




# Managing Capital Trade-offs for Better Outcomes

To ensure better outcomes across various stakeholder groups, we remain consistently focused on balancing our strategic priorities with the potential risks that may impact our business capital in other ways.

Here is how we are effectively managing our capital trade-offs in terms of our strategic goals.

	 <b>FINANCIAL CAPITAL</b>	 <b>MANUFACTURED CAPITAL</b>	 <b>INTELLECTUAL CAPITAL</b>
<b>S1</b> <b>EXPANSION OF CAPACITIES</b>	<ul style="list-style-type: none"> <li>&gt; Leveraging strong balance sheet to invest in value accretive projects</li> <li>&gt; Higher profits in mid and long term</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Automated and digitally integrated value chain</li> <li>&gt; Improved ore-to-metal ratio through higher recoveries &amp; efficiency</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Innovation around metal recovery</li> <li>&gt; Digital best practices replicated across sites</li> <li>&gt; Enhanced market position</li> </ul>
<b>S2</b> <b>MAINTAINING A PORTFOLIO OF MINES WITH LONG LIFE</b>	<ul style="list-style-type: none"> <li>&gt; Higher spending on R&amp;R additions and new tenements</li> <li>&gt; Sustained production growth</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Higher reserve base to 200 Mt, taking R&amp;R to 550 Mt in mid term</li> <li>&gt; New tenements will create new mines in the long term</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Creation of a proprietary database on potential deposits</li> </ul>
<b>S3</b> <b>STRENGTHEN COST LEADERSHIP</b>	<ul style="list-style-type: none"> <li>&gt; Lower per unit cost of production by \$93 per ton vs last year, leading to higher profits</li> <li>&gt; Invest in new-age technologies for operational excellence</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Higher equipment effectiveness</li> <li>&gt; Optimized power and logistics</li> <li>&gt; Best-in-class mill and smelter efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Creation of global benchmarks in productivity and efficiency</li> </ul>
<b>S4</b> <b>EXPANSION OF PRODUCT PORTFOLIO</b>	<ul style="list-style-type: none"> <li>&gt; Investment in new business lines like minor metals</li> <li>&gt; Higher premiums</li> <li>&gt; Protection from commodity price volatility</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Modern processing facilities capable of producing a wide range of products</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Development of new products based on research and studies</li> <li>&gt; Enhanced market perception</li> </ul>
<b>S5</b> <b>TRANSITION TO A CIRCULAR ECONOMY</b>	<ul style="list-style-type: none"> <li>&gt; Investment in technologies to optimize, reuse and recycle water resources</li> <li>&gt; Investments in low-emission technologies and green energy</li> <li>&gt; Investments in collaborative models for metal reuse and recycling</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Tailings dams for water recycling and land reclamation</li> <li>&gt; Gainful utilization of waste</li> <li>&gt; Smart transportation to reduce GHG emissions</li> <li>&gt; Higher conversion efficiency of CPPs and increased solar energy</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Patents for processes to reuse materials like Jarosite</li> <li>&gt; Innovative use of technology in underground mining to reduce GHG emissions</li> </ul>



## HUMAN CAPITAL

- Training and skill development
  - Optimal manpower
  - Higher productivity
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- Trained pool of geologists and geophysicists
  - Global exploration experts
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- New-gen workforce with differentiated skills of digitization, AI and best mining practices
  - Safe and productive workplace
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- Attracting industry-best talent
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- Building strong in-house R&D capabilities
  - Active employee engagement in HSE initiatives



## SOCIAL & RELATIONSHIP CAPITAL

- Local employment and sourcing
  - Increased social spending
  - Higher contribution to the exchequer
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- Resource sufficiency for the nation
  - Sustained livelihood for communities
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- Local supply base
  - Higher commitment toward community upliftment
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- Generation of local employment opportunities through ancillaries
  - Improved customer relationships
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- 25% higher freshwater availability for communities
  - Zero land acquisition for waste storage
  - Compliance with stricter regulations



## NATURAL CAPITAL

- Higher usage of earth resources
  - Leveraging renewable resources, including recycled water and green energy
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- Identification of new mineral resources
  - Restoring biodiversity at mining sites
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- Higher ore-to-metal recovery
  - Higher cost credits through increasing minor metal recovery, gainful utilization of waste
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- Residue treatment and production of value-added products
  - Recycling and reprocessing of lead
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- 0.5 mn tCO<sub>2</sub>e GHG emission savings by 2025 in operations
  - 5x water positive by 2025
  - 3x increase in gainful utilization of waste in smelting by 2025