

## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE IDENTIFIED SUSTAINABILITY INFORMATION IN HINDUSTAN ZINC LIMITED'S RESPONSES TO THE CDP CORPORATE QUESTIONNAIRE 2024

To the Board of Directors of Hindustan Zinc Limited

We have undertaken to perform a limited assurance engagement for Hindustan Zinc Limited (the 'Company'), its Legal Entities and their Sites (the 'Group'), the details of which are as described in the "Scope, Boundary and Limitations" paragraph given below, vide agreement dated 17 January 2024 in respect of the agreed Sustainability Information listed below in accordance with the "Criteria" stated below. This Sustainability Information is as included in the responses to the CDP Corporate Questionnaire 2024 of the Group for the year ended 31 March 2024. This engagement was conducted by a multidisciplinary team, including professionals with suitable skills and experience in auditing environmental, social, and economic information (Chartered Accountants, Engineers and Environment Professionals).

### Identified Sustainability Information

The Identified Sustainability Information for the year beginning 1 April 2023 and ending 31 March 2024 is summarized below:

The Identified Sustainability Information of the Group includes the responses to "Module C7. Environmental performance - Climate Change" and "Module C9. Environmental performance - Water security" as part of the CDP Corporate Questionnaire 2024 for the financial year ended 31 March 2024.

Our limited assurance engagement was with respect to the year ended 31 March 2024, unless otherwise stated and we have not performed any procedures with respect to earlier periods and, therefore, do not express any limited assurance conclusion thereon.



## **Criteria**

In preparing the responses to “Module C7. Environmental performance - Climate Change” and “Module C9. Environmental performance - Water security” as part of the CDP Corporate Questionnaire 2024 for the Financial Year 2023-2024, the Group applied the criteria of GHG Protocol Corporate Accounting and Reporting Standard, CDP Water Security Reporting Guidance along with internal protocols and select Global Reporting Initiatives (GRI) Standards, as per Appendix I to this Report respectively (the “Criteria”). Since the disclosures given in the CDP Corporate Questionnaire 2024 are based on the guidance as mentioned above, as a result, the subject matter information may not be suitable for another purpose.

## **Management’s Responsibilities**

The Group’s management is responsible for establishing the “Criteria” for preparing the responses to CDP Corporate Questionnaire 2024, in accordance with applicable CDP disclosure requirements, select GRI Standards, identification of key aspects, engagement with stakeholders, content, preparation and presentation of responses to the CDP Corporate Questionnaire 2024 in accordance with the “Criteria”. This responsibility includes design, implementation and maintenance of internal controls, relevant to the preparation and measurement of responses to the CDP Corporate Questionnaire 2024, which is free from material misstatement, whether due to fraud or error.

## **Inherent limitations**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” and accordingly maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information with respect to the Entity/ Sites covered in the “Scope, Boundary, and Limitations” paragraph given below, based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Group’s use of the “Criteria” as the basis for the preparation of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks.

## Scope, Boundary and Limitations

### *Scope and Boundary*

- The scope of our limited assurance covers the Group’s Identified Sustainability Information for the period 1 April 2023 to 31 March 2024.
- Out of the boundary used for the preparation of the audited Consolidated Financial Statements of the Group for the Financial Year 2023-24, the boundary used for the purpose of preparation of the responses to the Group’s CDP Corporate Questionnaire 2024 includes the data and the information of the Group, which include Hindustan Zinc Limited and its operational Sites, based on the management’s assessment of materiality, as mentioned below:

Entity and Sites Included	Status
<b>Hindustan Zinc Limited (HZL)</b>	<b>The Company</b>
Rampura Agucha Mine (RAM)	Site
Zawar Mines (ZM)	Site
Rajpura Dariba Mine (RDM)	Site
Sindesar Khurd Mine (SKM)	Site



Dariba Smelting Complex (DSC)	Site
Chanderiya Lead-Zinc Smelter (CLZS)	Site
Kayad Mine (KM)	Site
Debari Zinc Smelter (DZS)	Site
Pantnagar Metal Plant (PMP)	Site

- The data review and validation of these Entity/ Sites was performed through physical site visits and/or together with desktop reviews.
- The Categories of the Scope 3 emissions considered by the Group and verified by us are given in Appendix II to this Report, as per the coverage given in the Group's Scope 3 Emissions Methodology (<https://www.hzindia.com/wp-content/uploads/HZLs-Scope-3-Methodology-FY2023-24.pdf>).

### ***Limitations***

Our limited assurance scope excludes the following and therefore we do not express a limited assurance conclusion on the same:

- Operations of the Group other than those covered in the “Scope and Boundary”.
- The data/ information other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., Financial Year 2023-24.
- The statements that describe expressions of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Group.
- Data related to Group's environmental performance, strategy and other related linkages expressed in any other Report, containing Identified Sustainability Information.
- Effectiveness of management's internal controls of the Group, while we considered the same when determining the nature and extent of our procedures; however, our limited assurance engagement was not designed to provide assurance on these internal controls.
- The Group's compliance with Acts, Regulations and Guidelines with respect to various Regulatory authorities and other legal matters.



## Assurance Procedures

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the Group’s business activities, processes and its operating locations, as identified by the Group.
- Interviewed people involved to understand the reporting process, governance, design and implementation of the data management systems and internal controls in place during the reporting period to capture, collate, calculate and report the data and assumption in the Identified Sustainability Information.
- Performed limited substantive testing on a sample basis of disclosures and presentations in the Identified Sustainability Information for the Entity/ Sites, as covered in the “Scope, Boundary and Limitations” to verify whether the data was appropriately recorded, collated, measured and reported with underlying supporting documents.
- Checked the consistency of the data/information within the Identified Sustainability Information.
- Checked the consolidation methodology for the Entity/ Sites as covered in the “Scope, Boundary and Limitations” for ensuring the completeness of data being reported.
- Tested the mathematical accuracy of the data provided on a test-check basis.
- Assessed the level of adherence of the “Criteria”, as mentioned above by the Group while reporting.
- Assessed the appropriateness of various assumptions, estimations and thresholds used by the Group in the preparation of the Identified Sustainability Information.
- Undertook analytical review procedures to support the reasonableness of the data used in the Identified Sustainability Information.



- We traced the relevant data and assumptions from the following published Reports and the Group's internal documents:
  - Assured Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2023-24 (Reasonable and Limited Assurance Letter issued by us, vide Assurance Letter dated 21 June 2024 on BRSR Core and other than BRSR Core indicators respectively).
  - Management Presentations.
  - Internal Email confirmations from various stakeholders.
- Enquired to corroborate with the relevant management personnel to understand the progress against the environmental commitments.
- Obtained written representations from the Group's Management.

The 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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information has been prepared, in all material respects, in accordance with the "Criteria".

### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Group's Identified Sustainability Information for the year ended 31 March 2024 is not prepared, in all material respects, in accordance with the "Criteria".

### **Emphasis of Matter**

We draw your attention to the following matters:

- The "Scope, Boundary and Limitations" in this report. The Entity/ Sites considered for the purpose of reporting in the responses to CDP Corporate Questionnaire 2024 are as per the management's assessment of materiality.
- The Non-Financial Reporting System used by the Group in the preparation of the Identified Sustainability Information is in the advanced stage of implementation and is in the process of being integrated with other Financial and Non-Financial Reporting Systems of the Group.



Our limited assurance conclusion is not modified in respect of these matters.

**Other matter**

The Identified Sustainability Information as part of the CDP Climate Change Response and CDP Water Security response contained in the Group's CDP Climate Change Report and CDP Water Security Report for the year ended 31 March 2023 were assured by the previous assurance practitioner who had expressed an unmodified opinion on 26 July 2023.

Our opinion is not modified in respect of this matter.

**Restriction on use**

Our Limited Assurance Report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Group in reporting on Group's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Group. Our Limited Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **Mazars Advisory LLP**

Firm Registration No.: AAI-2887



**Sarika Gosain**  
Partner

**Gurugram**  
**26 September 2024**


**Appendix I to the Independent Auditor's Limited Assurance Report on the Identified Sustainability Information in Hindustan Zinc Limited's Responses to the CDP Corporate Questionnaire 2024**

<b>GRI</b>	<b>Indicators</b>	<b>Measurement Units</b>
302-1	Total Energy Consumption (in GJ)	4,92,38,370
302-3	Energy Intensity (Total energy consumption/tonnes of metal produced)	47.63
302-4	Reduction of Energy consumption (in GJ)	7,83,201
303-3	Total volume of water withdrawal – operational and non-operational use (in KL)	2,75,83,043
303-4	Total Volume of water discharge (in KL)	0
303-5	Total volume of water consumption (in KL)	2,61,62,252
305-1	Scope 1 Direct GHG emissions (in TCO2e)	42,51,360
305-2	Scope 2 Indirect GHG emissions (in TCO2e)	5,62,715
305-3	Scope 3 GHG Emission (in TCO2e)	15,99,955
305-4	GHG Emission Intensity (GHG emissions/tonnes of metal produced)	4.66
305-5	GHG Emission Reduction (in TCO2e)	2,32,793





**Appendix II to the Independent Auditor's Limited Assurance Report on the Identified Sustainability Information in Hindustan Zinc Limited's Responses to the CDP Corporate Questionnaire 2024**

Category	Coverage	Emissions tCO <sub>2</sub> e
Category 1 - Purchased Goods and Services	As per the Coverage mentioned in Group's Scope 3 Emissions Methodology ( <a href="https://www.hzindia.com/wp-content/uploads/HZLs-Scope-3-Methodology-FY2023-24.pdf">https://www.hzindia.com/wp-content/uploads/HZLs-Scope-3-Methodology-FY2023-24.pdf</a> )	4,32,386
Category 2 - Capital Goods		2,425
Category 3 - Fuel and energy-related activities		8,44,295
Category 4 - Upstream transportation and distribution		14,196
Category 5 - Waste generated in Operations		9,631
Category 6 - Business travel		205
Category 7 - Employee commuting		1,237
Category 8 - Upstream leased assets		Not Applicable
Category 9 - Downstream transportation and distribution		42,679
Category 10 - Processing of sold products		2,36,071
Category 11 - Use of sold products		Not Applicable
Category 12 - End-of-life treatment of sold products		16,830
Category 13 - Downstream leased assets		 Not Applicable

Category 14 - Franchises		Not Applicable
Category 15 – Investments		Not Applicable
<b>Total Emissions</b>		<b>15,99,955</b>

