roles and career paths, enhancing relevance and engagement.

Data-Driven Insights

Utilise analytics to track progress, identify gaps, and optimise learning pathways.

Continuous Learning Opportunities

Foster a culture of lifelong learning to keep pace with industry advancements.

Cost Efficiency

Leverage digital platforms to reduce training costs while maximising impact.

Adaptability

Ensure training programmes are agile and responsive to the evolving needs of employees and the business.

Business Impact

The digital learning programmes at Hindustan Zinc have significantly contributed to the organisation's success:

Record-Breaking Learning Hours

Employees achieved a remarkable 16,000 hours of digital learning, the highest ever recorded at HZL, underscoring the programme's effectiveness and popularity.

Enhanced Risk Management

Through dedicated risk management awareness programmes, we have strengthened data privacy and cybersecurity measures, resulting in zero data and security breaches.

Leadership Development

Digital leadership training has successfully identified and nurtured over 200 leaders, including 100 high-potential, hardworking women, reinforcing our commitment to gender diversity and leadership excellence.

Zero Misconduct Breaches

Digital initiatives have facilitated effective communication on Human Rights and the Code of Conduct, leading to a 0% breach in employee misconduct.

Diversity, Equity, and Inclusion (DEI) Training

DEI modules have driven progressive changes, including revamped maternity policies and a 22% increase in LGBTQ+ representation, with 21% of women now holding positions on the executive committee.

Participation and Feedback:

With 97% of executives participating in digital learning programmes, these initiatives have become major contributors to knowledge building at HZL. They complement traditional learning methods and are crucial in preparing individuals for success in an increasingly digital world. The programmes have received "Excellent" feedback, particularly for their focus on real-time employee growth and cost-effectiveness.

97%

FTEs Participating in the Programme

Business Benefits

The digital learning programmes at Hindustan Zinc have significantly contributed to the organisation's success:

Future-Ready Workforce

Identification and development of 250+ leaders across locations, ensuring a workforce that is agile and tech-savvy.

Record Learning Achievement

Surpassing a 4-year record with 122,107 man-hours of training, demonstrating our commitment to continuous development.

Cost Savings

Achieved a 37% reduction in hiring costs by developing internal talent.

Employee Retention

Reduced employee turnover by 2%, reflecting improved job satisfaction and engagement.

Talent Identification

Successfully identified over 400 talents through FY 2023-24 initiatives, positioning them for larger roles within the organisation.



Living Wage

Hindustan Zinc takes pride in the achievement of gender pay parity across various employee structures. We ensure equal remuneration and basic pay for all employees, regardless of gender, race, or ethnicity, and foster equal opportunities for career growth. While adhering to the provisions of the Minimum Wages Act, we surpass the average salary stipulated by the Act, underscoring our commitment to wage elevation. Government-revised minimum wages and market trends are closely monitored to maintain competitive total rewards as well as attract and retain talent. This aligns with our pledge to periodically assess living wages, and strive to enhance employees' well-being. As part of our Social Accountability (SA) SA8000 certification, we have conducted through third-party assessments, that incorporate inputs from stakeholders and use established methodologies to compute living wage parameters including details such as age, family size, wages/day, etc. Inputs from this survey were used in the calculation of parameters such as food basket based on calorie requirements, encompassing all components of the food basket (wheat, rice, pulses, milk, oil), clothing, shelter, education and medication. This calculation is based on 'The

Anker Methodology for Estimating a Living Wage', which is accepted by Social Accountability International. The survey outcome reflected that the average salary of our direct and indirect employees is much higher than that prescribed under the Minimum Wages Act.

This diligent approach reaffirmed that our employees' average salaries exceed the standards in the Minimum Wages Act. We remain committed to paying wages higher than the minimum wage and periodically assess the living wage. This assessment is meant to identify the strata of our workforce who are earning below the decided threshold and take necessary actions to ensure that none of the employees are devoid of decent living conditions and compensation.

By FY 2024-25, we commit to define the living wage across all our locations of operation and to assess the wage structure of full-time employees, contractors, business partners and suppliers.

Health and Safety Management »»

Hindustan Zinc is dedicated to prioritising the health and safety of our employees and surrounding communities. Our health and safety management system is grounded in the principles of prevention, continuous improvement, and strict adherence to national and international standards. We are committed to creating a safe and sustainable working environment, with a focus on eliminating fatalities, injuries, and occupational diseases.

Recognising the significant impact of underground mining operations on both worker safety and the environment, we actively work to mitigate risks and protect our workforce. Our approach involves proactive risk identification, regular updates to safety practices, and compliance with stringent regulatory requirements.

By implementing comprehensive safety measures and investing in continuous training, we strive to uphold a safe operational environment. Our policies and practices are designed to ensure that every aspect of our operations, from daily activities to long-term planning, reflects our unwavering commitment to health and safety. Through these efforts, Hindustan Zinc aims to foster a culture of safety that prioritises the well-being of all individuals involved in our operations.

VISION

Our vision is to ensure zero harm by minimising safety and health impacts of our operations by eliminating unsafe work conditions.

SAFETY CULTURAL TRANSFORMATION AT HINDUSTAN ZINC

Since 2013, Hindustan Zinc has been on a transformative journey to enhance safety through the “Aarohan” Safety Excellence Initiative, developed in collaboration with DuPont Sustainable Solutions. This initiative marks a commitment to safeguarding the well-being of our workforce and striving toward the goal of “Zero Harm”.

The Aarohan initiative focusses on engaging leadership and line management, establishing a robust Safety Management System, and enhancing skills and competencies across the organisation. It began with the formation of five corporate sub-committees and nine zone apex committees, which were later expanded to eight sub-committees and eight zone apex committees. These committees are responsible for policy development, resource allocation, and strategic safety planning.



Safety Interaction

To achieve a safety culture through positive change in people's behaviour for voluntary adherence to safety practices

Incident Management

To ensure that all critical factors involved in an incident are determined through scientific investigation and the key factors are identified to derive the corrective steps which will eliminate recurrences

Process Safety Management

Application of management controls to ensure process safety by conducting risk assessment (i.e., HAZOP study, PHA, Hazard identification & Risk Assessment (HIRA) etc.) for existing systems and implementation of recommendations for assessment

Standard Rules and Procedures

The safety rules and procedures assist the Central Safety Committee to ensure that on-site employees adhere to the safety procedures to work safely and efficiently implement high-risk standards and procedures

Contractor Safety Management

Contractor Safety Management is a six-step procedural framework which plays a vital role to ensure zero harm throughout the contractor life cycle

Training Management

To establish and maintain the organisation's core curriculum or induction, reskilling, upskilling and developing its employees and contractual workforce. This sub-committee helps the organisation achieve its goals by developing employee capabilities

Fatality & Serious Incident Prevention Plan and CRM Committee

The Fatal and Serious Injury (FSI) Prevention Programme is designed with the primary objective of achieving zero fatalities and serious injuries across all operations. The programme focusses on proactively identifying potential hazards and risks before they lead to incidents, ensuring stringent safety measures are in place. The Critical Risk Management (CRM) Committee of HZL is tasked with the identification, monitoring, and mitigation of risks associated with critical processes that could lead to major incidents. The committee's primary aim is to ensure that all high-risk activities are carefully controlled and that necessary safety measures are in place to prevent serious incidents.

Industrial Hygiene & Occupational Health

To ensure the well-being and safety of our employees, workplace hazards are identified and controlled to prevent occupational illness, injuries and accidents

SAFETY GOVERNANCE MECHANISM AT HINDUSTAN ZINC

At Hindustan Zinc, safety is a core value, integrated into our governance model to continuously monitor and manage health and safety risks. Our comprehensive safety standards are certified under ISO Management Systems, covering all operations, including employees, contractors, and other individuals under our supervision.

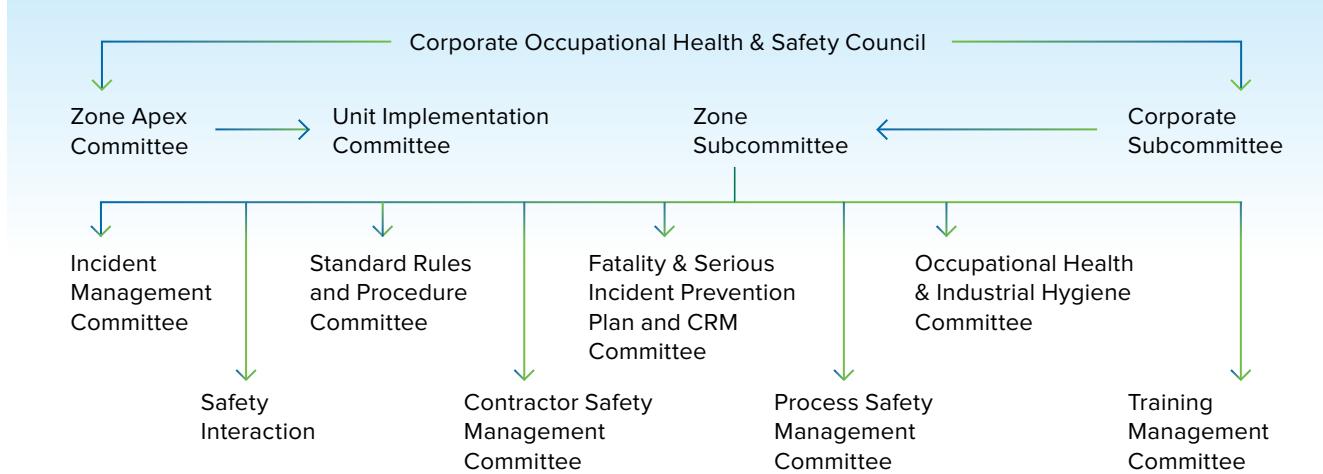
Corporate Occupational Health & Safety Council

The cornerstone of our safety governance is the 'Corporate Safety Council', chaired by the CEO and

the Chief HSE Officer serving as secretary. This council, supported by senior leaders, drives our Safety Management System by developing safety policies, allocating resources, and setting strategic safety goals.

Through these comprehensive mechanisms, Hindustan Zinc strives to ensure the highest safety standards, fostering a culture committed to the well-being of everyone involved in our operations.

SAFETY GOVERNANCE STRUCTURE



HEALTH & SAFETY POLICY AND STANDARDS

Our [Health & Safety Policy](#) reflects our commitment to advancing safety standards and reducing risks across our operations. This policy extends to executives and business partners and aligns with the Vedanta Sustainability Framework, which encompasses robust occupational health and safety management principles. We have implemented Management and Technical Standards at all locations, setting clear accountability, mandatory controls, and minimum requirements for managing work-related and community safety and health risks.

INFRAMATRIX IMPLEMENTATION AND SAFETY PAUSE

In our unwavering commitment to achieving “Zero Harm”, Hindustan Zinc has launched the Inframatrix initiative to address critical risks and enhance safety infrastructure. This initiative, developed by a dedicated group of subject

matter experts, targets 11 top risks identified through comprehensive risk workshops. The Inframatrix aims to significantly reduce the probability of fatal incidents by improving safety infrastructure and implementing robust controls across our operations.

As part of our proactive safety culture, we introduced the Safety Pause initiative across all operational units under the theme “Stop Work if it’s Not Safe”. Led by business partner leaders and employees, this programme underscores our dedication to safety and allows us to review recent safety incidents comprehensively. During Safety Pause sessions, which were conducted across all shifts, including nights, we discussed recent incidents, shared crucial learnings, and reinforced our commitment to a safe working environment. This initiative ensures that safety remains a core priority and that all employees are empowered to halt operations if safety conditions are not met.

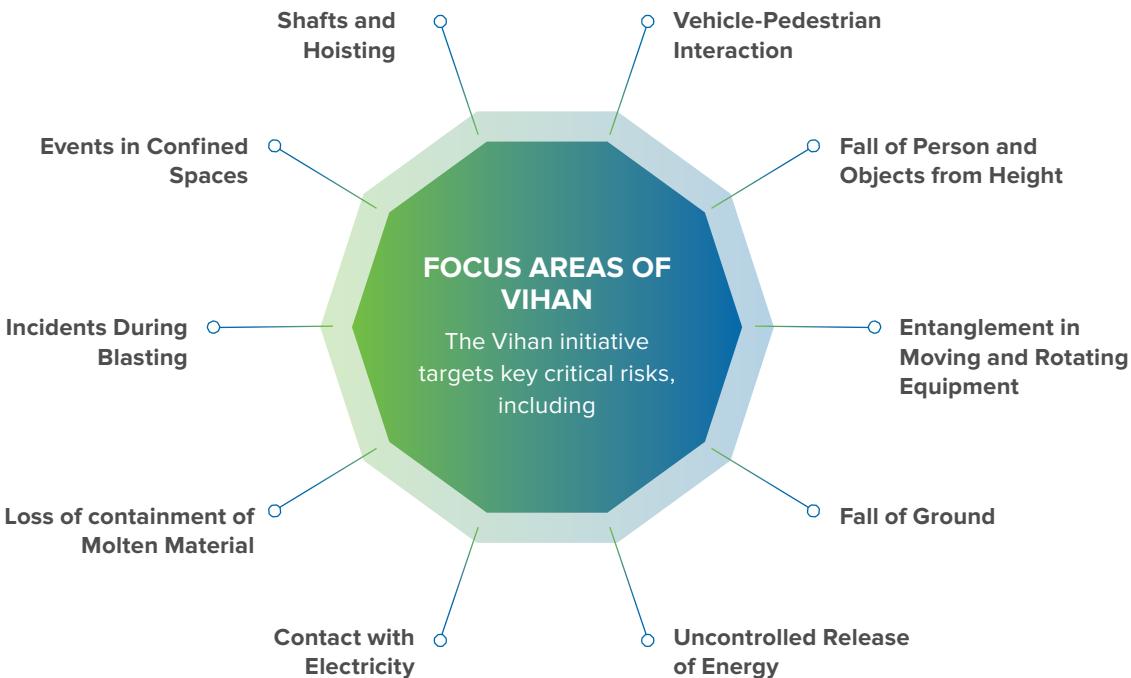
Intent of this complete exercise is to pass positive message on safety among masses

| OWNERS | TOPIC 1 | TOPIC 2 | TOPIC 3 |
|---|--|--|--|
| | | | |
| Business partner owners will lead the show with their crews | Plan to be prepared in advance for covering entire plant/Mines and all workforce to be connected | Serious incidents/fatalities along with group to be discussed along with learning in a positive manner | Commonly accepted unsafe practices/conditions & compliances related to SOP to be discussed |



CRITICAL RISK MANAGEMENT: THE VIHAN INITIATIVE

In the past financial year, Hindustan Zinc introduced the Vihān initiative, a pivotal programme designed to enhance our critical risk management framework and prevent fatalities and catastrophic incidents. This initiative is dedicated to strengthening managerial oversight of rare but potentially severe events that pose significant risks across our Business Units (BUs).



INTEGRATED RISK MANAGEMENT

To effectively manage these risks, Vihān integrates critical controls into the Enablon system, our centralised risk management platform. This approach facilitates the continuous monitoring and management of these controls, ensuring that prompt and effective actions are taken to mitigate risks. By leveraging Enablon, we enhance our ability to proactively address potential hazards and

reinforce our commitment to maintaining the highest standards of safety and operational excellence.

Through Vihān, Hindustan Zinc underscores its dedication to safeguarding our workforce and ensuring a secure working environment across all operations.

|  |  |  |  |  |
|--|--|---|--|---|
| <p>Workshop Workers, supervisor section in charges, area owners & senior levels Conduct workshop to prepare checklist for 11 risks</p> | <p>Frequency Check Deciding the frequency of check as per the role & responsibility</p> | <p>Trainings Risks based training to all concern</p> | <p>Digitalisation Developing online trackers</p> | <p>Fatality Free Learning organisation CRM Maturity Model</p> |

SURAKSHA KAVACH

In a landmark advancement towards ensuring the security and well-being of our workforce, Hindustan Zinc has launched 'SURAKSHA KAVACH', a pivotal initiative in our Fatality Prevention Controls program. This phase specifically targets underground mining and smelter operations, addressing potential risks associated with both routine and non-routine activities. For underground mining, 25 critical activities are covered, while 13 key activities are addressed in smelters. The initiative mandates stringent NO-GO criteria and critical checks that must be executed by our supervisors.

Fatality Prevention

Our ultimate goal is to create a workplace free from harm by eliminating workplace injuries and fatalities. The Fatality and Serious Injury Prevention Programme (FSIPP) Committee is instrumental in achieving this objective, ensuring the effectiveness of safety measures and emergency plans while upholding the integrity of critical controls. We have identified the top 10 fatality risks in both mines and smelters and developed comprehensive prevention plans for all business units.

Health and Hygiene

At Hindustan Zinc, employee safety is a paramount concern, extending from the prevention of occupational diseases to maintaining a hygienic work environment. Our commitment to promoting a healthier lifestyle is reflected in our diverse initiatives designed to enhance productivity, reduce absenteeism, and improve retention rates.

We have integrated advanced technology and provide lifestyle management training to support our employees' well-being. Our health management strategy includes regular monitoring of employee exposure to hazardous substances to ensure a safe working environment.

 [Click here to read more about our Health and Safety Management](#)

Occupational health centres at all locations conduct routine health examinations for both permanent and contractual staff. A centralised health management system streamlines patient registration, care, and discharge processes, ensuring efficient and coordinated healthcare delivery. On-site medical professionals play a critical role in overseeing compliance with occupational exposure limits and conducting pre-employment and periodic medical check-ups. Additionally, ALS ambulance services are available at all sites, providing immediate life-saving support during emergencies.

Business Partner Involvement in Safety Journey

At Hindustan Zinc, we recognise that partners are vital collaborators in our safety and health journey. Our commitment to safety extends beyond our internal operations to include all partners involved in our projects.

To ensure that our safety and health standards are rigorously upheld, we employ enhanced supervisory measures and a grading system for contractor companies based on their safety and health performance. This system is a critical component of our contractor management framework, designed to promote high safety standards across all levels of operation.

We have integrated Environmental, Social, and Governance (ESG) pre-qualification criteria into our procurement and contractual requirements. This approach ensures that all contractors align with our safety and health standards from the beginning of their engagement.

Technical safety training is provided not only to our employees but also to our business partners, ensuring that they are well-informed and capable of adhering to our safety protocols. Regular safety reviews are conducted in contractor work areas to monitor compliance and address any issues promptly.

PERFORMANCE METRICS (FY 2023-24)

Zero fatality

0.88 LTIFR

0.75 mn Hours of safety training provided to employees and business partners

Zero Occupational Illness Cases



Governance



(GRI 205-1, 205-2, 205-3, 405-2, 415-1)

| Material Issues | Priority Area | SDG Linkage | Sustainability Goals 2025 |
|--|---------------|---|---|
| Risk Management & Controls | ➡➡➡ |  | |
| Data Privacy and Cybersecurity | ➡➡➡ |  | |
| Sustainable and Inclusive Supply Chain | ➡➡➡ |  | 100% responsible sourcing in the supply chain |
| Business Ethics and Corporate Governance | ➡➡➡ |  | |
| Innovation and R&D | ➡➡➡ |  | |
| Macro-economic and Geopolitical Context | ➡➡➡ |   | |
| Responsible Advocacy | ➡➡➡ |  | |
| Pandemic Response and Preparedness | ➡➡➡ |  | |

➡➡➡ High Priority ➡➡➡ Medium Priority ➡➡➡ Low Priority

Business Ethics >>>

Hindustan Zinc is unwavering in its dedication to upholding the highest standards of ethical conduct and transparency across all facets of its operations. Recognising that responsible business practices are the cornerstone of long-term success, the Company aligns its strategies and actions with the Company's rigorous standards and its comprehensive Code of Conduct. These guidelines form the foundation of our operations, ensuring that every decision and action upholds our unwavering commitment to ethical integrity.

Our '[Business Ethics and Code of Conduct](#)' is more than just a policy; it is a living document that shapes our corporate culture. It establishes a clear framework for ethical behaviour, providing employees at all levels with the guidance they need to navigate complex business environments. This Code is designed to promote a work environment where honesty, fairness, and respect are paramount, and where every stakeholder interaction is conducted with the highest level of professionalism.

At Hindustan Zinc, we understand that our stakeholders, including employees, customers, suppliers, investors, and the communities we serve, place their trust in us to act responsibly. Our adherence to the 'Business Ethics and Code of Conduct' ensures that we consistently meet or exceed the ethical standards that our stakeholders rightfully expect from us.

In addition to our internal commitments, Hindustan Zinc is proud to be a signatory of the United Nations Global Compact (UNGC). This global initiative aligns companies around the world with principles of human rights, labour, environment, and anti-corruption. Our participation in the UNGC membership programme is a testament to our belief that businesses have a crucial role to play in promoting positive social and environmental change.

The Company has 'zero tolerance' for dishonesty, bribery, corruption and unethical behaviour.

GOVERNANCE

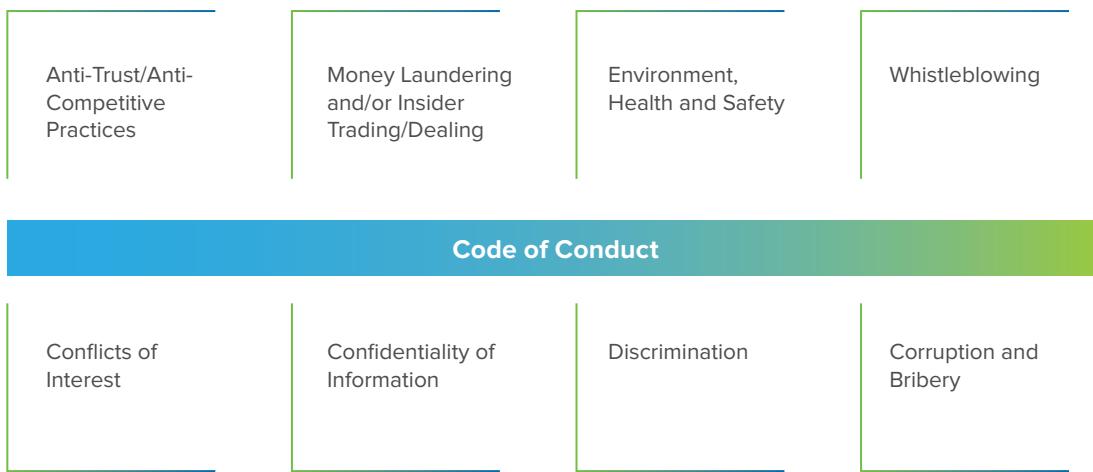
We have instituted an Ethics Committee to oversee and ensure adherence to the comprehensive guidelines outlined in our Code of Conduct. At each of our company locations, the unit head serves as the ethics leader, championing initiatives that reinforce our commitment to integrity and compliance from the top down. Our Code is in full compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as well as the Companies Act 2013, underscoring our dedication to maintaining the highest standards in governance.

Hindustan Zinc's governance strategy, ethical framework, and business practices are grounded in unwavering principles of integrity, transparency, and strict compliance. The Company's Business Ethics and Code of Conduct applies to all employees, business partners, and subsidiaries, ensuring that ethical practices are consistently upheld across the organisation.

The Company's Business Ethics and Code of Conduct is also fully aligned with international standards, including the UK Bribery Act 2010 and the UK Modern Slavery Act 2015, reflecting our deep-rooted commitment to ethical business operations.

These guidelines help us to conduct business ethically. The Code with all its rules and regulations is available for easy access on our website and, when necessary, forms an integral part of the Company's contracts.





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



IMPLEMENTATION OF CODE OF CONDUCT

Our Business Ethics and Code of Conduct, applicable to all employees including directors and executives, embodies our core values and commitments. Each year, all executives and Board members digitally reaffirm their adherence to this Code, ensuring a consistent and unwavering commitment to ethical practices across the organisation. To reinforce this commitment, we provide an essential e-learning module on the Company's Code of Business Conduct, mandatory for all employees to complete annually. This training is a key component of our dedication to continuous improvement, demonstrating our proactive approach to exceeding mere legal compliance.

Our commitment to ethical governance is further underscored by our Compliance Management System, which is certified under ISO 37301:2021. The effectiveness of our ethics is regularly evaluated by an independent third party, ensuring that our standards remain rigorous and effective. For new hires, compliance obligations are introduced during onboarding through a mandatory lecture course, integrating our ethical standards from the very beginning of their tenure with us.

Moreover, we extend our ethical expectations to our Suppliers and business partners, who are thoroughly briefed on our Business Ethics and Code of Conduct during the selection process. Compliance with this Code is a fundamental requirement and is explicitly incorporated into their contractual agreements with the Company, ensuring that our values resonate throughout our entire value chain of operations.

- ▶ An annual affirmation for adherence with the Code is also obtained to reiterate commitment and understanding
- ▶ All Board members and senior management personnel have affirmed their compliance with the Code of Conduct for FY 2023-24. A declaration to this effect signed by the CEO & Whole-time Director forms part of the Annual Report

Hindustan Zinc's employee performance appraisal systems include a dedicated component that evaluates compliance with the Company's Business Ethics and Code of Conduct.

Political Contribution

Hindustan Zinc's Business Ethics and Code of Conduct prohibits contributions of company funds or assets to political parties, organisations, or individuals in public office or running for office, unless permitted by law and authorised by the Board of Directors. This year, with Board approval, the Company donated ₹ 25 crore to a political party in India.

Charitable Donations

We are committed to enhancing the quality of life in the communities where we operate. Our [Corporate Social Responsibility \(CSR\) Policy](#) guides all voluntary and affirmative actions to support economically weaker sections and local communities. CSR contributions are managed according to this policy and applicable laws. To prevent any risk of perceived bribery or corruption, all charitable donations are made through the CSR Policy.

Donation made during the financial year 2023-24

(₹ Crore)

Donations

| | |
|--|-----------|
| Vedanta Zinc Football & Sport Foundation | 8 |
| Zinc India Foundation | 15 |
| Anil Agarwal Foundation Trust | 49 |
| Total | 72 |

Total Number of Reported Cases*

| S. No. | Categories | Occurrences | % Split |
|--------|---|-------------|---------|
| 1 | Employee Misconduct | 0 | 0% |
| 2 | Corruption or Bribery | 1 | 11.1% |
| 3 | Business Integrity Breach | 1 | 11.1% |
| 4 | Conflicts of Interest | 0 | 0% |
| 5 | Workplace Harassment and Discrimination | 6 | 66.7% |
| 6 | Money Laundering or Insider Trading | 0 | 0% |
| 7 | HSE Breach | 0 | 0% |
| 8 | Data and Privacy Breach | 0 | 0% |
| 9 | Customer Privacy Data | 0 | 0% |
| 10 | Others | 1 | 11.1% |

*All investigated and closed

Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption - Nil

REPORTING

Hindustan Zinc has established a dedicated hotline (000-800-100-1681), an online reporting tool (<http://www.vedanta.ethicspoint.com>) and a whistle blower id (hzi.whistleblower@vedanta.co.in) to facilitate the submission of complaints under our whistle-blower policy. These channels are available to both internal and external stakeholders, including vendors, customers, and business partners, with options to report in Hindi or English.

Hindustan Zinc takes every reported violation seriously, ensuring each case is thoroughly assessed and investigated. Additionally, we are fully committed to upholding laws that prohibit retaliation against employees who report concerns in good faith. Any acts of reprisal or retaliation against employees who seek assistance or file a report will result in strict disciplinary action, up to and including termination of employment. This commitment reinforces our dedication to creating a safe and ethical work environment for all.

Responsible Sourcing »»

(GRI 204-1, 308-1, 414-1)

STRATEGY & APPROACH

Hindustan Zinc's commitment to responsible sourcing is central to building a sustainable and resilient supply chain. We understand that long-term business resilience depends on proactive collaboration with our supply chain partners. To achieve this, we've streamlined our processes to foster strong relationships with suppliers, ensuring we can collectively address industry challenges and conduct business sustainably.

Our approach includes rigorous supplier due diligence, enforcing a comprehensive Supplier Code of Conduct

that aligns suppliers with our high ethical and sustainability standards. Additionally, we provide our suppliers with ample opportunities to explore and respond to evolving business needs. Our responsible supply chain strategy rests on three key pillars: collaboration, empowerment, and engagement. By prioritising strong, trusted partnerships, we ensure our sourcing practices align with our goal of 100% responsible sourcing, ultimately creating a resilient supply chain that drives sustainable success for both our business and our partners.



COLLABORATE

We collaborate to promote two-way partnership for shared knowledge and expertise for promoting digitisation, innovation, cooperation and mutual growth



EMPOWER

We work towards advancing and empowering our business partners through dedicated upskilling programmes that help us progress on our sustainability journey



ENGAGE

We promote co-creation by working with business partners for mutual growth and intellectual development

GOVERNANCE

Hindustan Zinc is committed to integrating responsible sourcing practices into our operations. To achieve this, we have opted to adopt the governance structure outlined in ISO 20400. This highlights our dedication to embedding sustainability considerations into our procurement processes and fostering responsible sourcing across our supply chain. By following ISO 20400 guidelines, we aim to enhance our sustainability performance, effectively manage risks, and contribute to positive environmental, social, and economic outcomes.

Hindustan Zinc's sustainable sourcing governance is structured across three tiers:

- **Board ESG & Sustainability Committee:** Review and guide the responsible sourcing goal and its progress along with oversight of implementation of Supplier ESG programme
- **Executive Level Sustainability Committee chaired by our CEO:** Provides overall leadership and strategic

direction for responsible sourcing initiatives as a part of Executive Level Sustainability Committee

- **Supply Chain Community chaired by Chief Commercial Officer:** Oversees the implementation of responsible sourcing strategies and policies.
- **Commercial Heads:** Responsible for managing specific areas of the sustainable sourcing process, such as supplier engagement and risk assessment.
- **Commercial Executives:** Execute day-to-day activities related to sustainable sourcing, including supplier evaluations and compliance monitoring. Regular Training imparted on their roles in the supplier ESG programme.

As we advance towards ISO 20400 implementation, we are integrating frameworks and providing training to internal stakeholders to enhance their competency in sustainable sourcing practices.



POLICY AND CODE OF CONDUCT

Hindustan Zinc Limited (HZL) is committed to maintaining the highest standards of ethical conduct and sustainability in its supply chain through robust supplier-related policies. Our comprehensive Supplier Code of Conduct outlines clear expectations for ethical practices, human rights, environmental stewardship, and compliance with laws. We

conduct rigorous due diligence to ensure suppliers align with these standards, fostering long-term, responsible partnerships. HZL also actively engages with suppliers, providing resources and support to enhance their capabilities and ensure adherence to our sustainability goals, reinforcing our commitment to responsible sourcing and building a resilient, sustainable supply chain.

Supplier Sustainability Management Policy

Supply Chain Strategy

Sustainable Sourcing Policy

Supplier Due Diligence

Supplier Code of Conduct

We prioritise strict adherence to the standards set forth in our supplier's code of conduct, developed in accordance with global frameworks such as the core conventions of the International Labour Organisation (ILO), the United Nations' Universal Declaration of Human Rights, and other relevant industry standards. The Code emphasises key areas,

including labour and human rights, child labour, health and safety, environmental protection, climate change, business integrity, governance of intellectual property, fair trade practices, anti-bribery measures, prohibition of insider trading, grievance redressal mechanisms, and legal compliance.

Human Rights and Labour

- ▶ Forced labour
- ▶ Child labour
- ▶ Working conditions
- ▶ Occupational health and safety
- ▶ Discrimination and harassment
- ▶ Freedom of associations and collective bargaining

Environment

- ▶ Greenhouse gas emissions and energy consumption
- ▶ Pollution prevention and waste management
- ▶ Resource efficiency

Business Ethics

- ▶ Anti-corruption and conflict of interest
- ▶ Anti-competitiveness

Supplier ESG programme

Hindustan Zinc is deeply committed to promoting inclusive and sustainable development through a series of targeted interventions and a collaborative approach with our suppliers. Our sustainable supply chain strategy is designed to create a positive impact by embedding sustainability into every aspect of our operations and interactions.

HZL has defined a “[Sustainable Sourcing Policy](#)” which serves as the foundation for ensuring that all our supply chain partners adhere to rigorous sustainable practices. This policy not only sets clear expectations for ethical behaviour and environmental stewardship but also enforces strict compliance with these standards

to drive responsible sourcing across our entire supply chain. This policy applies to all our immediate business partners including service and supply partners based on fundamental requirement of adherence to the Supplier’s Code of Conduct, which embodies our commitment to internationally recognised standards on five core principles – Labour and Human Rights, Occupational Health and Safety, Environmental Sustainability, Business Integrity, and Governance.

HZL has also defined an “**ESG Expectations Document**” to ensure alignment with HZL’s ESG standards with that of the business partner. The expectations listed in the document are applicable to all our ‘Suppliers’ globally.



Hindustan Zinc is committed to embedding sustainability across all operational dimensions, including its supply chain, with a particular emphasis on addressing social issues such as human and labour rights. In the fiscal year 2023-24, we took significant steps to advance our sustainability agenda by identifying critical ESG (Environmental, Social, and Governance) and quality criteria for our supply chain partners. This led to the development of a comprehensive ESG programme designed to integrate ESG throughout our supply chain processes which includes a robust set of

internal controls, policies, and procedures that guide our approach to sustainability. This includes implementing pre-check assessments to evaluate potential vendors, a structured onboarding process to ensure alignment with our sustainability standards, and rigorous performance evaluations to continuously monitor and enhance the effectiveness of our supply chain. These measures are designed to promote transparency, accountability, and ethical practices among our vendors.

The outline of the programmes are as follows:

| | |
|----------------------------|---|
| Supplier Evaluation | Post registration of any new supplier, our commercial team share the ESG Qualification questionnaire with supplier. Response on ESG Qualification questionnaire evaluated and approved by authorised representative of ESG based on following scoring criteria: - <ul style="list-style-type: none"> ▶ Score is 50% or more – Supplier approved ▶ Score below 50% – Supplier not approved |
| Supplier Onboarding | Supplier integration with SAP system only post receipt of following: <ul style="list-style-type: none"> ▶ Approval on ESG questionnaire ▶ Confirmation of external party on due diligence Cases wherein ESG and quality score is less than defined limits, supplier onboarding will not be done. |
| Contract Creation | In addition to the general terms and conditions, contract also covers: Standard clauses on environment, health & safety requirements, supplier code of conduct and malpractice prevention as part of the contract post consultation with relevant departments. Supplier code of conduct and whistle blower policy; HZL's Safety standards; HZL's standard policies & guidelines; HZL's incentive & penalty scheme; ESG expectations; Single use of plastic management. |

Classification of Suppliers

Tier 1 Suppliers

- ▶ Tier 1 business partners include direct suppliers of goods & services including intellectual property (IP)/patents
- ▶ Criteria: Spend (value/volume), critical business operation, sensitivity, substitutability
- ▶ Performance evaluation factors: Historical financial performance, stability and scale of operations, quality of services delivered, compliance to Modern Slavery Act (MSA), environmental compliance, CoC compliance, delivery timelines
- ▶ Criticality: High-volume suppliers, critical component suppliers & non-substitutable suppliers making replacement highly difficult

High-risk Suppliers

- ▶ Tier 1 suppliers located in, and/or sourcing from, CAHRAs also known as 'redflagged suppliers'
- ▶ Upstream suppliers of high-risk Tier 1 business partners in red-flagged supply chains
- ▶ Suppliers operating in a high-risk industry
- ▶ Suppliers identified as contributing to, or being associated with other ESG risks following the risk assessment
- ▶ Hindustan Zinc supports development of mitigational strategies, providing training to business partners and working together for co-creating opportunities for continued engagement

Critical/Significant Suppliers

- ▶ Produce mainly for Hindustan Zinc in a significant volume
- ▶ Considered to be major business partner to Hindustan Zinc based on annual spend
- ▶ Single business partner dependency
- ▶ Operate in high-risk industry or operate or source from CAHRAs
- ▶ Quality of supply and services

| | | | |
|--|-------------------------------|---|---|
| 309 | 620 | 205 | 71% |
| 73% of total supplier by value have been assessed by third party for sustainable sourcing and ESG criteria during the year | Total Active Tier-1 Suppliers | Total number of significant suppliers in Tier-1 | Of total spend on significant suppliers in Tier-1 |

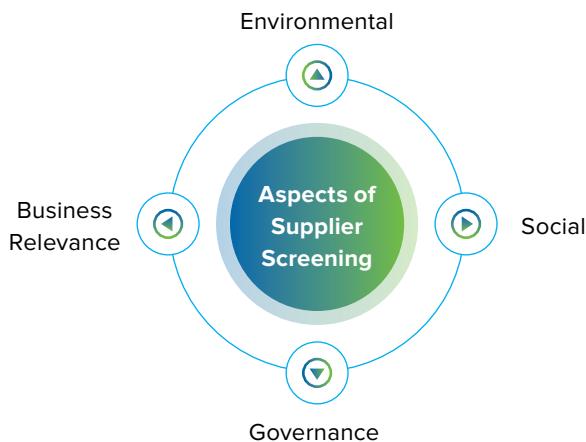
SUPPLIER SCREENING

We use various methods to identify potential business partners, including market research, consulting, Expressions of Interest (EOI), online searches, and direct outreach. Registration is made transparent through an online process on our SAP Ariba System. This involves completing a comprehensive registration questionnaire to capture essential information, which is then evaluated and approved by designated authorities.

Suppliers are evaluated based on their commitment to ESG criteria, reflecting our dedication to responsible sourcing. This ensures alignment with sustainability goals and promotes ethical supply chain practices. Recently, we implemented the ARIBA Supplier Lifecycle and Performance

(SLP) module, which enables supplier screening based on Environmental, Social, and Governance (ESG) criteria. This is crucial for assessing sustainability awareness and compliance with standards such as ISO 20400 and SMETA.

Pre-qualification criteria for screening suppliers now include ESG risks and partially aligned to international frameworks such as SMETA. ESG-based scoring is applied to both new and existing suppliers, with minimum weightage assigned to ESG in the screening process required for HZL's suppliers. Preference criteria established based on ESG scoring. Suppliers with minimum scores are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding.



Country-Specific Risks

- ▶ Anti-corruption and Bribery
- ▶ Business Ethics
- ▶ Conflicts Affected Areas
- ▶ Terrorism

Sector-Specific Risks

- ▶ Human Rights
- ▶ Air Emissions
- ▶ Climate Change

Commodity-Specific Risks

- ▶ Uncertainty of future market conditions based on the fluctuations
- ▶ Availability of a commodity

We believe in continuous improvement and implementing best practices throughout our transformation journey for positive change hence we have developed & implemented a comprehensive strategy & tool for Product Level LCA & Carbon Pricing for our critical machinery & commodities procured. This is to contribute significantly to reduction of our Scope 3 emission. We have started to systematically collect data from suppliers to determine the Scope 3 GHG emissions brought to HZLs supply chain through procurement of certain goods & determine the economic cost associated to it. Additionally, we've conducted training sessions for both our internal procurement teams and critical material suppliers to facilitate the implementation of LCA within our procurement process.

We assess performance against compliance and ESG criteria, linking vendor payments to the fulfilment of safety and statutory obligations. Additionally, a penalty/incentive system is in place to enhance productivity and safety across all locations. For key contracts, we regularly monitor safety, human rights, and environmental compliance – whether monthly, weekly, or daily. We also conduct regular CFSAs audits for on-site service contractors to improve Health, Safety, Environment, and Social Governance (HSES) practices and human rights. Supplier performance on quality and delivery is tracked through the integrated Performance module in ARIBA, with corrective actions taken as necessary.

SUPPLY CHAIN RISK ASSESSMENT

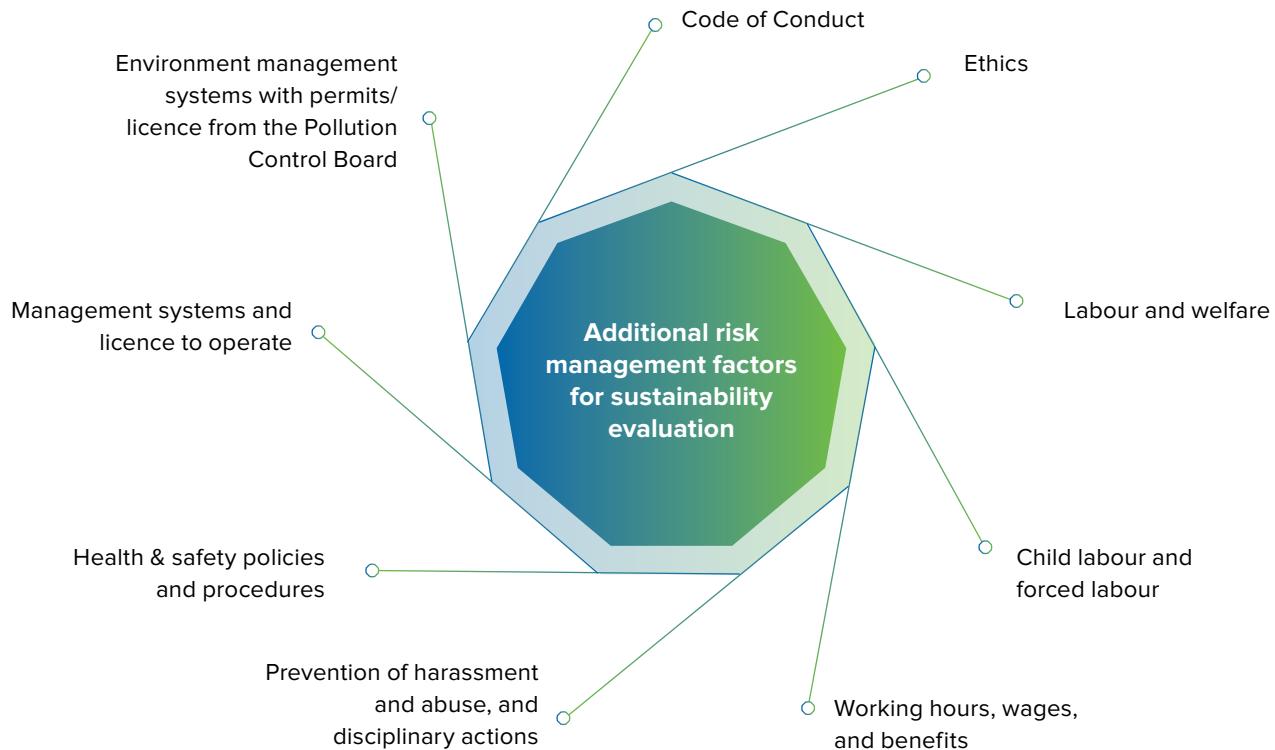
We adhere to the highest standards to maintain our brand value, consistently acting with integrity, transparency, and responsibility. HZL employs a risk-based approach to assess potential threats within the supply chain.

The Company conducts a three-step risk assessment using international standards such as ISO 14001, ISO 45001, and SA8000, alongside its own policies. Additionally HZL assesses suppliers by incorporating insights from international standards and methodologies. Suppliers who fail to meet the minimum ESG requirements within one year of establishing a corrective action plan are temporarily suspended from contracting.

We have established comprehensive internal management practices for due diligence to identify, assess, and manage potential risks associated with our mineral supply chains. Hindustan Zinc has instituted a process to identify and report red flags, along with the results of risk assessments, to senior management. This process facilitates the detection of potential red flags, prompting enhanced due diligence in mineral supply chains. When red flags are detected, we conduct thorough enhanced due diligence to investigate factual circumstances, including serious human rights abuses, risks associated with the use of public or private security forces, support to non-state armed groups,

money laundering, pollution, tax evasion, bribery, and misrepresentation of material origin.

- Desktop Assessment:** Conducted by screening various publicly reported information and online databases.
- On-site Assessment (Second Party):** For strategic or business-critical suppliers of Hindustan Zinc, an annual second-party on-site assessment is conducted.
- Due Diligence (Third Party):** For critical suppliers identified as high risk during the on-site assessment, due diligence is conducted by an independent third party. This involves discreet checks to identify red flags, including sustainability, corporate governance, and integrity issues, based on a sustainability questionnaire weighted by key indicators such as serious human rights abuses, risks associated with contracting public or private security forces, direct or indirect support to non-state armed groups, money laundering, non-payment of taxes, fees, and royalties due to governments, bribery, and fraudulent misrepresentation of the origin of materials. Additionally, when sourcing materials from a CAHRA supplier, Hindustan Zinc utilises third-party assurance channels to support its due diligence activities.



Assessment Results & Corrective Action Plan

| Supplier Assessment | FY 2023-24 |
|---|------------|
| Total number of suppliers assessed via desk assessments/on-site assessments | 309 |
| % of significant suppliers assessed | 100% |
| Number of suppliers assessed with substantial actual/potential negative impacts | 3 |
| % of suppliers with substantial actual/ potential negative impacts with agreed corrective action/improvement plan | 100% |
| Number of suppliers with substantial actual/potential negative impacts that were terminated | 1 |

Note: All the values in the above table have been third-party verified.

During our due diligence process, we identified three suppliers with potential risks that warranted immediate attention. Company A experienced safety incidents at its premises, while both Company B and Company C faced significant financial challenges and regulatory risks. In response, we proactively guided these suppliers to implement corrective measures aimed at addressing and mitigating these risks.

- ▶ Company A faced safety incidents, leading us to assist in updating their occupational health and safety standards. They committed to zero harm and engaged an external expert to drive a safety culture transformation. They also submitted a detailed report on their safety and sustainability improvement actions.
- ▶ Company B faced regulatory risk issues, and we requested their response. The Company provided clarification on the matter, and the issue has been resolved. Necessary measures have been taken to address the concerns.
- ▶ Company C experienced financial and compliance issues. Due to their delayed responses and consistent non-compliance, we have decided to terminate our ongoing contract with them.

Three suppliers identified as high-risk are currently implementing action plans to align their processes with our [Sustainable Sourcing Policy](#) and ESG expectations. Their progress is monitored semi-annually, with an annual audit conducted to reassess their risk levels. If the audit confirms improved performance in accordance with the plan, the supplier's risk level will be reclassified. Conversely, Hindustan Zinc will disengage from suppliers who fail to implement corrective measures within a reasonable timeframe of one year.

| Corrective Action Plan Support | FY 2023-24 |
|---|------------|
| Total number of suppliers supported in corrective action plan implementation | 3 |
| % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation | 100% |

SUPPLIER DEVELOPMENT

Integrating sustainability into the value chain requires fostering collaborative and mutually beneficial partnerships. At Hindustan Zinc, we actively engage with our supply chain partners through a range of initiatives designed to support and enhance their sustainability practices. Our approach includes comprehensive training and sensitisation programmes, as well as regular on-site visits to provide direct support.

We offer on-site assistance to suppliers for implementing corrective action plans, ensuring they have the guidance needed to address any issues effectively. Additionally, we provide technical support for capacity building, helping suppliers improve their ESG (Environmental, Social, and Governance) performance.

Suppliers also benefit from training modules available on the ARIBA portal, which offer valuable insights into sustainable practices and our decarbonisation goals. These resources enable suppliers to explore new market opportunities, adopt industry-leading practices, and align with our sustainability aspirations.

In FY 2023-24, business partners were provided support on the following aspects:

- ▶ Business partners identify their ESG issues in-line with the Company's sustainability goals
- ▶ We have also signed a MoU with global manufacturers for sustainable mining and zero emissions
- ▶ Identify risks & opportunities against ESG issues to develop and strategies solutions for the same such as decarbonisation or products that consume less energy/water
- ▶ Be 100% compliant with all regulatory requirements
- ▶ Make a commitment to Sustainable Development Goals like the Paris Agreement, Net Zero target, SBTi target, RE 100, EV 100, EP 100 and Water positivity

- ▶ We conducted a series of training sessions called “Wednesday for Transition” to provide suppliers with essential knowledge on ESG topics. These sessions covered critical areas such as Business Responsibility & Sustainable Reporting, Climate Change Risk Management, Human Rights in Supply Chains, and Biodiversity Risk & Conservation. Over 200 participants engaged in these sessions, with the goal of encouraging the adoption of best practices in ESG risk management throughout the entire value chain
- ▶ To further support our suppliers, we've established a supplier information portal and e-learning training module on the ARIBA network. This portal, accessible via our website, provides comprehensive guidance on the steps for new supplier introduction and includes video guides to help suppliers understand our Code of Conduct, ESG expectations, and processes such as auctions, invoice creation, and supplier profile management
- ▶ Additionally, we conduct ESG training programmes aligned with HZL's sustainability goals, such as setting GHG and water-related targets. We handhold and provide support for suppliers who do not meet HZL's criteria by conducting these training programmes. This helps suppliers understand and implement best practices
- ▶ Data monitoring on GHG emissions, water use, and climate risk is implemented to track supplier's performance in sustainability aspect
- ▶ We have also implemented a data collection tool on supplier GHG emissions and conducted additional training. In 2024-25, we plan to conduct a vendor reward programme to recognise suppliers for their achievements in ESG

| Capacity Building Programmes | FY 2023-24 |
|---|------------|
| Total number of suppliers in capacity building programmes | 242 |
| % of significant unique suppliers in capacity building programmes | 100% |

BUSINESS PARTNERS GRIEVANCE REDRESSAL AND FEEDBACK

We follow a pragmatic approach in incorporating the feedback and supplier priorities in our systems acknowledging their key agenda for driving successful and sustainable partnerships.

In our value chain, Vendor Grievance Process is introduced which can be accessed through ROBOS mobile app. Grievance resolution committee and timeline has been defined in the policy.

The grievances and feedback is then analysed to identify the improvement channels if any. The feedback are mapped with industry and sector leading performance on various parameters such as ease of doing business, satisfaction, advocacy, ROI, etc., helping in implementation of innovative business models such as Total Cost of Ownership (TCO), and Vendor Managed Inventory (VMI) models, etc.

LOCAL PROCUREMENT

At Hindustan Zinc, we have made a concerted effort to prioritise the procurement of goods and services from local vendors, aiming to reduce our reliance on imported goods. This strategic shift is driven by our commitment to support local economies, enhance supply chain resilience, and optimise procurement processes.

Our focus on local sourcing is complemented by a robust digitalisation strategy that has streamlined our supply chain operations. By leveraging advanced digital tools and technologies, we have been able to more effectively identify, evaluate, and onboard local suppliers, thereby enhancing our strategic sourcing capabilities. This approach has proven to be highly effective in aligning our procurement practices with our goal of increasing local content.

In the fiscal year 2023-24, we successfully onboarded 77 new local business partners and all our new onboarded suppliers are screened on environmental and social parameters, significantly contributing to our objective of boosting local procurement. This effort has resulted in a substantial increase in our local sourcing share, with 88% of our total procurement now sourced locally, including the contributions from these new vendors.

This strategic focus on local procurement not only helps to build stronger relationships with regional suppliers but also fosters economic growth within the communities where we operate. By reducing our dependency on imported goods, we enhance the sustainability and resilience of our supply chain, while also supporting local businesses and creating job opportunities.

| Procurement | % Spend |
|--|---------|
| Total procurement spends on suppliers belonging to same country | 88% |
| Total procurement spends on suppliers belonging to same state | 64% |
| Total procurement spends on suppliers belonging to same district | 31% |

Key Performance Indicators »»

Economic Indicators

(GRI 201-1)

| | Unit of Measurement | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|
| Economic value generated (A) | | | | | | |
| Revenue from Operation (including excise duty) | ₹ crore | 28,932 | 34,098 | 29,440 | 22,629 | 18,561 |
| Other Income | ₹ crore | 1,074 | 1,379 | 1,216 | 1,819 | 1,934 |
| Total (A) | ₹ crore | 30,006 | 35,477 | 30,656 | 24,448 | 20,494 |
| Economic Value Distributed - Expenses (B) | | | | | | |
| Employee Wages and Benefits | ₹ crore | 828 | 845 | 717 | 760 | 689 |
| Operating Costs | ₹ crore | 10,662 | 11,403 | 8,639 | 7,224 | 6,541 |
| Payment to Providers of Capital* | ₹ crore | 955 | 333 | 290 | 386 | 112 |
| Payment to Government (Income Tax and mining royalty)** | ₹ crore | 6,066 | 7,499 | 6,112 | 4,586 | 3,781 |
| Community Investments | ₹ crore | 269 | 276 | 191 | 214 | 132 |
| Total (B) | ₹ crore | 18,780 | 20,356 | 15,949 | 13,170 | 11,253 |
| Economic Value Retained (A-B) | ₹ crore | 11,226 | 15,121 | 14,707 | 11,278 | 9,241 |
| Profit before depreciation, interest and tax | ₹ crore | 14,730 | 18,885 | 17,307 | 13,491 | 10,781 |
| Profit before tax | ₹ crore | 10,307 | 15,288 | 14,100 | 10,574 | 8,390 |
| Net tax expense/(benefit) | ₹ crore | 2,548 | 4,777 | 4,471 | 2,594 | 1,584 |
| Profit for the year | ₹ crore | 7,759 | 10,511 | 9,629 | 7,980 | 6,805 |
| Earnings per equity share | ₹ | 18.36 | 24.88 | 22.79 | 18.89 | 16.11 |

*Based on interest debited to profit and loss account and does not include dividend payout

**Based on amount debited to profit and loss account

Labour Practice Indicators

(GRI 405-1, 401-1, 404-1)

WORKFORCE

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|---------------------|------------|--------|--------|------------|--------|--------|------------|--------|--------|------------|--------|--------|------------|--------|--------|
| | MALE | FEMALE | TOTAL |
| Full-time Employees | 2,941 | 623 | 3,564 | 2,953 | 519 | 3,472 | 3,088 | 412 | 3,500 | 3,318 | 401 | 3,719 | 3,771 | 427 | 4,198 |
| Senior Management | 57 | 1 | 58 | 59 | 4 | 63 | 57 | 3 | 60 | 57 | 6 | 63 | 78 | 5 | 83 |
| Middle Management | 999 | 142 | 1,141 | 961 | 117 | 1,078 | 942 | 95 | 1,037 | 910 | 95 | 1,005 | 1,012 | 92 | 1,104 |
| Junior Management | 1,141 | 465 | 1,606 | 1,054 | 380 | 1,434 | 1,097 | 293 | 1,390 | 1,219 | 275 | 1,494 | 1,237 | 294 | 1,531 |
| Non-Management | 744 | 15 | 759 | 879 | 18 | 897 | 992 | 21 | 1,013 | 1,132 | 25 | 1,157 | 1,444 | 36 | 1,480 |
| Contract Employees | 19,937 | 295 | 20,232 | 19,490 | 234 | 19,724 | 19,228 | 186 | 19,414 | 18,154 | 132 | 18,286 | 14,818 | 136 | 14,954 |

WORKFORCE BREAKDOWN: NATIONALITY

| Nationality | Representation in total workforce (as % of total workforce)* | Representation in management positions (as % of total management workforce) |
|--------------|---|--|
| India | 99.92% | 99.89% |
| Nepal | 0.03% | 0.04% |
| Australia | 0.03% | 0.04% |
| South Africa | 0.03% | 0.04% |

*This does not include contract employees.

HIRING

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|----------------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | MALE | FEMALE | TOTAL |
| New Hires | 401 | 196 | 596 | 367 | 191 | 558 | 328 | 124 | 452 | 236 | 71 | 307 | 443 | 129 | 572 |
| New Hires (Age-wise split) | | | | | | | | | | | | | | | |
| < 30 Yrs | 380 | 191 | 571 | 332 | 185 | 517 | 261 | 121 | 382 | 143 | 57 | 200 | 404 | 127 | 531 |
| 30 - 50 Yrs | 16 | 5 | 21 | 33 | 5 | 38 | 56 | 3 | 59 | 90 | 13 | 103 | 27 | 2 | 29 |
| > 50 Yrs | 4 | 0 | 4 | 2 | 1 | 3 | 11 | 0 | 11 | 3 | 1 | 4 | 12 | - | 12 |
| New Hire Rate | 16.72% | | | 16.07% | | | 12.91% | | | 8.25% | | | 13.63% | | |

EMPLOYEE TURNOVER RATE

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|------------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | MALE | FEMALE | TOTAL |
| Employee Turnover Rate | 14% | 17% | 15% | 17% | 19% | 17% | 17% | 26% | 18% | 19% | 22% | 19% | 15% | 19% | 16% |

TRAINING AND DEVELOPMENT: TRAINING HOURS

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|---------------------|------------|--------|---------|------------|--------|-----------|------------|--------|---------|------------|--------|---------|------------|--------|---------|
| | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Full-time Employees | 99,740 | 22,367 | 122,107 | 90,762 | 25,347 | 116,109 | 95,192 | 17,755 | 112,947 | 118,286 | 14,619 | 132,905 | 138,466 | 26,374 | 164,840 |
| Contract Employees | | | 227,749 | | | 1,462,709 | | | 506,087 | | | 344,490 | | | 695,932 |

Environment Indicators

(GRI 301-1)

RAW MATERIAL IN MN MT

| UNITS OF MEASURE | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | | |
|----------------------------------|------------|----------|-------|------------|----------|-------|------------|----------|-------|------------|----------|-------|------------|----------|-------|-------|
| | MINES | SMELTERS | TOTAL | |
| Raw Material | Mn MT | 16.52 | 0 | 16.52 | 16.74 | 0 | 16.74 | 16.34 | 0 | 16.34 | 15.46 | 0 | 15.46 | 14.46 | 0 | 14.46 |
| Semi-Manufactured Goods or Parts | Mn MT | 0 | 4.48 | 4.48 | 0 | 4.39 | 4.39 | 0 | 4.22 | 4.22 | 0 | 4.09 | 4.09 | 0 | 3.84 | 3.84 |
| Associated Process Materials | Mn MT | 0.48 | 0.41 | 0.89 | 0.49 | 0.52 | 1.01 | 0.49 | 0.55 | 1.04 | 0.48 | 0.49 | 0.97 | 0.48 | 0.52 | 1 |
| Packing Material | MT | 0 | 181 | 181 | 0 | 182 | 182 | 0 | 239 | 239 | 0 | 314 | 314 | 0 | 381 | 381 |

Note: Raw Material & Semi-manufactured goods or parts data has been reinstated.

| Total Finished Metal Production | UNITS OF MEASURE | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---------------------------------|------------------|------------|------------|------------|------------|------------|
| Zinc* | Mn MT | 0.817 | 0.821 | 0.776 | 0.715 | 0.688 |
| Lead | Mn MT | 0.216 | 0.211 | 0.191 | 0.214 | 0.181 |
| Silver | MT | 746 | 714 | 647 | 706 | 610 |

*Typo error corrected from previous years

ENERGY CONSUMPTION IN MN GJ

(GRI 302-1)

| UNITS OF MEASURE | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | | |
|-------------------------------|------------|----------|-------|------------|----------|-------|------------|----------|-------|------------|----------|-------|------------|----------|-------|-------|
| | MINES | SMELTERS | TOTAL | |
| Direct Energy | Mn GJ | 8.5 | 35.99 | 44.49 | 7.93 | 26.7 | 34.64 | 9.52 | 33.86 | 43.38 | 8.12 | 37.19 | 45.31 | 8.35 | 36.29 | 44.64 |
| Indirect Energy | Mn GJ | 0.66 | 2.2 | 2.86 | 0.79 | 5.26 | 6.06 | 0.37 | 1.9 | 2.27 | 0.48 | 0.86 | 1.34 | 0.38 | 0.73 | 1.11 |
| Renewal Energy (Solar Energy) | Mn GJ | 0.17 | 0.08 | 0.25 | 0.17 | 0.10 | 0.27 | 0.185 | 0.106 | 0.29 | 0.186 | 0.115 | 0.3 | 0.109 | 0.177 | 0.285 |
| Renewal Energy (WHRB) | Mn GJ | 0 | 0.77 | 0.77 | 0 | 0.78 | 0.78 | 0 | 0.75 | 0.75 | 0 | 0.73 | 0.73 | 0 | 0.52 | 0.52 |
| Biomass | Mn GJ | 0.2 | 0.53 | 0.73 | 0.20 | 0.73 | 0.93 | 0.01 | 0.19 | 0.20 | | | | | | |
| Renewable Energy (Indirect) | | 0 | 0.14 | 0.14 | 0 | 0.16 | 0.16 | | | | | | | | | |

Note: There is no energy consumption outside the organisation

TOTAL ENERGY CONSUMPTION

| UNITS OF MEASURE | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|--|------------|------------|------------|------------|------------|
| Total Non-Renewable Energy Consumption MWh | 13,151,306 | 11,303,993 | 12,690,978 | 12,968,700 | 12,718,222 |
| Total Renewable Energy Consumption MWh | 526,019 | 595,234 | 346,296 | 286,972 | 223,512 |

WATER IN MN M³

(GRI 303-3)

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|--|------------|----------|-------|------------|----------|-------|------------|----------|--------|------------|----------|--------|------------|----------|-------|
| | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL |
| Ground water | 4.51 | 0.03 | 4.55 | 3.83 | 0.04 | 3.87 | 3.02 | 0.03 | 3.05 | 3.32 | 0.05 | 3.37 | 3.05 | 0.06 | 3.11 |
| Surface water | 3.99 | 9.69 | 13.68 | 4.96 | 9.03 | 13.99 | 5.31 | 8.4 | 13.71 | 4.86 | 12.63 | 17.49 | 4.47 | 12.28 | 16.75 |
| Rainwater | 0 | 0.01 | 0.01 | 0 | 0.23 | 0.23 | 0 | 0.02 | 0.02 | 0 | 0.02 | 0.02 | 0.00 | 0.01 | 0.013 |
| Waste water from another organisation | 1.99 | 7.35 | 9.34 | 2.41 | 6.16 | 8.57 | 0.61 | 8.91 | 9.52 | 0.52 | 6.66 | 7.18 | 0.82 | 5.93 | 6.75 |
| Municipal water supplies or other water utilities | 0.003 | 0 | 0.003 | 0.002 | 0 | 0.002 | 0.0017 | 0 | 0.0017 | 0.0002 | 0 | 0.0002 | 0.01 | 0.09 | 0.10 |
| Total Net Fresh Water Consumption (Excluding Municipal Treated Sewage Water) | 6.77 | 9.72 | 16.49 | 9.73 | 9.87 | 19.61 | 7.56 | 10.32 | 17.88 | 6.80 | 12.24 | 19.04 | 6.32 | 11.95 | 18.28 |
| Total water consumption (Including Municipal Treated Sewage Water) | 9.30 | 16.86 | 26.16 | 10.85 | 14.61 | 25.46 | 8.17 | 16.53 | 24.70 | 7.32 | 18.53 | 25.84 | 7.17 | 17.65 | 24.83 |
| Total water consumption in water-stressed area | 9.30 | 16.81 | 26.11 | 10.85 | 14.56 | 25.41 | 8.17 | 16.48 | 25.19 | 7.32 | 18.46 | 25.78 | 7.17 | 17.58 | 24.75 |
| Water recycled | 11.87 | 6.53 | 18.41 | 13.04 | 5.35 | 18.4 | 14.41 | 4.82 | 19.22 | 11.9 | 4.84 | 16.74 | 11.42 | 4.68 | 16.10 |
| Total fresh water withdrawn | 8.50 | 9.74 | 18.24 | 8.79 | 9.31 | 18.1 | 8.33 | 8.45 | 16.78 | 8.18 | 12.7 | 20.88 | 7.54 | 12.44 | 19.97 |

AIR QUALITY IN MT

(GRI 305-7)

| UNITS OF MEASURE | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|--------------------------|------------|----------|--------|------------|----------|--------|------------|----------|--------|------------|----------|--------|------------|----------|--------|
| | MINES | SMELTERS | TOTAL |
| PM Emission from stacks | MT | | 1,261 | | | 1,048 | | | 963 | | | 1,097 | | | 1,027 |
| SOx Emission from stacks | MT | | 25,199 | | | 17,247 | | | 22,006 | | | 19,600 | | | 23,069 |
| NOx Emission from stacks | MT | | 7,033 | | | 4,851 | | | 6,145 | | | 8,098 | | | 8,913 |

SCOPE 1 & SCOPE 2 EMISSIONS IN MILLION MT CO₂e

(GRI 305-1, 305-2, 305-3)

| UNITS OF MEASURE | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|--|-------------------------|----------|--------|------------|----------|--------|------------|----------|--------|------------|----------|---------|------------|----------|-------|
| | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL |
| Scope I Emission | Mn MT CO ₂ e | | 4.25 | | | 3.44 | | | 4.32 | | | 4.49 | | | 4.48 |
| Furnace oil (FO) | Mn MT CO ₂ e | | 0 | | | 0 | | | 0 | | | 0 | | | 0 |
| High Speed Diesel (HSD) & Light Diesel Oil (LDO) | Mn MT CO ₂ e | | 0.22 | | | 0.21 | | | 0.16 | | | 0.16 | | | 0.19 |
| Propane | Mn MT CO ₂ e | | 0.02 | | | 0.02 | | | 0 | | | 0.00042 | | | 0.01 |
| Liquified Petroleum Gas (LPG) | Mn MT CO ₂ e | | 0.0004 | | | 0.0003 | | | 0.0004 | | | 0.001 | | | 0.001 |
| Coal | Mn MT CO ₂ e | | 3.74 | | | 2.92 | | | 3.87 | | | 4.09 | | | 4.04 |
| Coke | Mn MT CO ₂ e | | 0.27 | | | 0.28 | | | 0.23 | | | 0.198 | | | 0.25 |
| Pyrolysis Oil | Mn MT CO ₂ e | | 0 | | | 0 | | | 0 | | | 0 | | | 0 |
| LSHS | Mn MT CO ₂ e | | 0.003 | | | 0 | | | 0 | | | 0 | | | 0 |
| PNG | Mn MT CO ₂ e | | 0.003 | | | 0.01 | | | 0.02 | | | 0.014 | | | - |
| Scope II Emission | Mn MT CO ₂ e | | 0.56 | | | 1.14 | | | 0.49 | | | 0.31 | | | 0.25 |

SCOPE 3 EMISSIONS IN MN MT CO₂e

| | FY2019-20 | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|-----------|-----------|-----------|-----------|-----------|
| Category 1 - Purchased Goods and Services | 0.36 | 0.31 | 0.37 | 0.37 | 0.43 |
| Category 2 - Capital Goods | 0.055 | 0.007 | 0.007 | 0.022 | 0.0024 |
| Category 3 - Fuel and energy-related activities | 0.53 | 0.96 | 1.01 | 0.92 | 0.84 |
| Category 4 - Upstream transportation and distribution | 0.027 | 0.011 | 0.010 | 0.010 | 0.014 |
| Category 5 - Waste generated in Operations | 0.426 | 0.009 | 0.009 | 0.008 | 0.010 |
| Category 6 - Business travel | 0.0016 | 0.0013 | 0.0002 | 0.0006 | 0.0002 |
| Category 7 - Employee commuting | 0.0024 | 0.0019 | 0.0018 | 0.0013 | 0.0012 |
| Category 8 - Upstream leased assets | - | - | - | - | - |
| Category 9 - Downstream transportation and distribution | 0.017 | 0.019 | 0.026 | 0.047 | 0.043 |
| Category 10 - Processing of sold products | 0.281 | 0.305 | 0.319 | 0.223 | 0.236 |
| Category 12 - End-of-life treatment of sold products | 0.036 | 0.018 | 0.016 | 0.016 | 0.017 |
| Category 15 - Investments | 0.031 | - | - | - | - |
| Total Emissions | 1.77 | 1.65 | 1.77 | 1.61 | 1.60 |

Note: Previous year's Scope 3 data reinstated post SBTi validation and basis Scope 3 methodology developed in-line with International Zinc Association's (IZA) Scope 3 Emissions Accounting and Reporting Guidance ZINC for the value chain.

Source of Emission Factor

- Scope 1: IPCC
- Scope 2: IPCC
- Scope 3: Scope 3 - DEFRA, GaBi, USEEIO, India GHG programme - Road Transport & Primary data from supplier sustainability report & Secondary research

Standard or methodology used (Scope 1, 2 & 3): GHG Protocol

Baseline year for calculation: FY 2019-20 as per SBTi

WASTE IN MN MT

(GRI 306-3, 306-4, 306-5)

Hazardous Waste

| UNITS OF MEASURE | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|---|------------|------------|----------|------------|----------|---------|------------|----------|--------|------------|----------|---------|------------|----------|---------|
| | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL |
| Hazardous Waste Generated Mn MT | 0.002 | 0.101 | 0.103 | 0.003 | 0.114 | 0.117 | 0.003 | 0.105 | 0.108 | 0.003 | 0.086 | 0.089 | 0.003 | 0.076 | 0.079 |
| Total hazardous waste recycled/reused Mn MT | 0.002 | 0.063 | 0.065 | 0.002 | 0.069 | 0.070 | 0.002 | 0.056 | 0.058 | 0.002 | 0.054 | 0.056 | 0.002 | 0.043 | 0.045 |
| Total hazardous waste disposed Mn MT | 0.000 | 0.044 | 0.044 | 0.002 | 0.047 | 0.049 | 0.001 | 0.054 | 0.055 | 0.001 | 0.037 | 0.038 | 0.001 | 0.031 | 0.032 |
| Hazardous waste landfilled Mn MT | 0.000 | 0.044 | 0.044 | 0.003 | 0.045 | 0.049 | 0.001 | 0.054 | 0.055 | 0.001 | 0.037 | 0.038 | 0.001 | 0.031 | 0.032 |
| Hazardous waste incinerated with energy recovery Mn MT | 0.000009 | 0.000 | 0.000009 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Hazardous waste incinerated without energy recovery Mn MT | 0.000003 | 0.00000665 | 0.000009 | 0.00008 | 0.000001 | 0.00008 | 0.00015 | 0.000004 | 0.0002 | 0.00012 | 0.00001 | 0.00012 | 0.00003 | 0.00002 | 0.00005 |
| Hazardous waste with unknown disposal method Mn MT | 0.000001 | 0.000001 | 0.000001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |



Non-Hazardous Waste

| UNITS OF MEASURE | | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|-------|------------|------------|------------|------------|------------|
| Non-Hazardous Waste Generated | Mn MT | 1.27 | 1.17 | 1.26 | 1.18 | 1.17 |
| Total Non-hazardous waste recycled/reused | Mn MT | 0.79 | 0.61 | 0.58 | 0.93 | 0.72 |
| Total Non-hazardous waste disposed | Mn MT | 0.48 | 0.58 | 0.64 | 0.59 | 0.74 |
| Non-Hazardous Waste to landfill | Mn MT | 0.48 | 0.58 | 0.64 | 0.59 | 0.74 |

Mineral Waste

| UNITS OF MEASURE | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | | |
|--------------------------------------|------------|----------|-------|--------------|----------|-------|------------|----------|-------|------------|----------|-------|------------|----------|-------|--------------|
| | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | MINES | SMELTERS | TOTAL | |
| Mineral waste generated – Waste rock | Mn MT | 4.42 | 0 | 4.42 | 5.28 | 0 | 5.28 | 4.31 | 0 | 4.31 | 3.38 | 0 | 3.38 | 3.20 | 0 | 3.20 |
| Mineral waste generated - Tailings | Mn MT | 14.44 | 0 | 14.44 | 14.51 | 0 | 14.51 | 14.18 | 0 | 14.18 | 13.41 | 0 | 13.41 | 12.62 | 0 | 12.62 |
| Mineral waste repurposed/reused | Mn MT | 5.47 | 0 | 5.47 | 5.85 | 0 | 5.85 | 5.54 | 0 | 5.54 | 4.76 | 0 | 4.76 | 4.48 | 0 | 4.48 |
| Total mineral waste disposed | Mn MT | 13.40 | 0 | 13.40 | 13.94 | 0 | 13.94 | 12.95 | 0 | 12.95 | 12.03 | 0 | 12.03 | 11.34 | 0 | 11.34 |
| Total waste recycled/ reused | Mn MT | | | 6.32 | | | 6.54 | | | 6.17 | | | 5.74 | | | 5.24 |
| Total waste disposed | Mn MT | | | 13.92 | | | 13.54 | | | 14.48 | | | 12.30 | | | 11.82 |
| Total waste generated | Mn MT | | | 20.24 | | | 21.08 | | | 19.85 | | | 18.06 | | | 17.07 |

Health and Safety Indicators

(GRI 403-9)

Health and Safety Indicators

| UNITS OF MEASURE | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|---|------------|------------|------------|------------|------------|
| FATALITIES | | | | | |
| Full-time Employees Number | 0 | 1 | 0 | 0 | 0 |
| Contract Employees Number | 0 | 6 | 4 | 0 | 2 |
| LOST TIME INJURY FREQUENCY RATE | | | | | |
| Full-time Employees Numbers per mn hours worked | 1.22 | 0.83 | 0.94 | 0.25 | 0.68 |
| Contract Employees Numbers per mn hours worked | 0.83 | 0.68 | 0.79 | 1.10 | 1.50 |
| Overall HZL Numbers per mn hours worked | 0.88 | 0.7 | 0.81 | 0.97 | 1.38 |
| TOTAL RECORDABLE INJURY FREQUENCY RATE | | | | | |
| Full-time Employees Numbers per mn hours worked | 1.36 | 1.39 | 1.42 | 1.38 | 1.24 |
| Contract Employees Numbers per mn hours worked | 1.9 | 2 | 2.34 | 2.78 | 2.94 |
| Overall HZL Numbers per mn hours worked | 1.84 | 1.93 | 2.22 | 2.57 | 2.70 |
| OCCUPATIONAL DISEASE RATE | | | | | |
| PROCESS INCIDENTS# Numbers | 0 | 6 | 5 | 4 | 3 |
| PROCESS INCIDENTS Numbers per mn hours worked | 0 | 0.09 | 0.08 | 0.08 | 0.05 |

#Incidents having more than 130 scores basis risk matrix are being considered as serious process incidents (SPI)

Leading Indicators

| UNITS OF MEASURE | FY 2023-24 | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 |
|--------------------------|------------|------------|------------|------------|------------|
| Near Miss Number | 29,362 | 21,310 | 23,790 | 17,484 | 15,323 |
| Unsafe Acts Number | 141,287 | 152,597 | 133,251 | 221,585 | 203,966 |
| Unsafe Conditions Number | 104,711 | 95,059 | 54,511 | 51,724 | 55,739 |

Mapping with UNGC Principles »»

| Principle | Statement | Report Reference | Page Number |
|--------------------------------|--|---|--------------------|
| HUMAN RIGHTS | | | |
| Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights. | SR: Human Rights Management | SR: 49 |
| Principle 2 | Make sure that they are not complicit in human rights abuses. | SR: Human Rights Management | SR: 49 |
| LABOUR RIGHTS | | | |
| Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | IAR: Protecting Human Rights SR: Human Rights Management | IAR: 211 SR: 49 |
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| Principle 4 | The elimination of all forms of forced and compulsory labour Responsible Partnerships. | IAR: Protecting Human Rights SR: Human Rights Management | IAR: 210 SR: 49 |
| Principle 5 | The effective abolition of child labour Responsible Partnerships. | SR: Human Rights Management | SR: 49 |
| Principle 6 | The elimination of discrimination in respect of employment and occupation. | SR: Talent Attraction and Retension | SR: 25 |
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| Principle 7 | Businesses should support a precautionary approach to environmental challenges. | SR: Environment | Page: 27-45 |
| Principle 8 | Undertake initiatives to promote greater environmental responsibility. | SR: Environment | Page: 27-46 |
| Principle 9 | Encourage the development and diffusion of environmentally friendly technologies. | SR: Environment | Page: 27-47 |
| ANTI-CORRUPTION | | | |
| Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery | IAR: Anti-Bribery and Anti-Corruption SR: Reporting | IAR: 256 SR: 83 |

Mapping with FIMI Principles »»

| Principle | Statement | Report Reference | Page Number |
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| Principle 1 | Integrate sustainable development considerations within the corporate decisionmaking process. | IAR: Being Responsible to Become More Sustainable SR: HZL Sustainability Framework | IAR: 165 SR: 7 |
| Principle 2 | Conduct business with ethical practices and sound systems of corporate governance. | IAR: Committed to Highest Level of Governance SR: Business Ethics | IAR: 251 SR: 81 |
| Principle 3 | Implement risk management strategies based on valid data and sound science. | IAR: Mitigating Risks and Harnessing Opportunities to Drive Sustainable Growth SR: Critical Risk Management | IAR: 88 SR: 78 |
| Principle 4 | Seek continual improvement in health and safety performance | IAR: Moving Responsibly Towards Zero Harm SR: Health and safety | IAR: 212 SR: 24 |
| Principle 5 | Seek continual improvement of our environment performance based on a precautionary approach. | SR: Environment | SR: 27 |
| Principle 6 | Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities. | SR: Human Rights Management | SR: 49 |
| Principle 7 | Contribution to conservation of biodiversity and integrated approaches to land use planning and management. | SR: Biodiversity Management | SR: 41 |
| Principle 8 | Facilitate and encourage responsible use, reuse and recovery of mined materials including associated natural resources. | SR: Waste Management and circularity | SR: 36 |
| Principle 9 | Contribute to the social, economic and institutional development of the communities in which we operate. | SR: Community Development | SR: 53 |
| Principle 10 | Implement effective and transparent engagement, communication and verifiable reporting arrangements with our stakeholders. | IAR: Fortifying Connections through Strategic Engagements | IAR: 76 |

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| GRI 414: Supplier Social Assessment 2016 | 3-3: Management of material topics | employment practices: 14.17.1 child labour: 14.18.1 forced labour and modern slavery: 14.19.1 | SR: Responsible Sourcing | 88 |
| | 414-1 New suppliers that were screened using social criteria | employment practices: 14.17.9 child labour: 14.18.3 forced labour and modern slavery: 14.19.3 | SR: Responsible Sourcing | 88 |
| | 414-2 Negative social impacts in the supply chain and actions taken | employment practices: 14.17.10 | SR: Responsible Sourcing | 90 |
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| 14.4.2 | 101-1 Policies to halt and reverse biodiversity loss | SR: Biodiversity Management | 42 |
| 14.4.3 | 101-2 Management of biodiversity impacts | SR: Biodiversity Management | 41 |
| 14.4.4 | 101-4 Identification of biodiversity impacts | SR: Biodiversity Management | 41 |
| 14.4.5 | 101-5 Locations with biodiversity impacts | SR: Biodiversity Management | 44 |
| 14.4.6 | 101-6 Direct drivers of biodiversity loss | Taskforce on Nature-related Financial Disclosures (TNFD) Report | |
| 14.4.7 | 101-7 Changes to the state of biodiversity | Taskforce on Nature-related Financial Disclosures (TNFD) Report | |
| 14.4.8 | 101-8 Ecosystem services | Taskforce on Nature-related Financial Disclosures (TNFD) Report | |
| 14.6.1 | 3-3 Management of material topic: Tailing | SR: Tailing Dam Management | 38 |
| 14.6.2 | Report the tailings disposal methods used by the organisation. | IAR: Tailings Management Plan for Storage | 231 |
| 14.6.3 | List the organisation's tailings facilities, and report the name, location, and ownership status, including whether the organisation is the operator. | SR: Tailing Dam Management | 38 |
| 14.8.1 | Management of material topic: Closure and rehabilitation | SR: Sustainable Site Closure | 45 |
| 14.8.4 | For each mine site, report whether it: | SR: Sustainable Site Closure | 45 |
| | <ul style="list-style-type: none"> • has a closure and rehabilitation plan in place; • is undergoing closure and rehabilitation activities; • has been closed and rehabilitated. | | |
| 14.8.5 | For each closure and rehabilitation plan: | SR: Sustainable Site Closure | 45 |
| | <ul style="list-style-type: none"> • report whether the plan has been approved by relevant authorities; • report the dates of the most recent and next reviews of the plan. | | |
| 14.8.6 | For each mine site, report in hectares: | SR: Biodiversity Management | 44 |
| | <ul style="list-style-type: none"> • total land disturbed and not yet rehabilitated; • total land disturbed and rehabilitated (including progressively rehabilitated, if applicable). | | |
| 14.8.9 | Describe non-financial provisions made by the organisation to manage the local community's socioeconomic transition to a sustainable post-mining economy, including collaborative efforts, projects, and programmes. | IAR: Sustainability in site closure | 235 |
| 14.9.6 | Report the percentage of workers hired from the local community at the mine-site level, broken down by gender, and the organisation's definition used for 'local community'.* | SR- People Management | 62 |
| 14.10.4 | For each mine site, report: | IAR: BRSR, Section A | 344 |
| | <ul style="list-style-type: none"> • the number and types of grievances from local communities during the reporting period; • the percentage of grievances that were addressed and resolved during the reporting period; • the percentage of grievances resolved through remediation during the reporting period. | | |

| SECTOR STANDARD REF # | Reporting Requirements | Location | Page No |
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| 14.11.3 | List the locations of operations and proven reserves where Indigenous Peoples are present and are or may be affected by the activities of the organisation. | No indigenous people have been identified near the operating areas | |
| 14.12.1 | Management of material topic: Land and resource Rights | IAR: Sustainability in site closure | 235 |
| 14.12.2 | List the mine sites where involuntary resettlement is planned, ongoing, or has taken place. <ul style="list-style-type: none"> • report the number of persons who have been or will be displaced, and a breakdown by gender; • describe how peoples' livelihoods and human rights are or could be affected and restored. | IAR: Sustainability in site closure | 235 |
| 14.12.3 | List the locations of operations where conflicts or violations of land and resource rights (including customary, collective, and informal tenure rights) occurred, and describe the incidents and the stakeholders whose rights are or could be affected. | IAR: Sustainability in site closure | 235 |
| 14.13.1 | Management of material topic: Artisanal and small-scale mining | SR: Social Performance | 48 |
| 14.13.2 | List the mine sites where ASM occurs on or in close proximity to the site. | SR: Social Performance | 48 |
| 14.15.4 | Report the percentage of mine sites that have emergency preparedness and response plans in place, and list the sites that do not. | 100% sites are certified to ISO 22301 - Business Continuity Management System & Disaster Recovery System | |
| 14.25.1 | Management of material topic: Conflict-affected and high-risk areas | SR: Accross Supply Chain | 52 |
| 14.25.2 | List the locations of operations in conflict-affected or high-risk areas and how these were identified | SR: Accross Supply Chain | 52 |
| 14.25.3 | Describe the due diligence process applied for operations in, or when sourcing from, conflict-affected and high-risk areas and whether it aligns with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. | SR: Accross Supply Chain | 52 |
| 14.25.4 | For operations in conflict-affected or high-risk areas, report the potential negative impacts on workers and local communities, including actions to prevent or mitigate the impacts. | None of our operational sites are located in CAHRA | |

Assurance Statement »»

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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE IDENTIFIED SUSTAINABILITY INFORMATION IN HINDUSTAN ZINC LIMITED'S SUSTAINABILITY REPORT

To the Board of Directors of Hindustan Zinc Limited

We have undertaken to perform a limited assurance engagement for Hindustan Zinc Limited (the 'Company'), its Legal Entities and their Sites (the 'Group'), the details of which are as described in the "Scope, Boundary and Limitations" paragraph given below, vide agreement dated 17 January 2024 in respect of the agreed Sustainability Information listed below in accordance with the "Criteria" stated below. This Sustainability Information is as included in the Sustainability Report of the Group for the year ended 31 March 2024. This engagement was conducted by a multidisciplinary team, including professionals with suitable skills and experience in auditing environmental, social, and economic information (Chartered Accountants, Company Secretary, Lawyer, Engineers and Environment Professionals).

Identified Sustainability Information

The Identified Sustainability Information for the year beginning 1 April 2023 and ending 31 March 2024 is summarized below:

The Identified Sustainability Information of the Group are the select Sustainability Performance Indicators of the Group for the financial year ended 31 March 2024, as per Appendix I to this Report limited to the indicators, as contained in and mapped to the Group's Sustainability Report 2024.

Our limited assurance engagement was with respect to the year ended 31 March 2024, unless otherwise stated and we have not performed any procedures with respect to earlier periods and, therefore, do not express any limited assurance conclusion thereon.

Criteria

The Sustainability Report is prepared with reference to the Global Reporting Initiative (GRI) Standards, 2021.



Mazars Advisory LLP

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Management's Responsibilities

The Group's management is responsible for establishing the "Criteria" for preparing the Sustainability Report in all material respects, identification of key aspects, engagement with stakeholders, content, preparation and presentation of Sustainability Report in accordance with the "Criteria". This responsibility includes design, implementation and maintenance of internal controls, relevant to the preparation and measurement of Sustainability Report, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ('IESBA Code'), which is founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management ('ISQM') 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information with respect to the Entity/ Sites covered in the "Scope, Boundary, and Limitations" paragraph given below, based on the procedures we have performed and evidence we have obtained.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ('ISAE') 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Group's use of the Criteria as the basis for the preparation of the Identified Sustainability Information whether



due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks.

Scope, Boundary and Limitations

Scope and Boundary

- The scope of our limited assurance covers the Identified Sustainability Information for the period 1 April 2023 to 31 March 2024.
- Out of the boundary used for the preparation of the audited Consolidated Financial Statements of the Group for the Financial Year 2023-24, the boundary used for the purpose of preparation of the Identified Sustainability Information includes the data and the information of the Group, as mentioned in GRI 2-2, as given in the Sustainability Report of the Group, which include Hindustan Zinc Limited and its operational Sites, based on the management's assessment of materiality, as mentioned below:

| Entity and Sites Included | Status |
|-------------------------------------|--------------------|
| Hindustan Zinc Limited (HZL) | The Company |
| Rampura Agucha Mine (RAM) | Site |
| Zawar Mines (ZM) | Site |
| Rajpura Dariba Mine (RDM) | Site |
| Sindesar Khurd Mine (SKM) | Site |
| Dariba Smelting Complex (DSC) | Site |
| Chanderiya Lead-Zinc Smelter (CLZS) | Site |
| Kayad Mine (KM) | Site |
| Debari Zinc Smelter (DZS) | Site |
| Pantnagar Metal Plant (PMP) | Site |

- The data review and validation of these Entity/ Sites was performed through physical site visits and/or together with desktop reviews.
- The Categories of the Scope 3 emissions considered by the Group and verified by us are given in Appendix II to this Report, as per the coverage given in the Group's Scope 3 Emissions Methodology (<https://www.hzlindia.com/wp-content/uploads/HZLs-Scope-3-Methodology-FY2023-24.pdf>).



Limitations

Our limited assurance scope excludes the following and therefore we do not express a limited assurance conclusion on the same:

- Operations of the Group other than those covered in the “Scope and Boundary”.
- The data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., Financial Year 2023-24.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Group.
- Data related to Group’s environmental, economic and financial performance, strategy and other related linkages expressed in the Group’s Integrated Annual Report for the Financial Year 2023-24 or any other Report, containing the Identified Sustainability Information.
- Effectiveness of management’s internal controls of the Group, while we considered the same when determining the nature and extent of our procedures; however, our limited assurance engagement was not designed to provide assurance on these internal controls.
- The Group’s compliance with Acts, Regulations and Guidelines with respect to various Regulatory authorities and other legal matters.

Assurance Procedures

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the Group’s business activities, processes and its operating locations, as identified by the Group.
- Interviewed people involved to understand the reporting process, governance, design and implementation of data management systems and internal controls in place for capturing, collating, calculating and reporting the Identified Sustainability Information with reference to the GRI Standards during the reporting period.



- Performed limited substantive testing on a sample basis of the Identified Sustainability Information for the Entity/ Sites, as covered in the “Scope, Boundary and Limitations” to verify whether the data was appropriately recorded, collated, measured and reported with underlying supporting documents.
- Checked the consistency of the data/information within the Identified Sustainability Information.
- Checked the consolidation methodology for the Entity/ Sites as covered in the “Scope, Boundary and Limitations” for ensuring the completeness of data being reported.
- Tested the mathematical accuracy of the data provided on a test-check basis.
- Assessed the level of adherence of the “Criteria”, as mentioned above by the Group while reporting.
- Assessed the appropriateness of various assumptions, estimations and thresholds used by the Group in the preparation of the Identified Sustainability Information.
- Undertook analytical review procedures to support the reasonableness of the data used in the Identified Sustainability Information.
- We traced the relevant data and assumptions from the following published Reports and the Group's internal documents:
 - Annual Accounts for the Financial Year 2023-24 of Hindustan Zinc Limited (Independent Auditors' Report, issued by another auditor, vide Audit Report dated 19 April 2024).
 - Business Responsibility and Sustainability Report (BRSR) of the Group for the Financial Year 2023-24 (Reasonable and Limited Assurance Letter issued by us, vide Assurance Letter dated 21 June 2024 on BRSR Core and other than BRSR Core indicators respectively).
 - Climate Action Report for the Financial Year 2023-24 (Limited Assurance Letter issued by us, vide Assurance Letter dated 26 September 2024).
 - The Sustainability Report for the Financial Year 2022-23 (Limited Assurance Letter issued by another auditor, vide Assurance Letter dated 08 September 2023).
 - Management Presentations.
 - Internal Email confirmations from various stakeholders.



- Enquired to corroborate with the relevant management personnel to understand the progress against the Sustainability commitments.
- Obtained written representations from the Group's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the "Criteria".

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Group's Identified Sustainability Information included in the Sustainability Report for the year ended 31 March 2024 are not prepared, in all material respects, in accordance with the "Criteria".

Emphasis of Matter

We draw your attention to the following matters:

- The "Scope, Boundary and Limitations" in this report. The Entity/ Sites considered for the purpose of reporting in the Sustainability Report are as per the management's assessment of materiality.
- The financial numbers used in some of the disclosures in the Identified Sustainability Information are extracted from the Integrated Annual Report for the Financial Year 2023-24 and hence are not audited by us. While the financial numbers related to certain entities include inter-company consolidation adjustments as per the applicable financial reporting framework (net figures), the non-financial data used in some of the disclosures in the Identified Sustainability Information related to these entities are given without adjustments (gross figures). Further, some of the Entities/ Sites are considered for the purpose of said financial numbers, which may have been excluded from the "Scope, Boundary and Limitations".
- The Non-Financial Reporting System used by the Group in the preparation of the Identified Sustainability Information is in the advanced stage of implementation and is in the process of being integrated with other Financial and Non-Financial Reporting Systems of the Group.

Our limited assurance conclusion is not modified in respect of these matters.



Other matter

The Identified Sustainability Information as contained in the Group's Sustainability Report for the Financial Year ended 31 March 2023 was assured by the previous assurance practitioner who had expressed an unmodified opinion on 08 September 2023.

Our opinion is not modified in respect of this matter.

Restriction on use

Our Limited Assurance Report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Group in reporting on Group's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Group. Our Limited Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **Mazars Advisory LLP**

Firm Registration No.:AAI-2887



Sarika Gosain

Partner

Gurugram

30 September 2024

Appendix I to the Independent Auditor's Limited Assurance Report on the Identified Sustainability Information in Hindustan Zinc Limited's Sustainability Report

| S.No. | GRI Indicators | Disclosures | Mapping |
|-------|----------------|---|--|
| 1 | GRI 2-1 | Organizational details | Sustainability Report 2024 |
| 2 | GRI 2-2 | Entities included in the organization's sustainability reporting | Sustainability Report 2024 |
| 3 | GRI 2-3 | Reporting period, frequency and contact point | Sustainability Report 2024 |
| 4 | GRI 2-4 | Restatements of information | Sustainability Report 2024 |
| 5 | GRI 2-5 | External assurance | Sustainability Report 2024 |
| 6 | GRI 2-6 | Activities, value chain and other business relationships | Sustainability Report 2024 |
| 7 | GRI 2-7 | Employees | Sustainability Report 2024 |
| 8 | GRI 2-8 | Workers who are not employees | Sustainability Report 2024 |
| 9 | GRI 2-11* | Chair of the highest governance body | Integrated Annual Report FY 2023-24 |
| 10 | GRI 2-12* | Role of the highest governance body in overseeing the management of impacts | Integrated Annual Report FY 2023-24 |
| 11 | GRI 2-22 | Statement on sustainable development strategy | Sustainability Report 2024 |
| 12 | GRI 2-23 | Policy commitments | Sustainability Report 2024 |
| 13 | GRI 2-26 | Mechanisms for seeking advice and raising concerns | Sustainability Report 2024 |
| 14 | GRI 2-28 | Membership associations | Sustainability Report 2024 |
| 15 | GRI 2-29 | Approach to stakeholder engagement | Sustainability Report 2024 and BRSR 2024 |



| | | | |
|----|-----------|--|----------------------------|
| 16 | GRI 2-30 | Collective bargaining agreements | Sustainability Report 2024 |
| 17 | GRI 3-1 | Process to determine material topics | Sustainability Report 2024 |
| 18 | GRI 3-2 | List of material topics | Sustainability Report 2024 |
| 19 | GRI 3-3 | Management of material topics | Sustainability Report 2024 |
| 20 | GRI 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | Sustainability Report 2024 |
| 21 | GRI 202-2 | Proportion of senior management hired from the local community | Climate Action Report 2024 |
| 22 | GRI 205-1 | Operations assessed for risks related to corruption | Sustainability Report 2024 |
| 23 | GRI 205-2 | Communication and training about anti-corruption policies and procedures | Sustainability Report 2024 |
| 24 | GRI 205-3 | Confirmed incidents of corruption and actions taken | Sustainability Report 2024 |

Environment

| | | | |
|----|-----------|--|----------------------------|
| 25 | GRI 302-1 | Energy consumption within the Organization | Sustainability Report 2024 |
| 26 | GRI 302-2 | Energy consumption outside of the organization (GRI content index) | Sustainability Report 2024 |
| 27 | GRI 302-3 | Energy Intensity | Sustainability Report 2024 |
| 28 | GRI 302-4 | Reduction of energy consumption | BRSR 2024 |
| 29 | GRI 303-1 | Interactions with water as a shared resource | Sustainability Report 2024 |
| 30 | GRI 303-2 | Management of water discharge - related Impacts | Sustainability Report 2024 |
| 31 | GRI 303-3 | Water withdrawal | Sustainability Report 2024 |
| 32 | GRI 303-4 | Water discharge | Sustainability Report 2024 |



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|----|------------|---|--|
| 33 | GRI 303-5 | Water consumption | Sustainability Report 2024 |
| 34 | GRI 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Sustainability Report 2024 |
| 35 | GRI 304-2 | Significant impacts of activities, products and services on biodiversity | Sustainability Report 2024 |
| 36 | GRI 304-3 | Habitats protected or restored | Sustainability Report 2024 |
| 37 | GRI 304-4* | IUCN Red List species and national conservation list species with habitats in areas affected by operations | Taskforce on Nature-related Financial Disclosures (TNFD) Report 2024 |
| 38 | GRI 305-1 | Direct (Scope 1) GHG emissions | Sustainability Report 2024 |
| 39 | GRI 305-2 | Energy indirect (Scope 2) GHG emissions | Sustainability Report 2024 |
| 40 | GRI 305-3 | Other indirect (Scope 3) GHG emissions | Sustainability Report 2024 |
| 41 | GRI 305-4 | GHG emissions intensity | Sustainability Report 2024 |
| 42 | GRI 305-5 | Reduction of GHG emissions | Climate Action Report 2024 |
| 43 | GRI 305-6 | Emissions of ozone-depleting substances (ODS) (GRI content index) | Sustainability Report 2024 |
| 44 | GRI 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Sustainability Report 2024 |
| 45 | GRI 306-1 | Waste generation and significant waste-related impacts | Sustainability Report 2024 |
| 46 | GRI 306-2 | Management of significant waste-related Impacts | Sustainability Report 2024 |
| 47 | GRI 306-3 | Waste generated | Sustainability Report 2024 |



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|---------------|-----------|---|----------------------------|
| 48 | GRI 306-4 | Waste diverted from disposal | Sustainability Report 2024 |
| 49 | GRI 306-5 | Waste directed to disposal | Sustainability Report 2024 |
| 50 | GRI 308-1 | New suppliers that were screened using environmental criteria | Sustainability Report 2024 |
| 51 | GRI 308-2 | Negative environmental impacts in the supply chain and actions taken | Sustainability Report 2024 |
| Social | | | |
| 52 | GRI 401-1 | New employee hires and employee turnover | Sustainability Report 2024 |
| 53 | GRI 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time Employees | Sustainability Report 2024 |
| 54 | GRI 401-3 | Parental leave | Sustainability Report 2024 |
| 55 | GRI 402-1 | Minimum notice periods regarding operational changes (GRI content index) | Sustainability Report 2024 |
| 56 | GRI 403-1 | Occupational health and safety management system | Sustainability Report 2024 |
| 57 | GRI 403-2 | Hazard identification, risk assessment, and incident investigation | Sustainability Report 2024 |
| 58 | GRI 403-3 | Occupational health services | Sustainability Report 2024 |
| 59 | GRI 403-4 | Worker participation, consultation, and communication on occupational health and safety | Sustainability Report 2024 |
| 60 | GRI 403-5 | Worker training on occupational health and safety | Sustainability Report 2024 |
| 61 | GRI 403-6 | Promotion of worker health | Sustainability Report 2024 |
| 62 | GRI 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Sustainability Report 2024 |



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|----|------------|--|--|
| 63 | GRI 403-8 | Workers covered by an occupational health and safety management system | Sustainability Report 2024 |
| 64 | GRI 403-9 | Work-related injuries | Sustainability Report 2024 |
| 65 | GRI 403-10 | Work-related ill health | Sustainability Report 2024 |
| 66 | GRI 404-1 | Average hours of training per year per employee | Sustainability Report 2024 and BRSR 2024 |
| 67 | GRI 404-2 | Programs for upgrading employee skills and transition assistance programs | Sustainability Report 2024 and BRSR 2024 |
| 68 | GRI 404-3 | Percentage of employees receiving regular performance and career development reviews | Sustainability Report 2024 and BRSR 2024 |
| 69 | GRI 405-1 | Diversity of governance bodies and employees | Sustainability Report 2024 and BRSR 2024 |
| 70 | GRI 405-2 | Ratio of basic salary and remuneration of women to men | Sustainability Report 2024 |
| 71 | GRI 406-1 | Incidents of discrimination and corrective actions taken | Sustainability Report 2024 |
| 72 | GRI 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Sustainability Report 2024 |
| 73 | GRI 408-1 | Operations and suppliers at significant risk for incidents of child labor | Sustainability Report 2024 |
| 74 | GRI 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Sustainability Report 2024 |
| 75 | GRI 410-1 | Security personnel trained in human rights policies or procedures | Sustainability Report 2024 |
| 76 | GRI 411-1 | Incidents of violations involving rights of indigenous peoples (GRI content index) | Sustainability Report 2024 |



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|----|-----------|--|----------------------------|
| 77 | GRI 413-1 | Operations with local community engagement, impact assessments, and development programs | Sustainability Report 2024 |
| 78 | GRI 413-2 | Operations with significant actual and potential negative impacts on local communities | Sustainability Report 2024 |
| 79 | GRI 414-1 | New suppliers that were screened using social criteria | Sustainability Report 2024 |
| 80 | GRI 414-2 | Negative social impacts in the supply chain and actions taken | Sustainability Report 2024 |

* Traced from published information by the Group in public domain.



Appendix II to the Independent Auditor's Limited Assurance Report on the Identified Sustainability Information in Hindustan Zinc Limited's Sustainability Report

| Category | Coverage | Emissions tCO ₂ e |
|---|---|------------------------------|
| Category 1 - Purchased Goods and Services | As per the Coverage mentioned in Group's Scope 3 Emissions Methodology (https://www.hzlindia.com/wp-content/uploads/HZLs-Scope-3-Methodology-FY2023-24.pdf) | 4,32,386 |
| Category 2 - Capital Goods | | 2,425 |
| Category 3 - Fuel and energy-related activities | | 8,44,295 |
| Category 4 - Upstream transportation and distribution | | 14,196 |
| Category 5 - Waste generated in Operations | | 9,631 |
| Category 6 - Business travel | | 205 |
| Category 7 - Employee commuting | | 1,237 |
| Category 8 - Upstream leased assets | | Not Applicable |
| Category 9 - Downstream transportation and distribution | | 42,679 |
| Category 10 - Processing of sold products | | 2,36,071 |
| Category 11 - Use of sold products | | Not Applicable |
| Category 12 - End-of-life treatment of sold products | | 16,830 |



| | | |
|--|--|------------------|
| Category 13 - Downstream leased assets | | Not Applicable |
| Category 14 - Franchises | | Not Applicable |
| Category 15 - Investments | | Not Applicable |
| Total Emissions | | 15,99,955 |





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