

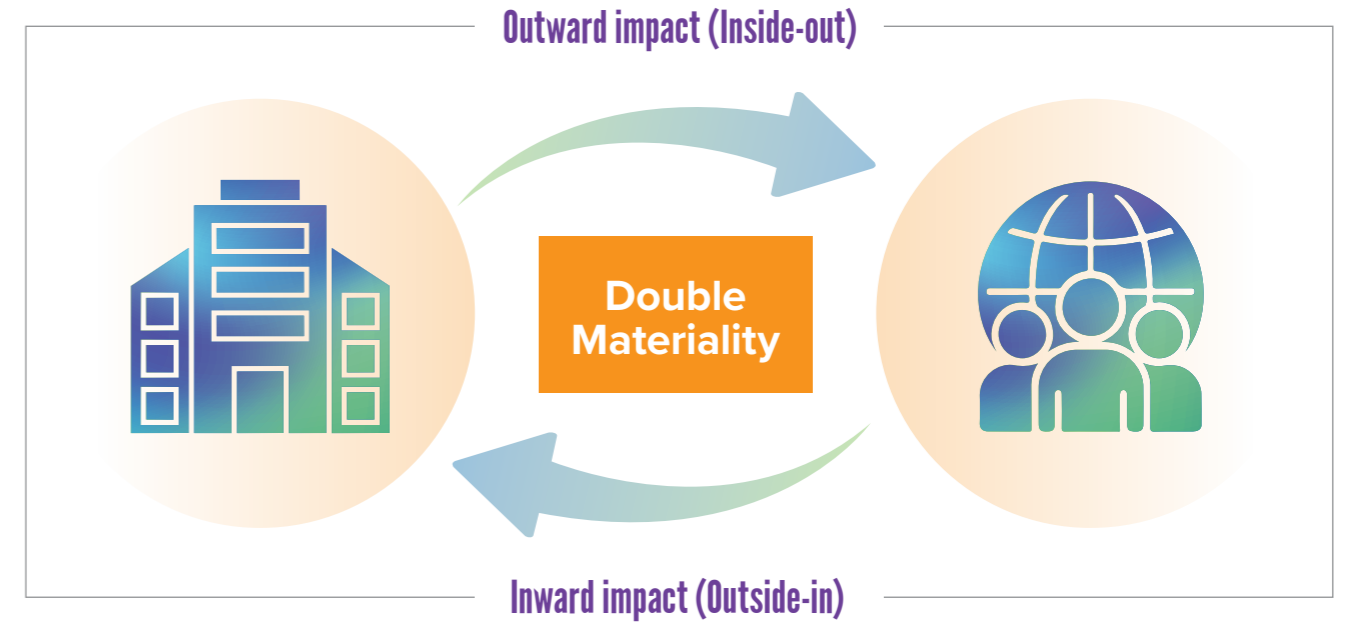
MATERIALITY



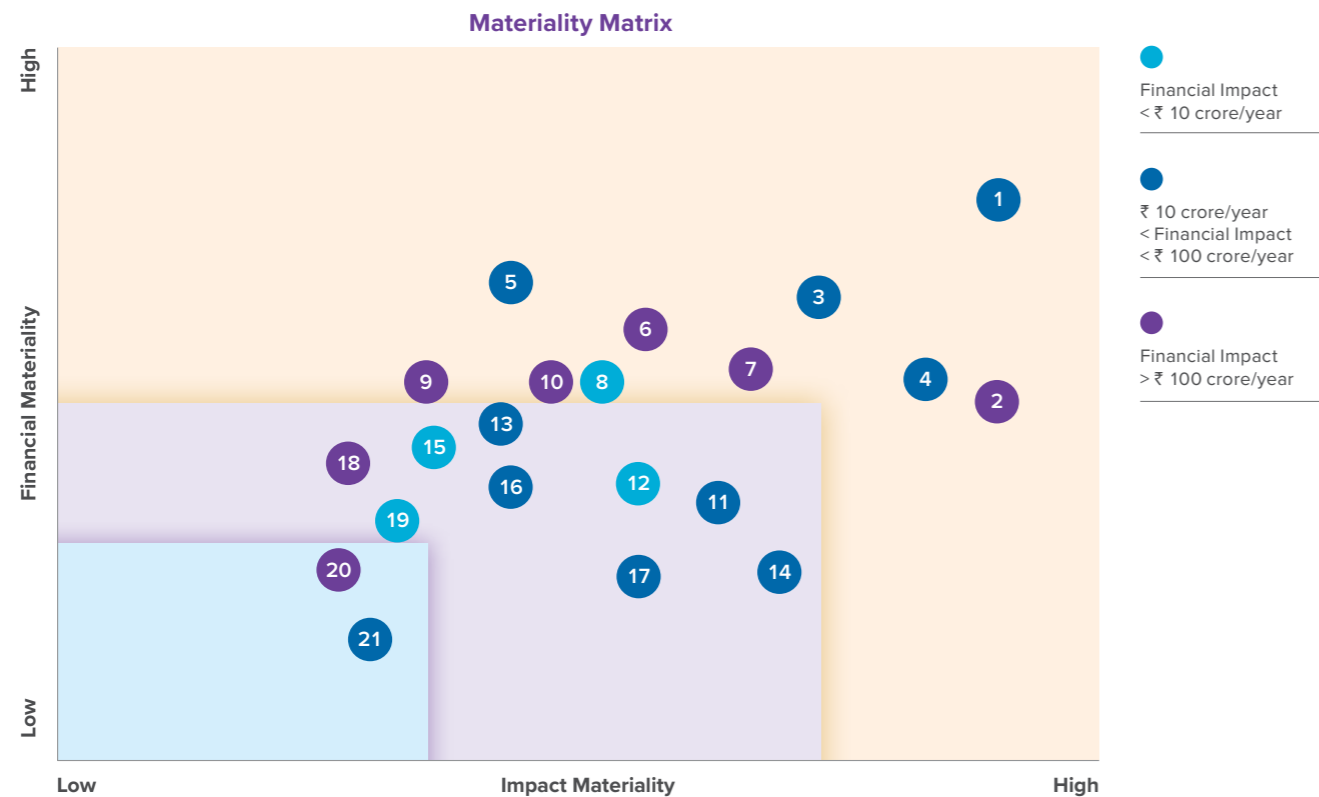
GUIDING LONG-TERM VALUE WITH DOUBLE MATERIALITY

Hindustan Zinc undertakes a comprehensive materiality assessment every three years, supported by an annual review to ensure continued alignment with the evolving sustainability landscape and stakeholder expectations. In FY2025, we conducted a double materiality assessment, aligned with the principles of the EU Corporate Sustainability Reporting Directive (CSRD). This approach enabled us to examine both dimensions of materiality.

- **Impact materiality (Inside Out):** This dimension examines the severity, reach, and irreversibility of impacts, factoring in outcomes for both human and environmental systems
- **Financial materiality (Outside In):** How sustainability-related risks and opportunities can influence our financial performance, enterprise value, and long-term resilience



OUTCOME OF MATERIALITY ASSESSMENT



During the current reporting year, the Company undertook an annual review of the material topics identified in the prior assessment, considering internal risk registers, ongoing stakeholder engagement, and changes in the operating and regulatory environment. The review confirmed that no changes were made to the material topics or their prioritisation. The review outcomes were presented to and endorsed by the Sustainability & ESG Committee, reaffirming that the existing materiality framework remains effective in capturing the Company's most significant ESG impacts, risks, and opportunities.

the materiality process are integrated into the enterprise risk universe, enabling a systematic identification and evaluation of ESG-related risks.

Consequently, air emissions and quality, tailings management, and water management are classified as top material topics and incorporated into core risk evaluations. Likewise, biodiversity, climate change, and waste management are recognised as critical enterprise risks due to their potential regulatory, operational, financial, reputational, and physical implications.

This alignment enables a unified and proactive approach to managing ESG risks. Risk indicators and targets are incorporated into the enterprise risk scorecard, supported by regular management and leadership-level performance reviews for continuous strengthening of the risk management.

Our risk-integrated approach towards materiality aligns our Sustainability Goals 2030 with the International Council on Mining and Metals (ICMM) Mining Principles and global best practices, positioning sustainability as a core driver of strategy, performance, and long-term value.

Aligning Materiality outcome with Enterprise Risk Management (ERM)

Hindustan Zinc aligns the outcomes of its materiality assessment directly with its Enterprise Risk Assessment (ERA) framework to ensure that key ESG priorities are embedded into strategic risk management. The insights from

ENVIRONMENTAL

S. No.	Material Topic	Priority
M2	Air Emissions and Quality	High
M3	Tailings Management	High
M4	Water Resource Management	High
M7	Circularity and Waste Management	High
M10	Climate Change and Energy Transition	High
M16	Biodiversity and Ecosystems	Medium

SOCIAL

S. No.	Material Topic	Priority
M1	Health, Safety and Well-being	High
M6	Community Engagement and Development	High
M8	Diversity, Equal Opportunity and Inclusion	High
M9	Talent Attraction and Retention	High
M12	Labour Practices and Human Rights	Medium
M14	Learning and Development	Medium
M20	Indigenous People and Cultural Heritage	Low
M21	Land Acquisition, Rehabilitation and Closure	Low

GOVERNANCE

S. No.	Material Topic	Priority
M5	Business Ethics and Corporate Governance	High
M11	Innovation and Technology	Medium
M13	Responsible Advocacy	Medium
M15	Product Stewardship	Medium
M17	Data Privacy and Cybersecurity	Medium
M18	Macroeconomic and Geopolitical Impacts	Medium
M19	Sustainable and Inclusive Supply Chain	Medium

Low Medium High

OUR HIGH PRIORITY MATERIAL ISSUES

Environmental Social Governance

M1 HEALTH, SAFETY & WELL-BEING

Impact	Time Horizon	Strategy Linked
Risk	Short term	S5

Key Performance Indicators

- Fatalities
- Total recordable injury frequency rate (TRIFR)
- Lost time injury frequency rate (LTIFR)

Capitals Impacted



UN SDGs Impacted



M2 AIR EMISSIONS & QUALITY

Impact	Time Horizon	Strategy Linked
Risk	Long term	S5

Key Performance Indicators

- SOx emissions
- NOx emissions

Capitals Impacted



UN SDGs Impacted





M3 TAILINGS MANAGEMENT

Impact	Time Horizon	Strategy Linked
Risk	Short term	S1 S2 S5

Key Performance Indicators

- Tailing disposal
- Alignment with Global Industry Standard on Tailings Management (GISTM)

Capitals Impacted



UN SDGs Impacted



M4 WATER RESOURCES MANAGEMENT

Impact	Time Horizon	Strategy Linked
Risk	Long term	S5

Key Performance Indicators

- Water positivity ratio
- Freshwater consumption in operations
- Water recycling rate

Capitals Impacted



UN SDGs Impacted



M7 CIRCULARITY & WASTE MANAGEMENT

Impact	Time Horizon	Strategy Linked
Opportunity	Long term	S2 S5

Key Performance Indicators

- Utilisation of process waste
- Waste to landfill
- Waste recycling

Capitals Impacted



UN SDGs Impacted



M8 DIVERSITY, EQUAL OPPORTUNITY & INCLUSION

Impact	Time Horizon	Strategy Linked
Opportunity	Short term	S5

Key Performance Indicators

- Workforce diversity %

Capitals Impacted



UN SDGs Impacted



M5 BUSINESS ETHICS AND CORPORATE GOVERNANCE

Impact	Time Horizon	Strategy Linked
Risk	Short/long term	S1 S2 S3 S5

Key Performance Indicators

- Reporting of ethical violations
- Completion rate of mandatory Business Ethics & Code of Conduct training for employees
- Whistleblower cases resolved

Capitals Impacted



UN SDGs Impacted



M6 COMMUNITY ENGAGEMENT AND DEVELOPMENT

Impact	Time Horizon	Strategy Linked
Opportunity	Long term	S5

Key Performance Indicators

- Lives positively impacted through social, economic and environmental initiatives
- Total spend on socio-economic development

Capitals Impacted



UN SDGs Impacted



M9 TALENT ATTRACTION & RETENTION

Impact	Time Horizon	Strategy Linked
Opportunity	Long term	S5

Key Performance Indicators

- Turnover rate
- Retention rate

Capitals Impacted



UN SDGs Impacted



M10 CLIMATE CHANGE & ENERGY TRANSITION

Impact	Time Horizon	Strategy Linked
Opportunity	Long term	S4 S5

Key Performance Indicators

- Scope 1, 2 & 3 emission
- RE power utilisation
- GHG intensity

Capitals Impacted



UN SDGs Impacted



Read more about material topic management in our Materiality Assessment
Also, read about our sustainability goals and progress on page 184