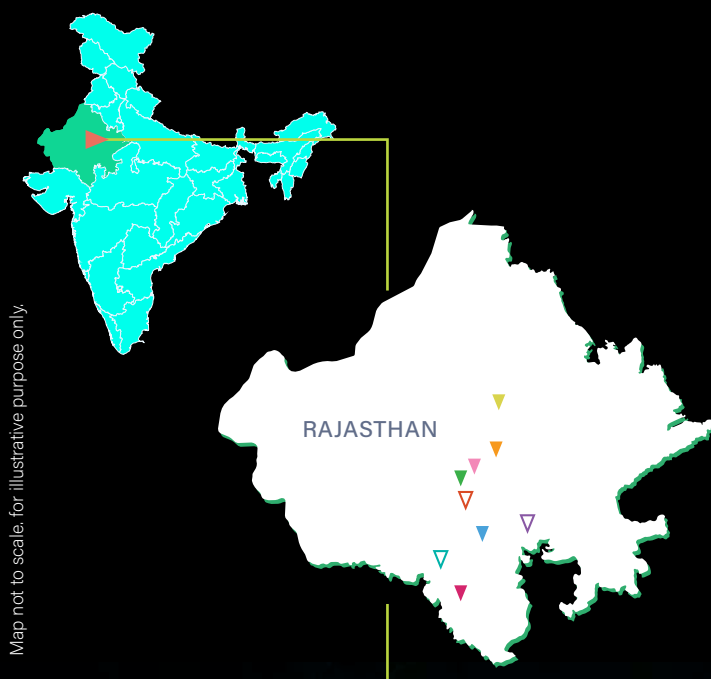




TAX TRANSPARENCY REPORT 2022-23



Hindustan Zinc was incorporated from the erstwhile Metal Corporation of India on 10 January 1966 as a Public Sector Undertaking.

Pursuant to the April 2002 disinvestment of Government of India's (GOI) stake in Hindustan Zinc, **Vedanta Group acquired 64.92%, while GOI holds 29.54% and balance is with public and financial institutions.**

Hindustan Zinc operates across the value chain - from exploration, asset development and extraction, to processing and value addition. The company continues to deliver long term value and growth across all stages.

Strong Operational Asset Base in Mines

Mines	Reserve (Million MT)	Resource (Million MT)	Reserve Grade Zn (%)	Reserve Grade Pb (%)
▼ Rampura Agucha Mine	44.8	25.2	11.2	1.3
▼ Sindesar Khurd Mine	43.4	67.2	3.0	2.0
▼ Zawar Mine	49.4	107.4	2.8	1.3
▼ Rajpura Dariba Mine	34.3	39.3	5.4	1.6
▼ Bamnia Kalan	0	41.4	0	0
▼ Kayad Mine	1.5	6.0	5.2	0.9

Reserve & Resource (R&R) Summary

	Million MT	Grade Zn (%)	Grade Pb (%)	Grade Ag (g/t)
Reserve	173.5	5.6	1.6	56
Mineral Resource- Measured and Indicated	126.7	4.6	1.8	62
Mineral Resource- Inferred	159.9	4.3	2.1	57

Smelters

	Pyro- Metallurgical Zinc Smelter (TPA)	Pyro- Metallurgical Lead Smelter (TPA)	Hydro- Metallurgical Zinc Smelter (TPA)	Lead Smelter (TPA)	Captive Power Plant (MW)
▼ Chanderiya Lead- Zinc Smelter	1,05,000	90,000	4,80,000	-	245.5
▼ Dariba Smelting Complex	-	-	2,40,000	1,20,000	170
▼ Debari Zinc Smelter	-	-	88,000	-	-

Notes: Additional facilities in Pantnagar, in the state of Uttarakhand, for processing and refining of zinc, lead and silver, which does not add to our overall smelting capacity. (TPA = MT per annum)

POWER CAPACITY MIX FY 2022-23 (MW)



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BRIEF ABOUT OUR BUSINESS

Hindustan Zinc is India's largest and only integrated producer of Zinc, Lead and Silver. We are world's second largest integrated Zinc producer and 5th largest Silver producer globally. We currently hold over ~75% market share in India's primary zinc market. Hindustan Zinc's operations comprise lead-zinc mines, hydrometallurgical zinc smelters and pyrometallurgical lead-zinc smelter. We have six mines which are situated at Rampura Agucha, Rajpura Dariba, Sindesar Khurd, Kayad, Zawar and Bamnia Kalan in the state of Rajasthan. We have three smelting operations located at Chanderia, Debari and Dariba in the state of Rajasthan. We also have zinc-lead and silver refining facilities at Panthnagar in the state of Uttarakhand. Our power generation facilities include captive thermal power plants, waste heat recovery boilers while we have also ventured into green energy by setting up solar power plants and wind power plants.

Hindustan Zinc is subject to tax jurisdiction in India only. The primary activities viz. production, manufacturing, sales, marketing of Hindustan Zinc are based in India and global sales are managed through sales/marketing offices based in India only. Hindustan Zinc earns all its profits from operations in India as there are no operations, sales or marketing offices outside India.

Financial Year	Primary Activities	Name of the Entities	Total Employees Incl. Contract Employees	Revenue from Operations ₹ Cr	Profit Before Tax (Earnings Before Tax) ₹ Cr	Profit After Tax (PAT) ₹ Cr	Income Tax Accrued ₹ Cr
2022-23	Mining and manufacturing of Zinc, Lead and Silver	Hindustan Zinc Ltd.	23,196	34,098	15,288	10,511	4,777
	Manufacturing of Metals & its Alloys	Hindustan Zinc Alloys Pvt. Ltd.					
	Manufacturing of Phosphatic Fertilizers	Hindustan Zinc Fertilisers Pvt. Ltd.					
	Sports intervention at the broader level bringing excellence at grassroot level.	Vedanta Zinc Football & Sports Foundation					
	To carry out the planned CSR activities	Zinc India Foundation					



CHAIRPERSON'S VALUE STATEMENT



Our robust ESG goals are an intrinsic part of our strategy, and we are committed to achieving our business objectives effectively, efficiently, and sustainably. The formation of a board level Sustainability and ESG Committee during FY 2021-22 is aligned with this commitment.

At Hindustan Zinc, our constant endeavour is to improve the lives of all our stakeholders by maximizing value for them and by enhancing business transparency and sustainability. Through openness and transparency, we consider ourselves accountable to all stakeholders, including our employees, shareholders, vendors, government agencies, social communities, customers and business partners. For us, transparency is the key to sustainable growth and is at the centre of our core values. Throughout our business operations, we have laid strong emphasis on internal controls, compliance, and audit processes, including voluntary disclosures about tax liabilities.

Our robust ESG goals are an intrinsic part of our strategy, and we are committed to achieving our business objectives effectively, efficiently, and sustainably. The formation of a board level Sustainability and ESG Committee during FY 2021-22 is aligned with this commitment. The Committee will also help in accelerating our progress towards utilising 50% renewable energy in our operations and in becoming Net-Zero by 2050.

All over the world taxes are the most important part of government funding. During the last five years we, at Hindustan Zinc, have contributed ₹ 80,113 Cr to the Government exchequer, while in FY 2022-23 our total contribution to the exchequer was ₹ 24,892 Cr.

This contribution is an important part of our wider economic and societal impact and plays a key role in supporting initiatives aimed at public good. A fair, effective and stable tax system is beneficial to both governments and businesses, and at Hindustan Zinc we ensure that we act transparently and responsibly on all tax issues and work closely with tax authorities.

PRIYA AGARWAL HEBBAR

Chairperson, Hindustan Zinc Limited



MESSAGE FROM CEO



▼ **World's 2nd largest integrated zinc producer and one of the lowest cost-producers of zinc globally**

▼ **India's largest & only integrated producer of zinc, lead and silver**

▼ **World's largest underground zinc mining operations at Rampura Agucha**

▼ **5th largest silver producer globally**

▼ **Total R&R of 460 Mt with 25+ years mine life**

▼ **Power delivery agreement signed for 450 MW renewable energy power.**

FY 2022-23 has been an incredible year for Hindustan Zinc. Our mining expertise powered by best-in-class technology and talented people alongwith a robust Reserve & Resource portfolio enabled us to harness the evolving growth opportunity. We achieved strong operational and financial performance and continued surging ahead towards achieving our ESG goals. Hindustan Zinc has achieved highest ever production of mined metal, refined metal and silver.

Hindustan Zinc is India's largest and only integrated producers of zinc, lead and silver, world's 2nd largest integrated zinc producer and 5th largest silver producer globally. We, at Hindustan Zinc, have made sustainability an integral part of our growth journey and remain focused on ensuring safe operations with minimal environmental impact.

Voluntary tax disclosures through publication of the Tax Transparency Report have been a pro-active initiative adopted by Hindustan Zinc and this reiterates our commitment to transparency and good tax practices. Our processes and internal governance are implemented in line with our tax strategy to ensure full compliance with all applicable tax laws.

ARUN MISRA

CEO & Whole-time Director,
Hindustan Zinc Limited

OPERATIONAL HIGHLIGHTS - FY 2022-23

Highest-ever Mined Metal Production, at 1,062 thousand tonnes	India's first Battery Electric Vehicle (BEV) in UG mining at Sindesar-Khurd Mines	Highest-ever Saleable Silver Production at 714 MT
Highest-ever Refined Metal Production, crossing the one million tonne mark at 1,032 thousand tonnes	4 mines won 5-Star Rating under 'A' list category of mines by Indian Bureau of Mines	Rampura Agucha Mine - India's 1st GreenCo certified mine

MESSAGE FROM CFO



At Hindustan Zinc, we consider tax as an important part of our Environmental, Social and Governance (ESG) agenda. We are a responsible taxpayer. We are committed to be fully compliant with all applicable tax regulations and to transparently communicate tax positions. In complying with the laws, we take into account both the letter and the spirit of the law.

Hindustan Zinc reported a strong set of financials for FY 2022-23 with highest-ever revenues of INR 34,098 crores, highest-ever EBIDTA of INR 17,590 crores and highest-ever PAT of INR 10,511 crores. In line with our commitment to contribute to nation building and transparency, we proudly present our Sixth Tax Transparency Report with highest-ever annual contribution of INR 24,892 crores. During FY 2021-22, Hindustan Zinc contributed INR 15,676 crores to the exchequer. There has been a CAGR of 21.76% in contribution to exchequer from 2017-18 to 2022-23. **Over the years, Hindustan Zinc has consistently been one of the top taxpayers in India and during the FY 2022-23 we have contributed 73% of our revenues to the exchequer.**

The purpose of this report is the disclosure of the tax contributions made by the Company. The details of the different types and amounts of taxes paid by Hindustan Zinc as well as the principles and strategies that guide its tax governance are provided in this report. This helps to disseminate information about our contribution to economic development, improve stakeholder understanding of our business, build trust and improve transparency of tax payments.

At Hindustan Zinc, we consider tax as an important part of our Environmental, Social and Governance (ESG) agenda. We are a responsible taxpayer. We are committed to be fully compliant with all applicable tax regulations and to transparently communicate tax positions. In complying with the laws, we take into account both the letter and the spirit of the law. The timely compliance with all tax obligations, the timely payment of all taxes and the appropriate provision for tax in our financial statements are an important part of our obligations to stakeholders.

I encourage you to go through our Tax Transparency Report. Voluntary publishing of Tax Transparency Report demonstrates our positive contribution to India's economy. We believe that consistently quantifying and disclosing our total tax contribution enable us to positively influence the wider tax discourse and accelerate the transition towards a more sustainable future.

SANDEEP MODI

Chief Financial Officer,
Hindustan Zinc Limited

CONTRIBUTION SUMMARY FY 2022-23

Highest-ever revenues of INR 34,098 Crores	Highest-ever EBIDTA of INR 17,590 Crores	Highest-ever PAT of INR 10,511 Crores
Highest-ever contribution to exchequer of INR 24,892 Crores which is 73% of our revenues	About 21.76% (CAGR) growth in contribution from 2017-18 to 2022-23	Contribution to exchequer of INR 80,113 Crores in last 5 years.

AWARDS & RECOGNITION



TIOL NATIONAL TAXATION AWARDS 2022

Hindustan Zinc Ltd. won the Jury Award for Best Tax Practices under Non-Deemed Corporate category above INR 5,000 Cr. in large sized corporates.

Hindustan Zinc Ltd. has been adjudged as compliant taxpayer of our nation by a high-powered Jury and conferred with the prestigious Jury Award for good tax practices, governance & transparency at TIOL National Taxation Awards 2022 held at New Delhi.

The award was handed over by Shri Manpreet Singh Badal, Former Finance Minister of Punjab to Mr. Rajkumar Basak, Dy. Head Taxation of Hindustan Zinc Ltd.

OTHER AWARDS AND RECOGNITION ▶



People's First
HR Excellence
Award 2022



Certified as 2.41x
Water Positive
Company



Certified as 'Great Place
to Work for the 4th
consecutive year



Company with Great
Managers 2022 Award for
3rd consecutive year



Rampura Agucha Mines
won Green Maple
Pinnacle Award 2022.



Platinum Award at CII -
EXIM Bank Awards for
Business Excellence 2022



Included in coveted CDP
'A' list for efforts to tackle
climate change



S&P Global Sustainability
Yearbook 2023 - Ranked
amongst top 5%



Ranked 4th by ET Edge &
Futurescape under Indian
Cos. Climate Leadership
Rankings



Winner of Master of Risk in
Fraud Prevention & Ethics
Management at The India
Risk Management Awards



Integrated Annual Report FY21-22 ranked
#40 Worldwide and bagged Gold Award
at League of American Communications
Professionals



S&P Global Corporate Sustainability
Assessment 2022 - Ranked 3rd Globally and
1st in Asia - Pacific region



Kayad mine becomes only mine in
Rajasthan to receive 5-Star Award at 6th
National Mines & Minerals Conclave



Double sweep at the prestigious S&P Global Platts Global
Metal Awards- 'Industry Leadership Award - Base, Precious
& Specialty Metals' & 'Corporate Social Responsibility'



Indira Mahila Shakti
Protsahan Avam
Samman Award

GUIDING TAX PRINCIPLES

TRUST

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

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, through a team of suitably qualified tax professionals and external service providers.

TRANSPARENCY

To maintain the Company's reputation as a fair contributor to the economy where tax forms a part of that contribution. To proactively disclose detailed information about the overall tax contribution to the Government.

ECONOMIC SUBSTANCE

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

PROCESS & CONTROLS

To ensure that all transactions and tax positions are properly documented. As part of the Company's tax compliance, we aim to apply diligent professional care and judgment, including ensuring all decisions are taken at an appropriate level and supported by documentation that evidences the judgement involved.

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.

RISK MANAGEMENT

To identify tax risks in a consistent and formal manner and communicate these when appropriate to the Audit Committee and the Board.

PROACTIVE CONSULTATION

To actively participate in tax policy consultation processes where appropriate.

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 strategy is based on the following three pillars:

ACCOUNTABILITY & GOVERNANCE

Tax is one of our 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 setup 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 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 detailed information about the economic contribution of Hindustan Zinc to the local, state and central governments.

The contributions comprise corporate income tax, royalty related tax payments including contributions to District Mineral Foundation and National Mineral Exploration Trust, material payments made to the Government such as duties on import/export, goods and service tax, electricity duty, local municipal taxes, stamp duty, cess etc.; indirect revenue contributions (taxes collected and paid on behalf of our employees and vendors i.e. withholding taxes and social security contributions) and corporate dividend to Government of India.

Disclosures made in this report are on a consolidated basis which covers all Company's operating locations. During the year, two Wholly Owned Subsidiaries, namely Zinc India Foundation (a company incorporated under section 8 of the Companies Act, 2013) and Hindustan Zinc Fertilisers Private Limited (a Private Limited Company) were incorporated apart from two existing Wholly Owned Subsidiaries, namely Hindustan Zinc Alloys Private Limited and Vedanta Zinc Football & Sports Foundation (a company incorporated under section 8 of the Companies Act, 2013). 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 Hindustan Zinc's Annual Report which can be accessed from the website of the Company at the link provided below:

<https://www.hzindia.com/>

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 trainings 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 behaviour 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.

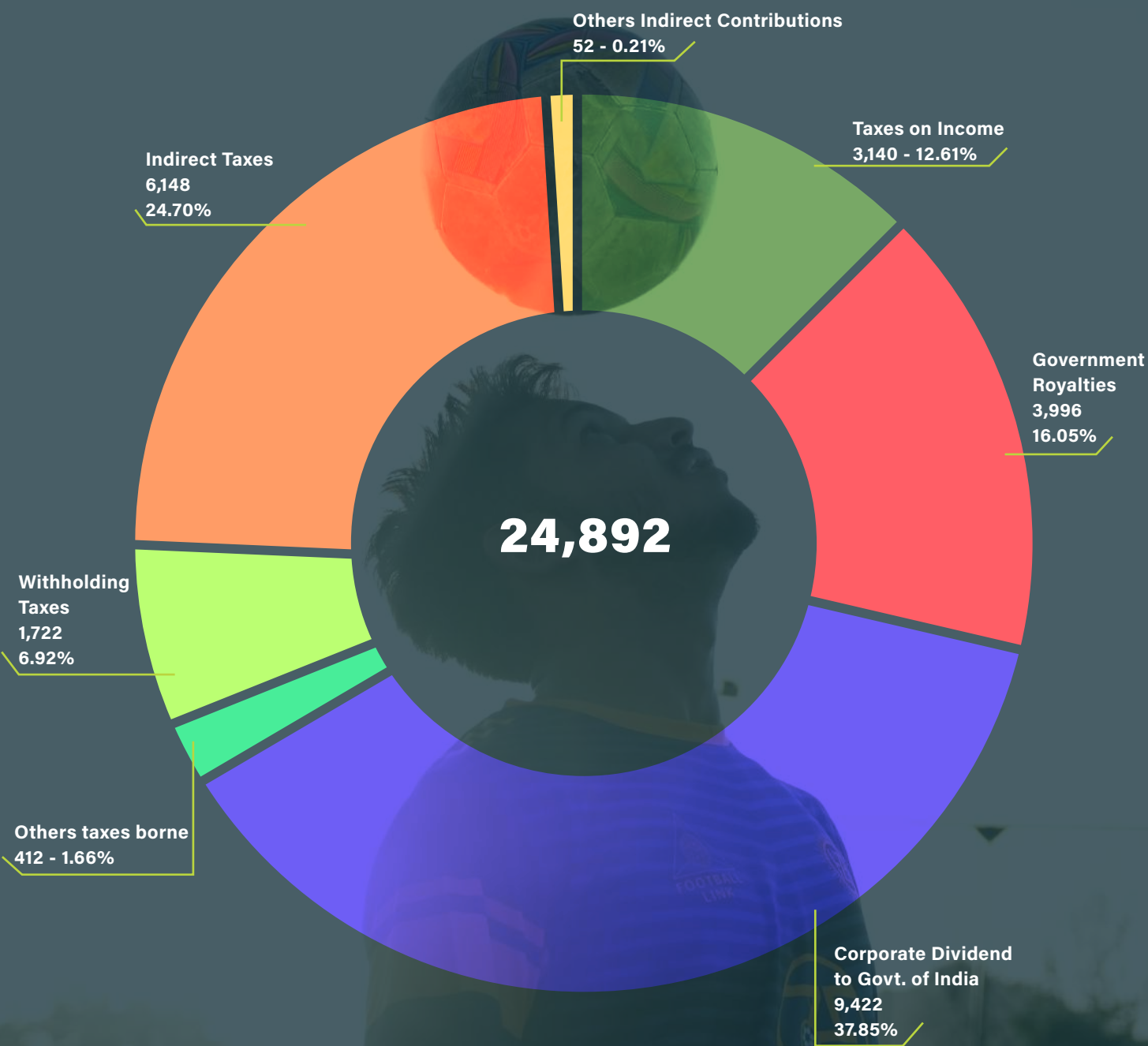
In case of any disputes, the Company actively participates in the tax authority's formal consultation processes on matters having material impact on the Company. We work with Industry chambers wherever possible to contribute to development of tax laws and policies. Corporate Tax Strategy including Tax Principles and our Tax Approach is uploaded in the Company's website which can be accessed via link provided below:

<https://www.hzindia.com/about-hzl/code-of-conduct/>



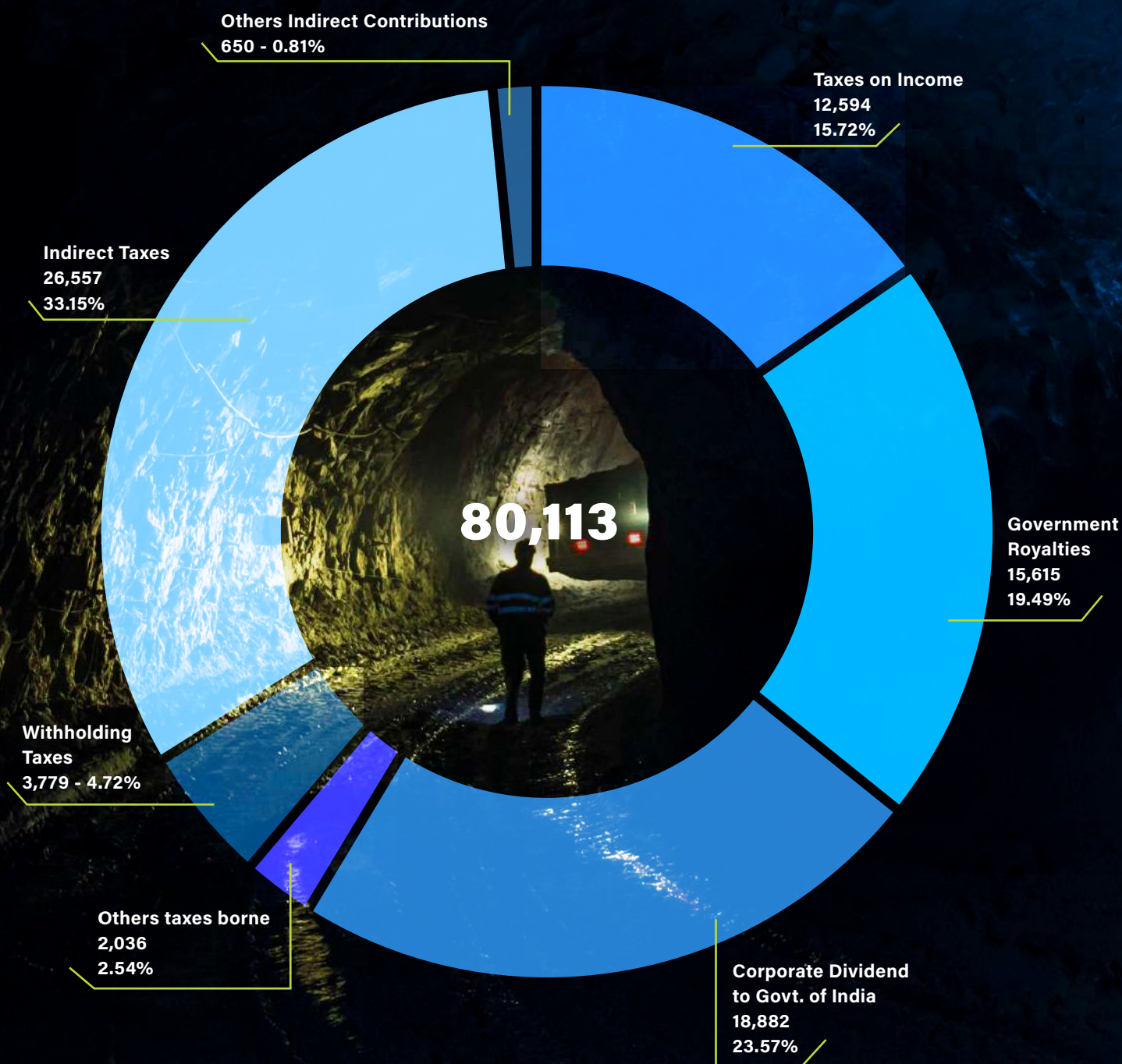
HINDUSTAN ZINC LIMITED CONTRIBUTION TO EXCHEQUER

- FY 2022-23 (₹ in Cr.) (CHART -I*)



* Referred to as 'Tax & Other Contributions – Chart I' in the Independent Reasonable Assurance Report
• All the taxes accrued/paid are for operations in India as there are no operations or sales/marketing offices outside India.

HINDUSTAN ZINC LIMITED CONTRIBUTION TO EXCHEQUER DURING LAST 5 YEARS - (FY 2018-19 TO FY 2022-23) (₹ in Cr.) (CHART -II)



• All the taxes accrued/paid are for operations in India as there are no operations or sales/marketing offices outside India.

BASIS OF PREPARATION

NOTE 1

Amounts reported in Chart-I as above are from financial statements for FY 2022-23 and the company's contribution to the exchequer are in line with the amounts reported in Vedanta Limited's Tax Transparency Report.

NOTE 2

All data is prepared for the year from 1st April 2022 to 31st March 2023. The above contributions have been reported on cash basis. Social expenditures have not been considered in the contribution to exchequer shown in Chart-I.

NOTE 3

HZL has not disclosed in the charts above, the taxes charged by suppliers/service providers in their invoices and paid by the company. Tax contributions under both the categories i.e. Taxes paid and Indirect Revenue Contributions shown in the charts above are not netted to the extent of input credits available or any other adjustments under the provision of applicable laws of taxes paid on purchase/ procurement of goods/ services and charged by suppliers/service providers in the invoice.

NOTE 4

TAXES PAID

Taxes on Income

This comprises of Corporate Income Tax but does not include deferred tax. These taxes are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Typically, these taxes would be reflected in corporate income tax returns and Challans made to Government authorities and generally tend to become payable in the year the profits were made or up to one year later.

For the purpose of the figures of credit of withholding taxes/TCS, relevant ledgers were considered wherein the credit is booked as and when credit certificates are received from the deductors/collectors respectively.

Profits of companies in India are subject to either regular income tax or Minimum Alternate Tax ("MAT"), whichever is greater. Regular Income tax on Indian companies is charged at a statutory rate of 30% plus a surcharge of 12% on the tax and has an additional health and education cess of 4% on the tax including surcharge, which results in an effective statutory tax rate of 34.944%. The effective MAT rate during the year for Indian companies was 17.472%. The excess of amounts paid as MAT over the regular income tax amount during the year may be carried forward and applied towards regular income taxes payable in any of the succeeding fifteen years subject to certain conditions.

Government Royalties

This comprises of contributions made to exchequer in the form of royalties on extraction of ore and contributions to District Mineral Foundation and National Mineral Exploration Trust. These form part of operating costs and are reflected in the payment challans and/or any other documents being filed and maintained with the relevant government authorities.

Other Taxes Paid

This primarily comprises of Duties on Import/Export of Goods (Considered as part of Operating Costs), Municipal Taxes and other taxes paid. These form part of operating costs. Typically, these contributions are reflected in the returns and challans prescribed by the concerned statutory bodies for this purpose.

Indirect Revenue Contributions

Withholding Taxes

This comprises of payroll & employee taxes (including professional tax) withheld from employee remuneration and paid to Government authorities, i.e. tax collected and remitted to Governments on behalf of employees. Typically, these taxes would be reflected in payroll tax returns made to exchequer and tend to be payable on a regular basis (often monthly) throughout the year, shortly after the submission of the returns. It also comprises of taxes withheld or collected from various payments made to contractors and paid to Governments, i.e. taxes collected/deducted and remitted to Governments on behalf of the service providers/vendors.

Indirect Taxes

This comprises of the taxes paid to the Governments on production or sale of goods like Integrated Goods and Services Tax (IGST), Central Goods & Services Tax (CGST) and State Goods & Services Tax (SGST). These taxes would not be collected if the Company does not produce and make sales to the customers. Typically, these taxes are reflected in various forms, returns and challans prescribed by the Government for this purpose.

Others

This includes contribution of employers for funding the Social Security program of Government like Provident Fund and Employee State Insurance etc. Such contributions are reflected in the monthly and annual returns made to the respective organizations.

Dividends paid to Government

This includes dividends paid to Government as the Government holds shares in the company.

Appendix – Taxes Paid by HZL

- ▶ Corporate Income Tax
- ▶ Government Royalties
- ▶ Duties on Export and Import
- ▶ Other Cesses and Surcharges
- ▶ Stamp Duty
- ▶ Municipal Taxes
- ▶ Withholding Taxes
- ▶ Goods and Services Tax
- ▶ Provident Fund and Employee State Insurance
- ▶ Property Tax
- ▶ Electricity Taxes/Duty
- ▶ Corporate Dividend to Govt. of India



INDEPENDENT REASONABLE ASSURANCE REPORT

To Hindustan Zinc Limited on Tax & Other Contribution

We ('KPMG Assurance and Consulting Services LLP' or 'KPMG') were engaged by the management of Hindustan Zinc Limited ('HZL' or 'the Company') to report on 'Tax & Other Contributions' – Chart I contained in HZL's Tax Transparency Report for the financial year 2022-23 [the said Chart I hereinafter referred to as 'Tax & Other Contributions'], in the form of an independent reasonable assurance conclusion about whether HZL's statement that the Tax & Other Contributions is properly prepared, in all material respects, based on 'Basis of Preparation' attached to the Tax Transparency Report is fairly stated.

HZL's Responsibilities

The management of HZL are responsible for preparing the Tax & Other Contributions that is free from material misstatement in accordance with Basis of Preparation and for the information contained therein. The management of HZL are also responsible for preparing the Basis of Preparation.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of Tax & Other Contributions that is free from material misstatement, whether due to fraud or error. It also includes developing the Basis of Preparation. The Company is also responsible for preventing and detecting fraud and for identifying and ensuring that it complies with laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Tax & Other Contributions prepared by the Company and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Tax & Other Contributions is properly prepared, in all material respects.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of Tax & Other Contributions whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation and presentation of Tax & Other Contributions in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of Tax & Other Contributions. Our engagement also included assessing the appropriateness of Tax & Other Contributions, the suitability of the Basis of Preparation used by the Company in preparing the Tax & Other Contributions in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of Tax & Other Contributions and the reasonableness of estimates made by the Company and evaluating the overall presentation of the Tax & Other Contributions. Reasonable assurance is less than absolute assurance.

The procedures performed by us have been included herein as Annexure: Assurance Procedures – Tax & Other Contributions.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the Tax & Other Contributions is properly prepared in all material respects, based on the Basis of Preparation.

Restriction of Use of Our Report

In accordance with the terms of our engagement, this independent reasonable assurance report on Tax & Other Contributions has been prepared for HZL solely for inclusion in its Tax Transparency Report for the financial year 2022- 23 and for no other purpose or in any other context.

Our report should not be regarded as suitable to be used or relied

on by any party wishing to acquire rights against us other than HZL for any purpose or in any context. Any party other than HZL who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than HZL for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to HZL on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in HZL's Tax Transparency Report) or in part, without our prior written consent.

For KPMG Assurance and Consulting Services LLP

Place: Gurgaon

Date: 19th June 2023

ANNEXURE: ASSURANCE PROCEDURES – TAX & OTHER CONTRIBUTIONS

- ▶ Understand and examine the processes and controls at Group level in managing, collating and reviewing the data for the 'Tax & Other Contributions'
- ▶ Review the guidance provided / instructions issued to locations/ units/ group entities by central team for their collation of various Tax and other specified items
- ▶ Understand and examine the processes and controls at location country level for collation of Tax and other specified items included in 'Tax & Other Contribution'. This will include review of
 - Processes for data collation
 - Processes for ensuring that all taxes are included within the reporting
- ▶ Review the basis on which the tax and other specified data reported has been captured, reviewed and consolidated to assess whether the data has been collected, consolidated and reported fairly
- ▶ For the taxes selected, perform trend analysis on the tax and other specified data for the reporting period to understand any material variances. Seek explanations for variances, if any
- ▶ For the types of taxes selected, verify the tax paid (on a sample basis) to the underlying documents
- ▶ Compare the tax and other specified data in the report to the relevant disclosures in the consolidated financial statements for reporting period

SUSTAINABILITY GOALS 2025

 CLIMATE CHANGE	0.5 Mn tCO₂e GHG emission savings in our operations from base year 2017	 SOCIAL IMPACT	1 Mn Positively impacting lives through social, economic and environmental outcomes
 WATER STEWARDSHIP	5x Water positive company & achievement of 25% reduction in freshwater consumption	 DIVERSITY IN WORKFORCE	30% Diversity in an inclusive and diverse workplace
 CIRCULAR ECONOMY	3x Increase in gainful utilization of smelting process waste	 RESPONSIBLE SOURCING	100% Responsible sourcing in the supply chain
 BIODIVERSITY CONSERVATION	Protect & Enhance Biodiversity Throughout the life cycle	 ZERO HARM	Zero work related fatalities and 50% reduction in TRIFR





HINDUSTAN ZINC
Zinc & Silver of India

Hindustan Zinc Limited

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