



ANNUAL
REPORT

18-19

committed

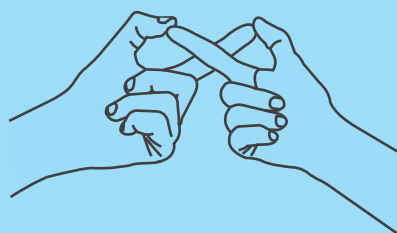


HINDUSTAN ZINC LIMITED

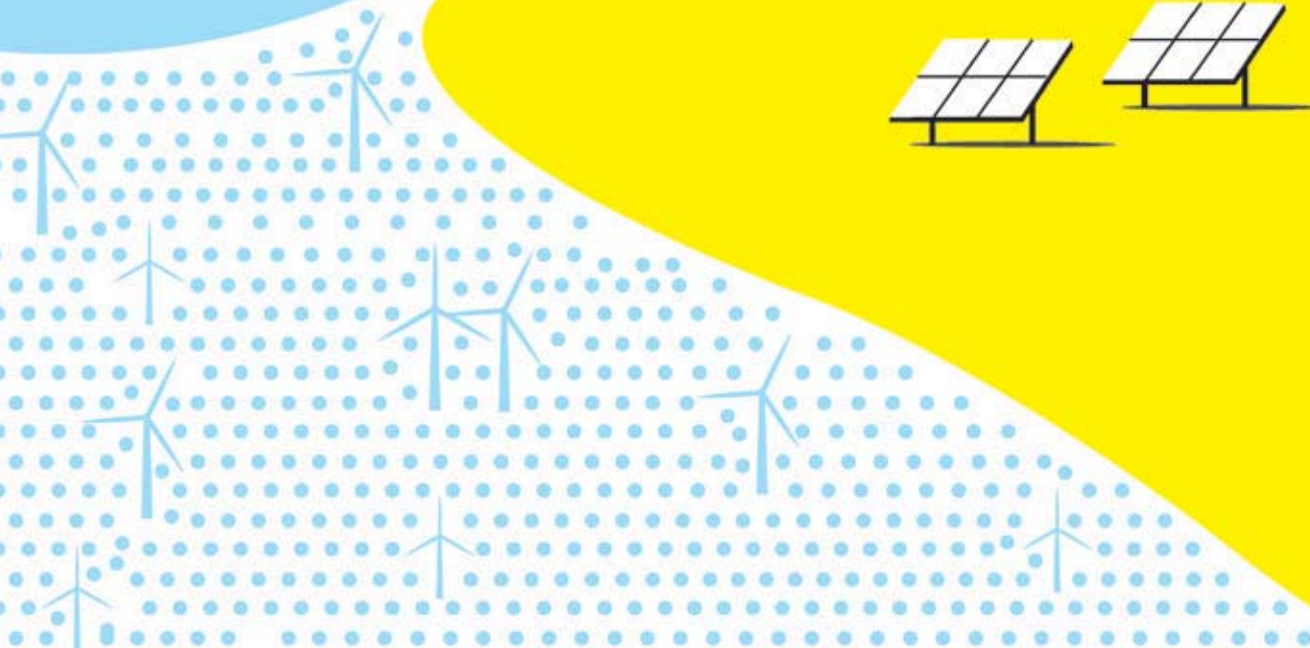


vedanta

transforming elements



We are committed. The infinity sign implies our commitment that is forever... to excellence, to safety, to inclusive growth, to innovation, to a sustainable way of living.





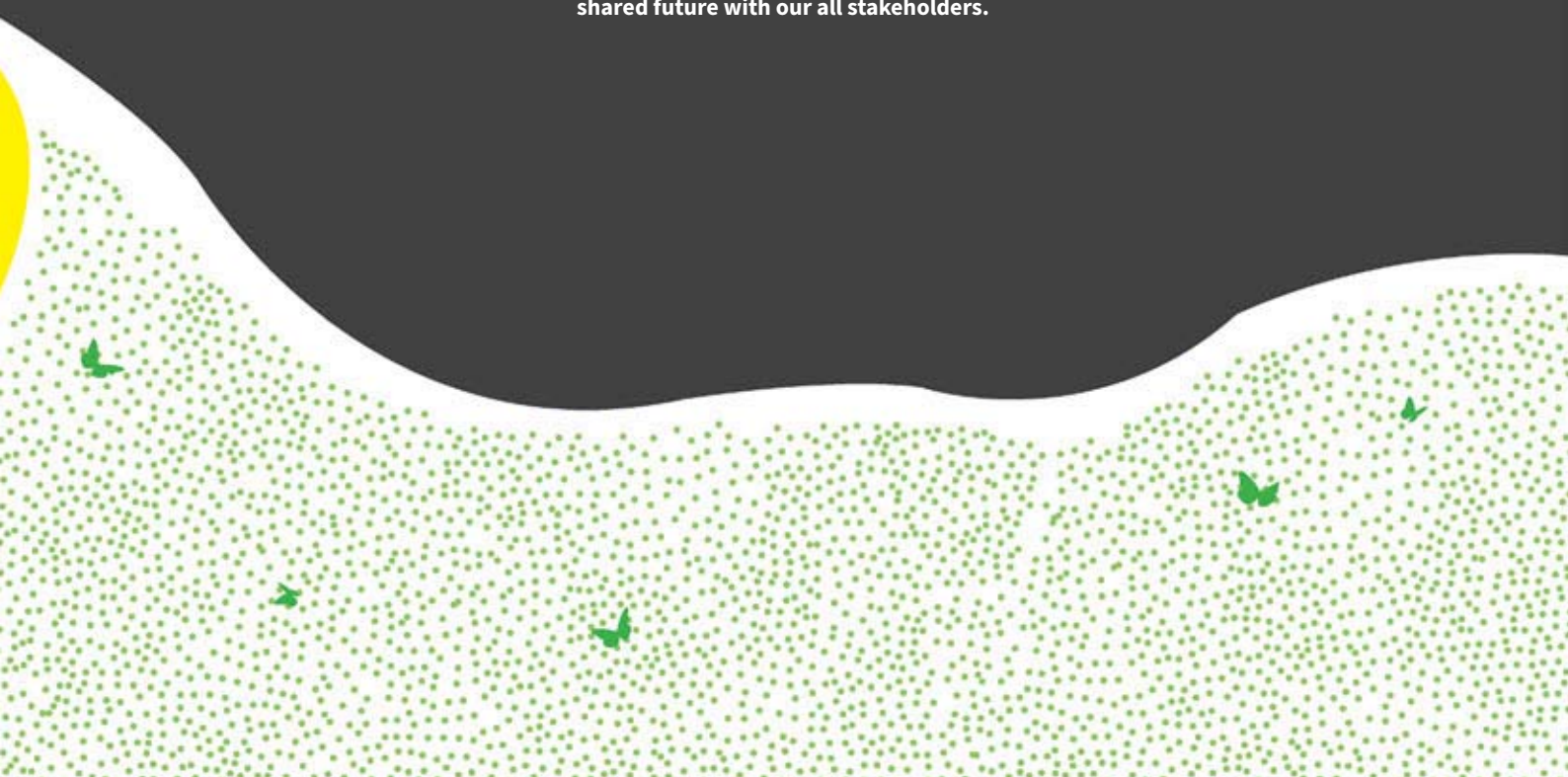
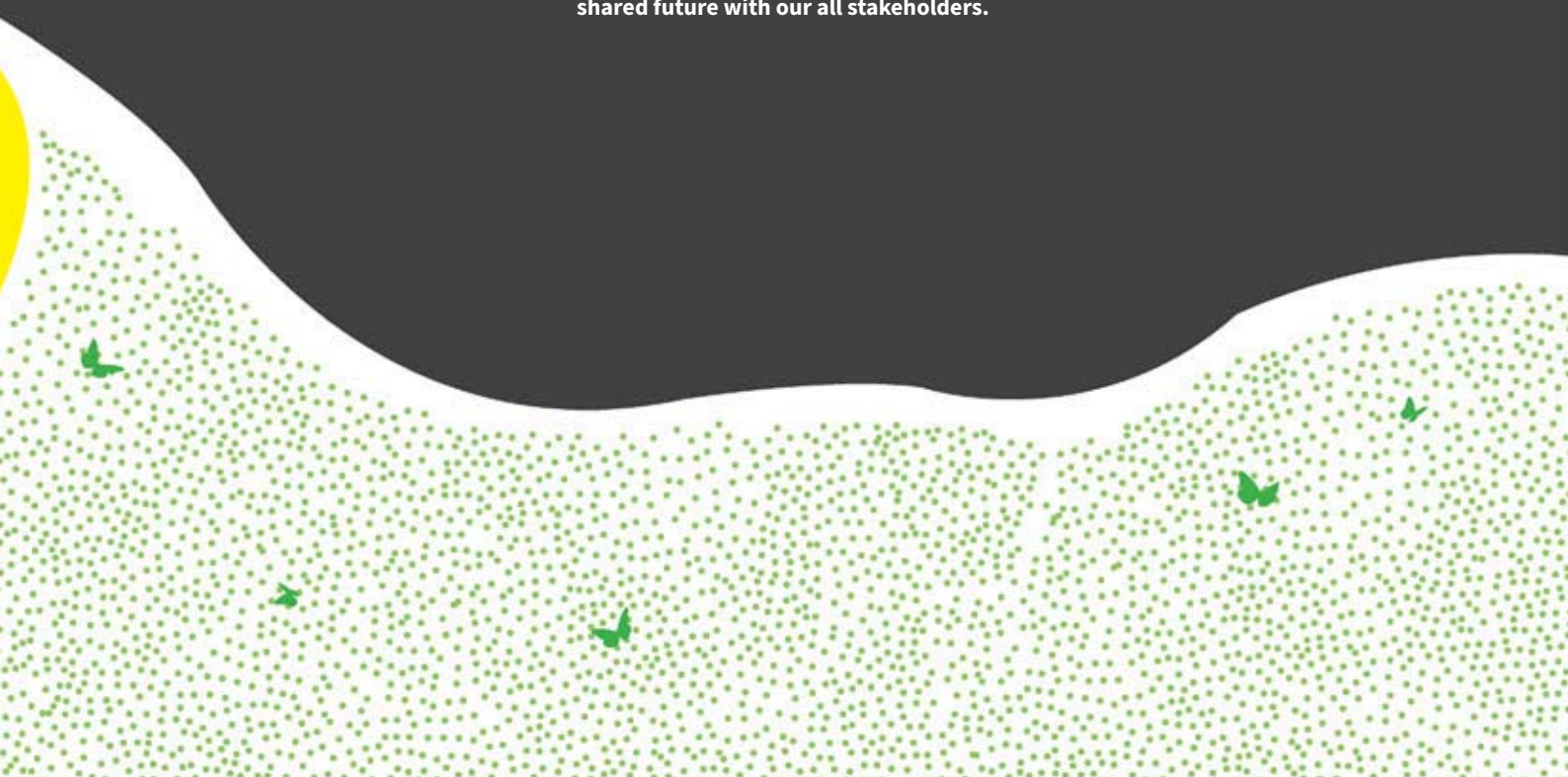
committed

“commitment is what transforms a promise into reality.”
– Abraham Lincoln

Commitment is the path of unrelenting pursuit and determination that leads to a better future. We at Hindustan Zinc are committed to optimise the value of our assets, the safety of our people, protect the environment and enhance the progress of our communities & nation. We are committed to organically growing our business and achieve excellence in our operations. We do this by systematically identifying opportunities to improve scale & efficiency, using appropriate technology to do things safer, better & smarter and challenging the status quo. In this endeavour, we are supported by a corporate culture that promotes entrepreneurial spirit, nurtures innovation and values continuous improvement.

In the age of the Fourth Industrial Revolution, climate change and rising income inequality, we stand committed to a holistic approach that secures inclusive growth, raises productivity and preserves scarce natural resources to de-risk our business.

We dedicate our Annual Report to our commitment to build a shared future with our all stakeholders.



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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

vision

To be the world's largest and most admired
zinc, lead and silver company



mission

Enhance stakeholder value through exploration, innovation, operational excellence, safety and sustainability. Be the lowest cost producer. Maintain market leadership and enhance customer delight.

values



excellence: Our primary focus is delivering value of the highest standard to our stakeholders. We are constantly motivated on improving our costs and improving our quality of production in each of our businesses through a culture of best practice benchmarking.



entrepreneurship: Our people are our most important assets. We actively encourage their development and support them in pursuing their goals.



innovation: We embrace a conducive environment for encouraging innovation that leads to a zero-harm environment and exemplifying optimal utilisation of natural resources, improved efficiencies and recoveries of by-products.



integrity: We place utmost importance to engaging ethically and transparently with all our stakeholders, taking accountability of our actions to maintain the highest standards of professionalism and complying with international policies and procedures.



trust: We actively foster a culture of mutual trust in our interactions with our stakeholders and encourage an open dialogue which ensures mutual respect.



respect: We lay consistent emphasis on Human Rights, respect the principle of free, prior, informed consent, while our engagements with stakeholders give local communities the opportunity to voice their opinions and concerns.



care: As we continue to grow, we are committed to the triple bottom line of people, planet and prosperity to create a sustainable future in a zero harm environment for our communities.





committed to highest safety standards

Health and safety of our workforce is our highest priority. However, our 5-year track-record of LTIFR reduction was blemished this year with a spate of accidents, each preventable in hindsight. Our transition to underground mining and increase in our projects has necessitated a rethink of our safety practices.

“I commit to devote at least a third of my time to **enhance our safety culture and practices.**”

- Mr. Sunil Duggal
(Chief Safety Officer and CEO)

We are re-engineering our ‘Aarohan’ safety journey in line with the increasing complexity of our operations. Increasingly, we are deepening our safety engagement with contractors as they are more vulnerable to unsafe acts due to their limited exposure to safety practices. We started conducting sustainability studies at our tailing dams in FY 2018 in consultation with leading global experts to re-assess the structural integrity. In light of the recent high impact failures of tailing dams in Brazil, as a proactive measure, we have decided to build all our future tailing dams as dry tailing to de-risk from dam failures.





committed to preserve the environment

Our efforts at reduction in land footprint, water conservation, renewable energy and waste-to-wealth have won us accolades in ESG*. We are the only mining company from India to be included in the RobecoSAM Sustainability Yearbook 2019 and the winners of CII-ITC Corporate Excellence Award.

We **ranked first globally in environment** in metals & mining sector in Dow Jones Sustainability Index 2018.

*ESG stands for Environment, Social and Governance

Our efforts at reducing environmental footprint are leading us to utilise ~two-thirds of our tailings in void management of our underground mines. Enhancing recoveries from slags and residues generated in our smelters is a priority and is achieved by setting up fumer and ancillary plants. We are now trebling our sewage treatment plant capacity to 60 MLD, thereby treating over half of Udaipur city's sewage and helping in reduction of fresh water usage. Zero liquid discharge in our mines & smelters and setting-up of dry tailing facilities reaffirm our commitment to sustainability



committed to maximising shareholder value

In the last 6 years, we doubled our market capitalisation and increased our mined-metal volumes from underground mines by over 500%. We are now positioned as the largest* metal company and among the top 25* overall in India.

Our shareholders earned **an average return of 25%**** per annum in the last three years.

DIVIDEND YIELD



RoCE



*by market capitalization

**from April 01, 2016 to March 31, 2019

We commit to invest in exploration and new tenements to maintain mine life of over 25 years and grow our production organically for long-term business sustainability. We will reach 1.2 million tonne per annum of mined metal capacity in this year and are planning for 1.35 million tonne per annum. High IRR mining project investments will preserve and enhance shareholder value - a key priority for us.



committed to nation building

Supporting Government's 'Make in India' initiative, we saved \$614 million in foreign exchange through export earnings in FY 2019, while contributing significantly to the country's import elimination as an integrated domestic producer. Our social initiatives impact over 500,000 lives in the state of Rajasthan supporting employability and livelihood enhancement.

Contributed **₹ 11,563 Crore***
(56% of revenue) to Government
Treasury in 2018-19.



*through royalties, taxes & dividends

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We are making efforts to enhance usage of zinc considering its low per capita consumption and its impact on the longevity and safety of the nation's infrastructure; we plan to progressively increase the production of value-added zinc products from current 18% to 50%. Our increasing footprint of renewable energy also contributes to the nation's power sufficiency. We target to be among Top 5 silver producers in the world in the next three years, putting the country on the world map and reducing imports.





committed to embrace technology

We are in the final phase of creating 'Mines of the future' via digitalisation and analytics to drive safer operations and higher productivity. We continue to invest significantly in best-in-class technologies in our beneficiation and smelting process with a goal of progressively improving metal recovery & throughput and optimising resource consumption.

Digitisation, innovation and use of disruptive technologies will take our ore to metal ratio from **81% to 90%** in the next three years.

Sindesar Khurd mine will be fully digitalised in FY 2020 leading to 10%-15% productivity gain driven by digital tracking and real-time dashboards. We are investing in fuming process to recover metals from waste. We have partnered with global experts to implement cutting-edge analytics to track and improve ore to mined metal recoveries. Project 'Sarathi' would optimise end-to-end logistic value chain via real-time movement tracking of key input and intermediate materials.

