HINDUSTAN ZINC
Zinc & Silver of India

Taskforce on

Nature-related Financial Disclosures



TNFD Report **FY 2025-26**

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Nature Context & Assessment Approach

HZL's nature-related assessment covers operations across diverse ecological settings, from the arid Aravalli region of Rajasthan to the Himalayan foothills at Pantnagar. Recognizing the site-specific nature of dependencies, impacts, risks and opportunities, the assessment has been conducted at the site level across HZL's nine operational sites rather than through aggregated results.

The assessment follows the Taskforce on Nature-related Financial Disclosures (TNFD) Locate, Evaluate, Assess and Prepare (LEAP) approach and draws on Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE), the World Wide Fund for Nature (WWF) Biodiversity Risk Filter, World Resources Institute (WRI) Aqueduct, WRI Ecosystem Services Review (ESR), and the Integrated Biodiversity Assessment Tool (IBAT) to evaluate Hindustan Zinc Limited's (HZL's) nature-related dependencies, impacts, risks and opportunities across its operations and value chain.

Using a consistent methodology, the assessment supports transparent tracking of performance over time and informs decision-making for management, investors, regulators and other stakeholders. It also strengthens HZL's long-term approach to nature-related risk management through science-based analysis and strategic partnerships.



PILLAR 01 / L - LOCATE

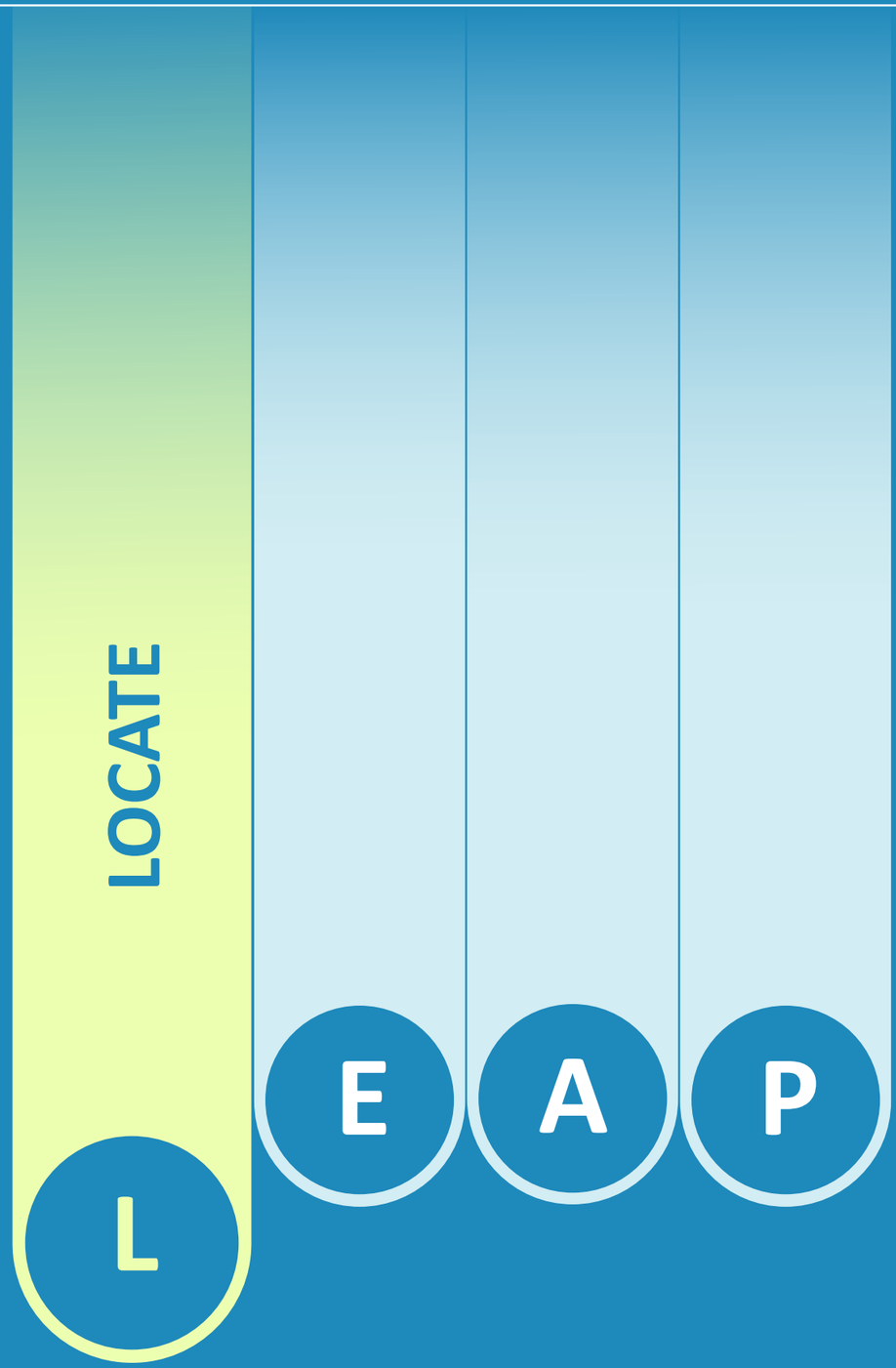
Rooted in the Landscape

Scope, governance and the biomes our operations sit within.

9
operational sites
across Rajasthan and Uttarakhand

2
biomes represented
in the assessment boundary

3
tier nature
governance structure



PILLAR 02 / E - EVALUATE

Reading the Signals

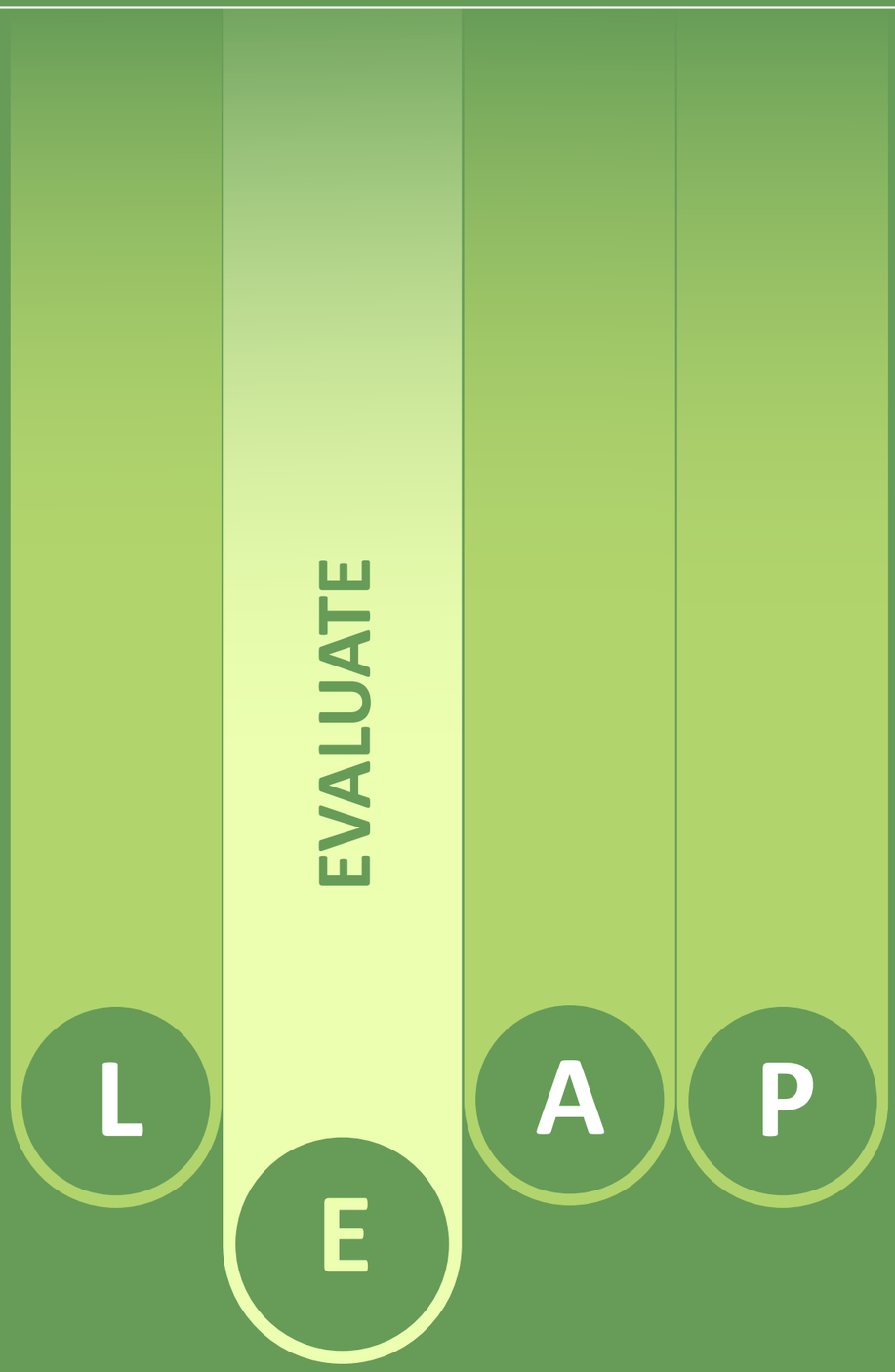
Dependencies and impacts screened through ENCORE and the WWF Biodiversity Risk Filter.

4
tools triangulated:
ENCORE, IBAT, WWF's Biodiversity Risk Filter (BRF) and WRI Aqueduct

14
critical suppliers
screened

IUCN
Red List species
mapped at every operational site

18
critical customers
screened



PILLAR 03 / A - ASSESS

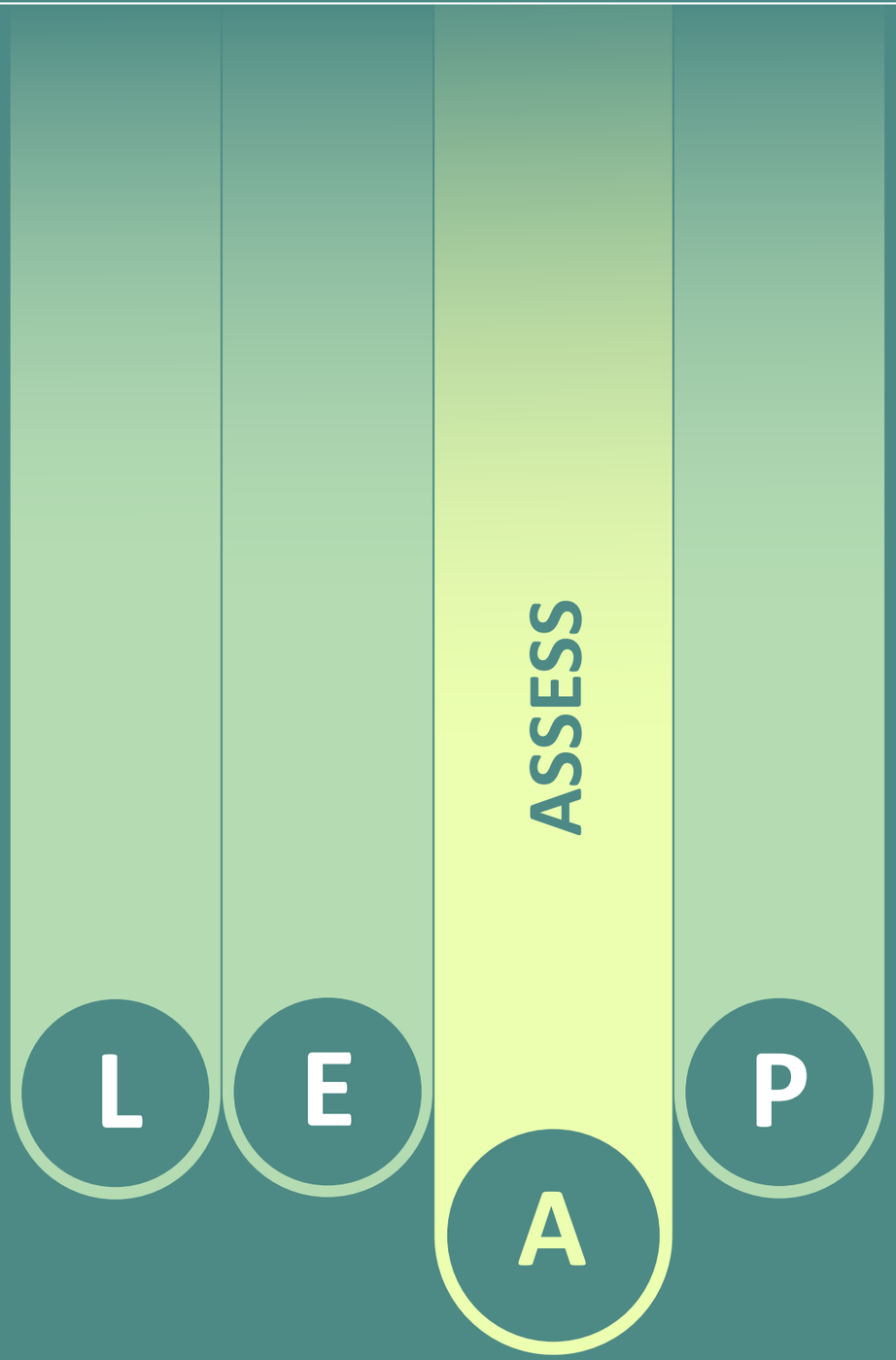
Weighing the Risk

Site, supplier and customer exposure scored against physical, regulatory and reputational drivers.

32
value-chain
entities
risk-assessed

9
sites have
prepared
Biodiversity
Management Plans

0
operations in
internationally
recognized areas such as World Heritage Sites, IUCN category (I-IV) Protected areas, legally designated protected areas, and Key Biodiversity Areas



PILLAR 04 / P - PREPARE

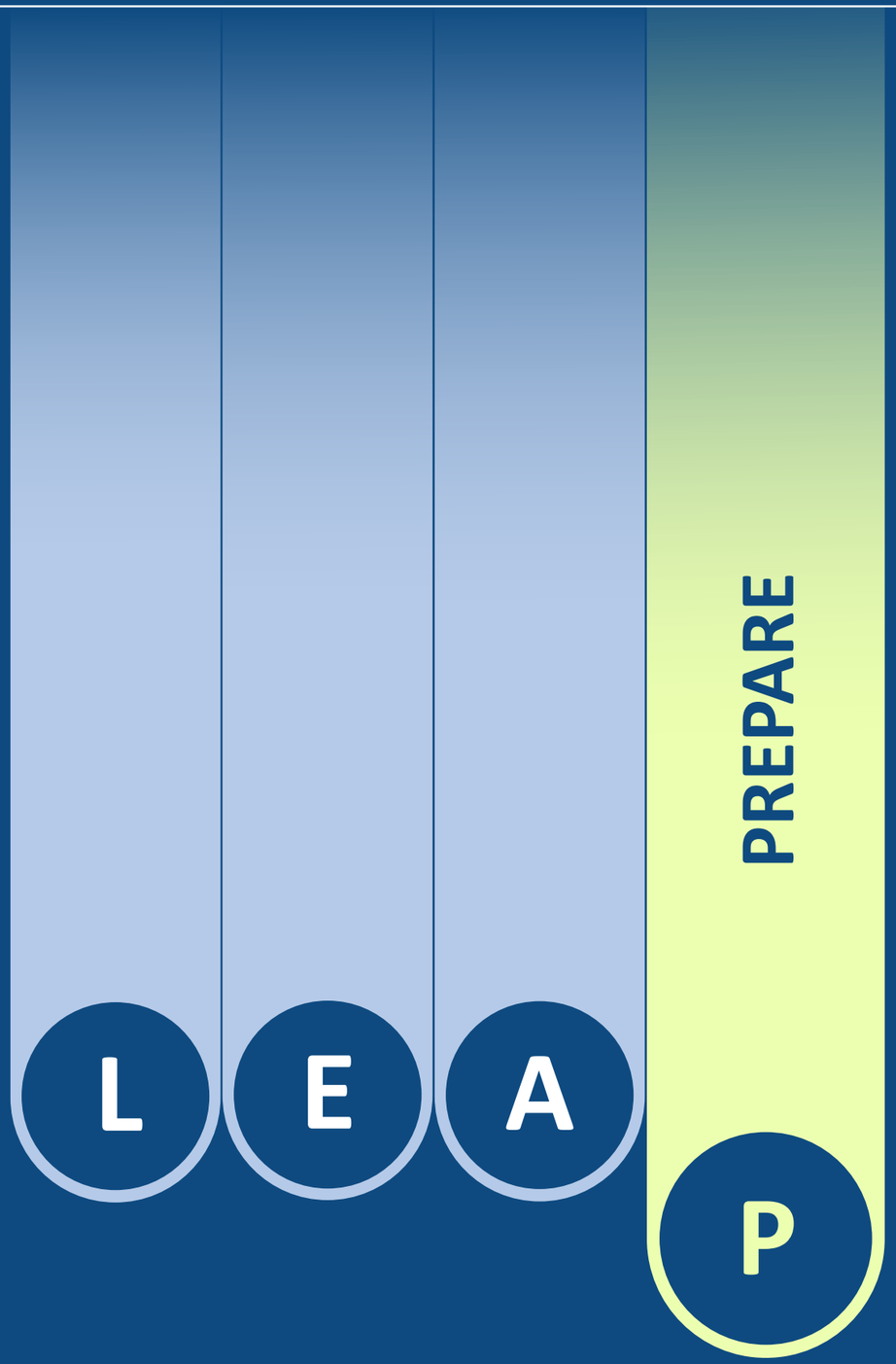
Acting with Intent

Mitigation hierarchy, biodiversity management plans, targets and progress to date.

1,105 Ha
restored against 1,929.9 Ha
disturbed

250 Ha
natural forest development
at Chanderiya formalized through MoU

2030/2050
near and long-term nature targets,
tracked against FY baseline



01
About the Report

About the Report

The TNFD Report for FY 2025-26 highlights our (HZL) commitment to integrating nature-related considerations into our business strategy and operations. Aligned with the TNFD framework and the LEAP (Locate, Evaluate, Assess, and Prepare) approach, the report presents disclosures across the four pillars of Governance, Strategy, Risk and Impact Management and Metrics and Targets, addressing nature-related Dependencies, Impacts, Risks, and Opportunities (DIRO).

We have utilized tools such as the WWF Biodiversity Risk Filter, ENCORE, WRI Ecosystem Services Review, IBAT and WRI Aqueduct to identify and manage nature-related risks and opportunities. The report outlines our Biodiversity Management Plans (BMPs) and Biodiversity Action Plans (BAPs), while demonstrating alignment with the International Council on Mining and Metals (ICMM) nature commitments.

Additionally, FY 2025-26 disclosures have been mapped against the new GRI 101: 2024 Biodiversity Standard.

Through this report, HZL reaffirms our commitment to nature conservation, transparent reporting, and responsible environmental stewardship, while strengthening resilience to nature-related challenges.

Scope of Disclosures

This FY 2025-26 TNFD report covers our direct operations, upstream suppliers, and downstream customers in the nature disclosure. The report encompasses nine operational business sites including mines, smelters, power plants, and refineries. The scope also covers 14 critical Indian upstream suppliers (each contributing 2% or more to total spend) and 18 critical Indian downstream customers (each accounting for 2% or more of sales).

A detailed representation of the scope of the business value chain is provided in the accompanying figure.

The report highlights HZL's commitment to halting and reversing biodiversity loss through measurable gains in the health, abundance, diversity, and resilience of species, ecosystems, and natural processes. It also outlines the Company's approach to planning and striving to achieve No Net Loss (NNL) of biodiversity at all mine sites by closure through the application of the mitigation hierarchy, supported by defined metrics and targets to track progress.

Figure 1: Scope of Business Value chain covered in the report



Critical Suppliers
Fully covered



Critical Operations
Fully covered



Critical Customers
Fully covered

Our Nature Commitments & Journey So Far

We are committed to halting and reversing biodiversity loss through measurable gains in the health, abundance, diversity, and resilience of species, ecosystems, and natural processes. Additionally, we plan and strive to achieve No Net Loss (NNL) of biodiversity at all mine sites by closure through the application of the mitigation hierarchy and ensure that we will operate on the principles of Net Positive Impact (NPI) for critical habitat to support halting and reversing biodiversity loss by 2030 from a 2020 baseline.

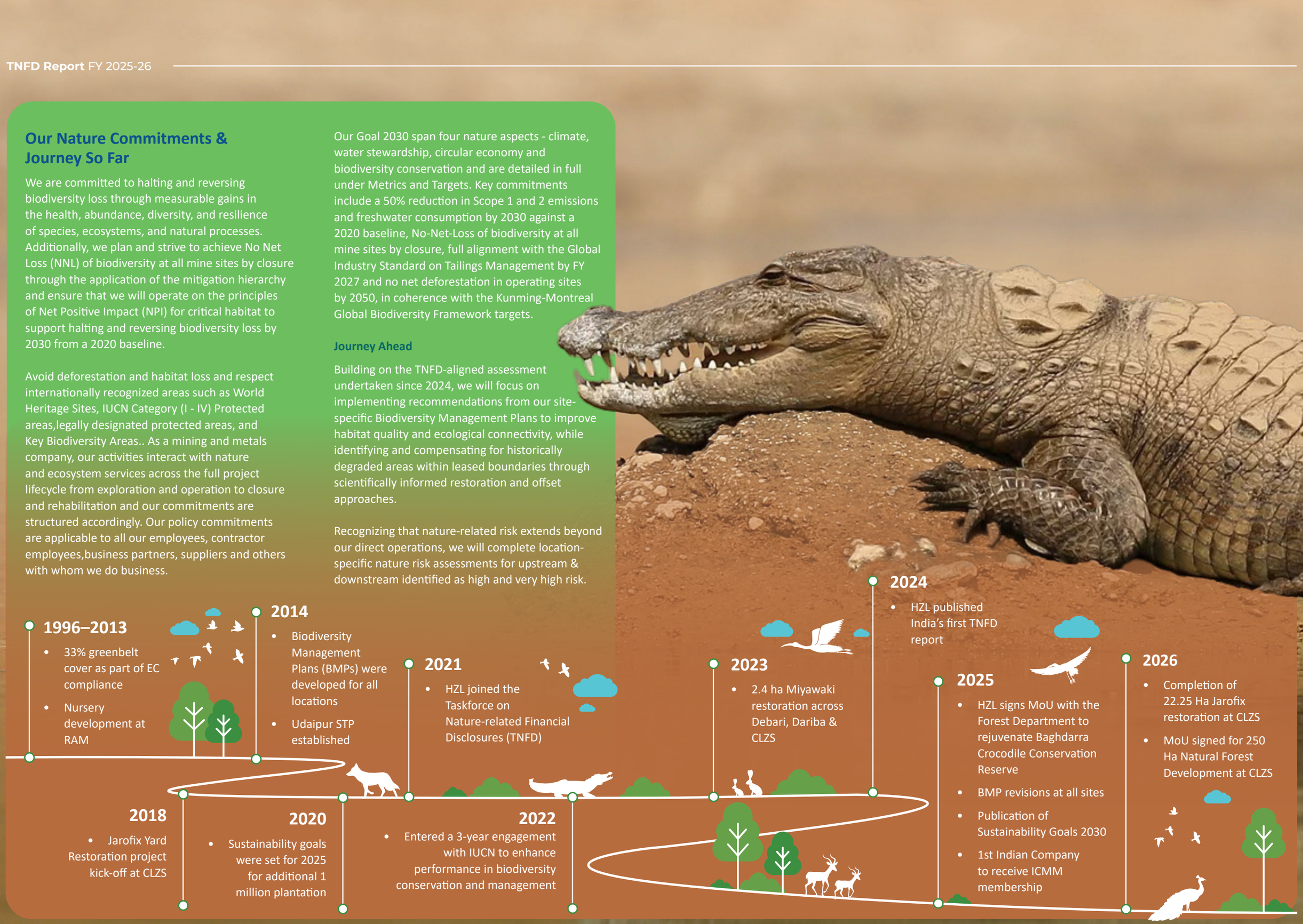
Avoid deforestation and habitat loss and respect internationally recognized areas such as World Heritage Sites, IUCN Category (I - IV) Protected areas,legally designated protected areas, and Key Biodiversity Areas.. As a mining and metals company, our activities interact with nature and ecosystem services across the full project lifecycle from exploration and operation to closure and rehabilitation and our commitments are structured accordingly. Our policy commitments are applicable to all our employees, contractor employees,business partners, suppliers and others with whom we do business.

Our Goal 2030 span four nature aspects - climate, water stewardship, circular economy and biodiversity conservation and are detailed in full under Metrics and Targets. Key commitments include a 50% reduction in Scope 1 and 2 emissions and freshwater consumption by 2030 against a 2020 baseline, No-Net-Loss of biodiversity at all mine sites by closure, full alignment with the Global Industry Standard on Tailings Management by FY 2027 and no net deforestation in operating sites by 2050, in coherence with the Kunming-Montreal Global Biodiversity Framework targets.

Journey Ahead

Building on the TNFD-aligned assessment undertaken since 2024, we will focus on implementing recommendations from our site-specific Biodiversity Management Plans to improve habitat quality and ecological connectivity, while identifying and compensating for historically degraded areas within leased boundaries through scientifically informed restoration and offset approaches.

Recognizing that nature-related risk extends beyond our direct operations, we will complete location-specific nature risk assessments for upstream & downstream identified as high and very high risk.



1996–2013
- 33% greenbelt cover as part of EC compliance
- Nursery development at RAM

2014
- Biodiversity Management Plans (BMPs) were developed for all locations
- Udaipur STP established

2018
- Jarofix Yard Restoration project kick-off at CLZS

2020
- Sustainability goals were set for 2025 for additional 1 million plantation

2021
- HZL joined the Taskforce on Nature-related Financial Disclosures (TNFD)

2022
- Entered a 3-year engagement with IUCN to enhance performance in biodiversity conservation and management

2023
- 2.4 ha Miyawaki restoration across Debari, Dariba & CLZS

2024
- HZL published India's first TNFD report

2025
- HZL signs MoU with the Forest Department to rejuvenate Baghdarra Crocodile Conservation Reserve
- BMP revisions at all sites
- Publication of Sustainability Goals 2030
- 1st Indian Company to receive ICMM membership

2026
- Completion of 22.25 Ha Jarofix restoration at CLZS
- MoU signed for 250 Ha Natural Forest Development at CLZS

Message from Chairperson



Dear Stakeholders,
The third edition of our Taskforce on Nature-related Financial Disclosures (TNFD) Report for FY2025-26, marks another significant step in our commitment to responsible growth, environmental stewardship, and transparent disclosure.

It reflects how we are integrating environment into our strategy, governance, risk management, and decision-making while strengthening transparency around our nature-related dependencies, impacts, risks, and opportunities.

As global expectations continue to evolve, nature-related disclosures are becoming increasingly important to building resilient businesses. The International Sustainability Standards Board (ISSB) is advancing nature-related disclosure requirements, while the Global Risks Report 2026 identifies biodiversity loss and ecosystem collapse among the most significant risks facing the world over the coming decade.

As one of the world's leading metals and mining companies, we recognise both our dependence on nature and our responsibility to protect it. Our induction into the International Council on Mining and Metals (ICMM) reinforces our commitment to operate against the highest global standards of responsible mining. This report also reflects our alignment with global priorities, including the Kunming-Montreal Global Biodiversity Framework, as momentum builds towards COP17 later this year.

Our commitment is reflected in action. During the year, we partnered with The Energy and Resources Institute (TERI) on a 250-hectare ecological restoration project at the Chanderiya Lead-Zinc Smelter in Chittorgarh, Rajasthan. This initiative is an important step towards landscape-level conservation, Net Positive Impact, and long-term nature-positive outcomes.

Nature stewardship is fundamental to building resilient businesses. As we continue to grow through HZL 2.0, we remain committed to embedding environment into strategic decision-making, strengthening governance, and enhancing transparent disclosures. These efforts will help us build a business that is more resilient, more responsible, and better positioned to create lasting value for generations to come.

Thank you for your continued trust and partnership as we work together towards a more resilient and nature-positive future.

Best Wishes,

Priya Agarwal Hebbar
Chairperson
Hindustan Zinc Ltd.

Message from Chief Executive Officer



Dear All,
As we continue to advance our sustainability journey, I am pleased to present Hindustan Zinc's third TNFD Report for FY2025-26.

The transition towards a more sustainable and nature-positive future is creating new opportunities for businesses to generate long-term value while strengthening environmental and social outcomes. At Hindustan Zinc, we recognize the intrinsic relationship between our operations, natural ecosystems, and the communities we serve. This understanding shapes our approach, ensuring that biodiversity conservation, ecosystem resilience, and inclusive socio-economic development remain integral to our decision-making.

Our collaboration with the International Union for Conservation of Nature (IUCN) has been instrumental in strengthening this commitment. We have developed and advanced Biodiversity Management Plans aligned with the Mitigation Hierarchy to achieve No Net Loss, supported by our ambition to contribute to halting and reversing biodiversity loss by 2030 and to achieve No Net Loss across all mine sites by closure.

We continue to embed nature-related considerations into our governance, strategy, and risk management processes. This integrated approach is helping us build a more resilient, informed, and future-ready organisation.

A significant milestone during the year was our induction into the International Council on Mining and Metals (ICMM) in August 2025, making us the first Indian metals and mining company to be admitted. This achievement further strengthens our approach to landscape-level conservation, operational excellence, system transformation, and value chain engagement.

During the year, we also advanced our performance against the ICMM Action Plan and strengthened alignment with the ICMM Nature Position Statement. In another important step, we signed a Memorandum of Understanding with The Energy and Resources Institute (TERI) for a 250 Ha in Chittorgarh, Rajasthan, creating what is expected to become the world's largest green cover within an industrial premises.

This report reflects our continued progress and outlines the path ahead. It brings together our efforts to integrate nature into business decision-making while advancing our broader sustainability priorities. Our focus remains on creating long-term value through responsible operations, strong environmental performance, and meaningful engagement with communities.

I encourage you to explore this report as we continue working together to build a more sustainable, nature-positive, and resilient future.

Best Wishes,

Arun Misra
CEO and Whole Time Director
Hindustan Zinc Ltd.

02

Key Initiatives in FY 2025-26

Key Initiatives in FY 2025-26

Alignment with International Council on Mining and Metals (ICMM) approach and our nature Position Statement

Following induction as an ICMM member in August 2025, we have further strengthened this commitment by developing a structured action plan to enhance alignment with ICMM's Performance Expectations. This includes mapping and strengthening policies and practices in line with the ICMM Nature Position Statement. Through these efforts, HZL advances responsible mining practices aligned with the Kunming-Montreal Global Biodiversity Framework's goal of nature-positive outcomes by 2030.

Table 1: HZL's alignment with ICMM Requirements

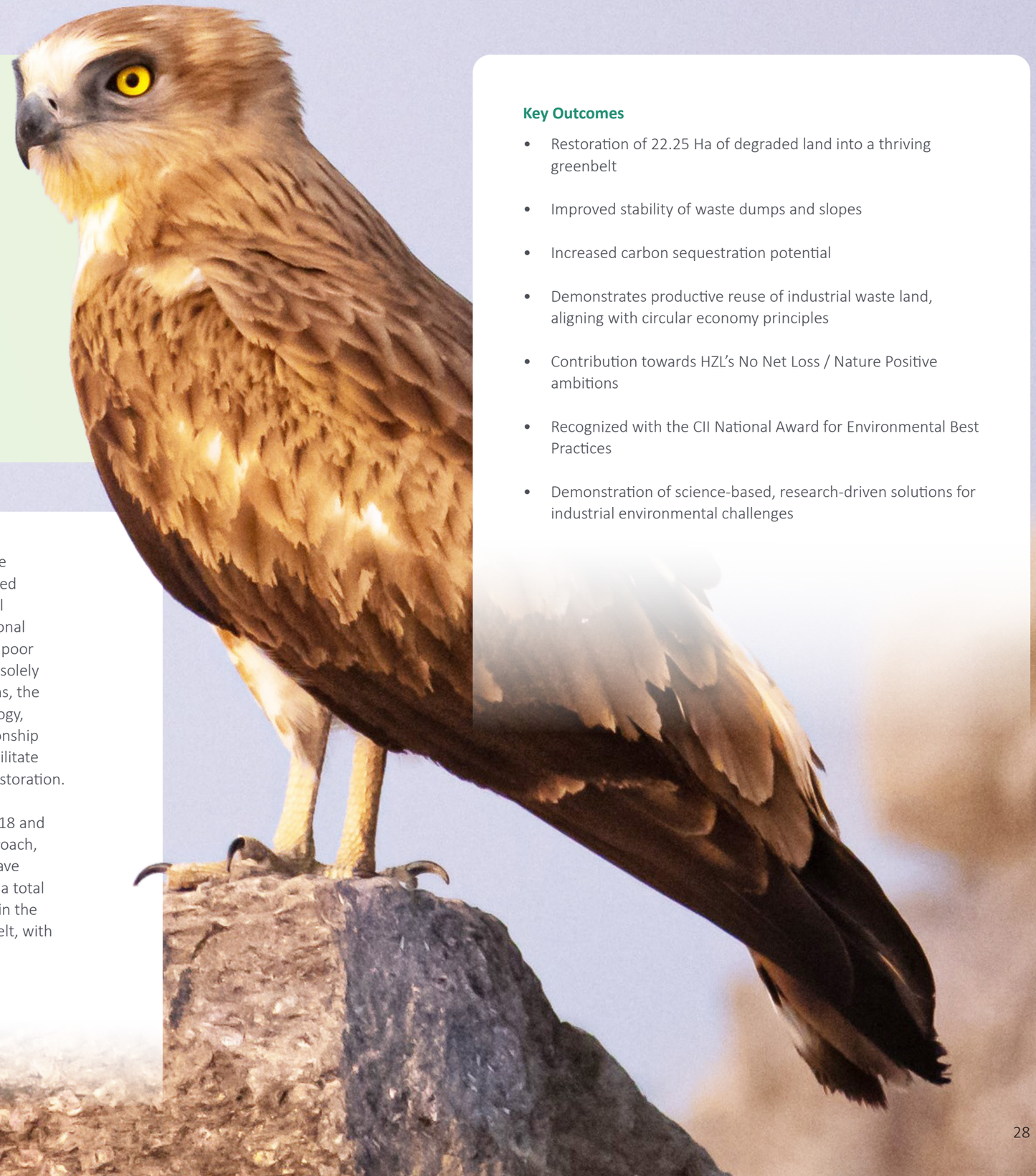
Spheres	ICMM Nature Position Statement Requirement	HZL's Alignment & Action
Direct Operation	Apply the mitigation hierarchy across all operations to achieve a minimum of no net loss (NNL) or net gain of biodiversity by completion of closure	• Biodiversity Policy aligned with No Net Loss (NNL) objective at mine closure and Net Positive Impact (NPI) in IUCN-defined critical habitats. • Site-specific BMPs integrated into business plans and budgets. • BMPs developed with IUCN through a three-year partnership, applying the mitigation hierarchy. • MoU signed for development of ~250 Ha natural forest at CLZS. • 22.25 Ha of exhausted Jarofix Yard restored through mycorrhiza-based ecological restoration.
	Respect legally designated protected areas	HZL commits to respect and protect internationally recognized areas (IUCN Cat. I–IV, UNESCO, KBAs). HZL maps and monitors proximity to protected areas and KBAs; site protocols established to avoid, minimize and compensate impacts.
Value Chain	Engage value chain partners on biodiversity risk and halting biodiversity loss	• WWF Biodiversity Risk Filter applied for critical suppliers. • Supplier biodiversity training and capacity-building.
Landscape	Contribute to landscape-level conservation by collaborating and engage local communities and building capacity	• CSR programmes in regenerative agriculture, livelihood diversification, and biomass management. • INR 50 million committed towards Bagghdarra Crocodile Conservation Reserve in FY 2025-26.
System Transform	Embed nature into governance, strategy and risk management; share biodiversity data	• Nature-related risks integrated into TNFD-aligned disclosures; collaboration with TERI on Mycorrhiza-based Jarofix restoration. • Compensatory reforestation underway; 100 Ha degraded forest rehabilitation at Zawar Mines (ZM).
	Collaborative research & data sharing	• Capacity-building workshops for employees. • Collaborations established with national institutions like TERI, AFRI. • Mycorrhiza technology piloted as a replicable industry solution.
Governance & Transparency	Enabling business transformation and embedding nature positive approaches through commitments	• HZL has been disclosing the material nature-related impacts, dependencies, risks and opportunities for operations in TNFD Report since FY 2023-24.

Signs MoU with TERI for 250 Ha Ecological Restoration Project in Rajasthan, a landmark step towards landscape-scale conservation

We have signed an MoU with The Energy and Resources Institute (TERI) to develop a 250 Ha ecological restoration project at our Chanderiya Lead Zinc Smelter Complex in Chittorgarh district, Rajasthan. Building on our successful restoration of 22.25 Ha of Exhausted Jarofix Yard using TERI's Mycorrhiza technology, which has enabled the plantation of nearly 56,400 native trees, this new initiative will follow a scientific, multi-layered ecological restoration approach, comprising native trees, shrubs, herbs and grasses suited to the local landscape. It will also include measures for invasive species management, support for water bodies and aquatic ecosystems, and the development of long-term maintenance and protection protocols. TERI will also support the identification of suitable native and adaptive plant species and bring in subject matter experts across the planning, design and implementation phases. This collaboration directly advances our Sustainability Goal 2030 to halt and reverse biodiversity loss and our long-term ambition of achieving Net Positive Impact (NPI).

Key Outcomes

- Restoration of 22.25 Ha of degraded land into a thriving greenbelt
- Improved stability of waste dumps and slopes
- Increased carbon sequestration potential
- Demonstrates productive reuse of industrial waste land, aligning with circular economy principles
- Contribution towards HZL's No Net Loss / Nature Positive ambitions
- Recognized with the CII National Award for Environmental Best Practices
- Demonstration of science-based, research-driven solutions for industrial environmental challenges



Jarofix Yard Restoration through Mycorrhiza Technology

The Chanderiya Lead-Zinc Smelter is one of the world's largest integrated zinc-lead smelting complexes. During zinc extraction and processing, a residue known as Jarofix is generated. Jarofix is an iron-rich industrial waste produced during hydrometallurgical zinc extraction processes and is typically stored in engineered disposal facilities and has low nutrient content and limited biological activity. The project focuses on innovatively transforming a metal-impacted, nutrient-deficient waste disposal site into a stable and ecologically functional landscape.

HZL has collaborated with The Energy & Resources Institute (TERI) to restore the Exhausted Jarofix Yard through an approach rooted in nature-based solutions, where natural biological processes are leveraged to address industrial and environmental challenges sustainably, where conventional plantation efforts often struggle due to poor substrate conditions. Instead of relying solely on engineered or chemical interventions, the project uses Mycorrhiza-based technology, harnessing the natural symbiotic relationship between fungi and plant roots to rehabilitate degraded land and enable ecological restoration.

The project was kicked off in August 2018 and through a phased implementation approach, Phase 1 (6.5 Ha) and Phase 2 (16 Ha) have been successfully completed, restoring a total of 22.25 Ha. The initiative has resulted in the development of a high-density green belt, with approximately 56,400 native plants.



03

TNFD General Requirements

TNFD General Requirements

Materiality Assessment

We conduct a detailed materiality assessment every three years, supplemented by annual reviews to capture emerging sustainability trends, stakeholder expectations, regulatory developments, and evolving business risks. The double materiality assessment updated in FY 2024-25 with enhanced focus on climate and nature-related issues forms the basis for identifying nature-related dependencies, impacts, risks, and opportunities disclosed in this report.

The assessment considered HZL's key operational interfaces with nature across our direct operations and value chain, detailed under TNFD-Aligned Material Topics below.

Nature-related dependencies and impacts were evaluated across parameters covering operational exposure, severity and scale of impact, likelihood of occurrence, stakeholder concern, regulatory relevance, and potential financial implications. The ENCORE tool was used to screen these dependencies and impacts for mining sector material topics.

The outcomes of the materiality assessment are integrated into our ERM framework, aligned with the SEBI Risk Management Framework, ISO 31000:2018, and COSO guidelines. Material nature-related issues are assigned clear ownership, and reviewed through established governance processes. These insights also inform our sustainability strategy, target-setting, and long-term commitments, including net zero and biodiversity goals.

For more details, please refer our approach note on **Materiality Assessment**

TNFD-Aligned Material Topics

HZL has identified the following nature-related topics as material across our direct operations and value chain, aligned with TNFD's drivers of nature change and mapped against the GRI 101: 2024 Biodiversity Standard : Climate change and decarbonization, freshwater availability, land use, biodiversity and ecosystem services, energy consumption, air emissions, waste generation, and resource dependency.

These material topics inform HZL's strategy, risk management processes, and target-setting under the Risk and Impact Management and Metrics and Targets pillars of this report.

The Time Horizons

This TNFD report structures our nature-related planning, implementation, and reporting across three time horizons: short-term, medium-term, and long-term. The horizons are defined by the requirements for managing dependencies and impacts on ecosystem services, habitats, and biodiversity at the operational level, as set out in our site-specific BMPs. The activities associated with each horizon are described in Table 2 below.

Table 2: Time Horizon

Time Horizons	Years	HZL's Guiding Principles
Short-Term	**2030**	This aligns with HZL's annual operational planning cycle and the periodic review cycle of site-specific BMPs and corresponds to the 2030 milestone targets under the Kunming-Montreal Global Biodiversity Framework for halting and reversing biodiversity loss.
Medium-Term	**2040**	This reflects the multi-year timeframe needed for ecological restoration, stakeholder engagement, and species conservation outcomes to mature and become measurable at a landscape level and provides a milestone checkpoint between HZL's short-term, site-level actions and its long-term landscape and value-chain commitments.
Long-Term	**2050**	This is aligned with global net-zero and nature-positive ambitions, including the Global Biodiversity Framework's 2050 vision of living in harmony with nature and reflects the extended timeframe required for large-scale landscape restoration, invasive species removal, and No Net Deforestation commitments to be realized across HZL's operations and value chain.

04

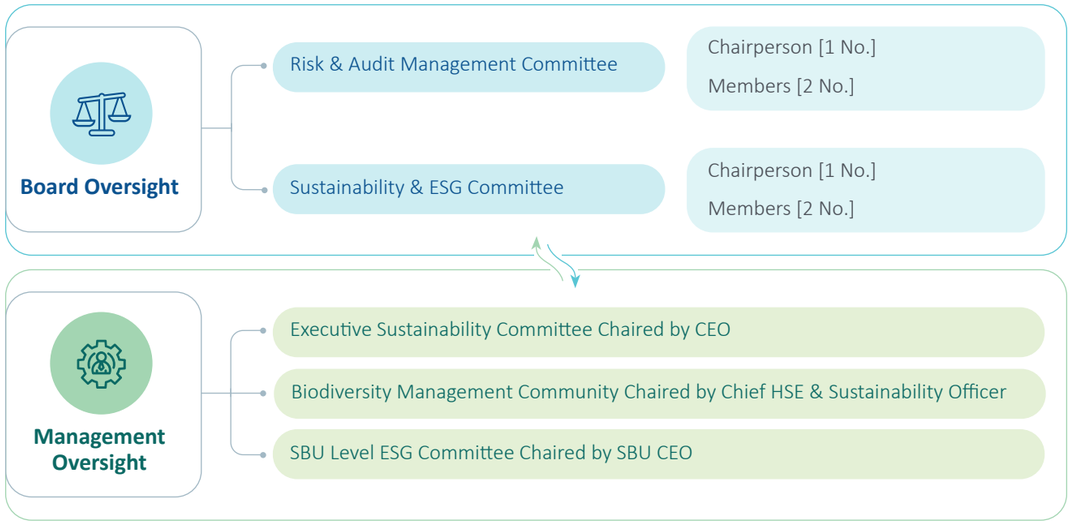
Governance

Governance

Our governance structure for nature and biodiversity is organized across three tiers: Board, Management, and Operational, ensuring clear accountability from strategic oversight to on-ground implementation. This section discloses our governance arrangements in line with the TNFD Governance pillar. Our efforts are supported by a suite of policies, such as Biodiversity Policy, Energy & Climate Change Policy, CSR Policy, Environmental Policy, Human Rights Policy and Water Management Policy.

Our Corporate Governance framework fosters responsibility, integrity, and accountability, building stakeholder trust through transparent leadership. The Board of Directors provides strategic direction and is supported by dedicated committees that oversee sustainability, risk, and ESG functions, ensuring alignment with both organisational goals and international reporting standards.

Figure 2: Governance Structure



Board's Oversight

Our Board of Directors oversees nature and biodiversity strategy through two dedicated committees, each with defined mandates covering TNFD governance requirements and ICMM Performance Expectations.

Sustainability and ESG Committee

The Sustainability and ESG Committee is tasked with supporting the Board in fulfilling its obligations related to ESG matters, including issues concerning biodiversity. It is charged with ensuring robust governance in sustainability matters. The committee is also responsible for overseeing the sustainability strategy, reviewing long-term goals and targets, and ensuring continuous improvement in our sustainability performance. Additionally, it implements suitable processes and policies across the organisation. The committee plays a strategic role in the Board, takes proactive measures to address potential impacts on the environment, ensuring business resilience, and strengthening our commitment to our stakeholders, executing these responsibilities through bi-annual meetings to discuss sustainability-related strategies and review progress against established targets and goals.

Audit & Risk Management Committee

The Audit & Risk Management Committee (ARC) plays a critical role in strengthening HZL's corporate governance by acting as a bridge between management, auditors, and the Board. It oversees the integrity of financial reporting, reviews the effectiveness of risk management systems, and ensures strong internal financial controls and cybersecurity frameworks. It ensures that the company's risk management systems effectively address strategic, financial, operational, sectoral, sustainability, information, and compliance risks. This committee works to enhance the adequacy and effectiveness of the organization's compliance and governance programs from a legal, regulatory, and ethical standpoint. Additionally, it is responsible for monitoring the qualifications, expertise, resources, and independence of both internal and external auditors, assessing their performance and effectiveness annually.

Table 3: Composition of Board-level committees
(as on Mar 31, 2026)

Board Committee	Composition	Members
Sustainability and ESG Committee	Chairperson	Ms. Priya Agarwal Hebbar
	Members	Mr. Arun Misra
		Mr. Anoop Kumar Mittal
Audit & Risk Management Committee	Chairperson	Ms. Pallavi Joshi Bakhru
	Members	Mr. Anoop Kumar Mittal
		Mr. Ashim Kumar Modi

Training and Development for the Sustainability and ESG Committee members

To remain informed amidst shifting environmental contexts, the Board Committee members actively participate in regular familiarization programs covering orientation programs, Awareness session on Environmental, Social, and Governance and review of implementation of ICMM Principles in ESG Meeting.

These sessions foster continuous learning and provide Board members with valuable insights needed to effectively challenge and guide management. Additionally, site visits to operational locations offer Board members firsthand experience with on-ground practices, stakeholder engagement, and sustainability integration, thereby enhancing informed decision-making and governance oversight.

Management's Role

Our management is responsible for evaluating and managing nature-related dependencies, impacts, risks, and opportunities across all operational levels. Implementation is structured through a three-tier governance framework that embeds ESG and biodiversity principles from the Executive Sustainability Committee down to site-level communities.

We have established 12 Sustainability Communities comprising representatives from all business units, each with specific mandates to monitor and report progress against sustainability targets.

Sustainability Committee at Executive Level

Chaired by the Chief Executive Officer (CEO), the Executive Sustainability Committee, which includes all Executive Committee members and Chairpersons from 12 sustainability communities and ESG committee at SBU/ IBU level, conducts a monthly review of our sustainability progress; it also oversees progress on biodiversity target and our action and compliance of the ICMM position statement.

This committee formulates company-wide sustainability strategies, establishes long-term objectives, and tracks progress against these targets. It plays a pivotal role in guiding strategic resource allocation to achieve the Sustainability Goals, including long-term goals and ensures the effective execution of projects that contribute to these goals. Performance updates are presented bi-annually to the Board-level Sustainability and ESG committee.

Biodiversity Management Community:

The Biodiversity Management Community is integral to our commitment to sustainable development through the protection and enhancement of biodiversity. Following the Biodiversity Management Policy and Technical Standard, the community facilitates the integration of biodiversity management into decision-making processes for both new and existing projects. Its purpose is to ensure measures are taken to mitigate biodiversity impacts throughout the lifecycle of projects, including during scoping, operation, site closure, and beyond. Aligned with Sustainability Goal 2030, a key objective is to halt and reverse biodiversity loss through measurable gains in the health, abundance, diversity and resilience of species, ecosystems and natural processes, while striving to achieve No Net Loss (NNL) of biodiversity at all mine sites by closure through the application of the mitigation hierarchy and ensure that we will operate on the principles of Net Positive Impact (NPI) for critical habitat to support halting and reversing biodiversity loss by 2030 from a 2020 baseline.

The community meets monthly to review progress on biodiversity management projects to the chairperson and to seek guidance as needed. It is empowered to co-opt members from other functions as required to enhance its effectiveness.

The biodiversity management community is authorized to:

- Establish advisory or steering groups for focused advice on nature-related risks and mitigation.
- Outline necessary actions and measures for effective biodiversity management.
- Facilitate the integration of biodiversity management into project decision-making processes.



Key Responsibilities of the Biodiversity Community include

- Conducting brainstorming sessions to strategize biodiversity conservation efforts.
- Aligning on-ground efforts against ICMM

  Position statement spheres of landscapes, system transformation, value chain and at our own operations.
- Tracking and updating the No Net Loss Implementation based on BMP
- Identifying and applying peer practices and innovative technologies across various locations to enhance biodiversity conservation, including plantation initiatives.
- Monitoring performance against biodiversity conservation projects and reporting progress to senior management.
- Developing strategies and initiatives to foster a culture of biodiversity conservation throughout the project lifecycle, engaging employees.
- Collaborating with renowned agencies to increase biodiversity awareness among employees and nearby communities through assessments and implementation efforts.
- Performing Green Belt inventory across HZL.

Figure 3: Executive Communities



SBU ESG Committees

Each of our Strategic Business Unit (SBU) have its own ESG Committee responsible for implementing sustainability practices related to ESG aspects. These committees are tasked with continuously evaluating and mitigating risks from both internal and external sources. They operate within a structured governance framework that involves line managers to support effective risk management and advance the ESG agenda, including biodiversity management at the site level. The committees' responsibilities include managing projects at site level, executing biodiversity and wildlife conservation plans, and overseeing the progress of each initiative.

HZL's Human Rights Policies and Engagement Activities

Our Human Rights Policy aligns with not only local regulations but also international standards such as the United Nations Guiding Principles on Business and Human Rights (the "Ruggie Principles), the Universal Declaration of Human Rights (UDHR), and the conventions set by the International Labour organisation (ILO). This ensures that the operations safeguard the rights and wellbeing of all stakeholders, including Indigenous Peoples and local communities.

During this year, HZL revised its position statement on Indigenous People by revising Technical Standard on Indigenous People. Key updates include a clarified organisational commitment to respecting the rights, culture, and knowledge systems of Indigenous Peoples, and revised definitions aligned with IFC Performance Standard 7 to ensure culturally appropriate, informed, and inclusive engagement processes. The updated standard also formally recognizes the value of Indigenous Knowledge, rooted in long standing relationships with land, biodiversity, and natural resources, as an important input into understanding nature related issues across our operations and value chain.
The revised standard further enhances our engagement processes by requiring due diligence to identify Indigenous Peoples, structured consultation and participation across all project stages, and FPIC where Indigenous lands, resources, or cultural heritage may be affected. It also introduces clearer guidance on reassessing impacts during brownfield expansions, co-designing mitigation and benefit sharing measures through Indigenous Peoples Development Plans and documenting agreements and engagement frameworks. Together, these updates directly support effective and meaningful engagement with Indigenous Peoples, local communities, and affected stakeholders, ensuring their concerns and priorities are integrated into environmental assessments, biodiversity considerations and long term nature related decision making.

- **Training and Awareness**

  HZL delivers human rights training to security personnel and human rights topics are incorporated into Code of Conduct training for executives, raising awareness of human rights responsibilities and ICMM and IFC aligned social performance practices.

- **Respecting and Engaging Local Communities**

  Our engagement strategies involve seeking Free, Prior, and Informed Consent (FPIC) from Indigenous Peoples when projects impact traditional or customary lands. The organisation emphasizes respecting cultural lifestyles, and heritage, and minimizing displacement through responsible practices. Refer our Technical Standard on Indigenous People to know more about the process in place.

- **Commitment to Human Rights Integrity**

  We recognize the importance of upholding the principles enshrined in the Universal Declaration of Human Rights. Through our Human Rights Policy and Social and Human Rights Impact & Risk Assessment (SHIRA) processes, we have identified actual and potential human rights impacts associated with our operations, including those related to nature and biodiversity. We have established procedures to engage with Indigenous Peoples, local communities, and other affected stakeholders, including the consideration of FPIC requirements where applicable, access to grievance mechanisms, and oversight through defined governance processes.

- **Human Rights Due Diligence**

  We conduct human rights due diligence using the United Nations Guiding Principles on Business and Human Rights along with ICMM Human Rights Due Diligence Guidance, identifying risks and implementing corrective measures.

- **Grievance Redressal Mechanisms**

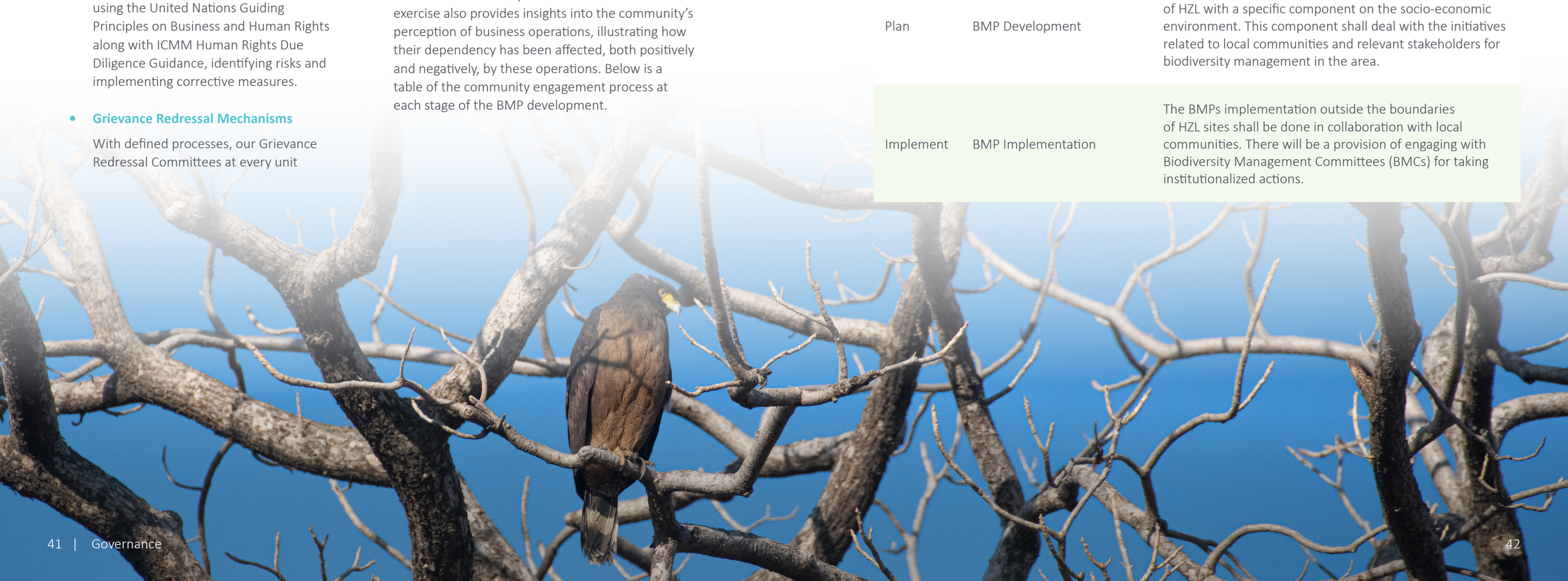
  With defined processes, our Grievance Redressal Committees at every unit handle human rights-related grievances. Mechanisms such as grievance boxes and a whistleblower policy ensure confidentiality and effective resolution.

Apart from the human-rights policy, the biodiversity policy also emphasises the collaboration with conservation experts, Indigenous Peoples, local communities and affected stakeholders. We employ a rigorous Assess-Plan-Implement framework to execute site-specific BMPs, ensuring that our ecological strategies are informed by science-based expertise and inclusive stakeholder consultation.

The biodiversity management plans are complemented by the Ecosystem Services Review (ESR) exercise conducted in 2024, which helps to understand the dependency and impact of operations, as well as the reliance of nearby communities on ecosystem services. The ESR exercise also provides insights into the community's perception of business operations, illustrating how their dependency has been affected, both positively and negatively, by these operations. Below is a table of the community engagement process at each stage of the BMP development.

Table 4: Community Engagement stages

Stages	Activity	Community Involvement
Assess	Biodiversity Assessment and Ecosystem Services Study	In this study, an extensive community survey was conducted at each site. Especially the survey was focused on: • the condition of ecosystem services, • changes in the patterns of ecosystem services, • impact of these changes on the community and, • their suggestion on managing the ecosystems. These inputs were part of the Biodiversity & Ecosystem Services (BES) inventory as Ecosystem Service Review report for each site.
Plan	BMP Development	The Biodiversity Management Plans developed for each site of HZL with a specific component on the socio-economic environment. This component shall deal with the initiatives related to local communities and relevant stakeholders for biodiversity management in the area.
Implement	BMP Implementation	The BMPs implementation outside the boundaries of HZL sites shall be done in collaboration with local communities. There will be a provision of engaging with Biodiversity Management Committees (BMCs) for taking institutionalized actions.



05
Strategy



Strategy

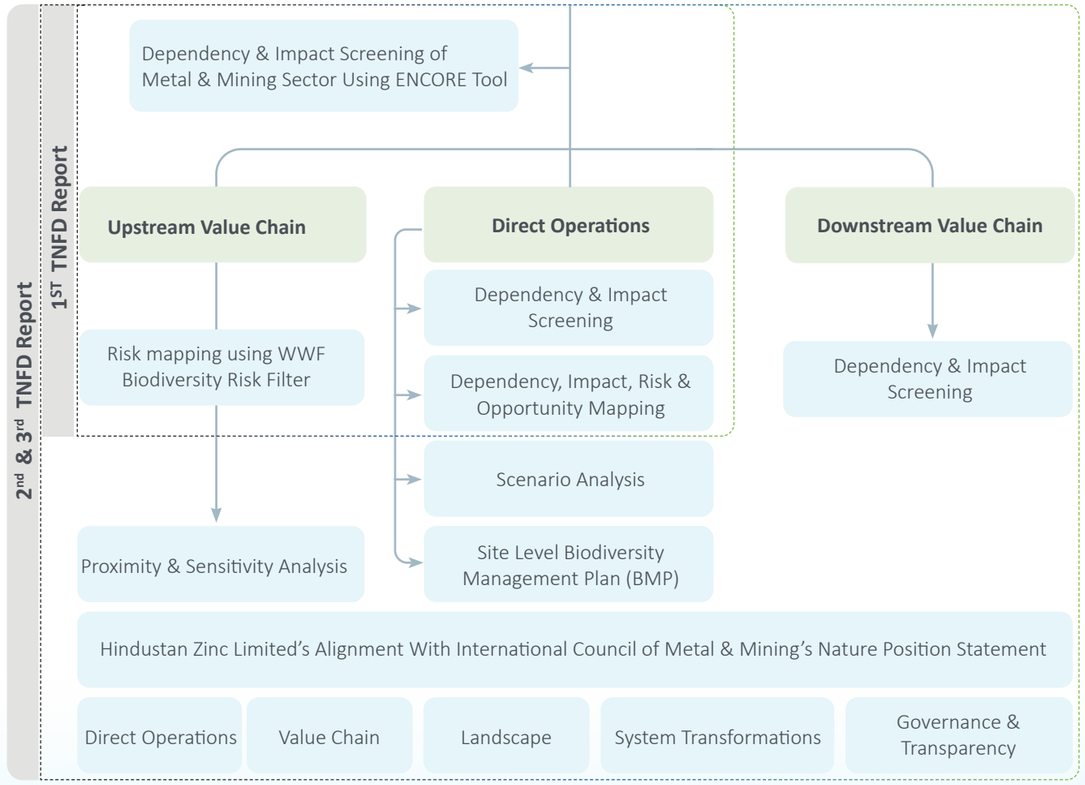
We recognize that nature-related risks and opportunities can influence our business model, value chain, and future growth. By assessing these considerations across short-, medium-, and long-term horizons, we integrate key insights into strategy development, financial planning, and site-specific budgets, helping strengthen resilience and support sustainable value creation.

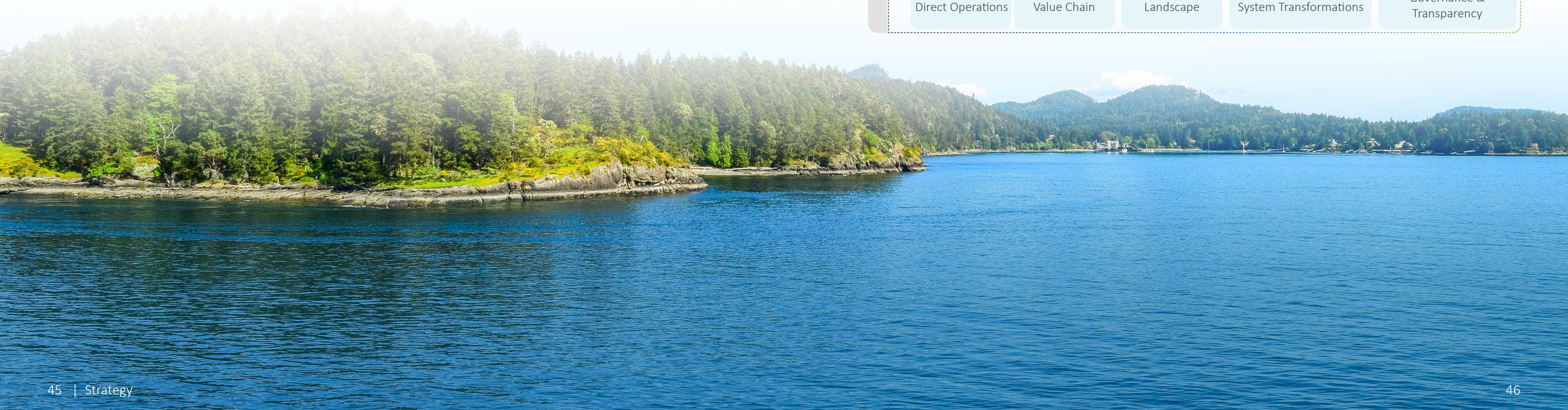
We have developed a comprehensive three-tier process to identify and manage nature-related Dependencies, Impacts, Risks, and Opportunities (DIRO). This process begins with an initial screening of the metal and mining sector at the business sector level, followed by in-depth assessments at the site level (direct operations), and subsequently extends to both upstream and downstream assessments. The entire approach is aligned with the Locate, Evaluate, Assess, and Prepare (LEAP) framework.

For upstream operations, HZL employed Proximity Analysis to identify material locations where the upstream value chain operates near protected or key biodiversity areas. For direct operations, alongside Proximity Analysis and DIRO Mapping, we have developed Biodiversity Management Plans (BMPs) for sites. These plans aim to mitigate impacts on biodiversity and ecosystems, striving for No-Net-Loss or a Net-Positive Impact through natural habitat restoration, flora species protection, and community engagement. We also adhere to the Nature Position Statement, with alignment details provided in relevant disclosures as required.

The three-tier approach for identifying and managing DIRO is illustrated in Figure 4 and further detailed out in below sections.

Figure 4: HZL's Approach to Identify and Manage Nature-Related Issues
(To identify and manage Nature-related Dependency, Impact, Risk and Opportunity)





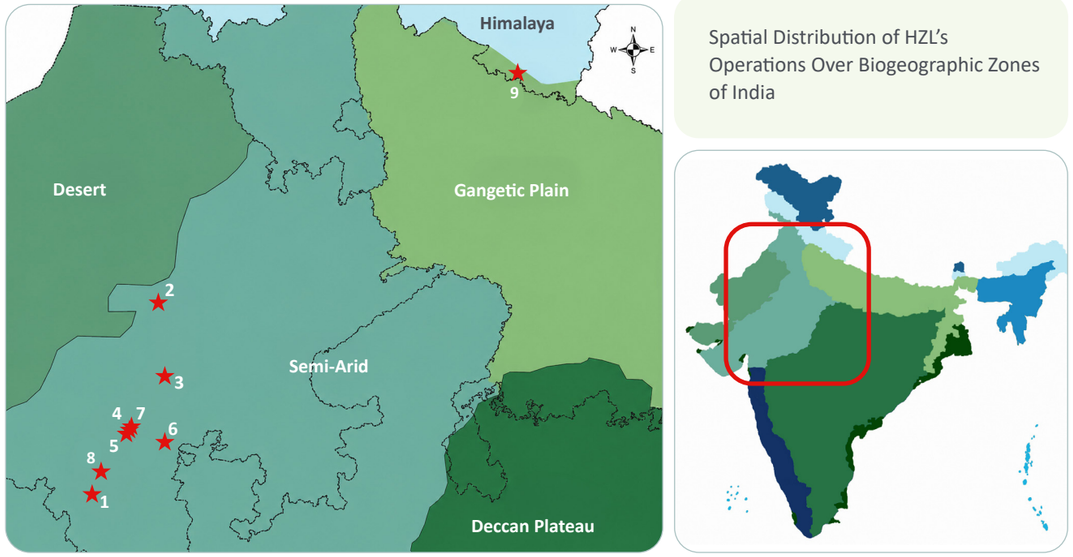
Nature-Related Dependencies, Impacts, Risks and Opportunities

To effectively navigate the interplay between our business operations and the surrounding environment, we have conducted an in-depth assessment to map our dependencies, impacts, risks, and opportunities. As a leading entity in the mining and metal industry, we are steadfast in our commitment to environmental protection, implementing a range of proactive measures such as biodiversity screening and tailored biodiversity management plans for each business operation. These initiatives are designed to identify and address nature-related challenges with precision.

1. Locating the Biomes & Sensitivities

Of the nine operational units, eight are located in the Semi-Arid Biogeographic Zone, while the Pantnagar Metal Plant (PMP) is situated in the Gangetic Plain Biogeographic Zone (please refer to map no. 1). Detailed information about these direct operations, including their locations and associated biomes, is presented in Table no. 5.





Spatial Distribution of HZL's Operations Over Biogeographic Zones of India

Map 1: Spatial Distribution of HZL's Operations Over Biogeographic Zones of India

Table 5: List of HZL operational units along with locations and IUCN Biomes Typology

Legend ★ HZL's Operations | State Boundary | 0 55 110 220 Km

Sl. No.	Unit Names	Locations	IUCN Biomes Typology	Operations
1	Zawar Mines (ZM)	Udaipur District, Rajasthan	T5.1 Semi-desert steppes	Zinc- Lead Mining, Power Plant
2	Kayad Mines (KM)	Ajmer District, Rajasthan	T5.1 Semi-desert steppes	Zinc- Lead Mining
3	Rampura Agucha Mines (RAM)	Bhilwara District, Rajasthan	T5.1 Semi-desert steppes	Zinc- Lead Mining
4	Rajpura Dariba Mine (RDM)	Rajsamand District, Rajasthan	T5.1 Semi-desert steppes	Zinc- Lead Mining
5	Sindesar Khurd Mine (SKM)	Rajsamand District, Rajasthan	T5.1 Semi-desert steppes	Zinc- Lead Mining
6	Chanderiya Lead Zinc Smelter (CLZS)	Chittorgarh District, Rajasthan	T5.1 Semi-desert steppes	Smelter (Zinc and Lead), Power plant
7	Dariba Smelting Complex (DSC)	Rajsamand District, Rajasthan	T5.1 Semi-desert steppes	Smelter (Zinc and Lead), Power plant
8	Zinc Smelter Debari (ZSD)	Udaipur District, Rajasthan	T5.1 Semi-desert steppes	Smelter (Zinc)
9	Pantnagar Metal Plant (PMP)	Udham Singh Nagar District, Uttarakhand	T4.2 Pyric tussock savannas	Silver Refinery, Zinc melting and casting

Biogeographic Zones of India

Coast | Deccan Plateau | Desert | Gangetic Plain | Himalaya | Island | North-East | Semi-Arid | Trans- Himalaya | Western Ghat

None of HZL's 9 direct operation sites overlap with a Protected Area, Key Biodiversity Area or high-integrity ecosystem. IUCN Red List species presence ranges from 4 species at Kayad Mines and Rampura Agucha Mines to 29 at Pantnagar Metal Plant. 8 of the 9 sites fall within areas of rapid decline in ecosystem integrity and areas of water stress, ranging from Critical to Over-Exploited with Pantnagar Metal Plant the only site outside both classifications (Table 6).

Among HZL's critical upstream suppliers, 4 are located near a Protected Area and four near a Key Biodiversity Area and 11 facing very-high water-stress risk (Table 7). Among critical downstream customers, one is located near a Protected Area and one near a Key Biodiversity Area, and 8 facing very-high water-stress risk (Table 7).

Table 6: Sensitivity of HZL Business Operations

HZL Business Operations	Protected Areas	Key Biodiversity Areas	IUCN Red List Species	High Integrity Ecosystems	Areas of Rapid Decline in Ecosystem Integrity	Areas of Water Stress
ZM	0	0	10	0	Yes	Critical
KM	0	0	4	0	Yes	Over-Exploited
RAM	0	0	4	0	Yes	Over-Exploited
RDM	0	0	7	0	Yes	Over-Exploited
SKM	0	0	7	0	Yes	Over-Exploited
CLZS	0	0	10	0	Yes	Over-Exploited
DSC	0	0	7	0	Yes	Over-Exploited
ZSD	0	0	9	0	Yes	Critical
PMP	0	0	29	0	No	Safe

*This is as per Central Ground Water Authority (CGWA) water-stress classification.
https://cgwb.gov.in/GWRA/GWRA_2025.pdf

Table 7: Sensitivity Analysis of Upstream & downstream

Category		No. of Critical Suppliers	No. of Critical Customers
Protected Areas (PA)		4	1
Key Biodiversity Areas (KBA)		4	1
Areas of Water-stress	Very-high risk	11	8
	High risk	1	5
	Medium risk	1	4
	Low risk	1	3
	Very-low risk	0	10

2. Nature-Related Impacts & Dependencies at Site Level (Direct Operation)

HZL assessed its dependencies and impacts on ecosystem services at each of its nine direct operation sites, covering a 10-kilometre radius around each site, using the World Resources Institute's Ecosystem Services Review (ESR) methodology. The assessment covered Provisioning services (such as food, water, and raw materials), Regulating services (such as climate regulation and water purification), Cultural services (such as recreation and spiritual enrichment) and Supporting services (habitat), drawing on primary data collected through a structured questionnaire at each site.

The results of dependency were categorized as High (H), Medium (M) or Low (L), while impacts were classified as High Positive (H+), or High Negative (H-), Medium Positive (M+), Medium Negative (M-) and Low (L). A negative level (-) indicates degradation or deterioration of ecosystem services, while a positive level (+) indicates improvements due to specific activities. Detailed methodology is provided in Risk and Impact Management (Pillar III) of this report.

The ESR exercise identified key ecosystem services with significant dependencies and impacts. It also helped HZL recognize potential risks stemming from these dependencies and impacts, as well as opportunities for improvement specific to site conditions. The dependency and impact assessment for each direct operation site is summarized in Table 8.

The site-level dependencies and impacts revealed by the ESR exercise indicate that:

- High dependency on erosion control at two operations, Rampura Agucha Mines and Chanderiya Zinc-Lead Smelter.
- Medium dependency across seven operations on crops (Dariba Smelting Complex, Zinc Smelter Debari and Pantnagar Metal Plant, Zawar Mines, Kayad Mines, Rajpura Dariba Mines, Sindesar Khurd Mine), three on freshwater, one on recreation & ecotourism, and two on ethical & spiritual values, reflecting strong linkages with local livelihoods, agriculture, and community well-being.
- No site recorded a high negative impact.
- Medium negative (M-) impact on regulation of water timing and flows at five sites, with potential effects on downstream communities and agricultural users, and one site with medium negative (M-) impact on freshwater ecosystem services.

Table 8: Summary of Sites with High/Medium Dependencies and Impacts

	Ecosystem service	ZM		KM		RAM		RDM		SKM		CLZS		DSC		ZSD		PMP	
	D = dependency · I = impact	D	I	D	I	D	I	D	I	D	I	D	I	D	I	D	I	D	I
Provisioning Services	Crops																		
	Livestock																		
	Fibres and resins																		
	Freshwater																		
	Capture fisheries																		
	Aquaculture, Wild foods, Timber & other wood fibres, Animal skins, Sand, Ornamental resources, Biomass fuel, Genetic Resources and Biochemicals, natural medicines, pharmaceuticals																		
Regulating Services	Maintenance of air quality, Global climate Regulation, Regional/ local climate regulation, Water purification and waste treatment, Disease mitigation, Maintenance of soil quality, Pest mitigation, Pollination, Natural hazard mitigation																		
	Regulation of water timing and flows																		
	Erosion control																		
	Recreation & ecotourism																		
Cultural Services	Ethical & spiritual values																		
	Educational and inspirational values																		

RATING SCALE

L	M-	M	M+	H	H+

– / + denote the lower and upper end of a band.

3. Nature-Related Risks at Site Level (Direct Operation)

To identify dependencies, impacts, risks and opportunities at the site level, we conducted assessments using WWF Risk Filter, WRI Aqueduct and site-specific Ecosystem Service Review which was based on the World Resource Institute Corporate Ecosystem Review methodology and tool.

- 1.0 <= x <= 1.8 - Very low risk
- 1.8 < x <= 2.6 - Low risk
- 2.6 < x <= 3.4 - Medium risk
- 3.4 < x <= 4.2 - High risk
- 4.2 < x <= 5.0 - Very high risk

Table 9: Summary of WWF Risk Filter Results on HZL's Operations

5.0 4.5 4.0 3.5 3.0 2.5 2.0 1.5 1.0

Site Name	Physical Risk	Regulatory Deficiency Risk	Reputational Risk
ZM			
KM			
RAM			
RDM			
SKM			
CLZS			
DSC			
ZSD			
PMP			

The physical risk score takes into account criteria such as provisioning services, water availability, water quality, air quality, diseases, flooding among other parameters. All of HZL's sites fall under medium to high risk.



Regulatory Deficit Risk score considers parameters

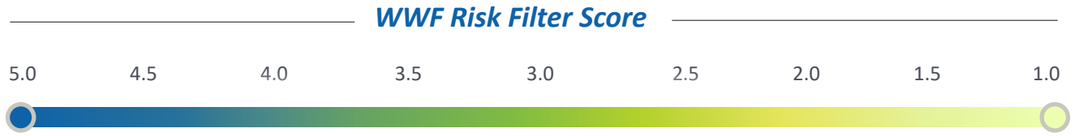


Table 10: WWF Risk Filter: Physical Risk

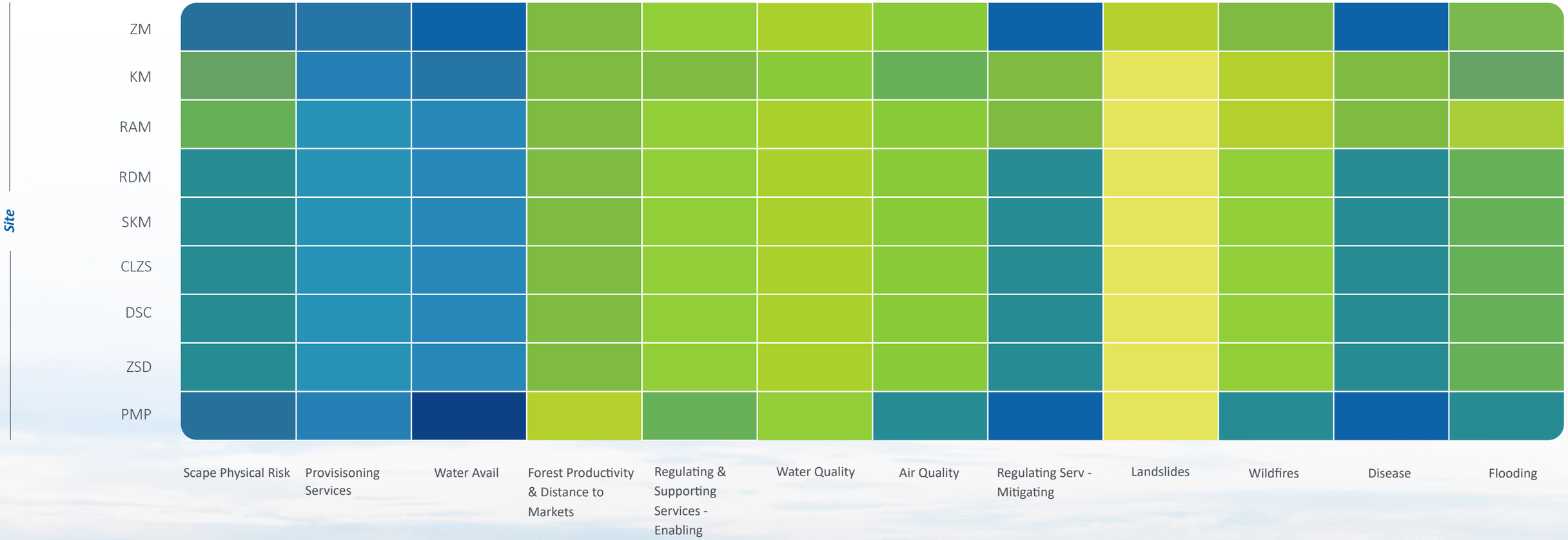






Table 11: WWF Risk Filter Results : Regulatory Deficiency Risks

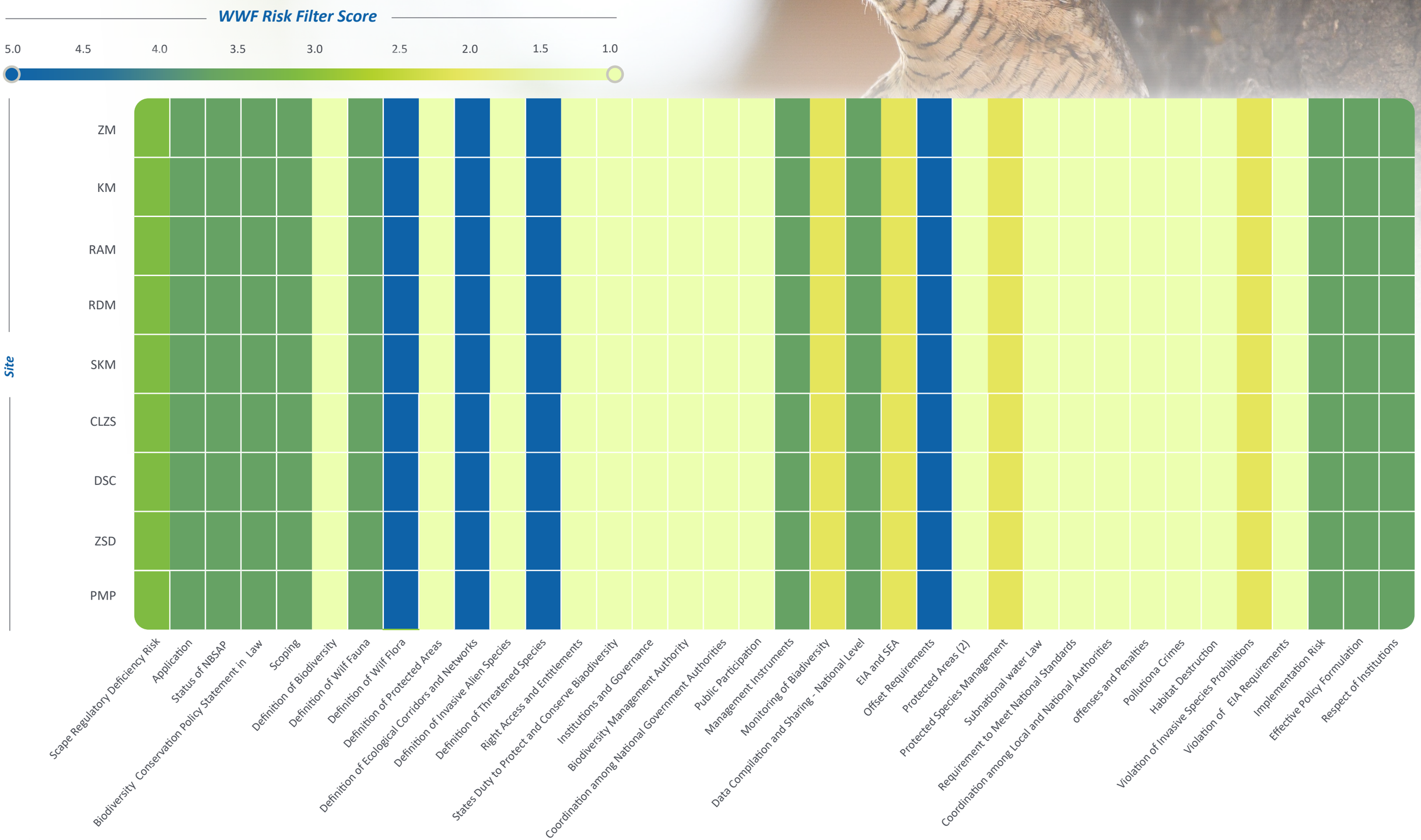


Table 12: WWF Risk Filter Results: Reputational Risks

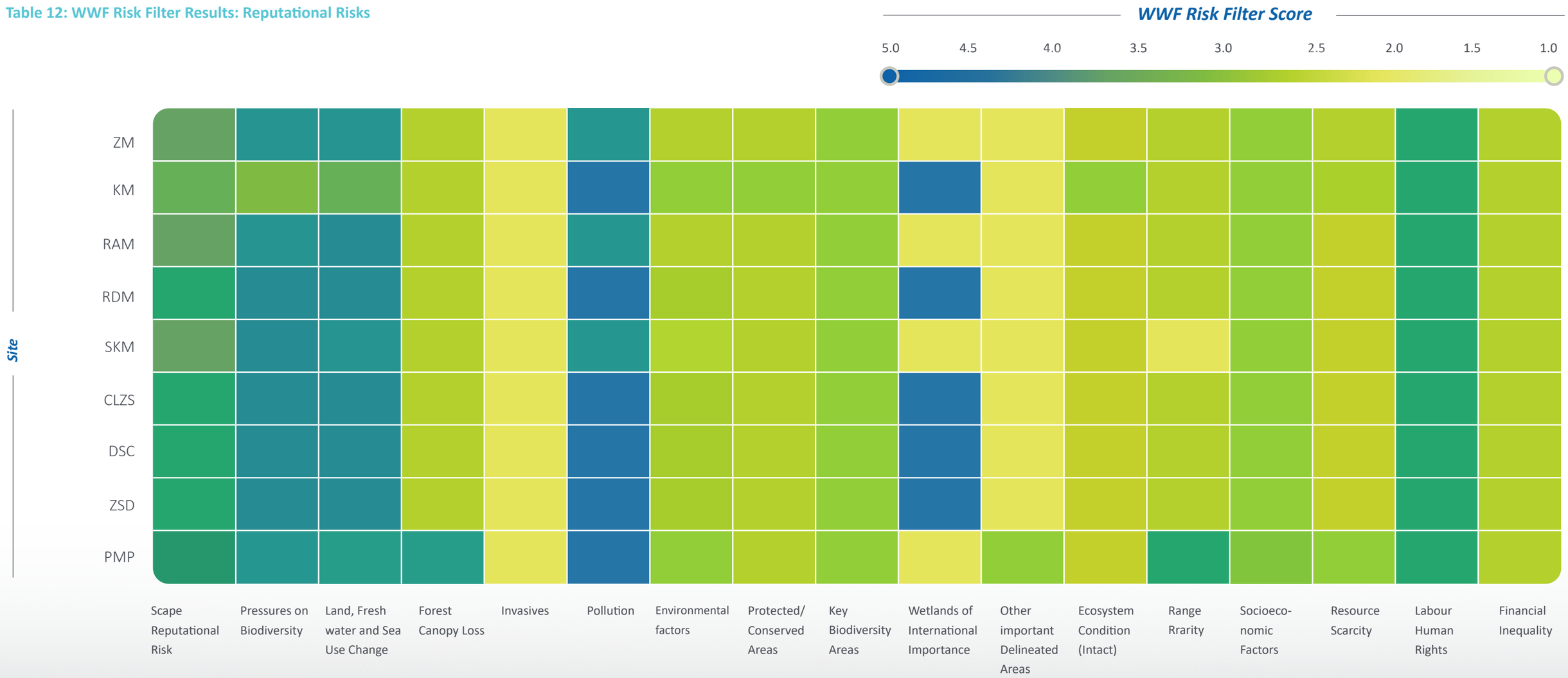




Table 13: WRI Aqueduct Result

Site Name	Projected Water Demand	Projected Water Supply	Projected Seasonal Variability	Projected Water Stress	Projected Water Depletion
PMP	>30 cm	100–300 cm	High (1.00–1.33)	Extremely High (>80%)	Extremely High (>75%)
ZSD	10–30 cm	3–10 cm	Medium–High (0.66–1.00)	Extremely High (>80%)	Extremely High (>75%)
DSC	10–30 cm	3–10 cm	Medium–High (0.66–1.00)	Extremely High (>80%)	Extremely High (>75%)
RDM	10–30 cm	3–10 cm	Medium–High (0.66–1.00)	Extremely High (>80%)	Extremely High (>75%)
SKM	10–30 cm	3–10 cm	Medium–High (0.66–1.00)	Extremely High (>80%)	Extremely High (>75%)
KM	10–30 cm	3–10 cm	Medium–High (0.66–1.00)	Extremely High (>80%)	Extremely High (>75%)
RAM	10–30 cm	3–10 cm	Medium–High (0.66–1.00)	Extremely High (>80%)	Extremely High (>75%)
CLZS	10–30 cm	3–10 cm	Medium–High (0.66–1.00)	Extremely High (>80%)	Extremely High (>75%)
ZM	10–30 cm	10–30 cm	High (1.00–1.33)	Extremely High (>80%)	High (50–75%)
ZM (Business as Usual)	-	-	Medium–High (0.66–1.00)	-	Extremely High (>75%)
ZM (Pessimistic)	-	-	-	-	Extremely High (>75%)

** It is to be noted that as per Central Ground Water Board (CGWB), India, Pantnagar metal plant is not in water stress area, however, as per WRI Aqueduct, it is a water stress area. Except for Zawar, all the sites had same results across scenarios (Pessimistic, Business As Usual, Optimistic)*

WRI Aqueduct Results:

During our assessment, we observed the following:

1. All HZL sites fall within the Extremely High-water stress category (>80%), reflecting significant demand relative to available supply in the region consistent with broader water scarcity trends across Rajasthan and Uttarakhand.*

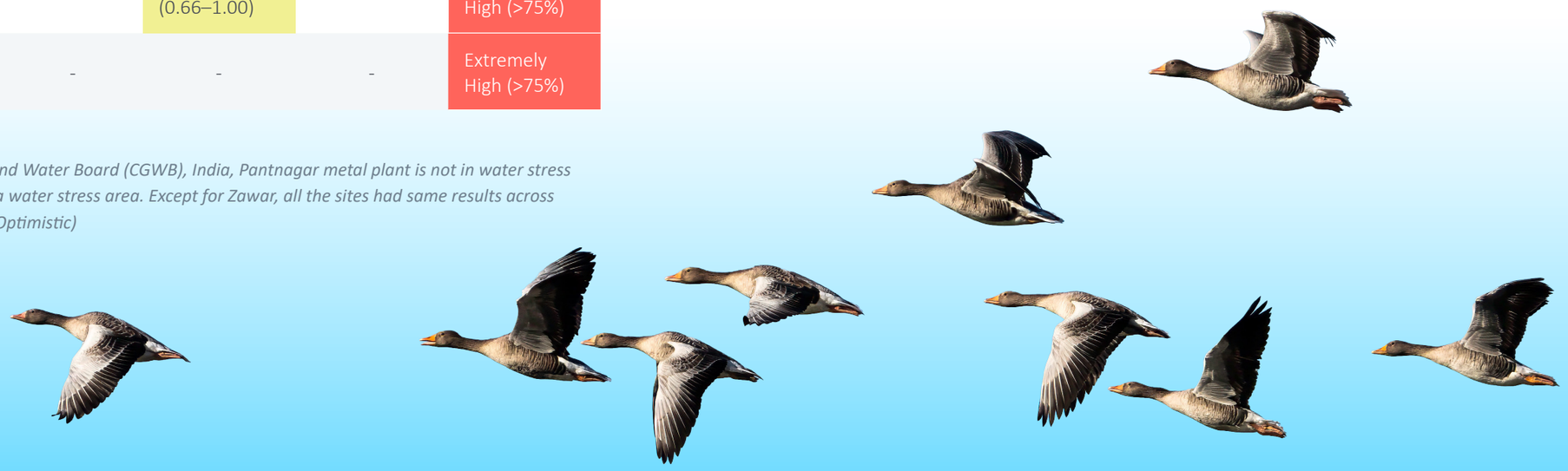
2. Water depletion scores of Extremely High (>75%) at the majority of sites indicate that consumptive use is substantial relative to renewable supply, the importance of our ongoing water efficiency and recycling initiatives.

3. Seasonal variability scores range from Medium-High to High across sites, reflecting the inherent variability of water availability within a year a factor already embedded in our water management planning.

The WRI Aqueduct future projections are modelled across three Shared Socioeconomic Pathway (SSP) scenarios : Optimistic (SSP1-2.6), Business-as-Usual (SSP3-7.0), and Pessimistic (SSP5-8.5) assessed at three milestone periods: 2030, 2050, and 2080. The Optimistic scenario assumes strong environmental governance, low population growth, and a global temperature rise of 1.3-2.4°C by 2100. The Business-as-Usual scenario reflects regional competition, weaker institutional capacity, and a projected rise of 2.8-4.6°C. The Pessimistic scenario represents fossil-fuel-intensive development with temperature increases of up to 3.3-5.7°C.

Across the majority of our operational sites including Debari, Dariba, Rajpura Dariba, Sindesar Khurd, Kayad, Rampura Agucha and Chanderiya water stress and depletion scores remain at Extremely High across all three scenarios and all three time horizons. This consistency indicates that the water risk at these locations is structurally driven by basin-level scarcity rather than climate trajectory alone and is unlikely to improve regardless of the global emissions pathway followed.

Zawar Mines is the notable exception. At baseline, our water depletion score is classified as High (50-75%), which is comparatively less severe. However, under both the Business-as-Usual and Pessimistic scenarios, this escalates to Extremely High (>75%), converging with the risk profile of our other sites. This trajectory underscores the climate sensitivity of the Zawar basin and warrants focused attention in long-term water planning for that operation.



4. Nature-Related Opportunities at Site Level (Direct Operation)

The table below outlines the site-specific Opportunities for Sustainability Performance based on the Ecosystem Services Review.

Table 14: Site-specific Opportunities for Sustainability Performance based on the Ecosystem Services Review

Business Operations	Ecosystem Services	Opportunities – Sustainability Performance
ZM, KM, RDM, SKM, DSC, ZSD	Crops	Our initiative to adopt sustainable agricultural practices, such as utilizing improved seeds and new technologies through our CSR program, presents a strategic opportunity to enhance our sustainability performance. By focusing on these practices, we not only improve crop production and quality but also contributes positively to the provisioning ecosystem services related to crops. These are some initiatives which further help in improving the sustainability performance. **Expand CSR Initiatives:** Extend the CSR initiative to multiple panchayats, with special consideration for marginal farmers. **Collaborate for Innovation:** Partner with research institutions or agricultural technology firms to continuously innovate and adopt cutting-edge practices in sustainable and climate-smart agriculture, benefiting local communities. We have developed a roadmap for integrating ecosystem transformation with CSR initiatives which includes farming interventions to improve productivity, increase income and diversify livelihoods.
ZM, RAM, SKM	Freshwater	**Water:** Develop and rejuvenate dried water bodies/ wetlands in and around the site boundary with mix of riparian species to support local flora and fauna. **Groundwater:** Support local communities to maintain and develop dug wells. Dried dug wells to be used for groundwater recharge.
KM, CLZS	Ethical & spiritual values	**Enhance Visitor Experience:** Develop visitor centers or interpretation facilities near the cultural sites to provide educational resources on local history, biodiversity, and sustainable mining practices. **Support Local Economies:** Partner with local businesses to promote locally sourced goods and services, enhancing economic opportunities for nearby communities. By supporting local livelihoods through ecotourism, we can contribute to economic diversification and resilience in the region.
CLZS	Recreation & ecotourism	**Explore Ecotourism Partnerships:** Collaborate with local tourism authorities and cultural heritage organisations to develop sustainable ecotourism initiatives cantered around nearby cultural sites. This will help to showcase our effort to conserving the local cultural heritage. **Enhance Visitor Experience:** Develop visitor centers or interpretation facilities near the cultural sites to provide educational resources on local history, biodiversity, and sustainable mining practices. **Support Local Economies:** Partner with local businesses to promote locally sourced goods and services, enhancing economic opportunities for nearby communities. By supporting local livelihoods through ecotourism, we can contribute to economic diversification and resilience in the region.

5. Nature-related Risk Identification for Upstream and Downstream value-chain

To identify and manage the Nature-related risks associated with value chain, we have employed WWF's Biodiversity Risk Filter (BRF) tool. Parameters involved for assessing the risk includes the geo-coordinates of each upstream and downstream value chain, business Importance like High, Medium, Low and the type of industry they operate in.

We have defined critical value chain partners as per SEBI's guidance for BRSR wherein the value chain partners who individually contribute for 2% or more of purchases/sales are considered critical. Thereby, we have identified 14 Indian raw material suppliers, and 18 Indian customers downstream who individually account for 2% or more of purchases/sales.

The risk identification is divided into two risk categories, namely Physical Risk and Reputational Risk. Physical risk consists of five types of ecosystem services i.e; Provisioning Services, Regulating and Support Services-Enabling and Mitigating, Cultural services and Pressures on Biodiversity. Reputational Risk consists of Environmental Factors, Socioeconomic Factors, and Additional Reputational Factors. The identified risks are levelled with Very High, High, Medium, Low, Very Low, Not Applicable (NA), and No Risk (NR).

Downstream Value Chain (Critical Customers)

- Pollution affects all 30 sites of the 18 downstream partners at very high risk. Disease and extreme heat each affect 28 sites, while air quality registers very high risk for 25 sites and high risk for the remaining 5, indicating near-universal environmental pressure across the downstream network.
- Labour and human rights and financial inequality are assessed as high risk for all 30 sites of downstream partners. Water availability affects 29 sites at high to very high levels, while flooding impacts 28 sites.
- Landslides affect 27 sites at medium risk. Land, freshwater, and sea use change affects 24 sites at medium risk, while protected/conserved areas and key biodiversity areas predominantly fall in the medium-risk range, necessitating location-specific evaluation and biodiversity-sensitive planning.
- Forest canopy loss is assessed as low risk across all 30 sites. Soil condition, degraded ecosystem condition, pollination, invasives, and indigenous peoples and local communities register no material impact.

Upstream Value Chain (Critical Suppliers)

- All 14 critical suppliers face very high-risk exposures arising from pollution. Extreme heat affects 11 suppliers, and disease affects 10, reflecting systemic and compounding climate and environmental stress across the entire supply base.
- High-risk exposures are noted in water availability, air quality, flooding, and financial inequality across suppliers. Labour and human rights present additional material exposure, underscoring the urgent need for strengthened supply chain governance.
- In the medium-risk category, key areas include Landslides, Land, freshwater, and sea use change.
- Indicators such as soil condition, degraded ecosystem condition, and pollination show no material impact or dependency across assessed suppliers. While not presently significant risk drivers, robust environmental management and continuous monitoring remain essential to identifying emerging concerns at an early stage.

We intend to strengthen value chain engagement with high-risk upstream partners by sharing the outcomes of their WWF Risk Filter assessments, validating risk profiles, and conducting a gap-analysis to understand existing frameworks such as biodiversity policies, management plans, or equivalent biodiversity risk management measures in place. Engagement efforts will be prioritized for those high-risk suppliers that do not yet have such a structure.

Table 15: An Assessment Result of Biodiversity Risk Filter Showing Physical Risk for Critical Upstream Value Chain

Risk Level	Physical Risk																			
	Provisioning Services				Regulating & Supporting Services- Enabling					Regulating Services - Mitigating						Cultural Services	Pressures on Biodiversity			
	Water Availability	Forest Productivity & Distance to Markets	Limited Wild Flora & Fauna Availability	Limited Marine Fish Availability	Soil Condition	Water Condition	Air Condition	Ecosystem Condition	Pollination	Landslides	Wildfire Hazard	Plant/Forest/Aquatic Pests and Diseases	Herbicide Resistance	Extreme Heat	Tropical Cyclones	Natural & Cultural Resources	Land, Freshwater and Sea Use Change	Forest Canopy Loss	Invasives	Pollution
Very High	1	0	0	0	0	0	0	0	0	0	0	4	0	4	0	0	2	0	0	13
High	12	4	0	0	0	3	7	0	0	0	3	10	0	10	0	0	2	0	0	1
Medium	1	1	0	0	0	11	7	0	0	0	8	0	0	0	1	0	1	5	1	0
Low	0	0	0	0	0	0	0	0	0	14	3	0	0	0	2	0	9	0	4	0
Very Low	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0
NA (Not Applicable)	0	0	0	14	0	0	0	0	0	0	0	0	0	0	11	0	0	0	0	0
NR (No Risk)	0	9	14	0	14	0	0	14	14	0	0	0	14	0	0	14	0	0	9	0

Note: The values shown in the table above indicate the total number of suppliers

Table 16: An Assessment Result of Biodiversity Risk Filter Showing Reputational Risk for Critical Upstream Value Chain

Risk Level	Reputational Risk								
	Environmental Factors					Socioeconomic Factors			
	Protected/ Conserved Areas	Key Biodiversity Areas	Other Important Delineated Areas	Ecosystem Condition	Range Rarity	Indigenous Peoples (IPs); Local Communities (LCs) Lands and Territories	Resource Scarcity: Food- Water- Air	Labour/Human Rights	Financial Inequality
Very High	0	0	0	0	0	0	0	0	0
High	0	2	1	1	0	0	1	4	0
Medium	4	2	0	2	5	0	8	10	14
Low	10	10	4	4	4	0	5	0	0
Very Low	0	0	9	7	5	0	0	0	0
NA (Not Applicable)	0	0	0	0	0	0	0	0	0
NR (No Risk)	0	0	0	0	0	14	0	0	0

Note: The values shown in the table above indicate the total number of suppliers

Table 17: An Assessment Result of Biodiversity Risk Filter Showing Physical Risk for Critical Downstream Value Chain

Risk Level	Physical Risk																			
	Provisioning Services				Regulating & Supporting Services- Enabling					Regulating Services - Mitigating						Cultural Services	Pressures on Biodiversity			
	Water Availability	Forest Productivity & Distance to Markets	Limited Wild Flora & Fauna Availability	Limited Marine Fish Availability	Soil Condition	Water Condition	Air Condition	Ecosystem Condition	Pollination	Landslides	Wildfire Hazard	Plant/Forest/Aquatic Pests and Diseases	Herbicide Resistance	Extreme Heat	Tropical Cyclones	Natural & Cultural Resources	Land, Freshwater and Sea Use Change	Forest Canopy Loss	Invasives	Pollution
Very High	4	0	0	0	0	0	0	0	0	0	0	4	0	4	0	0	0	0	0	30
High	11	0	0	0	0	12	29	0	0	0	16	20	0	30	9	0	0	0	0	0
Medium	15	0	0	0	0	18	1	0	0	3	12	8	0	0	0	0	3	0	0	0
Low	0	0	0	0	0	0	0	0	0	27	2	2	0	0	7	0	22	0	0	0
Very Low	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	30	0	0
NA (Not Applicable)	0	0	0	30	0	0	0	0	0	0	0	0	0	0	14	0	0	0	30	0
NR (No Risk)	0	30	30	0	30	0	0	30	30	0	0	0	30	0	0	30	0	0	0	0

Note: The values shown in the table above indicate the total number of customers.

Table 18: An Assessment Result of Biodiversity Risk Filter Showing Reputational Risk for Critical Downstream Value Chain

Risk Level	Reputational Risk								
	Environmental Factors					Socioeconomic Factors			
	Protected/ Conserved Areas	Key Biodiversity Areas	Other Important Delineated Areas	Ecosystem Condition	Range Rarity	Indigenous Peoples (IPs); Local Communities (LCs) Lands and Territories	Resource Scarcity: Food- Water- Air	Labour/Human Rights	Financial Inequality
Very High	0	0	0	0	0	0	0	0	0
High	0	0	0	0	0	0	0	0	0
Medium	1	1	0	0	2	0	25	30	30
Low	29	18	12	7	8	0	5	0	0
Very Low	0	11	18	23	20	0	0	0	0
NA (Not Applicable)	0	0	0	0	0	0	0	0	0
NR (No Risk)	0	0	0	0	0	30	0	0	0

Note: The values shown in the table above indicate the total number of customers.

Scenario Model at Site Level

In response to evolving environmental challenges, we conducted a scenario analysis specifically for one of our business operations, the CLZS. This analysis aimed to model the risk and opportunities of freshwater ecosystem services on business operation. Informed by the results from ESR exercises and guided by the TNFD's recommended 2X2 Uncertainty Matrix on Ecosystem Degradation and Market and Non-market Forces, the analysis outlines the risks and opportunities associated with freshwater availability and scarcity over different timeframes.

The analysis revealed a spectrum of financial impacts ranging from minimal short-term disruptions to significant long-term challenges. Key findings emphasize the need for water efficiency improvements, and the integration of ecosystem services into operational strategies. In scenarios of moderate ecosystem degradation, the business model remains largely unaffected due to proactive water management efforts, including the use of the Gosunda Dam water. However, severe scenarios necessitate strategic investments in water conservation and infrastructure enhancements due to potential disruptions and policy challenges.



#1 Ahead of the game
(Moderate Degradation, High Alignment)

Business operation dependent on freshwater resources are supported by proactive management strategies such as investment in the Gosunda Dam. This ensures resilience amidst water scarcity and offers additional opportunities, like developing tourism attractions. Moderate degradation impacts the business minimally, though increasing demand may strain water resources over the long term.

#2 Go fast or go home
(Severe Degradation, High Alignment)

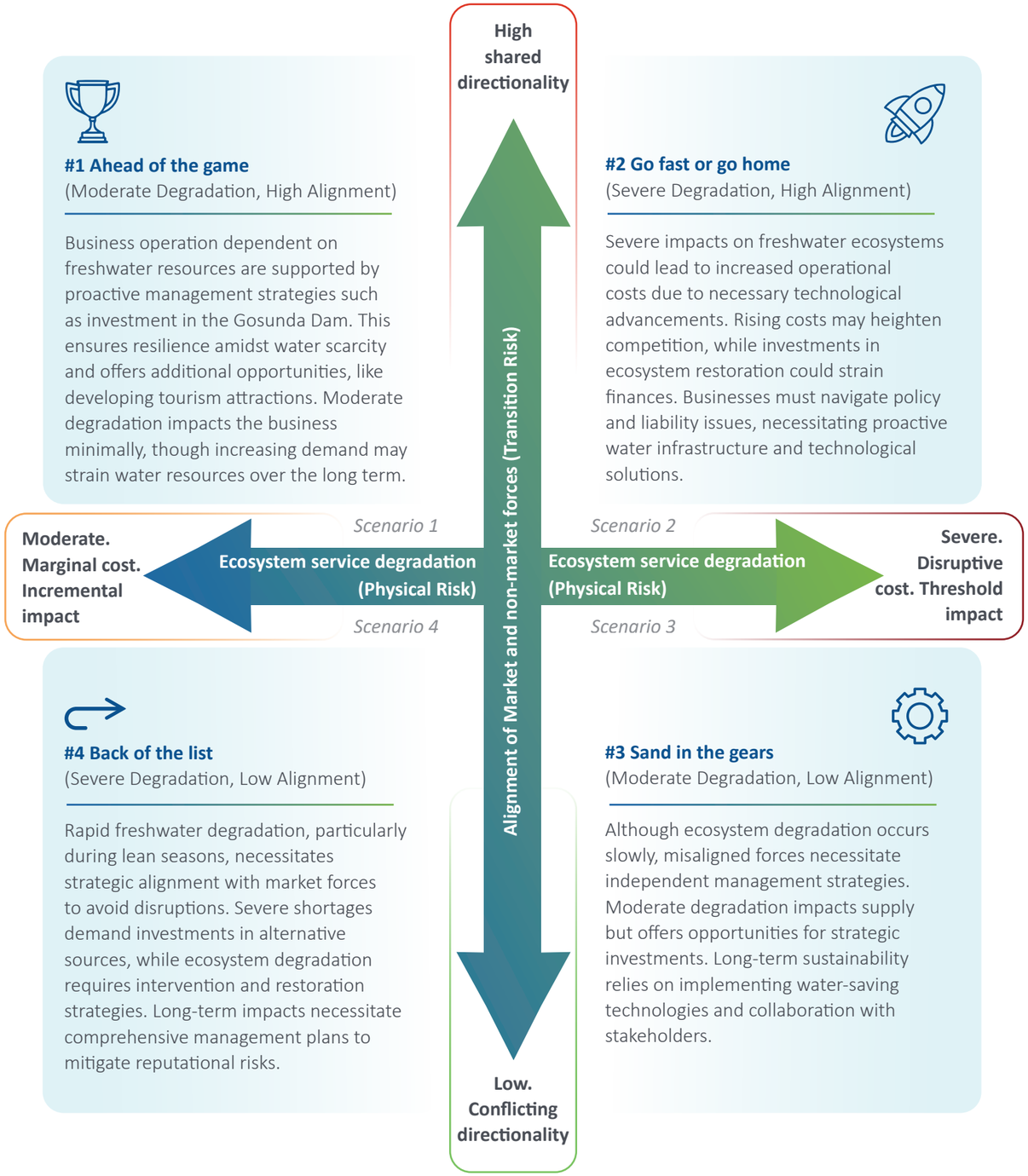
Severe impacts on freshwater ecosystems could lead to increased operational costs due to necessary technological advancements. Rising costs may heighten competition, while investments in ecosystem restoration could strain finances. Businesses must navigate policy and liability issues, necessitating proactive water infrastructure and technological solutions.

#4 Back of the list
(Severe Degradation, Low Alignment)

Rapid freshwater degradation, particularly during lean seasons, necessitates strategic alignment with market forces to avoid disruptions. Severe shortages demand investments in alternative sources, while ecosystem degradation requires intervention and restoration strategies. Long-term impacts necessitate comprehensive management plans to mitigate reputational risks.

#3 Sand in the gears
(Moderate Degradation, Low Alignment)

Although ecosystem degradation occurs slowly, misaligned forces necessitate independent management strategies. Moderate degradation impacts supply but offers opportunities for strategic investments. Long-term sustainability relies on implementing water-saving technologies and collaboration with stakeholders.



The insights gained from this scenario analysis equip HZL to enhance operational resilience and sustainability. We plan to implement strategic water efficiency measures and explore opportunities to generate additional revenue. Partnerships will be formed with local communities and stakeholders to optimize resource sharing and ecosystem management. Furthermore, the analysis supports our commitment to sustainable development by bolstering its ability to navigate environmental uncertainties and maintaining its reputation as an industry leader.

HZL Actions in Accordance with the Mitigation Hierarchy and SBTN's Action Framework (AR3T)

We are deeply committed to conserving biodiversity at our operations and beyond. Our strategy aims to ensure No-Net-Loss at our business operations and go for Net Positive Impact using each step of mitigation hierarchy and Science Based Targets Network's (SBTN) AR3T action framework.

To achieve these ambitious goals, we follow the comprehensive Biodiversity Policy and Biodiversity management standard which serves as a framework for our conservation initiatives. This policy outlines the principles and practices that guide HZL in our efforts to protect and enhance biodiversity.

In developing site-specific biodiversity management plans, we have partnered with the IUCN. This collaboration ensures that each plan is thorough and tailored to the unique ecological characteristics of the site. The plans encompass inventory of flora and fauna, the ecosystem services assessment, impact assessment, No-Net-Loss strategy and action plan. The management plans are built on the core concept of mitigation hierarchy. The steps taken by HZL are summarized and provided in the table below.

In addition to its focus on biodiversity, we have implemented a Water Management Policy designed to improve the efficiency of water use across our operations. This policy sets clear objectives for monitoring water withdrawal and consumption, ensuring that water use is sustainable and responsible.

Overall, our commitment to biodiversity and efficient water management reflects our broader dedication to sustainable development and environmental stewardship. We recognize the importance of balancing industrial activities with ecological preservation and work diligently to align our operations with these principles.

Outlined below are the actions we have implemented in line with the mitigation hierarchy and AR3T action framework.

Table 19: Our Actions Aligned to SBTN's AR3T Framework and Mitigation Hierarchy

Mitigation Level	Key Actions by HZL	Outcome / Impact
Avoid	• Avoidance of operations in World Heritage Sites, IUCN Category I–IV Protected Areas, legally designated protected areas, and Key Biodiversity Areas (KBAs), per our Biodiversity Policy.	• Prevents biodiversity loss in the highest-sensitivity areas; ensures compliance with international and national standards. • No operations are located in or near World Heritage Sites, IUCN Category I–IV Protected Areas, legally designated protected areas, and Key Biodiversity Areas.
Reduce / Minimize	To mitigate impacts on freshwater ecosystems and minimize related risks: • HZL has installed Zero Liquid Discharge systems at its direct operations. • In Udaipur, HZL commissioned a 60 MLD Sewage Treatment Plant (STP) through a public-private partnership. • Operations are conducted underground, which helps preserve the ground cover.	• Nearly 32% of total water withdrawal is now met with treated sewage water. • Increased water availability for communities due to reduced freshwater draw. • 1,105 Ha (11.05 km²) restored area against 1,929.9 Ha (19.30 km²) disturbed area.
Regenerate / Restore	• HZL maintains the necessary green belt areas at each site. • Jarofix Yard Restoration and Natural Forest Development at Chanderiya Lead-Zinc Smelter. • Green Zawar Initiative plantation by ZM at Rawa Village. • Miyawaki plantation at RDC, CLZS, ZSD, KYM for faster plant growth, denser plantation, and hence higher carbon sequestration. • Nursery development at RAM. • IUCN-partnered site-specific BMPs.	• Green belt cover exceeds 33% at all sites. • 22.25 Ha Jarofix Yard restoration is complete. • MoU signed for 250 Ha natural forest development at CLZS. • Green Zawar Initiative aims to plant over 50,000 saplings, 8000 of which have already been planted. • 32,500 saplings from 65 native species were planted using the Miyawaki method.



Mitigation Level	Key Actions by HZL	Outcome / Impact
Offset & Transform	HZL has adopted a comprehensive and strategic approach to biodiversity offsets, aiming to transform its operations and surrounding areas. The strategy involves: • Utilizing “Like for Like” and “Like for Better” concepts from the International Finance Corporation (IFC) Performance Standard 6 for biodiversity offsets. • Using satellite imagery and historical datasets to identify degraded habitats such as floodplains, grasslands, forest patches, wetlands, and deteriorating riverine environments for offsetting and transforming the surroundings of its operations. • Focusing on both natural and modified habitats with a commitment to surpassing the goals of achieving No-Net-Loss and a Net Positive Impact. • In executing these activities, HZL emphasises collaboration and stakeholder engagement, working closely with the forest department to develop site-specific wildlife conservation plans. • A range of CSR initiatives around environmental protection, resource conservation, and promotion of healthy and resilient ecosystems across neighbouring villages. • Additional transformative actions include investment in Bagghdarra Crocodile Reserve.	CSR initiative outcomes include: • 30 bighas of land covered under cluster plantation for pasture land at Rajsamand and Zawar to create sustainable habitat for local wildlife and livestock. • 50,000+ saplings planted to improve biodiversity and air quality. • INR 50 million committed towards Bagghdarra Crocodile Conservation Reserve in FY 2025-26.

06

Risk and Impact Management

Risk and Impact Management

Degradation of ecosystem health and ecosystem services can materially affect business continuity, operational resilience and long-term value creation. Hence, understanding nature-related issues becomes crucial for a company's continued operations thereby making it a material issue for investors and other relevant stakeholders. The risk and impact management section of this TNFD report aims at disclosing how we have identified, assessed, and managed nature related risk and how these are integrated into the enterprises risk management frameworks.

HZL leverages Enterprise Risk Management (ERM) framework to identify, assess, monitor, and respond to nature-related risks. The risk management framework is built on Risk Management Standard, Securities and Exchange Board of India (SEBI), ISO 31000 & COSO guidelines that delineates process of risk assessment, compilation of risk registers and associated action plans, mapping of events and its mitigation. Our risk management framework is well structured and allows us to identify, assess, categorize, address, and mitigate both positive opportunities and negative consequences associated with the business. These are regularly monitored, tracked, and reviewed through robust governance architecture with clearly defined roles and responsibilities across operational, management, and Board levels. Our risk management system is certified as per ISO 31000:2018.

HZL's Biodiversity & Nature-Related Risk Management Process

We have defined a path to understanding the risks and biodiversity management to our sites via our Double Materiality Assessment and thereby incorporating the same into the Enterprise Risk Management frameworks, basis the priority to business. To identify the prioritisation basis impact and dependency on nature, we follow this stage-wise process.

Stage 1: Biodiversity Risk Screening (LEAP-Locate)

HZL screens each site to determine its proximity to areas of biodiversity importance, corresponding to the Locate phase of the TNFD LEAP approach. Using IBAT, a database of globally recognized biodiversity information, which defines the biodiversity significance for mining operations, HZL maps the locations of important biodiversity areas, protected areas, and areas categorized by IUCN as significant for species of plants or animals and determines whether a site is in or near such an area. Based on the results, HZL determines the biodiversity risk category for our sites, which are as below:

- Low Risk: The site is located outside the 15 km radius of any important biodiversity area.

- Medium Risk: The site is located within the 5-15 km radius of any important biodiversity area.

- High Risk: The site is located within the 5 km radius of any important biodiversity area or critical habitat.

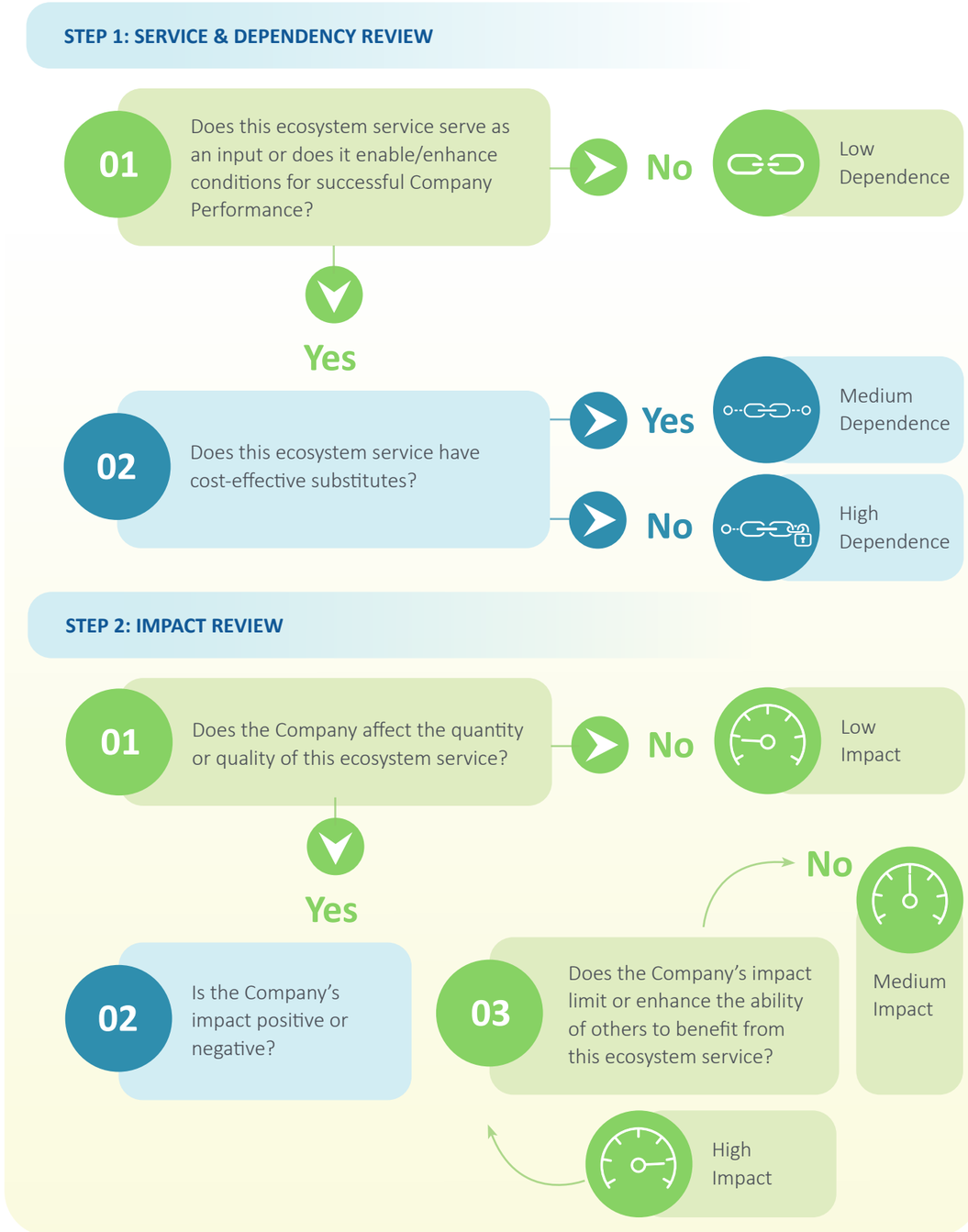
Stage 2: Ecosystem Services Review (LEAP-Evaluate)

Building on the Stage 1 results, HZL carries out comprehensive ecosystem services studies at all its sites, corresponding to the Evaluate phase of the TNFD LEAP approach. HZL applies the Ecosystem Services Review (ESR) methodology developed by the World Resource Institute (WRI) to evaluate its dependence and impact on more than 20 ecosystem services and identify the priority priority ecosystem services most likely to be a source of risk or opportunity for HZL.

HZL assesses its dependency on ecosystem services by addressing five key questions related to dependencies and impacts. This assessment covers our business operations and extends to a 10 km radius around these areas. The analysis considers components such as the operational area, manpower/employees for dependency, and the operational area, manpower, and nearby communities for impact mapping. The results highlight the dependencies and impacts for each business operation. The questions used to determine these dependencies and impacts are listed in the figure below:



Figure 5: The Ecosystem Service Line: A Route to Our Priorities



Stage 3: Biodiversity Risk Assessment (LEAP - Assess)

HZL conducts a biodiversity risk assessment using the biodiversity and ecosystem services data collected in Stage 2, applying WWF's Biodiversity Risk Filter and corresponding to the *Assess* phase of the TNFD LEAP approach. This gives a more granular, impact-based rating, expressed on a four-tier scale (Critical, High, Medium, Low), providing more detailed and site-specific biodiversity risk information. Through this assessment, HZL identifies potential risks to biodiversity and categorizes them into one of four categories: Critical, High, Medium, Low. HZL conducted a comprehensive four-season biodiversity assessment at all its operating sites with IUCN.

HZL evaluates nature-related risks based on the potential threats it faces from its dependencies and impacts on nature, categorizing them into physical risks and transition risks, a classification of risk type applied alongside, not in place of, the severity ratings from Stages 1 and 3 above. The description is provided below.

Table 20: Physical Risks and Transition Risk Assessment

Category		Description
Physical Risk	**Acute**	Occurrence of short-term, specific events that change the state of nature.
	Chronic	Gradual changes to the state of nature. For example, pollution stemming from pesticide use or climate change.
Transition Risk	**Policy**	Changes in the policy context are due to new (or enforcement of existing) policies to create positive impacts on nature or mitigate negative impacts on nature.
	Market	Changing dynamics in overall markets, including changes in consumer preferences, which arise from changing physical, regulatory, technological and reputational conditions and stakeholder dynamics.
	Technology	Substitution of products or services with a reduced impact on nature and/or reduced dependency on nature.
	Reputational	Changes in perception concerning our actual or perceived nature impacts, including at the local, economic and societal level. This can result from direct company impacts, industry impacts and/ or impacts of activities upstream and/ or downstream in a value chain.
	Liability	Liability risks arise directly or indirectly from legal claims. As laws, regulations and case law related to our preparedness for nature action evolves, the incident or probability of contingent liabilities arising from an organisation may increase.

Identifying HZL's Nature-related Opportunities:

HZL identifies nature-related opportunities based on activities it can undertake to create positive outcomes for nature or mitigate negative impacts on nature, particularly those that improve sustainability performance, described below.

Table 21: Nature-related Opportunities Assessment

Category		Description
Sustainability performance	**Sustainable use of natural resources**	Substitution of natural resources by recycled, regenerative, renewable and/or ethically and responsibly sourced organic inputs.
	Ecosystem protection, restoration and regeneration	Activities that support the protection, regeneration or restoration of habitats and ecosystems, including areas both within and outside our direct control.

Stage 4: Development of Biodiversity Management Plan (LEAP – Prepare, indicators P1-P4)

HZL develops a Biodiversity Management Plan (BMP), a single document that covers existing EIA compliance (i.e. Physical Environment) and guides management on initiatives towards Biological Socio-Economic Environment, corresponding to the Prepare phase of the TNFD LEAP approach. Using the results of the Stage 3 biodiversity impact and risk assessment, HZL developed a mitigation hierarchy table detailing activities to Avoid, Minimize, Restore and Offset as per the No-Net-Loss (NNL) approach using 2020 as the base year.

Biodiversity Mitigation and Management Plans give priority to biodiversity protection/restoration and enhancement targets, including those related to supporting ecosystem components (e.g. air, water, soil/landscape) targets. Key aspects covered in the BMP are:

- Biodiversity opportunities with targets.
- Identification of habitats, and categorization of impacts with mitigation measures,
- Specific impact mitigation measures related to species or habitat enhancement,
- Monitoring programmes to assess progress and management effectiveness; and
- Details on how to implement, e.g. assign roles and responsibilities, Annual Action Plan, Budget, Schedules, initiate Monitoring, Adaptive Management and continuous improvement cycle.

Table 22: HZL's Biodiversity Assessment Aspects & Scope

Aspects	No. of HZL Sites	Areas (Ha)
Overall	9	7,476
Assessment	9	7,476
Exposure	0	0
Management Plans for Areas with Exposure	0	0



07
Metrics and Targets

Metrics and Targets

We are at the forefront of initiatives aimed at enhancing the sustainability of our operations. We are dedicated to integrating sustainability into our core practices by setting ambitious targets across key environmental domains: climate change, water stewardship, circular economy and biodiversity conservation. These targets guide our efforts to not only minimize our impact on nature but also to improve the natural environment surrounding our operations. Additionally, we are committed to aligning our initiatives with the United Nations Sustainable Development Goals (SDGs), demonstrating our dedication to advancing global sustainability and fostering a harmonious relationship with the planet.



Nature-related Targets and Goals

HZL has established targets across three nature realms atmosphere, freshwater and land to manage nature-related dependencies, impacts, risks and opportunities. Using a 2020 baseline, we are also targeting approximately 315 Ha of habitat offset to support our No-Net-Loss commitment for changes within our leased areas. Progress against these targets is presented in the tables below.

Table 23: HZL's Nature-related Goals & Targets

Nature Realms		
GOAL 2030		
Climate Change Scope 1 & 2 reduction by 50% by 2030 and Scope 3 emission reduction by 25% by 2030. **Supply Chain** 100% active business partner evaluation on ESG & Risk Management and transition to greener fuels for advancing in scope 3 emission reduction.	**Water Stewardship** Achieve 50% reduction in freshwater consumption in operations. Secure 100% low-quality water for smelting operations. Engage with supply chain partners to assess and manage water footprint in water-stressed areas.	**Circular Economy** Achieve nearly to zero waste to landfill by diverting all smelting process waste away from landfill through reuse, recycling and recovery. **Biodiversity Conservation** Achieve No-Net-Loss of biodiversity at all mine sites by closure through applying mitigation hierarchy against a 2020 baseline. **Tailings Management** Strengthening our alignment with the GISTM.
GOAL 2050		
Climate Change Achieve Net Zero emissions by 2050.	–	**Biodiversity Conservation** No gross deforestation in protected areas and strive to achieve no net deforestation in operating sites by 2050 against the baseline of 2020.

Metrics to Assess and Manage Dependencies and Impacts on Nature

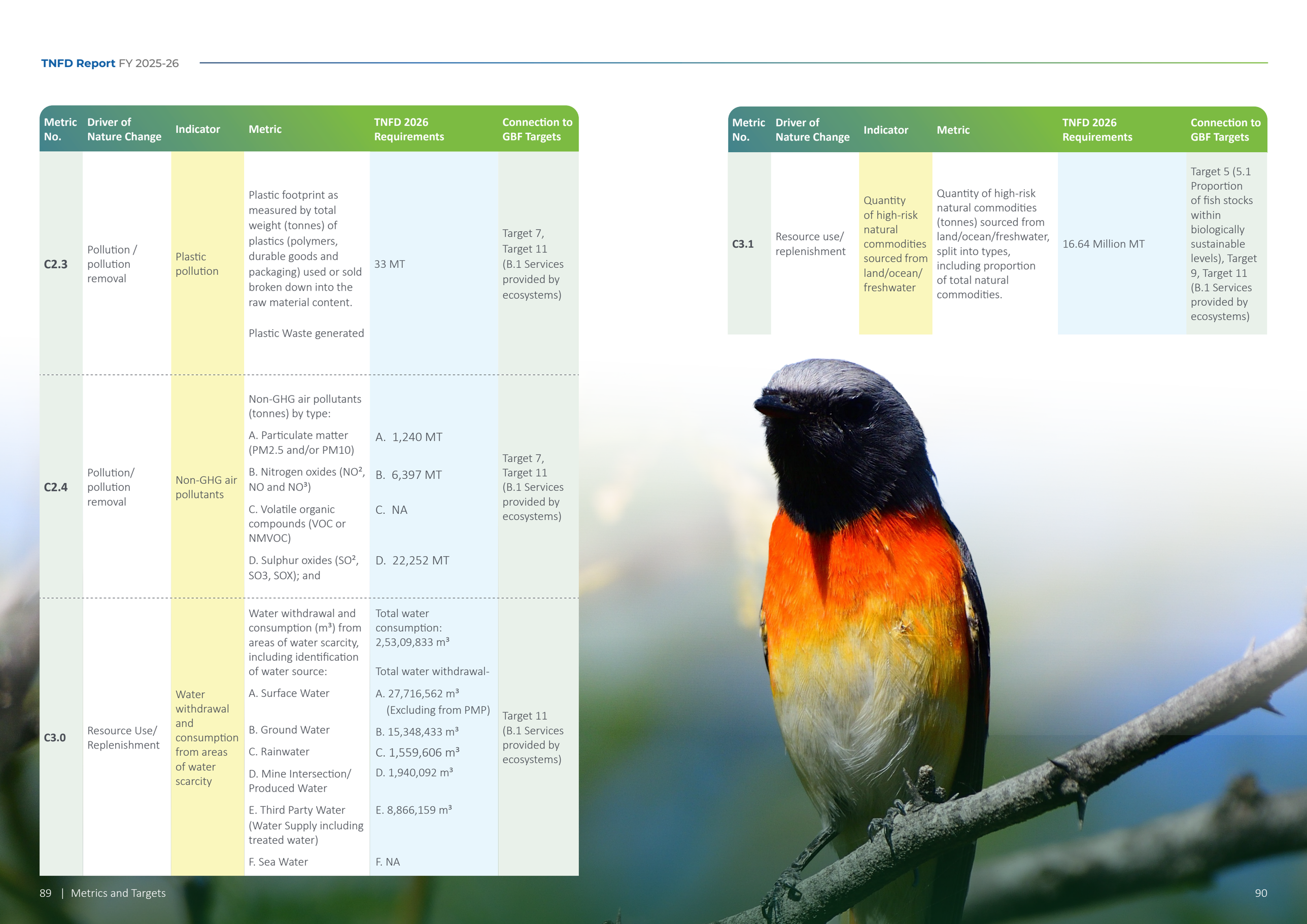
Table 24: Our Disclosure Data against TNFD Core Global Disclosure Indicators & Metrics

Metric No.	Driver of Nature Change	Indicator	Metric	TNFD 2026 Requirements	Connection to GBF Targets
C1.0	Climate change	GHG emissions	Absolute GHG Emissions: Scope 1, 2 & 3 as per ISSB's IFRS-S2 requirements	Scope 1: 4.78 Million $MTCO_2e$ Scope 2: 0.24 Million $MTCO_2e$ Scope 3: 1.47 Million MT CO_2e	Target 7
		Total spatial Footprint (km^2)	Total surface area controlled/ managed by us, where we have control (km^2)	74.76 km^2 (7,476 Ha) (This number has been reinstated since only mine lease area was considered)	(A.2 Extent of natural ecosystems), Target 2, Target 5, Target 11 (B.1 Services provided by ecosystems)
			A. Total disturbed area (km^2) B. Total rehabilitated/ restored area (km^2)	A. 1,929.9 Ha (19.30 km^2) B. 1,105 Ha (11.05 km^2)	
C1.1	Land/ freshwater/ ocean-use change	Extent of land/ freshwater/ ocean-use change	Extent of land/ freshwater/ ocean ecosystem use change (km^2) by: A. Type of ecosystem B. Type of business activity.	Debari & Zawar Mine: Natural Forest Other Operational Sites: Modified Forest	Target 1 (A.2 Extent of natural ecosystems), Target 2, Target 5, Target 11 (B.1 Services provided by ecosystems)
			Extent of land/ freshwater/ ocean ecosystem conserved or restored (km^2), split into:	1,105 Ha (11.05 km^2) In FY 2025-26, 1,13,500 trees planted. Total trees planted: 0.85 million	

*IUCN Global Ecosystem Typology 2.0 https://portals.iucn.org/library/sites/library/files/documents/2020-037-En.pdf

Metric No.	Driver of Nature Change	Indicator	Metric	TNFD 2026 Requirements	Connection to GBF Targets
C2.1	Pollution/ pollution removal	Wastewater discharged	Volume of water discharged (m^3), split into: A. Total B. Freshwater C. Other (Freshwater: (≤1,000 mg/L Total Dissolved Solids). Other: (>1,000 mg/L Total Dissolved Solids). Reference: GRI (2018) GRI 303-4 Water discharge) D. Concentrations of key pollutants in the wastewater discharged, (by type of pollutant, referring to sector-specific guidance for types of pollutants) E. Temperature of water discharged (where relevant)	Maintaining Zero Liquid Discharge across all sites	Target 7 (7.1 Index of coastal eutrophication potential), Target 11 (B.1 Services provided by ecosystems)
C2.2	Pollution/ pollution removal	Waste generation and disposal	Weight of hazardous and non-hazardous waste generated by type (tonnes), referring to sector-specific guidance for types of waste. Weight of hazardous and non-hazardous waste (tonnes), disposed of, split into: A. Waste incinerated (with and without energy recovery); B. Waste sent to landfill; and C. Other disposal methods Weight of hazardous and non-hazardous waste (tonnes), diverted from landfill, split into waste: A. Reused; B. Recycled; and C. Other recovery operations	Total waste generated (hazardous and non-hazardous) 20.49 Million MT A. 0.000025 Million MT B. 14.48 Million MT C. 0.001366 Million MT A. 6.60 Million MT B. 0.204 Million MT C. 0.002972 Million MT	Target 7, Target 11 (B.1 Services provided by ecosystems)

Metric No.	Driver of Nature Change	Indicator	Metric	TNFD 2026 Requirements	Connection to GBF Targets
C2.3	Pollution / pollution removal	Plastic pollution	Plastic footprint as measured by total weight (tonnes) of plastics (polymers, durable goods and packaging) used or sold broken down into the raw material content. Plastic Waste generated	33 MT	Target 7, Target 11 (B.1 Services provided by ecosystems)
C2.4	Pollution/ pollution removal	Non-GHG air pollutants	Non-GHG air pollutants (tonnes) by type: A. Particulate matter (PM2.5 and/or PM10) B. Nitrogen oxides (NO^2, NO and NO^3) C. Volatile organic compounds (VOC or NMVOC) D. Sulphur oxides (SO^2, SO3, SOX); and	A. 1,240 MT B. 6,397 MT C. NA D. 22,252 MT	Target 7, Target 11 (B.1 Services provided by ecosystems)
C3.0	Resource Use/ Replenishment	Water withdrawal and consumption from areas of water scarcity	Water withdrawal and consumption (m^3) from areas of water scarcity, including identification of water source: A. Surface Water B. Ground Water C. Rainwater D. Mine Intersection/ Produced Water E. Third Party Water (Water Supply including treated water) F. Sea Water	Total water consumption: 2,53,09,833 m^3 Total water withdrawal- A. 27,716,562 m^3 (Excluding from PMP) B. 15,348,433 m^3 C. 1,559,606 m^3 D. 1,940,092 m^3 E. 8,866,159 m^3 F. NA	Target 11 (B.1 Services provided by ecosystems)
C3.1	Resource use/ replenishment	Quantity of high-risk natural commodities sourced from land/ocean/ freshwater	Quantity of high-risk natural commodities (tonnes) sourced from land/ocean/freshwater, split into types, including proportion of total natural commodities.	16.64 Million MT	Target 5 (5.1 Proportion of fish stocks within biologically sustainable levels), Target 9, Target 11 (B.1 Services provided by ecosystems)



08
Way Forward

Way Forward

We remain committed to accelerating our efforts to protect, conserve and restore biodiversity and natural ecosystems across our operations, value chain and surrounding landscapes, contributing to the global ambition of halting and reversing biodiversity loss. In alignment with our Nature Commitment and the principles of responsible mining, we aim to achieve NNL of biodiversity across our operations by mine closure and progressively work towards delivering a NPI, supporting nature-positive outcomes over the long term.

As a mining & metals company, we recognize that our activities interact with biodiversity & ecosystem services throughout the project lifecycle, from exploration and operation to closure and rehabilitation. We remain committed to integrating biodiversity considerations into our business planning, risk management, and decision-making processes, while complying with applicable local, national, and international regulations and aligning with globally recognized frameworks and voluntary standards.

Building on the TNFD-aligned assessment undertaken in 2025, we have strengthened our understanding of nature-related impacts, dependencies, risks, and opportunities through the development of site-specific BMPs and value chain assessments. These efforts support our broader objectives of avoiding and minimizing biodiversity impacts, restoring degraded ecosystems, managing invasive species, strengthening freshwater and grassland ecosystems, and advancing biodiversity offset and conservation initiatives where appropriate.

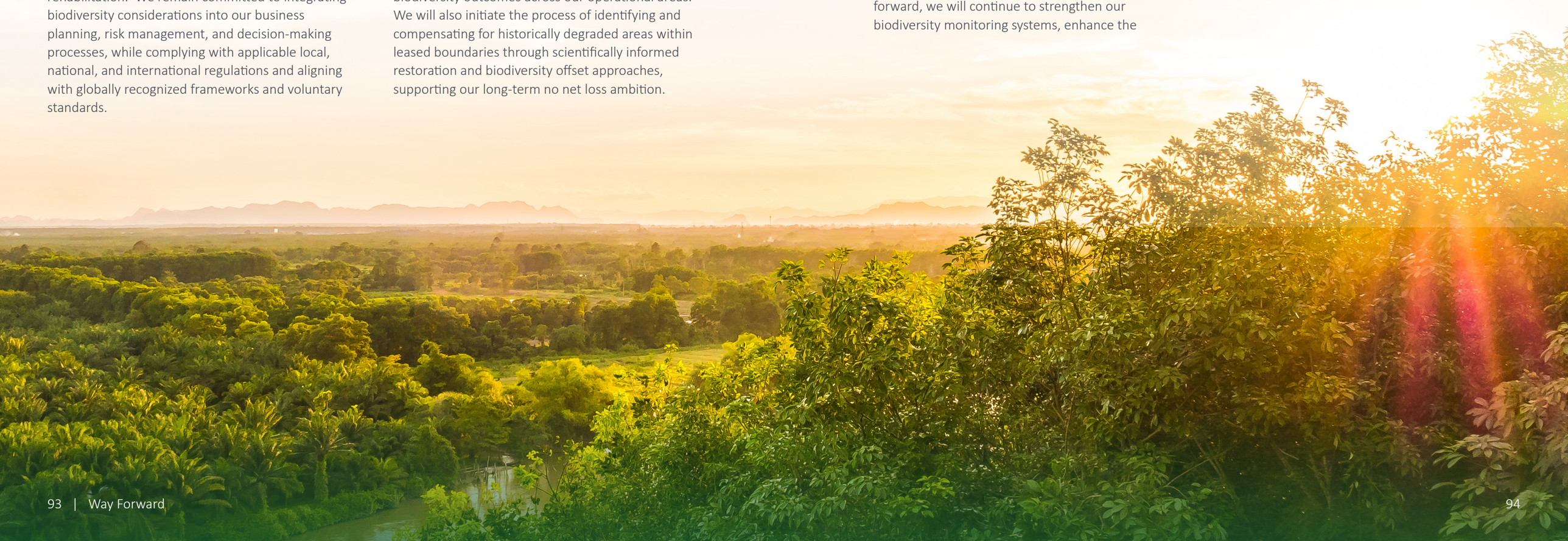
Over the coming years, we will focus on implementing recommendations emerging from site-specific BMP to improve habitat quality, strengthen ecological connectivity and enhance biodiversity outcomes across our operational areas. We will also initiate the process of identifying and compensating for historically degraded areas within leased boundaries through scientifically informed restoration and biodiversity offset approaches, supporting our long-term no net loss ambition.

Concurrently, our efforts to restore degraded habitats, manage invasive species, and strengthen conservation measures for ecologically sensitive areas and species will continue both within and beyond operational boundaries through collaborative landscape-level interventions.

Recognizing that nature-related risks and opportunities extend beyond our direct operations, we will further strengthen our value chain approach by completing location-specific nature risk assessments for downstream entities identified as high and very high risk. Insights from these assessments will inform our future engagement strategies and actions aimed at improving biodiversity performance and resilience across the value chain.

We also recognize the importance of collaboration, transparency, and data-driven decision-making in achieving nature-positive outcomes. Going forward, we will continue to strengthen our biodiversity monitoring systems, enhance the quality and accessibility of biodiversity-related data, and progressively improve our TNFD-aligned disclosures. We will seek opportunities to contribute to broader conservation and knowledge-sharing initiatives, while engaging with stakeholders to support science-based approaches for measuring and reporting progress on biodiversity and ecosystem health.

Progress on our BMP implementation, restoration initiatives, biodiversity offsets, invasive species management, and landscape-level conservation efforts will also be transparently reported as part of our ongoing commitment to accountability, continuous improvement, and a nature-positive future.



09

Annexure

Annexure

Table 25: Our Alignment with LEAP Approach

	LEAP indicators	HZL's Approach
LOCATE (Stage 1: Biodiversity Risk Screening; covers indicators L1-L4 below)	L1. Span of the business model and value chain	Our comprehensive assessment covers all elements, including our direct operations, as well as the upstream supply chain with 14 Critical Raw Material Suppliers and the downstream value chain involving 18 Critical Customers.
	L2. Dependency and impact screening	ENCORE tool ratings for Mining, Metal Processing and Diversified Metals are used for Dependency and Impact screening.
	L3. Interface with nature	The Biomes presence at all the operational sites are mapped as per IUCN Biomes Typology.
	L4. Interface with sensitive locations	None of the sites fall within proximity of areas of high biodiversity importance. 8 sites in Rajasthan fall under Water Stress. We have BMPs for all the sites and revised them recently in FY 2024-25.
EVALUATE (Stage 2: Ecosystem Services Review; covers indicators E1-E4 below)	E1. Identification of environmental assets and ecosystem services	Ecosystem services mapping and review are conducted at each direct operational site to identify environmental assets and ecosystem services. This process involves direct collaboration with operational units utilizing WRI's Ecosystem Services Review tool.
	E2. Identification of dependencies and impacts (Business Sectors)	Identification of dependency and impact of company's business sector are done using ENCORE tool and Biodiversity Risk Filter.
	E3. Dependency and Impact analysis (size and scale)	WRI's Ecosystem Services Review tool is used for dependency and Impact analysis for each site on the ecosystem service. Both size and scale of dependency and impact are identified, and ranking is done.
	E4. Impact Materiality Assessment	We have considered the impacts on our operations, employees and local communities as material impacts for identifying risks and opportunities.
ASSESS (Stage 3: Biodiversity Risk Assessment; covers indicators A1-A4 below)	A1. Risk and Opportunity Identification	The risk and opportunities corresponding to the impact and dependencies are identified for all the sites. Also, the risk assessment was done for all the critical suppliers & Customers using WWF's Biodiversity Risk Filter.
	A2. Adjustment of existing risk mitigation and risk and opportunity management	We have a well-established framework for assessing and managing biodiversity risks. Initially developed in 2014, our site-specific Biodiversity Management Plans were updated in 2024 to reflect current conditions. We also use the World Resources Institute's Ecosystem Services Review (ESR) tool to evaluate impacts, dependencies, risks, and opportunities at each site. This tool helps assess ground-level conditions and identify specific risks and opportunities related to nature and biodiversity.
	A3. Risk and opportunity measurement and prioritisation	The risk and opportunity identified by LEAP assessment have been integrated in the revised site-specific biodiversity management plans of all priority sites. The Biodiversity Management Plans have the prioritization of risks and corresponding actions required to restore habitat and achieve No-Net-Loss.
	A4. Risk and opportunity materiality assessment	We have considered all medium and high impact and bio dependency-related risks as material risks and opportunities.
PREPARE (Stage 4: Development of Biodiversity Management Plan; covers indicators P1-P4 below)	P1. Strategy and resource allocation	The risks and opportunity management strategy and resources allocations have been included in the Biodiversity Management Plans for each site.
	P2. Target setting and performance management	We have adopted targets for 2030 for 3 Nature Realms (Land, Water and Atmosphere). Also, we have adopted the TNFD core global disclosure indicators and Metrics for reporting and monitoring our performance. By taking these actions, we aim to align ourselves for ICMM Nature Position Statement requirements.
	P3. Reporting	We have reported the assessment results as part of "Strategy" and "Metrics & Targets" sections of the TNFD report.
	P4: Presentation	We shall continue to disclose Nature-related risks and opportunities using TNFD recommendation in coming years as well.

The screening result of Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool reveal that:

- Mining operations have a high dependency on water resources (surface and groundwater), water flow maintenance, and climate regulation, with a medium dependency on erosion control.
- Metal processing has a medium dependency on water resources (surface and groundwater) and water flow maintenance, with very low dependency on climate regulation and mass stabilization and erosion control.
- There is a very high impact on water and terrestrial ecosystem use, and a high impact on GHG and non-GHG emissions, as well as water and soil pollutants.
- The metal and mining sector demonstrates a high dependency on key provisioning and regulating ecosystem services, particularly water availability, forest productivity, and exposure to climate-related hazards such as extreme heat, flooding, and tropical cyclones, indicating significant operational sensitivity to environmental conditions.
- The sector also faces elevated reputational and regulatory risks driven by biodiversity loss factors, resource scarcity, and labor/human rights considerations, requiring strengthened governance, monitoring frameworks, and alignment with environmental regulations and stakeholder expectations.
- The metal and mining sector exhibits a high impact on biodiversity and natural ecosystems, including land, freshwater, and sea use change, pollution, and pressures on protected/ conserved areas, key biodiversity areas, and ecosystem condition, highlighting substantial ecological footprint across operational sites.

The screening results demonstrate the extent of the metal and mining sector's dependencies and impacts on environmental factors. However, HZL seeks to manage or reduces these dependencies and impacts through our approach to managing nature-related issues at the site or operational level. The assessment results of dependencies, impacts, risks, and opportunities at the site level (direct operations) are provided in the section below.



Assurance Statement

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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECT NONFINANCIAL INDICATORS CONTAINED IN Hindustan Zinc Limited's TNFD REPORT

The Management and Board of Directors
Hindustan Zinc Limited
Yashad Bhavan,
Udaipur - 313004
Rajasthan, India

Scope
We have been engaged by Hindustan Zinc Limited (hereafter "Hindustan Zinc") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements 3000 (Revised), here after referred to as the engagement, to report on select non-financial indicators as per Annexure 1 (the "Subject Matter") contained in Hindustan Zinc's (the "Company's") TNFD Report **as of September 29, 2026 for the year ended March 31, 2026 and for the period from April 01, 2025 to March 31, 2026** (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Hindustan Zinc
In preparing the **Subject Matter**, Hindustan Zinc applied the "Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations" (the "Criteria"). As a result, the Subject Matter information may not be suitable for another purpose.

Hindustan Zinc's responsibilities
Hindustan Zinc's management is responsible for selecting the Criteria, and for presenting the **Subject Matter** in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with Hindustan Zinc on February 2, 2026.Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our

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We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.
Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the **Subject Matter** and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Assessing the suitability of the criteria used by the entity in preparing the subject matter
- Conducting interview of select representatives of Company's management to understand the reporting process, including management's processes to identify Hindustan Zinc's material nature-related risks and opportunities;
- Obtaining an understanding of the control environment, processes and information systems relevant to the preparation of the information subject to limited assurance, but did not evaluate the design of particular control activities or test their operating effectiveness;
- Inspecting, at selected sites, a limited number of samples as appropriate to check the accuracy of the data:
  - Chanderia Lead Zinc Smelter
  - Dariba Smelting Complex
  - Zawar Mines
  - Rampura Agucha Mine
  - Rajpura Dariba Mine
  - Sindesar Khurd Mine
  - Kayad Mine
  - Debari Zinc Smelter
  - Pantnagar Metal Plant
  - Head Office, Udaipur
- Conducting analytical procedures, as appropriate; and made inquiries of management to obtain explanations for any differences we identified

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Evaluating the overall presentation of the subject matter to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the entity's operations.

We also performed such other procedures as we considered necessary in the circumstances.

Other Information

The Company's management is responsible for the other information. The other information comprises the information included within the TNFD Report other than Subject Matter and our independent assurance report dated September 29, 2026, thereon.

Our conclusion on the Subject Matter does not cover the other information and we do not express any form of assurance thereon. In connection with our assurance engagement of the Subject Matter, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Exclusions

Data and information outside the defined reporting period: April 01, 2025 – March 31, 2026;
Data and information on economic and financial performance of the Company;
Data, statements and claims already available in the public domain through Annual Report, or other sources;
The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention;
The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to **the Subject Matter as of September 29,2026 for the year ended** March 31,2026 and **for the period from** April 01,2025 to March 31,2026, in order for it to be in accordance with the Criteria.

Intended use or purpose

This report has been prepared in accordance with the terms of our engagement solely for the management and Board of Directors of the Company in connection with the Subject Matter described in this report and to enable the Company to publish the report as part of its sustainability disclosures, including on its website. The Subject Matter and this report are intended for users who have a reasonable understanding of the applicable Reporting Criteria and recognise that the Subject Matter has been prepared and assured having regard to appropriate levels of materiality. To the fullest extent permitted by law, we do not accept or

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assume any responsibility for any reliance on this assurance report to any persons other than the management and the Board of Directors of the Company, or for any other purpose other than that for which it was prepared.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
Firm's Registration No.: 301003E/E300005

Amit Chugh
Partner
Membership No.: 505224
UDIN: 26505224SXNOIW7838
Place of Signature: Gurugram
Date: September 29, 2026

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Annexure-1

Metric	Indicator
C1.0	Total surface area controlled/managed by the organisation, where the organisation has control (km^2); Total disturbed area (km^2); Total rehabilitated/restored area (km^2).
C2.1	Volume of water discharged (m^3), split into: • Total; • Freshwater; • Other; Concentrations of key pollutants in the wastewater discharged, by type of pollutant, referring to sector-specific guidance for types of pollutants; and • Temperature of water discharged, where relevant
C2.2	Weight of hazardous and non-hazardous waste generated (Million Metric Ton) Weight of hazardous and non-hazardous waste (Million Metric Ton) disposed of, split into: • Waste incinerated (with and without energy recovery); • Waste sent to landfill; and • Other disposal methods.
C2.3	Plastic footprint as measured by total weight (Metric tonnes)
C2.4	Non-GHG air pollutants (NOx, SOx and PM) (Metric Ton)
C3.0	Water withdrawal (surface water) and total water consumption (m^3) from areas of water scarcity

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