

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM / PGDM (M) / PGDM (SM)**  
**FOURTH TRIMESTER (Batch 2023-25)**  
**END TERM EXAMINATIONS, SEPTEMBER 2024**

Course Name	ESG Reporting and Risk Assessment	Course Code	20422
Max. Time	<b>2 hours</b>	Max. Marks	<b>40 MM</b>

**INSTRUCTIONS:**

- a. This is an open book Exam. The students can carry their textbook "**Demystifying ESG: A Comprehensive Guide for Environmental-Social-Governance Integration and Practice**" by **Dr Garima Dadich and Dr Ravi Raj Atrey, Taxmann's Publications Ltd.**
- b. All questions carry equal marks (10 Marks Each)

You are a sustainability consultant hired by Vedanta Group , a large, diversified metals and mining company based in India. Vedanta recently conducted a materiality assessment to identify the most important environmental, social and governance (ESG) issues for their business and stakeholders.

As a consultant, you have been asked to develop a strategic ESG framework and roadmap for Vedanta two important companies Hindustan Zinc Limited and Vedanta Limited to effectively manage these material issues.

**Recent Rankings of Vedanta Subsidiaries (2023)**

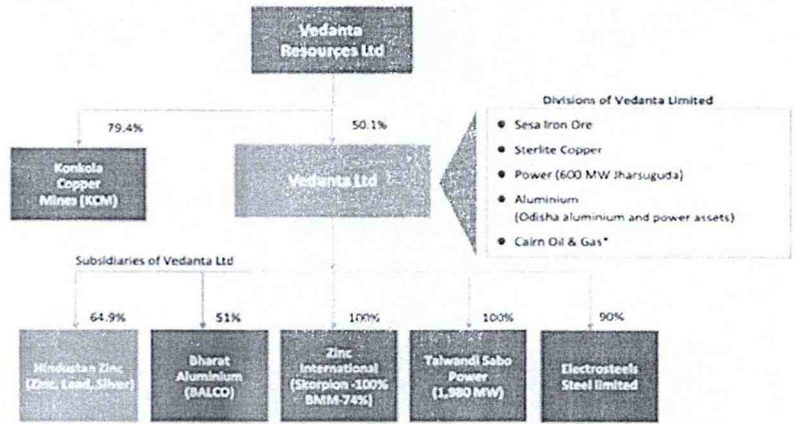
- ❖ Hindustan Zinc Limited: Ranked #1 in S&P Global Corporate Sustainability Assessment 2023 for metals and mining sector.
- ❖ Vedanta Limited: Ranked #3 globally in the S&P Global Corporate Sustainability Assessment 2023 for metals and mining sector.

Q1. Analyze and propose a high-level ESG framework for Hindustan Zinc Limited (HZL) that logically groups the material issues into key focus areas. Provide a rationale for your framework

Q2. For one of the high priority issues (e.g. water management, emissions, local communities), analyze and outline a specific strategy and action plan HZL should implement to effectively manage that material risk/opportunity. Include key performance indicators to track progress.

Q3. Evaluate how HZL can integrate the ESG framework into overall business strategy, operations and decision-making to drive long-term value creation. What role should the Board and senior leadership play?

Q4. Compare and contrast the materiality assessment approaches of Vedanta Limited and Hindustan Zinc. What are the key differences in their stakeholder engagement processes and prioritization of ESG issues?



Note: Shareholding as on March 31, 2019  
 \*50% of the share in the Oil Block is held by a subsidiary of Vedanta Ltd

■ Listed entities      ■ Unlisted entities

**Please Note:**

The Supplementary Material on Vedanta Limited and HZL is provided with the case. Please consider them while drafting your answers

# Vedanta at a glance

We operate an end-to-end value chain in the natural resources sector



## OUR ESG PURPOSE AND MISSION

Vedanta remains committed to sectoral leadership in Environmental, Social and Governance (ESG) aspects. In 2021, we unveiled our new ESG purpose and reframed our mission as **'Transforming for Good.'** It is underlined by specific aims, targets and investments that will take our ESG agenda forward and enhance focus on sustainability.

### ESG Purpose

## Transforming for Good

### Commitments and targets



TRANSFORMING COMMUNITIES

**Aim 1**  
Keep community welfare at the core of business decisions

**Aim 2**  
Empowering over 2.5 million families with enhanced skillsets

**Aim 3**  
Uplifting over 100 million women and children through Education, Nutrition, Healthcare and Welfare



TRANSFORMING THE PLANET

**Aim 4**  
Net-carbon neutrality by 2050 or sooner

**Aim 5**  
Achieving net water positivity by 2030

**Aim 6**  
Innovating for a greener business model



TRANSFORMING THE WORKPLACE

**Aim 7**  
Prioritising safety and health of all employees

**Aim 8**  
Promote gender parity, diversity and inclusivity

**Aim 9**  
Adhere to global business standards of corporate governance



Our ESG strategy

## ESG: A business imperative

The natural and social fabric around the world is undergoing rapid change. There are dire warnings that the world may soon breach the dangerous threshold of 2.0 Celsius. It goes without saying that harsh realities and harsh choices confront us. We have to collectively stave off climate change and commit to global decarbonisation. This calls for concerted action from public and private bodies alike. The role of large organisations like us is critical, and we are aware of this.



Empowering communities



Taking cognisance of the changes in the external environment, and considering a strong business case for sustainability, FY2022 became a watershed year for Vedanta with respect to ESG. While our journey till date has been laden with notable initiatives to conserve the environment, contribute to society and conduct business responsibly, this year was markedly different, as it defined an altogether new prism of thinking within Vedanta. The year saw us take a pledge to become ESG leaders within the natural resources sector – a bold ambition, powered by a new purpose.

As we embarked on a journey to raise the aspiration and ambition of our sustainability commitment towards 'Zero Harm, Zero Waste, Zero Discharge', from the Board to business units, from core operations to community and people engagement, we have mainstreamed ESG as a mantra that drives our organisation. This ethos is the very foundation of our new ESG purpose, and the driving force behind our sustainability initiatives and investments.




### Transforming for Good

Our new ESG purpose, 'Transforming for Good' has become our Group' tagline as well, indicating to both our internal and external stakeholders that sustainability will be embedded in every decision we make and every action we take as an organisation. This new purpose is supported by a well-established framework of three pillars and nine aims, each with a set of quantifiable goals and commitments. Substantial capital investments, resources and policies have been engaged to ensure that our progress on these commitments fructify within our target years, and contribute to the larger global aspirations under the United Nations Sustainable Development Goals.

ESG Purpose

# Transforming for Good

Commitments and targets





 <p><b>TRANSFORMING COMMUNITIES</b></p>	 <p><b>TRANSFORMING THE PLANET</b></p>	 <p><b>TRANSFORMING THE WORKPLACE</b></p>
<p><b>Aim 1</b> Keep community welfare at the core of business decisions</p>	<p><b>Aim 4</b> Net-carbon neutrality by 2050 or sooner</p>	<p><b>Aim 7</b> Prioritising safety and health of all employees</p>
<p><b>Aim 2</b> Empowering over 2.5 million families with enhanced skillsets</p>	<p><b>Aim 5</b> Achieving net water positivity by 2030</p>	<p><b>Aim 8</b> Promote gender parity, diversity and inclusivity</p>
<p><b>Aim 3</b> Uplifting over 100 million women and children through Education, Nutrition, Healthcare and Welfare</p>	<p><b>Aim 6</b> Innovating for a greener business model</p>	<p><b>Aim 9</b> Adhere to global business standards of corporate governance</p>

# Our ESG strategy

## ESG governance

As part of our continued commitments to ESG, we have expanded the scope of the erstwhile Sustainability Board Committee and implemented a uniform ESG governance structure across the organisation. The Committee, together with our Group Sustainability and ESG function, will be responsible for activating, mainstreaming and monitoring initiatives under the 'Transforming for Good' agenda. We have also established dedicated forums for regular management oversight at all levels and ESG-themed communities at each BU and SBU to own projects and drive their timely implementation.

### ESG GOVERNANCE AND MANAGEMENT STRUCTURE

Forums set up to drive ESG agenda	Description
<b>ESG Board Sub-committee</b>	
<b>ESG ManCom</b>	Apex executive body convening fortnightly to oversee the overall strategy, decision-making and monitor progress <ul style="list-style-type: none"> <li>• Program update (9 aims - Corp - BU targets against actual)</li> <li>• Key decisions (strategic direction, cross functional support)</li> </ul>
 <b>Corporate Transformation Office</b>	Weekly / Fortnightly <b>Transformation Office</b> meeting with GCEO to drive and accelerate high impact project implementation
 <b>Group ESG ExCo (Part of Group ExCo)</b>	Monthly forum with ExCo to update on overall ESG progress (overall MIS and updates)
 <b>Transformation office (TOs)-BU &amp; Functional</b>	9 BU TOs, Functional TOs and 1 reporting and disclosure TO running on a weekly/fortnightly level to monitor progress and drive implementation across the organisation
 <b>Communities of Practice (CoPs)</b>	12 CoPs, Overall CoP leaders, 250+ Community members identified across all BUs/SBUs to drive agenda within communities

## External ESG Advisory Committee

To bring the best of the world to implement our ESG agenda, we have tapped into the expertise of globally leading organisations and professionals by partnering with them. Apart from leading consulting organisations, we have brought on-board experts to help our leadership teams get an independent view to shape the ESG agenda for the organisation.



**Dr. Raj Aseervatham**

Non-Executive Director on Boards, author and acclaimed ESG expert



**Mr. Peter Sinclair**

Ex-Chief Sustainability Officer – Barrick Gold, Strategic Advisor to the Global Mining Sector and Member on Boards



**Mr. Kuldip Kaura**

Ex-CEO, Vedanta

## Enablers of ESG culture

At Vedanta, we are planning and adopting best-in-class and novel initiatives to mainstream our ESG culture. These include:

- The world's first ESG Academy for in-house competency creation of all our employees and business partners
- Vedanta Sustainability Venture Fund to support and harness external innovation
- New 'green' business strategy to leverage attractive adjacencies like green metals, renewables, green hydrogen, recycling etc.
- ESG Centre of Excellence for regular monitoring and continuous improvement





### Vedanta Sustainability Framework

Developed in line with global standards from international bodies such as International Council on Mining and Metals (ICMM), International Finance Corporation (IFC), Organisation for Economic Co-operation and Development (OECD), United Nations Global Compact (UNGC) and SDGs, the framework comprises several policies, standards and guidance notes which facilitate its execution.

### Robust monitoring

- Annual audit (VSAP) conducted at all Vedanta locations to check compliance with VSF
- Monitored by Group ExCo

 Please refer to the Sustainable Development Report 2022 for more information →

### Vedanta Sustainability Assurance Process (VSAP)

VSAP is our sustainability risk assurance tool, instrumental in assessing the compliance of all our businesses with the Vedanta Sustainability Framework. It ensures that sustainable development is well integrated into all our decisions and actions at Vedanta. Further, VSAP also guides our annual process with specific tracking of results by the ESG Committee, and the Group Executive Committee, which, in turn, reports to the Board. The results of VSAP have a direct bearing on the overall performance evaluation of our entire full-time-employee workforce with 15% weightage attributed to sustainability KPIs. A minimum of 70% is needed in VSAP audit as a threshold for pay-out under this component.

### Stakeholder engagement and material matters

To align our priorities and actions towards the new ESG purpose, we refreshed our materiality assessment in FY2022 through a detailed peer benchmarking exercise and limited stakeholder consultations. The results of this assessment have been considered while adopting the three pillars and nine aims of the 'Transforming for Good' ESG framework.

### Stakeholders identified

- Local communities
- Employees
- Shareholders, Investors, & Lenders
- Civil Society
- Industry (Suppliers, Customers, Peers, Media)
- Governments

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### POLICIES

Biodiversity, Energy & Carbon, HIV-AIDS, Human Rights, Social, Supplier & Contractor Sustainability Management, Water, Indigenous People

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### STANDARDS & GUIDANCE NOTES

Covering all the policy subject areas In line with ICMM, IFC Performance Standards, Global Reporting Initiative (GRI)



# Our ESG strategy

## Top material topics

We classify our material issues as High, Medium, Low. All material issues within a particular classification (H, M, L) are treated with the same priority. Our ESG KPIs are focused on responding to those issues identified as High in our materiality assessment. The top priorities across Environment, Social and Governance have been identified as below.

### High

- M1 Climate Change & Decarbonisation
- M2 Water Security
- M3 Solid Waste Management
- M4 Biodiversity
- M5 Air Quality & Emissions Management
- M6 Tailings Dam Management
- M7 Workplace Health & Safety
- M8 Community Development
- M9 Grievance Management
- M10 Compliance to Government Regulations
- M11 Upholding Rights of Indigenous People
- M12 Ethical Business Practices
- M13 Diversity & Equal Opportunity
- M14 Supply Chain Sustainability

**ACT**

### Medium

- M15 Human Rights
- M16 Resource Efficiency
- M17 Transparent Disclosure
- M18 Learning & Development
- M19 Brand Salience
- M20 Innovation
- M21 Governance for Sustainability
- M22 Land Acquisition & Rehabilitation
- M23 Pandemic Response & Preparedness
- M24 Talent Attraction & Retention

**MANAGE**

### Low

- M25 Noise & Vibration
- M26 Materials Management
- M27 Use of Recycled Materials


**OBSERVE**

Priority order of ESG well envisioned




Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<p><b>WATER MANAGEMENT</b></p>	Risk, Cost	<p>Water forms an indispensable part of our operations considering our extraction, processing &amp; smelting activities.</p> <p>Due to this, it is imperative that we strive to reduce the water consumption throughout our value chain and reuse it in the best possible way.</p> <p>We anticipate that due to climate change, we may face an increase in extreme weather events, leading to resource shortages. Parts of our operational sites in Rajasthan are a designated water stressed area as per the WRI Aqueduct Tool's analysis, and they face the probability of drought-like situations and extreme heat waves. Water being a significant input in our business operations, both for mining and smelting operations, these events have a huge potential to disrupt our operations, impact the productivity of our staff, and lead to revenue loss as well. For instance, we faced similar drought issues in 2020 in one of our sites at Rajasthan, which restricted our water withdrawal capacity due to regulatory issues of restricted water supply, leading to a loss in revenue on account of sourcing water from alternate sources.</p>	<p>For our business, water is a very important resource, and is extremely critical for our mining and smelting process. We always work towards protecting water quality downstream for improved water use efficiency. We also engage with our communities for enhanced water security via initiatives such as watershed management.</p> <p>Our Approach to water management includes increasing water efficiency and exploring new technologies which are less water intensive.</p> <ul style="list-style-type: none"> <li>• Installation of ETP &amp; ZLD plants across our operational sites, and augmenting water recycling across the operations. Maintaining zero discharge across sites.</li> <li>• Exploring alternatives to fresh water- Utilisation of treated municipal wastewater (sewage)</li> <li>• Installation of Dry tailing plant</li> <li>• Rainwater harvesting</li> <li>• Water risk assessment using WRI Aqueduct Water Risk Atlas, Water Risk Monetiser, WWF Water Risk Filter.</li> </ul>	<p>5 times Water positive company and achievement of 25% reduction in freshwater by 2025 from base year 2020</p>	<p>41.95% Water recycled</p> <p>9.41% Reduction in freshwater consumption from base year FY 2020.</p>




Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
 <b>HEALTH AND SAFETY</b>	Risk, Cost	<p>Within the complex domain of the mining industry, the repercussions of health and safety-related incidents result in financial and human losses. The ineffectiveness of safety controls intertwines with productivity dynamics, as these incidents and health issues lead to worker downtime, hampered operational efficiency, and business disruptions. Inadequate health and safety practices also lead to damage company's reputation, brand image, leading to a loss of trust among stakeholders. As the company navigates these dimensions, strong health and safety considerations are imperative and integral to responsible and sustainable business practices</p>	<p>It is our constant endeavour to make our workplace free of fatalities, injuries, and occupational diseases.</p> <ul style="list-style-type: none"> <li>Identifying, understanding, controlling, and eliminating the risks associated with hazards at the workplace, including man-machine interactions, molten metal handling, and underground fire</li> <li>Implementation of critical risk management measures to ensure all identified critical control are being monitored and effective on ground</li> <li>Structured skill improvement and competency enhancement of employees and business partners</li> <li>Automation and mechanisation plan to eliminate high-risk manual activities</li> <li>Exposure monitoring for better and timely controls</li> <li>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.</li> </ul>	<p>Zero Work related fatalities and 50% reduction in TRIFR by 2025 from base year 2020</p>	<p>Fatality – 7 (1 employee and 6 Contract employees):</p> <p>LTIFR- 0.70 TRIFR- 1.93</p> <p>Reduction in TRIFR from base year 2020 – 27%</p>





Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
 <b>HUMAN CAPITAL MANAGEMENT</b>	Risk, Cost	<p>We have always identified our people as our top priority. We focus on maintaining a culture that is safe, diverse, and high on employee engagement to make us the employer of choice. We would continue our efforts to attract and retain top talent via an effective employee engagement framework. We believe in deploying best-in-class talent management practices that boost performance and help in building our brand to attract and retain talent.</p> <p>The inclusion of diversity (Women, LGBTQ, and special abilities) in the workforce leads to better decision-making and higher productivity. We believe that workforce diversity is a business imperative and strive to ensure that our workforce represents all sections of society. This open mindset, we believe, will help us deliver better business results. The core operations at Hindustan Zinc including mining, smelting &amp; refinery require workforce with niche skills. Attrition in this talent pool is considered as a threat to the business deliverables. We have hence committed ourselves to providing equal employment opportunities without any discrimination based on sexual orientation or gender identity.</p>	<p>Our workforce management model, policies and tools have guided our investments in our people throughout their careers, by offering a workplace culture that appeals to more diverse workers. We build and leverage talent through a robust framework, as mentioned below:</p> <ul style="list-style-type: none"> <li>• <b>Promoting Young Talent</b> – we proactively deploy various interventions to identify 'stars'; provide growth platforms (like Chairman workshop, V-Build, CEO Connect among others); give them early opportunities to showcase their potential and talent to lead from the front in various business roles and cross-functional roles.</li> <li>• <b>Capability Building</b> – focus on building capabilities across employee levels through comprehensive learning platforms to enhance safety, technical &amp; business excellence, behavioural &amp; leadership skills; We continuously leverage technology and offer integrated learning platform's ranging from online training through video libraries, classroom training, virtual labs, video sharing portals, assessment centers, to partnerships with universities, and executive coaching by industry experts.</li> <li>• <b>Driving Diversity</b> – We encourage diversity at workplace to promote the organisation's collective experience and skill set; We provide the right work culture to promote inclusion and have aligned our policies to encourage diversity in workforce.</li> <li>• Formulated a well-articulated D&amp;I and LGBTQ Policy.</li> <li>• Partnered with 'The Humsafar Trust', which is a pioneer organisation in India dedicated towards counselling, advocacy, and provision of health care to LGBTQ communities.</li> <li>• Initiated an awareness and sensitization drive for all employees across Hindustan Zinc.</li> </ul>	Inclusive and diverse workplace with 30% diversity by 2025 from base year 2020	<p>Manhours of employee training – 116,109 manhours</p> <ul style="list-style-type: none"> <li>• Gender diversity increased from 14.4% in FY 2019-20 (Base Year) to 19.5% in FY 2022-23 within executive</li> <li>• Overall female diversity of workforce (FTE)– 12%</li> <li>• LGBTQ Member joined HZL in front end role (3 nos.)</li> <li>• Sensitisation workshop for Diversity and Inclusion (16 session 600+ employees covered)</li> </ul>





OTHER KEY MATERIAL THEMATIC AREAS

Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>ENVIRONMENT</b>					
 <b>TAILINGS MANAGEMENT</b>	Risk	<p>The monitoring and management of tailings storage facilities (TSFs) plays a significant role in reducing environmental impact on our local stakeholders.</p> <p>Tailings dam failure can lead to loss of life, injuries and damages to the environment, as well as can impact our Company's reputation.</p> <p>It can also entail significant financial costs/losses and stoppages in production.</p>	<p>Failing of tailings dams can cause huge environmental impact. Hence, we accord top priority to managing them responsibly</p> <ul style="list-style-type: none"> <li>All the Company's tailings facilities are designed and constructed to the highest engineering standards and best-in-class benchmarked practices</li> <li>External and internal inspection and monitoring of the TSFs to review the integrity/stability of our TSF structures and their associated management practices</li> <li>Effectiveness of reclaim water system</li> <li>Collection and recycling of supernatant water</li> <li>Conducting periodic TSF risk assessment and developing mitigation plans to minimise associated risks</li> <li>Surveillance of tailings storage facility</li> <li>Effectiveness of emergency planning and response</li> <li>Utilisation of tailings in backfilling</li> <li>Replacement of wet tailing disposal with dry tailing disposal</li> <li>Dam break analysis and emergency preparedness</li> <li>Company introduced a novel, satellite-based Interferometric Synthetic Aperture Radar (InSAR) monitoring technique to provide early warning of surface ground movements</li> <li>We aim to be fully compliant with the Global Industry Standards on Tailings Management (GISTM) by FY 2024-25</li> </ul>	Complete transition from wet tailing to dry tailing disposal by 2025	Zero incidents associated with existing tailing facilities

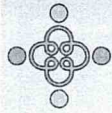
Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>ENVIRONMENT</b>					
 <b>AIR EMISSIONS &amp; QUALITY</b>	Risk	Failure to comply with emission norms could lead to negative/inevitable long-term impact on the environment and society, with imposition of levies/fines, escalation in costs related to monitoring and reporting, among others	<p>Large-scale air emissions can cause serious impact on the environment and local communities.</p> <ul style="list-style-type: none"> <li>We continuously work towards reducing air emissions.</li> <li>Well-designed state-of-the-art air pollution control devices (APCD) are in place                             <ul style="list-style-type: none"> <li>Effective fugitive emission management</li> </ul> </li> <li>Continuous monitoring and reporting</li> </ul>	Reduction in Non GHG emission (SOx & NOx emission) by 17% by 2025	<p>SOx emission: 17247 MT</p> <p>NOx emission: 4851 MT</p> <p>PM Emission: 1048 MT</p>
	Risk	We are an energy-intensive industry due to the nature of our operational activities, logistics and transportation processes. That is why we seek new technologies and progress regarding sustainable energy generation. This can impact the overall market value of the products in the geographies with restrictions, thus impacting our revenues. As a result, we keep track of all transition risks and changes in regional Climate Change Policy. As per the physical risk assessment for the timeline 2030 and 2050, Hindustan Zinc is likely to face natural disasters like droughts, heat waves and increase in extreme weather conditions. These would impose challenges to mining operations. Climate change may cause or result in increase in extreme weather events and subsequent resource shortages, impacting overall cost of acquisition of resources from alternative sources.	<p>The rising challenges of climate change and resource scarcity have put us on a path of transformation to a low carbon economy. Our strategies for mitigating these risks include:</p> <ul style="list-style-type: none"> <li>Reducing fossil fuel-based energy use in our operations by using innovative energy-efficiency technologies and process optimisation</li> <li>Shifting to renewables and/ or lowcarbon solutions where possible</li> <li>The Company has committed for net-zero carbon emissions by 2050 or sooner and is planning to increase RE power portfolio by addition of 450 MW renewable energy by 2026</li> <li>Replace diesel-fuelled transportation vehicles with electric vehicles. We have introduced India's first underground mining electric vehicle</li> <li>Introduced LNG-powered trucks and electric trucks for upstream and downstream transportation</li> <li>Business partners also introduced electric vehicles, several forklifts, towing vehicles, passenger vehicles introduced</li> <li>100% RE power consumption at Pantnagar Metal Plant</li> <li>Use of biomass (5%) in power plant</li> <li>Climate change risk assessment based on TCFD guidelines</li> </ul>	<p>Committed to achieving Net Zero emission by 2050</p> <p>50% reduction by 2030 in Scope 1 &amp; 2 25% reduction in Scope-3 by 2030</p> <p>0.5 mn tCO<sub>2</sub>e GHG emission savings in our operations by 2025 from base year 2017</p>	<p>40.57 MW of solar power generated in FY 2022-23</p> <p>40.67 MW waste heat generated in FY 2022-23</p> <p>273.5 MW of energy generated from wind in FY 2022-23, which resulted in savings of 8.66 lakhs tonnes of CO<sub>2</sub> emissions</p>
 <b>CLIMATE CHANGE &amp; DECARBONISATION</b>					




Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>ENVIRONMENT</b>					
 <p><b>BIODIVERSITY &amp; ECOSYSTEMS</b></p>	Risk	Biodiversity provides many ecosystem services. If improperly managed, mining, smelting and exploration activities have the potential to negatively affect biodiversity and ecosystem services. Impact could be loss of protected species and habitat fragmentation. Such risks could affect our social licence to operate as well as our reputation	<p>We work to proactively manage our impact on biodiversity and strive to protect the ecosystems in which we operate.</p> <ul style="list-style-type: none"> <li>• Three-year engagement with IUCN</li> <li>• Biodiversity risk assessment</li> <li>• Implementation of project with respect to Biodiversity Management Plan in alignment with global standard practices</li> <li>• Miyawaki Afforestation at DSC, DZS and CLZS</li> <li>• Restoration of Jarofix Yard at CLZS using Mycorrhiza technology</li> </ul>	<p>Protect and enhance biodiversity throughout the life cycle</p> <p>1 million Plantation drive by 2025</p> <p>Achieve No Net Deforestation through compensatory afforestation whenever applicable in mining sites, throughout the life cycle</p>	<p>Engagement with IUCN to revise BMP with an objective of&gt;NNL/NPL)</p> <p>3.4 lakhs increase in plantation from FY 2019-20</p>
	 <p><b>CIRCULARITY &amp; WASTE MANAGEMENT</b></p>	Risk	Waste generated from our operations poses challenge to us in terms of increasing our cost of production, challenge in terms of its storage and risk of noncompliance.	<p>At Hindustan Zinc, we believe in Zero Waste and have designed a comprehensive approach in managing waste generated. We have aligned our waste management practices to '4R' strategy – Reduce, Reuse, Recycle and Reclaim</p> <ul style="list-style-type: none"> <li>• Gainful utilisation of waste in terms of recovering minor metals and using waste in other industries (cement, road construction, etc.)</li> <li>• Commissioning of Fumer plant will be resulting in 100% elimination of Jarosite waste from one of the hydro zinc smelter</li> </ul>	<p>3x Increase in gainful utilisation of smelting process waste by 2025 from base year 2020</p>


Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>SOCIAL</b>					
 <b>COMMUNITY ENGAGEMENT AND DEVELOPMENT</b>	Risk	<p>Communities are identified as foremost stakeholder group. Stakeholders especially communities may get impacted at the socio-cultural and economic level due to our business operations. Deficit of trust and relationship with the earmarked stakeholders may not only impede the progress on initiatives for furthering our societal impact but may also lead to consequential loss of reputation, brand and business continuity. Mismatch between expectations of community and actions deployed or lack of awareness or poor deployment of engagement initiatives may lead to discontented communities. A proactive and sustained approach towards consultation with stakeholders including communities is critical to strengthen the engagement levels and sustained interactions and engagement platforms would lead to presenting our commitment to driving value for both communities and organisation. We also are cognisant that each location has a different cultural and economic significance, which influences the expectations local communities have from us. Hence, community engagement for sustainable integrated land use planning, the training of community persons in specialised skills, importance to cultural values and its integration into the relationship, empowering and bringing women in leadership by focussing on equality, overall developing the assets within the community and intensely educating them thereby making self-sustained communities' local employment, local sourcing is one of the most important aspect for us to build a trust and uplift their standard of living.</p>	<p>Proactive and sustained engagement platforms like "Community Connect", "Community Leadership Connect" shall ensure two-way communication network and strengthen the trust element. Our approaches towards strengthening Social Performance Steering Committees (SPSC) at business locations with active involvement of the functional leaders across Hindustan Zinc is key to monitoring the grievances and its resolution, key risks and its mitigation and creating strong relationships with the stakeholder base. Thereby, reducing the collective risks and immediately addressing the grievances and feedbacks received from the communities</p> <ul style="list-style-type: none"> <li>Engagement of senior management at village level across all BUs on a regular basis for discussing village level development and ensure resolution of concerns/grievances, if any</li> <li>Model village as a strategic approach is being adopted to strengthen the village infrastructure in discussion with the villages and its elected members</li> <li>Assessing the community need and impact derived of our interventions including perception studies aid us in learning the insights and further help us draw inferences and future action plans</li> </ul>	<p>Impacting 1 million lives by 2025 from 2020 base year</p>	<p>Beneficiaries from CSR initiatives: 1.72 mn</p>




Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>SOCIAL</b>					
 <b>DIVERSITY, EQUAL OPPORTUNITY &amp; INCLUSION</b>	Risk	<p>People are our core assets and responsible for organisational success. By establishing a culture of safety, employee engagement and support for diverse groups in our workforce, we have been able to deliver in the top quartile of the business performance. We are an employer of choice and a company that continues to attract, develop and retain talent across all the levels. Diversity is a business imperative for us and we firmly believe that healthy diversity mix is more likely to have financial returns above industry median. Strategically, we focus on having a strong representation of women across levels and women currently constitute 19.5% of the strength in the executive cadre. Simultaneously, we have successfully onboarded Transgenders in front-end roles. We have flagship programmes for identification and development of diverse workgroups such as V-Build, V-Lead, ACT-UP, SheLeads, V-Aspire which focus on technical &amp; behavioural aspects of individuals.</p>	<p>While we see opportunity in diverse workgroups, there are apparent risks. The workplace has to be inclusive, safe, secure, free of discrimination, harassment and bullying.</p> <ul style="list-style-type: none"> <li>• Mitigation: Policy on Prevention of Sexual Harassment, Antidiscrimination Policy, Internal Complaint Committee</li> <li>• Grievance Redressal Committee, Women Councils are in place which are channels to directly approach for any grievance, complaint, or suggestion</li> <li>• Sensitisation and awareness on these policies, external and internal pulse surveys are taken care at central as well as IBU level to ensure mitigation of the mentioned risks</li> </ul>	Inclusive and diverse workplace with 30% diversity by 2025	Gender diversity increased from 14.4% in FY 2019-20 to 19.5% in FY 2022-23

Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>SOCIAL</b>					
 <b>HUMAN RIGHTS</b>	Commitment	<p>We consider Human Rights as an important material topic, given its significance for our internal and external stakeholders.</p> <p>We at Hindustan Zinc are cognisant of this fact and are addressing this challenge by partnering with our communities in ensuring an equitable and fair culture as part of our human rights commitment, which is a core element of our business strategy.</p>	<ul style="list-style-type: none"> <li>Respect the rights of our employees by not indulging in child or forced labour, avoiding human trafficking, and eliminating harassment and discrimination</li> <li>Ensure that employees are given wages that equal or exceed legal requirements, or represent a competitive wage within that job market (whichever is higher)</li> <li>Implementing policies and procedures to promote workplace diversity</li> <li>Training to our employees on human rights expectations as laid out in our Code of Conduct; and also give enhanced specialist human rights training to our security staff</li> <li>Robust mechanisms like employee grievance processes, collective bargaining and contract labour management cells are in place</li> <li>Conduct basic due diligence in the prequalification process, including for human rights issues, for all direct suppliers before contracting with them</li> </ul>	By FY 2025, 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.	<p>Zero complaints relating to child labour, forced labour and involuntary labour</p> <p>Five cases reported and closed for sexual harassment</p>



Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>ECONOMIC &amp; GOVERNANCE</b>					
 <b>DATA PRIVACY &amp; CYBER SECURITY</b>	Risk	Risk of leakage of personal information of stakeholder and organisation's business critical information and also non-adherence to legal and statutory compliances may lead to financial/reputational loss. Unavailability of business critical systems or change in integrity of system/data due to cybersecurity incident may lead to wrong business decision and/ or business loss	<p>Implementation of right set of policies, procedures and practices for IT operations and their effective communication and enforcement to all stakeholders</p> <ul style="list-style-type: none"> <li>Structured and comprehensive approach for data governance through its life cycle including policies, procedures and deployment of best-in-class tools and technologies</li> <li>Comprehensive Vulnerability Management programme to proactively identify vulnerabilities in technology systems/landscape and remediate them in a timely manner</li> <li>Effective management of accesses to all systems, including privilege access management</li> <li>Periodically conduct Business Impact Assessment for all business-critical system and deploy effective Business Continuity and Disaster Recovery Plan</li> <li>Company has adopted a globally recognised ISO frameworks for various domains of its IT operations and has been certified on an integrated ISO certification including ISO 27001, 27701, 31000 and 22301</li> <li>Company has also implemented a very comprehensive programme for Vulnerability Management, Data Governance and Cyber Security Awareness across all its stakeholders. Company has defined a set of Risk Controls Matrix in line with ISO and Sarbanes-Oxley Compliance framework to regularly and proactively review and monitor all its IT processes</li> </ul>		Total number of information security breaches- Zero

Material Issues for External Stakeholders	Cause of Impact	Why is it Material (Business case)	Mitigation Approach	Targets	Performance
<b>ECONOMIC &amp; GOVERNANCE</b>					
 <b>SUPPLY CHAIN</b>	Risk	The nature of our business involves a major interaction with our value chain partners, owing to a number of activities ranging from production to distribution and delivering the final product to our customers. Hence, it is imperative for Hindustan Zinc to ensure that all the supply chain partners abide by the Code of Conduct to help the Company achieve sustainability across its operations.	We follow a comprehensive approach for identification, selection, and onboarding of value chain partners.	100% Responsible sourcing in the supply chain by 2025	39.30% sourced directly from within the district and neighbouring districts in FY 2022-23.  70.45% of total supplier by value (total 235 suppliers) have been assessed by third party for sustainable sourcing and ESG criteria in FY 2022-23
			We have undertaken a digital transformation across the value chain for achieving higher operational efficiency.		
			Launched a vendor grievance portal for fair and unbiased resolution of disputes		
			Conducted assessment for ~75% critical raw material suppliers under quality management framework		
			Launched a cloud-based platform for system-enabled engagement and created a process for mutual assessment of BP's performance to track critical contract performance		
			A business process outsourcing partner engaged for spare procurement and managing inventory		
			To adopt on sustainable practices, deployed eco-friendly transportation for inter-unit movement		
Developed five alternate vendors for critical commodities to reduce supply chain disruptions					