



# **MATERIALITY ASSESSMENT**

# Our Approach to Materiality

## PURPOSE OF THE DOCUMENT

This document serves as a formal position statement outlining Hindustan Zinc Limited's (HZL) systematic approach to conducting materiality assessments. At HZL, we deeply value open, transparent, and continuous engagement with our diverse stakeholders. We believe that fostering these interactions builds mutual trust, which is fundamental to driving sustainable business growth and resilience.

Our materiality assessment process is a strategic tool that helps us identify and prioritize the ESG topics most relevant to our stakeholders and business operations. It enables us to anticipate risks, recognize opportunities, and develop robust strategies that reinforce our commitment to sustainable value creation. By embedding this process within our organizational culture, we ensure that our sustainability approach remains dynamic, focused, and aligned with evolving global standards and stakeholder expectations. For the current fiscal year, Hindustan Zinc Limited (HZL) conducted an extensive double materiality assessment, collaborating with external experts to ensure rigor, objectivity, and independence throughout the process. Engaging over 400 internal and external stakeholders, this assessment built on our previous analyses from FY 2022–23 and FY 2023–24, both of which also employed a double materiality approach. This dual focus enabled us to identify, analyze, and prioritize ESG topics with a nuanced understanding of their positive and negative impacts, associated risks, and emerging opportunities.

The primary objective of this cycle was to deepen our insights into these material topics, facilitating a strategic alignment of our sustainability goals and reporting with stakeholder expectations. By doing so, we aim to create and preserve long-term value for HZL, while advancing our commitment to responsible mining and meaningful community development.

Our holistic approach also allowed us to consider wider factors such as sectoral outlooks, megatrends, and risk perspectives, accompanied by relevant mitigation strategies. This ensures that HZL remains agile and responsive to evolving ESG Priorities, regulatory developments, and stakeholder concerns, thereby strengthening our overall resilience and strategic positioning.

## GOVERNANCE

HZL's materiality assessment process is supported by a strong governance framework that ensures effective oversight and execution of sustainability initiatives.

- 1) **Board-Level Oversight:** The Sustainability and ESG Committee of the Board, chaired by an Independent Director, provides strategic oversight of all ESG matters. This Committee supports the Board in fulfilling its responsibilities related to sustainability by guiding the development of long-term goals, monitoring ESG performance, and approving relevant policies. It plays a key role in prioritizing material issues and ensuring the company's sustainability strategy aligns with our 2030 goals.
- 2) **Executive Sustainability Committee:** At the corporate level, the Executive Sustainability Committee (ESC), led by the CEO and including senior executives from various functions, is responsible for implementing ESG initiatives. The ESC oversees the identification and management of sustainability risks and opportunities throughout the project lifecycle, ensuring ESG considerations are integrated into day-to-day operations.

This two-tier governance structure ensures that ESG priorities are embedded within both strategic decision-making and operational management, reinforcing HZL's commitment to responsible and sustainable business practices.

## OUR APPROACH

HZL recognizes that the dynamic nature of global markets and stakeholder expectations requires ongoing dialogue and adaptability. We maintain regular communication channels with our stakeholders to remain attuned to their perspectives and anticipate emerging risks and opportunities. This approach allows us to respond proactively and ensure that our sustainability initiatives remain relevant and impactful. Our materiality assessments are conducted on a three-year cycle, supplemented by annual reviews to ensure agility and responsiveness. Since FY 2022–23, we have advanced our methodology by adopting a double materiality framework that evaluates issues from both a financial impact perspective and the broader environmental and social impact lens. This dual focus reflects our commitment to transparency and comprehensive risk management, guided by leading frameworks such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), European Financial Reporting Advisory Group (EFRAG), and the European Union Corporate Sustainability Reporting Directive (EU CSRD), ensuring our disclosures meet evolving regulatory landscape and stakeholder demands.

## DOUBLE MATERIALITY ASSESSMENT METHODOLOGY:

Our methodology comprises five key steps, each designed to ensure comprehensive coverage, stakeholder inclusiveness, and analytical rigor:

### Step 1: Identification of Industry-Relevant ESG Topics

We began with an exhaustive review of over 200 ESG topics drawn from global standards, peer benchmarks, and sector-specific frameworks such as SASB, MSCI, ICM, and S&P Global. This thorough approach enabled us to consolidate the list into 21 carefully curated material topics that are mutually exclusive and collectively exhaustive, tailored specifically to HZL's operational context and strategic priorities.

### Step 2: Mapping of Impacts, Risks, and Opportunities (IROs)

To deepen our analysis, we mapped more than 250 impacts, risks, and opportunities associated with the identified material topics. This mapping drew on internal resources—including risk registers, community assessments, and human rights reports—as well as extensive external research on peer companies and industry best practices, providing a holistic understanding of potential business implications and stakeholder concerns.

### Step 3: Multi-Stakeholder Engagement

Recognizing the importance of diverse perspectives, we engaged over 400 stakeholders across financial and impact dimensions. On the financial side, this included structured consultations with HZL leadership and key institutional investors, while impact discussions involved partners, employees, communities, regulators, and civil society groups. Utilizing a blend of interviews, focus groups, and surveys, this broad engagement ensured a balanced and inclusive assessment.

### Step 4: Prioritization and Materiality Matrix Development

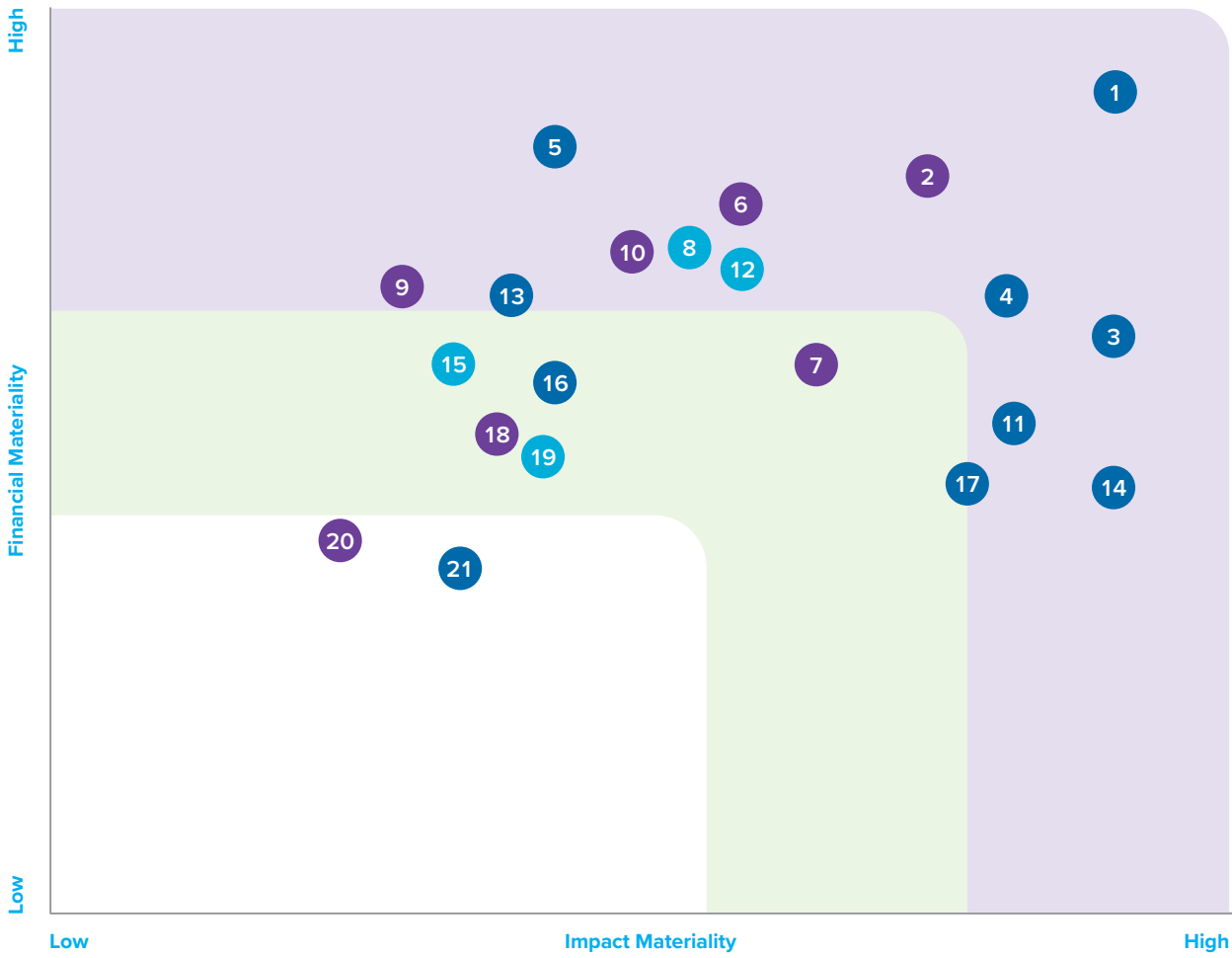
Stakeholder inputs were analyzed and weighted based on influence and interest to produce a nuanced materiality matrix. This matrix classifies topics into high, medium, and low priority across financial and impact axes, enabling us to focus on areas of greatest significance and ensure efficient allocation of resources in our sustainability initiatives.

### Step 5: Senior Leadership Validation and Board Approval

The preliminary findings were rigorously reviewed by senior leadership to ensure alignment with business strategy and operational realities. The final list of material topics is reviewed and formally approved by our Executive-level Sustainability Committee. To enhance transparency and credibility, these outcomes are integrated into our annual sustainability report and subjected to independent third-party assurance.

During our discussions, we not only consulted with subject specialists but also conducted various brainstorming sessions with our internal business functions, which helped us map the relevant potential material topics. We took care to pay attention to the positive and negative impacts arising from the ESG risks and opportunities. We, at Hindustan Zinc, have established an ERM framework to help identify the strategic, financial, and operational risks. These risks play a huge role in our assessment process because of their significant impact on our business model and other value drivers, such as revenue growth, margins and required capital.

**Materiality Matrix**



● Financial Impact < ₹ 10 crore/year   ● ₹ 10 crore/year < Financial Impact < ₹ 100 crore/year   ● Financial Impact > ₹ 100 crore/year

	S. No.	Material Topic	Priority
S	M1	Health, Safety and Well-being	
E	M2	Air Emissions and Quality	
E	M3	Tailings Management	
E	M4	Water Resource Management	
G	M5	Business Ethics and Corporate Governance	
S	M6	Community Engagement and Development	
E	M7	Circularity and Waste Management	
S	M8	Diversity, Equal Opportunity and Inclusion	
S	M9	Talent Attraction and Retention	
E	M10	Climate Change and Energy Transition	
G	M11	Innovation and Technology	
S	M12	Labour Practices and Human Rights	
G	M13	Responsible Advocacy	
S	M14	Learning and Development	
G	M15	Product Stewardship	
E	M16	Biodiversity and Ecosystems	
G	M17	Data Privacy and Cybersecurity	
G	M18	Macroeconomic and Geopolitical Impacts	
G	M19	Sustainable and Inclusive Supply Chain	
S	M20	Indigenous People and Cultural Heritage	
S	M21	Land Acquisition, Rehabilitation and Closure	

Low Medium High

**Environmental**

**Social**

**Governance**

## Environmental

Material topic	Category of impact (Actual/Potential)	Why it is material (Business case)	Associated IROs	Type of impact	Likelihood of occurrence	Potential financial impact	Interested stakeholders/ Stakeholders impacted	Mitigation approach	KPIs	Alignment with sustainability goals 2030	Relavant policy
Air emission & quality	Actual	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	Impact on health due to dust from operations	Negative	Highly likely	Moderate	Both internal & external stakeholders	Large-scale air emissions can cause serious impact on the environment and local communities. We continuously work towards reducing air emissions. • Well-designed state-of-the-art air pollution control devices (APCD) are in place • Effective fugitive emission management Continuous monitoring and reporting	1) SOx emissions 2) NOx emissions	Working towards reduction Non-GHG emissions (Sox & Nox) in and aorund our operational site for maintaing adequate air quality with improved technological intervention & operational efficienct	<a href="#">Environment Management Policy</a>
			Adoption of technologies (dust separation & tail gas treatment plant) to reduce air emissions	Positive							
			Fines in case of breaching regulatory limits on stack emissions	Risk							
			Non-compliance with regulations can lead to financial loss due to stoppage of operations	Risk							
			Use of dust control measures & adoption of innovative technologies	Opportunity							





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Tailing Management	Actual	The effective monitoring and management of tailings storage facilities (TSFs) play a significant role in minimizing environmental impact on our local stakeholders. Tailings dam failure can lead to loss of life, environmental damage, and reputational cost for the Company. It can also entail significant financial costs/losses and stoppages in production.	Safety risks due to tailings dams failure	Negative	High likely	Significant	External stakeholders	<p>Failing of tailings dams can cause a 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, and design is certified by an external expert.</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>Onboarded independent tailings review boards (ITRBs) and Engineering of Record (EOR) for TSF facility</li> <li>Collection and recycling of supernatant water</li> <li>Conducting periodic TSF risk assessments and developing mitigation plans to minimise associated risks</li> <li>Surveillance of TSFs</li> <li>Effectiveness of emergency planning and response\</li> <li>Utilisation of tailings in backfilling</li> <li>Replacement of wet tailing disposal system 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>Various geotech instruments-like piezometers, inclinometers, prisms, and satellite monitoring are in use</li> <li>Renewal of CEO attestation annually</li> <li>Critically reviewing monsoon management</li> </ul> <p>We aim to be fully compliant with the Global Industry Standards on Tailings Management (GISTM) by August 2025</p>	1) Dry tailing disposal 2) GISTM alignment	Complete transition from wet tailings to dry tailings disposal	Tailing Management Policy
			Contamination of ground and surface water sources due to overflow	Negative							
			Utilization of tailings waste for backfilling and metal recovery from tailings waste	Positive							
			Adoption of emerging technologies (Example: Dry Tailing Plant) for waste management	Positive							
			Collapse of tailing dam along with the fines & panely due to dam creach	Risk							
			Higher operational & management cost	Risk							
			Equipping tailings with advanced monitoring systems & aligning with global best practices	Opportunity							

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Water Resources Management	Actual	<p>Our operational activities involve processes in which water is an indispensable input, both for extraction and processing &amp; smelting.</p> <p>Thus, it is even more important for us to strive to reduce water use and increase reutilisation throughout the value chain.</p> <p>According to our climate change assessment, climate change may result in an increase in extreme weather events and subsequent resource shortages.</p> <p>Our operations are located in Rajasthan, which is one of the designated water-stressed regions in the country based on WRI's Aqueduct tool. There is a high probability of experiencing situations of drought and extreme heat waves.</p> <p>Since water is a critical input to our business, these factors have the potential to disrupt operations, to impact productivity of staff as well as our revenues and logistics</p>	Reduced freshwater availability for communities due to usage in operations	Negative	High likely	Significant	External stakeholders	<p>Water conservation is particularly important for us as we operate in a water-stressed region. We are 3.32 times water positive company and have reduced the freshwater withdrawal by 4.67% from base year 2020.</p> <p>Company has taken several initiatives to reduce its dependencies on fresh water and enhance the availability of water for the communities surrounding our sites.</p> <ul style="list-style-type: none"> <li>Increasing efficiency in water usage and exploring less water-intensive technologies</li> <li>Strengthening water recycling and installation of zero liquid discharge plants across all locations</li> <li>Using alternative water sources to reduce dependency on freshwater using treated water from sewage treatment plant</li> <li>Replenish water within local watersheds and rainwater harvesting</li> <li>Establishment of dry tailings plants to re-use tailings water</li> <li>Water risk assessment using WBCSD's India Water Tool and WRI Aqueduct</li> </ul>	1)	Aim to reduce freshwater consumption by 50% in operations & securing 100% low quality water for smelting operations, and engage with suppliers to manage water use in water stressed region	Water management policy
			Development of water infrastructure for local communities	Positive							
			Introduction of Water, Sanitation and Hygiene (WASH) program for employees & communities	Positive							
			Changing rainfall/ drought patterns from climate increasing water availability risk	Risk							
			Fines, penalties, legal action in case of water/wastewater law violations	Risk							
			Improving water efficiency measures & enhancement in wastewater treatment	Opportunity							
			Development of local watershed (rainwater harvesting)	Opportunity							





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<b>Circularity and Waste Management</b>	Actual	Waste generated from our operations poses challenge for us in terms of increasing our cost of production for disposal, its storage & risk of non-compliance.	Long-term pollution from improper handling of hazardous materials	Negative	Likely	Moderate	External stakeholders	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.  • Gainful utilization of waste in terms of recovering minor metals & finding business sense in use of high volume-low toxicity waste in other industries (cement, road etc.) Full capacity working of Fumer plant will result in 100% elimination of Jarosite waste from one of the hydro zinc smelter.	1) Increase in gainful utilisation of process waste 2) Waste to Landfill 3) Waste recycling"	Aiming for near zero waste to landfill by diverting all smelting process waste through reuse, recycling and recovery	Environment Management Policy
			Waste dumps collapse	Negative							
			Utilization of smelting process waste in other industries (eg Jarosite/ Jarofix in cement and road construction)	Positive							
			Protests from communities due to improper waste treatment	Risk							
			Increased efficiencies through in-house sorting and recycling of waste streams	Opportunity							
			Reduced costs of hazardous waste disposal through innovative technologies	Opportunity							

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Climate Change and Energy Transition	Actual	<p>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.</p> <p>As per our physical risk assessment for the year 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>	Increase risk of natural disasters such as droughts, floods and dust storms	Negative	Likely	Moderate	<p>Both internal &amp; external stakeholders</p> <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 optimization</li> <li>Shifting to renewables and/or low-carbon solutions like biomass, where possible</li> <li>The company has committed to net zero carbon emissions by 2050 and has extended the power-purchase agreement upto 530 MW from previously signed 450 MW.</li> </ul> <p>Replacing diesel-fueled transportation vehicles with electric vehicles. We have introduced India's first underground mining electric vehicle.</p> <ul style="list-style-type: none"> <li>Introduced 180 LNG-powered trucks and electrical trucks for upstream and downstream transportation</li> <li>Business partners also introduced electrical vehicles, several forklifts, towing vehicles, and passenger vehicles</li> <li>100% RE power consumption at Pantnagar Metal Plant</li> <li>Climate change risk assessment</li> </ul> <p>Opportunity</p> <ul style="list-style-type: none"> <li>Use of renewable electricity may result in lower Levelised Cost of Energy (LCOE)</li> <li>New market opportunities due to expected growth in solar photovoltaic panels and energy storage systems and batteries using zinc, lead, and silver</li> <li>Low-carbon metals, like EcoZen, may give differentiator and command premium well before 2030</li> </ul>	<p>1) Scope 1, 2 &amp; 3 emission 2) RE Power utilization 3) GHG intensity "</p>	<p>Aim to reduce scope 1 &amp; 2 emission by 50% &amp; scope 3 by 25 %, with a goal to achieve net zero by 2050 or earlier</p>	<p>Energy &amp; Climate Change Management Policy</p>	
			Investment in renewable energy, energy efficiency, and low carbon technologies	Positive							
			Infrastructure damage and operational disruptions from extreme weather events	Risk							
			Changes in consumer preferences for low-carbon products	Risk							
			Additional costs to enable supplier and value chain decarbonization	Risk							
			Reduced reliance on fossil fuels and lower energy costs in the long term through renewable energy sources	Opportunity							
			Attract customers willing to pay a premium for low-carbon materials	Opportunity							
Energy efficiency reducing operational costs and fossil fuel consumption	Opportunity										





## Social

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Health, Safety & Well Being	Actual	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	Fatality, injuries or long term health issues	Risk	Highly likely	Significant	Internal stakeholders	Implementation of health and safety management system for cultural transformation across HZL. Critical risk management to ensure that all critical controls are in place for business high risks. <ul style="list-style-type: none"> <li>Infrastructure Inframatrix implementation to ensure that all critical risks are effectively managed across operational and project sites.</li> <li>Implementation of engineering and digital solutions like detect technology for preventing the occurrence of fatal injuries.</li> <li>Horizontal implementation of past incident learnings across all business units of HZL.</li> <li>Provision for workers to report hazards and remove themselves from risks through online digital system, Enablon.</li> <li>Effective safety governance system in place for timely action to improve working conditions and health &amp; safety, involving the key business partners of our operation.</li> <li>Adequate medical and healthcare services to all employees and workers of the organization. Regular Periodical Medical Examination (PME) and Initial Medical Examinations (IMEs) for monitoring health condition</li> <li>Industrial hygiene assessment through competent external third party for better exposure monitoring and timely control by recognizing, evaluating, and controlling occupational health hazards and occupational exposures</li> <li>Competency enhancement and skill development of workforce through trade test, training need assessment and other structured training programs.</li> </ul>	1) Fatalities 2) Total recordable injury frequency rate (TRIFR) 3) Lost time injury frequency rate (LTIFR)"	Contribute to reach Zero Fatality and 100% eliminate of high consequence work related injuries	Health & Safety Policy
			Building a culture of safety and well-being	Opportunity							
			Use of smart equipment driven by AI to reduce manual intervention in mines and smelters	Opportunity							

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<b>Community Engagement and Development</b>	Actual	<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.</p> <p>Mismatch between expectations of community and actions deployed or lack of awareness or poor deployment of engagement initiatives may lead to discontented communities.</p> <p>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.</p> <p>We also are cognizant 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 focusing on equality, overall developing the assets within the community &amp; intensely educating them thereby making self-sustained communities' local employment, local sourcing are few of the most important aspects for us to build a trust and uplift their standard of living.</p>	Impacts on community's health and safety	Risk	Highly likely	Moderate	External stakeholders	<p>Proactive and sustained engagement platforms like "Community Connect" and "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 their resolution, key risks and their mitigation and creating strong relationships with the stakeholder base. This reduces the collective risks &amp; immediately addresses 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 business units 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> </ul> <p>Assessing the community need and impact derived from our interventions including perception studies, aid us in learning the insights and further help us draw inferences and future action plans</p>	<p>1) Lives positively impacted through social, economic and environmental initiatives</p> <p>2) Total spend on socio economic development "</p>	<p>Complete Social &amp; Human rights impact assessment and implementing site specific management plan. Aiming to impact 0.5 million lives. 30 K individuals made employable through skilling and entrepreneurial opportunities by 2030</p>	Social Performance Policy
			Creation of opportunities for local communities through local procurement, employment, and development programs	Opportunity							Sustainable Sourcing Policy
			Conflict due to negative environmental impacts, or disputes over land use & natural resources	Risk							
			Inability to address expectations jeopardizing license to operate	Risk							
			The costs of addressing community grievances or providing compensation	Risk							
			Co-develop CSR programs to generate positive outcomes	Opportunity							
			Tap into local talent for operations through skill development programs	Opportunity							
			Grievance mechanisms and fair remediation processes to foster goodwill	Opportunity							





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<b>Diversity, Equal Opportunity and Inclusion</b>	Actual	<p>People are our core assets and responsible for organizational 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.</p>	Unequal opportunities for women/LGBTQ due to nature of work in mining sector	Negative	Possible/less likely	Low	Internal stakeholders	<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, Anti-Discrimination Policy, Internal Complaints 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 independent business unit level to ensure mitigation of the mentioned risks.</li> <li>• Strategically, we focus on having a strong representation of women across levels and our diversity candidates currently constitutes 25% of the strength in the executive cadre. Simultaneously, we have successfully onboarded transgenders in front-end roles.</li> </ul> <p>We have flagship programmes for identification and development of diverse workgroups such as V-Build, V-Lead, ACT-UP, She-Leads, V-Aspire, Winspire, and Zinclusion, which focus on technical &amp; behavioral aspects of individuals</p>	<p>1) Turnover rate 2) Retention rate”</p>	Increase gender diversity by 30 % with a strong focus on decision making roles	Diversity, Equity & inclusion
			Create opportunities for women, minorities, & underrepresented groups through employment	Positive							Inclusion policy for LGBTQ
			Better positioned to collaborate and innovate by fostering diverse perspectives	Opportunity							Anti harassment & discriminaiton policy
			Higher likelihood to attract and retain diverse talent	Opportunity							Policy on prevention on sexual assault

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<b>Talent Attraction and Retention</b>	Actual	<p>A high-quality talent pipeline paves the way for organisation excellence. Our talent management framework is conceptualised and implemented to maximise individual contribution by developing existing skills &amp; experience. 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>We continuously work with a focused approach to get the right people in the right jobs, developing them and creating a great work environment, which in turn will build the foundation for an exceptionally talented and successful organisation. The core operations at Hindustan Zinc include mining, smelting &amp; refinery, require workforce with niche skills. Attrition in this talent pool is considered as a threat to the business deliverables.</p>	Use of technology (Example: Artificial Intelligence-driven smart equipment) could impact the demand of traditional skillset	Negative	Likely	Low	Internal stakeholders	<p>We build and leverage the talent through a robust framework, as mentioned below:</p> <ul style="list-style-type: none"> <li>Attraction and Acquisition - Empanelment of premier institutes across the country to tap the best talent, unique drives for attracting best talent from diverse work groups etc.</li> <li>Promoting Young Talent - Right management in place, and building the talent pipeline through succession planning</li> <li>Capability Building - Ensuring that we have people with the right skills which are niche skills in mining and smelting. Also, acquiring new skills at par with external requirements and be agile with both internal &amp; external developments. We ensure the development of our people on technical &amp; behavioural aspects through customised interventions</li> <li>Driving Diversity – Diversity, equity and inclusion is a business imperative and our objective is to achieve gender parity across all levels starting from the Board</li> <li>Performance Management - Cascading organisational goals to the last line to ensure that the entire workforce is aligned to achieve the business targets</li> </ul> <p>Our Employee Well-being &amp; Assistance Program is designed to address mental stressors in both personal and professional spheres, ensuring holistic support for our workforce.</p>	<p>1) Reporting of ethical violations 2) Completion rate of mandatory Business Ethics &amp; Code of Conduct training for employees 3) Whistleblower cases resolved"</p>	<p>"Conducting business with responsibility and integrity ensuring that our actions and policies are not only in compliance with applicable laws and regulations, but also in line with the highest standards of business ethics and integrity."</p>	Code of conduct
			Improved employee motivation, engagement, & team cohesion via talent retention strategies	Positive							
			Talent shortage in specialized roles can lead to loss of competitive advantage	Risk							
			Providing a 'Living Wage' benchmarked to global standards to enable retention of talent	Opportunity							
			Local recruitment and partnerships can create a pipeline of talent	Opportunity							





## Governance

Material topic	Category of impact (Actual/Potential)	Why it is material (Business case)	Associated IROs	Type of impact	Likelihood of occurrence	Potential financial impact	Interested stakeholders/ Stakeholders impacted	Mitigation approach	KPIs	Alignment with sustainability goals 2030	Relevant policy
<b>Business Ethics and Corporate Governance</b>	Actual	Business ethics is a critical issue for our company as it directly influences trust, transparency, and compliance with legal and regulatory frameworks. Lack of transparency in financial transactions exposes the company to corruption risks, which can undermine market trust and investor confidence. Non-adherence to governance standards can lead to severe penalties, reputational damage, and legal scrutiny, especially in regions prone to corruption. Additionally, politically influenced groups may pose risks such as targeted attacks or manipulation during vendor bidding processes. Strengthening anti-corruption measures, transparency, and embedding sustainability KPIs for leadership provide opportunities to enhance investor confidence and secure long-term operational licenses. Responsible business practices are the foundation for sustainable growth and stakeholder trust, critical for safeguarding our reputation and	Inefficient/unfair business practices leading to inequality/corruption/favoritism	Negative	Likely	Moderate	Both internal & external stakeholders	We steadfast in our commitment to the highest standards of ethical conduct, integrity, and transparency. Central to this commitment is our comprehensive Business Ethics and Code of Conduct, which serves not merely as a policy but as a foundational guide that shapes our corporate culture and informs responsible decision-making across all levels of the organization. Our Code of Conduct outlines clear expectations for ethical behavior and applies to all employees, directors, and business partners. It provides guidance in key areas such as: <ul style="list-style-type: none"> <li>• Anti-Trust and Anti-Competitive Practices</li> <li>• Anti-Bribery and Anti-Corruption</li> <li>• Prevention of Money Laundering and Insider Trading</li> <li>• Environment, Health, and Safety (EHS) responsibilities</li> <li>• Whistleblowing and protection against retaliation</li> <li>• Conflicts of Interest</li> <li>• Confidentiality of Information</li> <li>• Anti-Discrimination, Anti-Harassment, and Prevention of Sexual Harassment</li> </ul> To further operationalize these standards, we have instituted a suite of governance policies including: <ul style="list-style-type: none"> <li>• Whistle-Blower Policy</li> <li>• Corporate Tax Strategy</li> <li>• Human Rights Policy</li> <li>• Anti-Trust Guidance Note</li> <li>• Related Party Transaction Policy</li> <li>• Insider Trading Prohibition Code</li> <li>• Anti-Bribery &amp; Anti-Corruption Policy</li> <li>• Business Partner's Code of Conduct</li> <li>• Prevention of Sexual Harassment Policy</li> <li>• Anti-Harassment &amp; Anti-Discrimination Polic</li> <li>• As a signatory of the United Nations Global Compact (UNGC), Hindustan Zinc aligns its operations with internationally recognized principles related to human rights, labor, environmental sustainability, and anti-corruption. This reinforces our global commitment to ethical business practices.</li> </ul>	1) Reporting of ethical violations 2) Completion rate of mandatory Business Ethics & Code of Conduct training for employees 3) Whistleblower cases resolved"	Conducting business with responsibility and integrity ensuring that our actions and policies are not only in compliance with applicable laws and regulations, but also in line with the highest standards of business ethics and integrity.	Code of conduct
			Ethical practices, transparency, and compliance build long-term with stakeholders	Positive							
			Lower risk of corruption due to effective internal controls and independent oversight	Positive							
			Lack of transparency in financial transactions	Risk							
			Non-adherence to governance standards	Risk							
			Strengthening anti-corruption and transparency measures	Opportunity							
			Governance frameworks for ethical business practices can enhance stakeholder trust	Opportunity							
Leverage digital tools to improve risk management	Opportunity										