

## Hindustan Zinc Ltd.

### Guiding Tax Principles, Tax Strategy and Tax Approach

Hindustan Zinc Ltd. has laid down the following nine guiding tax principles, which underpin the way it operates.

#### Guiding Tax Principles

**1. Trust**

To maintain high standards of integrity with respect to tax compliance and reporting.

**2. Compliance**

To observe all applicable laws, rules and regulations including Transfer Pricing and to meet all tax compliance requirements in a timely manner.

**3. Transparency**

To proactively disclose detailed information about the overall tax contribution of the company to the government.

**4. Economic Substance**

To undertake only those transactions whose outcomes are consistent with their underlying economic consequences, including tax structures with commercial substance.

**5. Process & Controls**

Ensuring meticulous documentation of transactions and tax positions with diligent professional care and judgement, making decisions at the highest level and backing them with robust evidence.

**6. Engagement With Regulators**

Working positively, proactively and transparently with tax authorities to minimize the extent of disputes, achieve early agreement on any disputed issues when they arise, and achieve certainty wherever possible.

**7. Risk Management**

To identify tax risks in a consistent and formal manner and communicate these where appropriate to the Audit & Risk Management Committee and the Board.

**8. Proactive Consultation**

To actively participate in tax policy consultation processes where appropriate.

**9. People Progress**

To develop our people through training, experience and opportunities.

## **Tax Strategy**

Hindustan Zinc's tax strategy is aligned with the Code of Conduct as well as globally accepted guidance on best practices and good governance. Our tax strategy is guided by our tax policy, which is periodically reviewed and approved by the Board of Directors. Its primary focus is a commitment to compliance, in letter and spirit, with the tax laws and regulations of the country and the states in which the company operates. At the same time, it is committed to conducting all related party transactions on an arm's length principles and not adopting any tax structures without commercial substance. In summary, our strategy is based on the following three pillars:

### **✚ Accountability & Governance:**

Tax is one of our key focus areas in the domain of corporate governance. Our tax principles and strategy are determined by the CFO and presented annually to the Whole-time Director of the company as a representative of the Board of Directors.

We also require all our employees, tax advisers and suppliers of tax services to act with integrity and maintain the highest ethical standards.

We periodically review emerging tax risks which may arise in view of multiple disruptions in business and economy including regulatory, social, political and technological changes. We have set up procedures in relation to tax risk management and carry out periodic risk assessments. We attempt to mitigate tax risks by taking strong technical positions in accordance with applicable laws and are supported by adequate documentation. Material tax risks or disputes are reported to Audit and Risk Management Committee for its consideration.

### **✚ Business Structure**

Our long-term business philosophy is to avoid undue tax risks and any inefficiencies in the implementation of business decisions. We are committed to paying tax in the jurisdiction in which value is created and not to use tax havens for tax avoidance or transfer value created to low tax jurisdictions. We are committed not to use tax structures without commercial substances and undertake all transactions with related parties on the basis of the arm's length principle.

### **✚ Seeking & Accepting Tax Incentives**

Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks and aligned with our commercial structures.

## Our Tax Approach

### **Approach to Tax Transparency**

Our Core Values include integrity, which places the utmost importance on engaging ethically and transparently with all stakeholders and taking accountability for all actions, including tax decisions. Our Code of Conduct further states that we will promote full, fair, accurate, timely and understandable disclosure in reports and documents.

This report is a part of our voluntary initiative to be at the forefront of transparent disclosures and to demonstrate our agility in tax reporting and focus on maintaining high standards in disclosures. We aim to be accountable towards our stakeholders and are committed to long-term sustainable value creation for our stakeholders, including government and society at large. The report also provides our stakeholders with detailed information about the economic contribution of Hindustan Zinc to the local, state and central governments.

Hindustan Zinc supports the Extractive Industries Transparency Initiative's (EITI) principles on beneficial ownership transparency. In line with EITI requirements and Indian regulatory mandates, we publicly disclose our ownership structure and remain committed to enhance transparency and accountability in the extractive sector.

Disclosures made in this report are on a consolidated basis which covers all the operating locations of the Company, including its subsidiaries. Hindustan Zinc also has a Joint Venture named 'Madanpur South Coal Company Limited' (Madanpur JV), a Company incorporated in India. In this regard, appropriate disclosures have been made in the Annual Report of the company.

### **Approach to Tax Compliance**

Our Code of Conduct lays down that we will promote compliance with applicable government laws, rules and regulations.

At Hindustan Zinc, we conduct our tax affairs in an open, transparent and honest manner and strive to achieve conformity to all applicable tax laws. We maintain the highest standards of integrity with respect to tax compliance and reporting. We have built systems, processes and controls to enable the company to fulfil its tax compliance obligations in a timely and accurate manner. Our processes include a compliance calendar to monitor these compliances, with a strong focus on documentation. We believe that timely compliance with all tax regulations wherever we operate, timely payment of all taxes, and appropriate tax provisioning in our financial statements are important aspects of our transparency obligations to all stakeholders and to the communities in which we operate.

Our in-house tax team undergoes regular training to keep them abreast of tax updates. We encourage collaboration with advisors on tax matters as well as to update and address industry-specific concerns and positions being adopted. We strive to align our tax behavior with our corporate values while working professionally and ethically.

### **Approach to Tax Disputes**

Our Code of Conduct lays down that we will promote honest and ethical conduct, even while handling conflicts of interest between personal and professional relationships. Honoring the Code, we maintain open, transparent and cooperative relationships in all our dealings with tax authorities, based on mutual trust.

If a dispute arises with the tax authority regarding a position taken by the company, we seek to resolve this based on factual and legal analysis. If we continue to disagree, the decision to litigate is assessed on the basis of technical merits and judicial precedents, reputational issues, cash flow implications, industry position and cost-benefit analysis.

In case of any regulatory or tax related changes, the company actively participates in the tax authority's formal consultation processes on matters having material impact on the company. We work with Industry chambers wherever possible to contribute to development of tax laws and policies.

### **Approach to Tax Technology**

At Hindustan Zinc, we lead the way in innovation, embracing emerging technologies long before they become mainstream. Our proactive adoption of cutting-edge tax technologies reflects a strategic commitment to elevating efficiency and compliance. By integrating state-of-the-art tax solutions, we streamline processes and optimize our tax strategies, setting the stage for sustainable growth and securing a competitive edge.

As part of our continuous evolution, we are actively exploring the potential use of Artificial Intelligence and advanced analytics in the tax function. We are assessing opportunities to leverage these technologies to enhance automation, improve accuracy and enable more insightful decision-making in the future. Our forward-looking approach not only anticipates future trends but also supports our mission of operational excellence and leadership in the industry.

**Date: 22 May 2026**



**Arun Misra**  
**Chief Executive Officer & Whole-time Director**  
**Hindustan Zinc Ltd.**