



Hindustan Zinc Ltd.

Guiding Tax Principles, Tax Strategy and our Tax Approach

Hindustan Zinc Ltd. has laid down following nine-guiding tax principles which encompass 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, in respect to transfer pricing. To meet all tax compliance requirements in a timely manner.

3. Transparency

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

4. Economic Substance

We only undertake transactions which will have results that are consistent with the underlying economic consequences, including tax structures with commercial substances.

5. Process & Controls

Ensuring meticulous documentation of transactions and tax position with diligent professional care & 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 opportunity.





TAX STRATEGY

Hindustan Zinc's tax strategy is aligned to 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 that is continuously reviewed and approved by the board of directors. Its primary focus is commitment to compliance in spirit as well as the letter of the tax laws and regulations in the country where the company operates. At the same time, it is committed to conduct all related party transactions basis arm's length principles and not adopt any tax structures without commercial principles. 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 advisors and suppliers of tax services to act with integrity and maintain 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 supported by adequate documentation. Material tax risks or disputes are reported to the 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 structures without commercial substance. We 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. We are committed not to use tax havens for tax avoidance or transfer value created to low tax jurisdictions.





Our Tax Approach

Approach to Tax Transparency

Our Core Values include Integrity that places utmost importance to engaging ethically and transparently with all stakeholders taking accountability of all actions, which would also include tax decisions. Our Code of Conduct further lays down that we will promote full, fair, accurate, timely and understandable disclosure of 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 the 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 enhancing 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 Hindustan Zinc Ltd.

Approach to Tax Compliance

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

We, at Hindustan Zinc, conduct our tax affairs in an open, transparent and honest manner and strive to achieve conformity to all applicable tax laws. We maintain highest standards of integrity with respect to tax compliance and reporting. We have built systems, processes and controls to enable the company to fulfill 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 the timely compliance with all tax regulations wherever we operate, the timely payment of all taxes and the appropriate provision for tax in our financial statements are an important part of our transparency obligations to all our 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 of conflicts of interest between personal and professional relationships.

Honoring the Code, we maintain open, transparent and cooperative relationships in all our dealings with the 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 will be 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 HZL, 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. Our forward-thinking approach not only anticipates future trends but also drives our mission of operational excellence and leadership in the industry.

Date: 20th June 2025

Arun Misra

Chief Executive Officer & Whole-time Director

Hindustan Zinc Ltd.

