

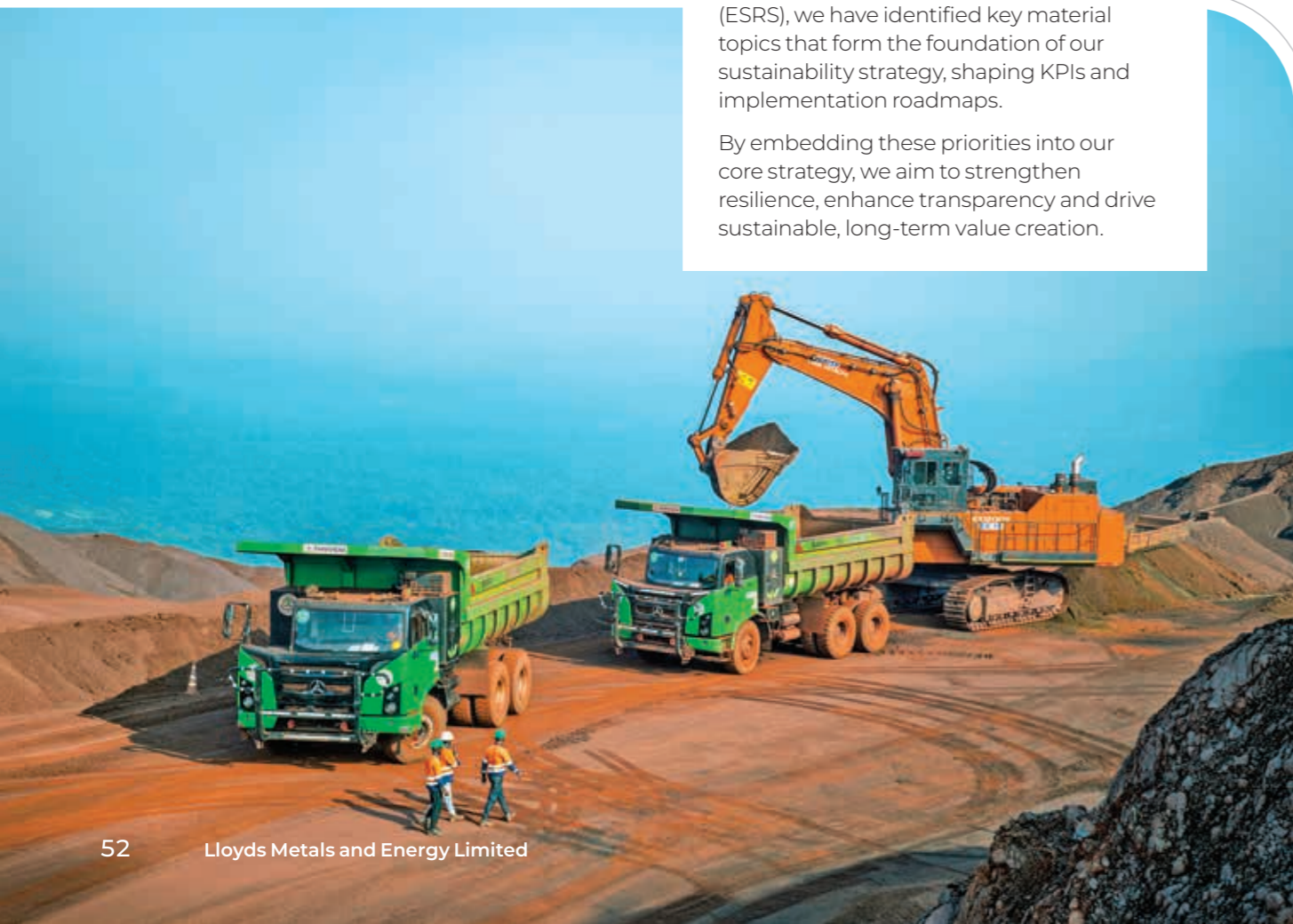
# Mapping our Key Issues

Embedding sustainability at the heart of decision-making, we adopt a structured and forward-looking approach to identify and prioritise material ESG issues. Through a comprehensive assessment framework and active stakeholder engagement, we ensure alignment with evolving expectations, strengthening risk management and enabling informed strategic choices, supporting long-term value creation.

We follow a structured approach to stakeholder engagement and materiality assessment to identify and prioritise the Environmental, Social and Governance (ESG) topics most relevant to our business and stakeholders. Aligned with global frameworks, our Company has adopted a double materiality approach, evaluating both the impact of ESG factors on our operations and our influence on society and the environment.

The process incorporated inputs from diverse stakeholders, including employees, investors, communities, suppliers and regulators, through structured engagements and management consultations. Guided by the Global Reporting Initiative (GRI) and European Sustainability Reporting Standards (ESRS), we have identified key material topics that form the foundation of our sustainability strategy, shaping KPIs and implementation roadmaps.

By embedding these priorities into our core strategy, we aim to strengthen resilience, enhance transparency and drive sustainable, long-term value creation.



## Structured Stakeholder Identification

A comprehensive exercise was undertaken to identify stakeholders linked to our Company's business model and impacts, followed by prioritisation to define the final stakeholder groups. These stakeholders were then systematically mapped against the associated impacts to ensure focused and relevant engagement.

External	Internal
<ul style="list-style-type: none"> <li>› Workers</li> <li>› Lenders</li> <li>› Communities</li> <li>› Regulatory Authorities and Government Bodies</li> <li>› Customers</li> <li>› Suppliers</li> <li>› Industry Bodies/ Trade Associations</li> </ul>	<ul style="list-style-type: none"> <li>› Senior Leadership</li> <li>› Sustainability Team</li> <li>› Employees</li> </ul>



## Approach to Materiality

We conducted a structured materiality assessment, engaging stakeholders to identify, evaluate and prioritise key ESG issues for strategic focus and disclosure.

<p><b>1</b></p> <p>Defining Scope, Approach and Boundary</p>	<p><b>2</b></p> <p>Identifying and Prioritising Stakeholder</p>	<p><b>3</b></p> <p>Mapping Potential Topics</p>	<p><b>4</b></p> <p>Identifying Impacts, Risks and Opportunities</p>
<p><b>5</b></p> <p>Questionnaire Development and Stakeholder Engagement</p>	<p><b>6</b></p> <p>Analysis and Prioritisation of Material Topics</p>	<p><b>7</b></p> <p>Finalising Material Topics</p>	

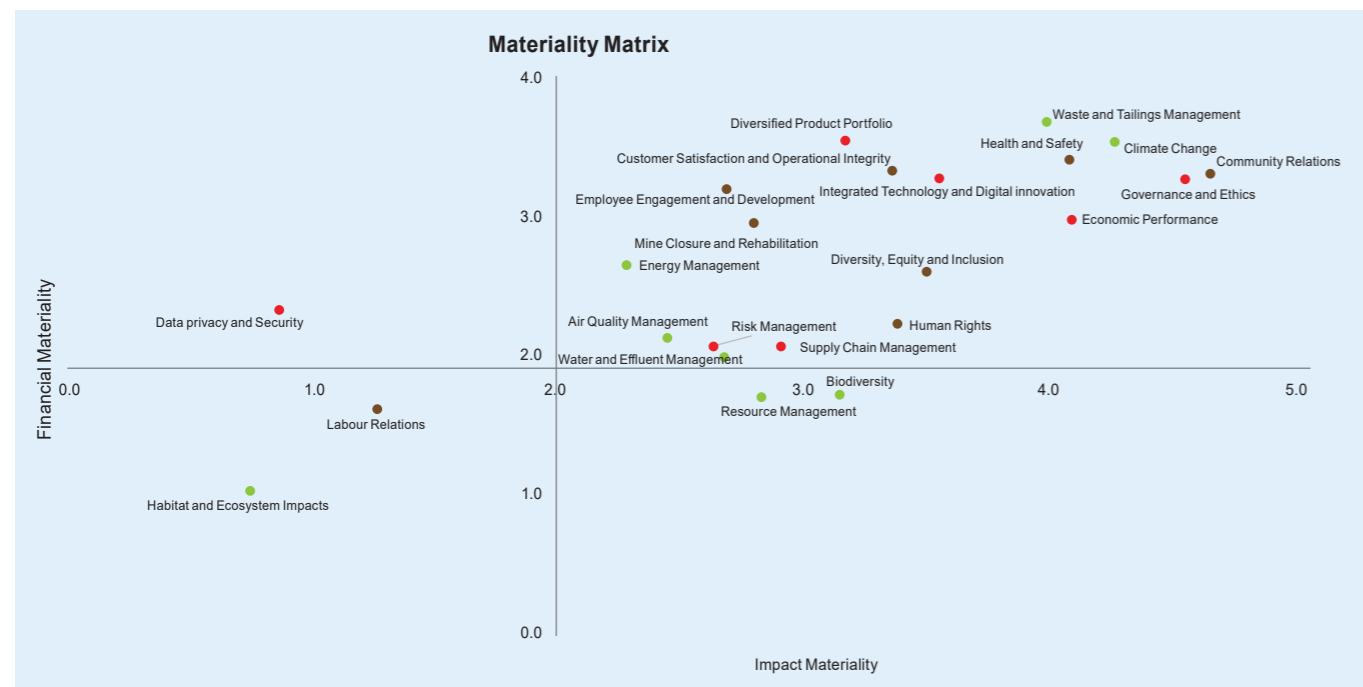
### Identifying Material Topics

We mapped potential ESG topics across economic, environmental and social dimensions through a structured review of operations, value chain and industry trends. It further assessed associated impacts, risks and opportunities using a double materiality lens, evaluating both environmental and social effects alongside business implications, forming a robust foundation for prioritising key sustainability themes.

#### Material Topics

 <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>› Waste and Tailings Management</li> <li>› Climate Change</li> <li>› Energy Management</li> <li>› Air Quality Management</li> <li>› Water and Effluent Management</li> </ul>	 <p><b>Social</b></p> <ul style="list-style-type: none"> <li>› Health and Safety</li> <li>› Community Relations</li> <li>› Employee Engagement and Development</li> <li>› Customer Satisfaction and Operational Integrity</li> <li>› Mine Closure and Rehabilitation</li> <li>› Diversity, Equity and Inclusion</li> <li>› Human Rights</li> </ul>	 <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>› Governance and Ethics</li> <li>› Economic Performance</li> <li>› Diversified Product Portfolio</li> <li>› Integrated Technology and Digital Innovation</li> <li>› Supply Chain Management</li> <li>› Risk Management</li> </ul>
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#### Materiality Matrix



### Discussion on Material Topics

#### ENVIRONMENT

##### Waste and Tailings Management\*

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Poor tailings management can lead to soil contamination, water pollution, and catastrophic failure of storage facilities with direct risk to surrounding communities and ecosystems.</p>	<ul style="list-style-type: none"> <li>› Develop waste-to-value initiatives for slag and other by-products, supported by annual waste-intensity reduction targets</li> <li>› Pursue industrial partnerships to exchange usable by-products with nearby industries and reduce landfill load</li> <li>› Conduct independent GISTM aligned stability assessments for all tailings facilities and disclose an annual inventory with safety status</li> <li>› Implement a dedicated emergency preparedness and response plan for tailings storage facilities to strengthen risk management</li> </ul>

##### Climate Change\*

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>The carbon-intensive nature of iron and steel production increases exposure to rising carbon prices, stricter regulation, and potential taxes. High emissions from equipment, processes, and mobile sources elevate compliance costs and reputational risk, potentially affecting profitability and investor confidence. Expanding operations without strong mitigation measures may further increase emissions, leading to higher abatement costs, financing challenges, and long-term climate-related financial liabilities.</p>	<ul style="list-style-type: none"> <li>› Establish an internal carbon-pricing mechanism to integrate climate considerations into capital-expenditure decisions</li> <li>› Conduct a comprehensive Scope 3 emissions assessment across the value chain to identify hotspots and inform supplier-engagement strategies</li> </ul>



##### Energy Management

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Steel production's dependence on fossil-fuel energy exposes operations to volatile fuel prices, rising carbon taxes, and regulatory penalties. This continued reliance increases operating costs, pressures margins, and heightens investor concerns over long-term climate liabilities.</p>	<ul style="list-style-type: none"> <li>› Commission ISO 50001 Energy Management System certification across all plants</li> <li>› Establish site-specific energy reduction targets linked to production intensity metrics</li> <li>› Conduct a comprehensive energy audit of upcoming EAF-based SMS (2x50T) for optimal design efficiency</li> </ul>

\*Top three risks

ENVIRONMENT

**Air Quality Management**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Mining and metal processing generate particulate matter and NO<sub>x</sub>, SO<sub>x</sub> emissions that can trigger regulatory fines, legal liabilities, and higher compliance costs. As environmental standards tighten, the need for advanced emission-control investments rises, and poor air-quality management can weaken investor confidence and threaten long-term financial stability.</p>	<ul style="list-style-type: none"> <li>➤ Installed dust suppression systems on its mine sites</li> <li>➤ Deploy ambient air quality monitoring stations at mine boundary and nearest habitations</li> <li>➤ Install real-time air quality dashboard accessible to local stakeholders to monitor air quality</li> </ul>

**Water and Effluent Management**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Untreated industrial effluent poses material financial risks through potential regulatory fines, legal liabilities and increased compliance costs.</p>	<ul style="list-style-type: none"> <li>➤ Conduct WRI Aqueduct water-risk assessments across all operational sites</li> <li>➤ Set site-specific water-reduction targets linked to production volumes</li> <li>➤ Implement real-time water metering at major withdrawal and consumption points</li> <li>➤ Extend ZLD compliance checks to new pellet plants at Ghugus and Konsari</li> <li>➤ Create community water-quality monitoring committees with periodic reporting</li> <li>➤ Publish an annual water-stewardship report aligned with CDP Water Security guidelines</li> </ul>



SOCIAL

**Health and Safety\***

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Mining and iron production operations involve high-risk tasks; reflected in Lost Time Injury Frequency Rate. Exposure to dust, heat, noise, and chemicals creates occupational health risks with potential for significant financial and human costs.</p>	<ul style="list-style-type: none"> <li>➤ Introduce a digital near miss reporting system, establish a Process Safety Management framework for high-risk areas, and strengthen annual occupational health surveillance for exposed workers</li> <li>➤ Implemented ISO 45001:2018 OHSMS, operationalised an OHS committee, and embedded regular safety training, audits, risk assessments and corrective actions with a zero-accident target</li> </ul>

**Community Relations**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b></p> <p>By proactively addressing stakeholder concerns and building trust around employment opportunities, organisations can enable smoother project execution, protect capital investments, and unlock long-term value creation. Strong community inclusion not only safeguards operational continuity but also reinforces financial resilience when delivering complex projects.</p>	<ul style="list-style-type: none"> <li>➤ Support local education and skill development through initiatives such as GD Goenka Lloyds Public School, Lloyds Raj Vidya Niketan School, and Lloyds Vanya, a garment unit focused on livelihood generation</li> <li>➤ Promote local employment and economic inclusion by engaging nearby communities and creating opportunities through contractor and vendor networks</li> <li>➤ Formalise a structured community engagement framework with regular consultations and strengthened grievance redressal mechanisms</li> <li>➤ Integrate long-term livelihood support and community transition planning into its mine closure strategy</li> </ul>

**Employee Engagement & Development**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b></p> <p>Targeted employee engagement and well-being programmes contribute to improved morale, reduced attrition, and enhanced productivity. In high-risk industrial environments, well-being directly impacts safety outcomes.</p>	<ul style="list-style-type: none"> <li>➤ Motivate employees through structured rewards, recognition programmes, and professional development</li> <li>➤ Offer competitive benefits and clear career advancement pathways</li> <li>➤ Foster innovation through dedicated hubs and regular brainstorming sessions</li> <li>➤ Deliver targeted training and acknowledged outstanding service contributions</li> <li>➤ Integrate diverse perspectives into learning materials to promote inclusion and cultural awareness</li> </ul>

\*Top three risks

SOCIAL

**Customer Satisfaction and Operational Integrity**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b> A satisfied customer base amplifies market positioning, enables premium pricing for quality products, and supports revenue stability through repeat orders.</p>	<ul style="list-style-type: none"> <li>Strengthen customer-feedback systems and quality monitoring to maintain satisfaction and loyalty</li> <li>Enhance operational integrity through regular inspections and preventive maintenance</li> <li>Improve risk-mitigation practices to reduce incidents and ensure consistent, reliable service</li> </ul>

**Mine Closure & Rehabilitation**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b> Responsible mine closure and rehabilitation reflect a strong commitment to environmental stewardship and regulatory compliance. Failure to plan adequately creates long-term environmental liabilities.</p>	<ul style="list-style-type: none"> <li>Undertake unique initiatives under Mine Closure Plan aligned with ICMM Mine Closure guidance and Indian mining regulations</li> <li>Begin progressive rehabilitation during operational phase (concurrent reclamation)</li> <li>Establish dedicated mine closure financial provision/escrow as per Indian Bureau of Mines requirements</li> </ul>

**Diversity, Equity and Inclusion**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b> Promoting gender equality and adopting inclusive hiring practices create a strategic opportunity to strengthen workplace culture, attract diverse talent, and reinforce social-responsibility commitments. Without enforceable equitable practices, organisations risk missing out on workforce diversification and the stakeholder trust that comes with clear alignment to fairness and regulatory expectations.</p>	<ul style="list-style-type: none"> <li>Promoted gender equality through equal remuneration, maternity benefits, and representation of our female permanent workers. We plan to conduct a gender pay gap assessment, set leadership diversity targets and introduce flexible and returnship programmes to strengthen retention</li> <li>Employed 3 differently abled permanent employees and 1 worker, reflecting our equal opportunity commitment. We intend to formalise a Disability Inclusion Policy, undertake accessibility audits and strengthen inclusive hiring through targeted partnerships</li> </ul>



**Human Rights**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b> Human rights violations can lead to legal action, loss of client trust and exclusion from ethically governed tenders, affecting long-term business viability.</p>	<ul style="list-style-type: none"> <li>Promote gender equality through equal remuneration, maternity benefits and representation of our female permanent workers. We plan to conduct a gender pay gap assessment, set leadership diversity targets and introduce flexible and returnship programmes to strengthen retention</li> <li>Our Company is committed to upholding human rights across our operations with 100% of plants and offices assessed for risks related to child labour, forced labour, discrimination, wages and sexual harassment, supported by a Human Rights Policy and an operational whistle-blower mechanism. Zero complaints were reported in FY 2024-25</li> <li>To further strengthen human rights governance, our Company plans to conduct formal Human Rights Impact Assessments (HRIA) for key operations, extend due diligence to tier 1 suppliers and contractors and align security practices with the Voluntary Principles on Security and Human Rights</li> <li>Our Company also intends to integrate long-term livelihood support and community transition planning into its mine closure strategy</li> <li>Our Company is in process to adopt SA 8000 social accountability framework and may further strengthen our human rights management by undertaking periodic human rights assessments across the operations and value chain</li> </ul>



GOVERNANCE

**Governance and Ethics**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b></p> <p>A strong corporate culture that reinforces ethical behaviour, combined with credible whistle-blower protections, creates a significant governance opportunity. Together, they build transparency, strengthen internal controls, and reduce the risk of fraud or misconduct. This enhances stakeholder trust, supports consistent decision-making across complex operations, and positions the organisation as a responsible and reliable partner ultimately improving long-term resilience and reputation.</p>	<ul style="list-style-type: none"> <li>Our Company maintains a strong governance framework with a Code of Conduct, insider trading and fair disclosure policies, independent Board oversight and transparent ethical practices</li> <li>An operational whistle-blower mechanism provides accessible reporting channels for employees</li> <li>Our Company plans to strengthen oversight through annual ethics surveys, ESG-linked management KRAs, enhanced anonymous reporting access and periodic disclosure of whistle-blower case summaries</li> </ul>

**Economic Performance**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Non-compliance with tax and royalty obligations or financial underperformance may lead to regulatory penalties, reputational damage and reduced investor confidence, affecting long-term sustainability.</p>	<ul style="list-style-type: none"> <li>Timely payment of taxes, royalties, and statutory contributions with structured financial reporting</li> <li>Ongoing compliance monitoring and governance oversight</li> <li>Strengthening ESG-integrated financial reporting and enhancing tax transparency disclosures aligned with GRI 207</li> </ul>

**Diversified Product Portfolio**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b></p> <p>Over-reliance on iron ore creates exposure to price fluctuations. Our forward integration into pellet manufacturing and steelmaking enhances workforce adaptability and revenue resilience.</p>	<ul style="list-style-type: none"> <li>We are expanding our integrated mining and steel capacity through recently commissioned 3,60,000 MT DRI facility at Ghugus, upcoming integrated steel plant, pellet plant and 45 MNT BHQ beneficiation capacity along with expansion of our mining footprint.</li> <li>Strategic initiatives such as the ₹ 15,000 crore Green Steel Mission and commencement of exports in FY 2025-26 strengthen our position in sustainable and global steel markets</li> <li>Going forward, our Company plans to obtain green steel certifications, implement product-level LCAs and target ESG-focused export markets to enhance competitiveness and value realisation</li> </ul>

**Integrated Technology and Digital Innovation**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Opportunity</b></p> <p>Accelerated investment in R&amp;D, digitalisation, and advanced process technologies presents a strategic opportunity to enhance productivity, reduce costs, improve energy efficiency and lower environmental impact. By integrating automation, predictive systems, and sustainable steel technologies (including hydrogen-ready infrastructure), our Company can strengthen market positioning, attract green financing and improve stakeholder confidence in long-term growth and resilience.</p>	<ul style="list-style-type: none"> <li>Our Company is strengthening innovation governance through structured R&amp;D investments, process optimisation initiatives, energy management systems (e.g., ISO 50001) and digital integration across mining and steel operations</li> <li>Going forward, it plans to establish formal Board-level oversight for innovation, develop a hydrogen-ready technology roadmap, allocate dedicated R&amp;D budgets with measurable efficiency targets and further embed digital risk monitoring and performance dashboards across operations</li> </ul>

**Supply Chain Management**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Our value chain is geographically dispersed with significant supplier dependencies. Lack of ESG integration in supplier management could create reputational, operational and compliance risks.</p>	<ul style="list-style-type: none"> <li>Our Company aims to collaborate with suppliers on health and safety improvement plans and supports infrastructure upgrades, including ventilation, fire safety and PPE enhancements to strengthen supply chain standards</li> <li>To further embed ESG across the value chain, our Company plans to implement a Supplier Code of Conduct, introduce ESG risk scoring for critical and high-spend suppliers and conduct annual sustainability assessments for key suppliers by spend</li> </ul>

**Risk Management**

Risk/Opportunity	Actions to Mitigate the Risk/Capitalise on the Opportunity
<p><b>Risk</b></p> <p>Poor risk management may result in cost overruns, missed deadlines, and diminished stakeholder confidence, impacting financial performance and future project viability. Failure to integrate ESG-related risks (climate, social, and governance) into enterprise risk management is creating blind spots in risk registers.</p>	<ul style="list-style-type: none"> <li>Our Company has established a Board-level Risk Management Committee and an enterprise-wide risk management framework with key risks identified across strategic, operational, financial and compliance categories, supported by continuous risk assessments</li> <li>To further strengthen risk governance, our Company plans to integrate ESG risks into the enterprise risk framework with quantified impact assessments, undertake annual climate-related scenario analysis aligned with TCFD recommendations and implement a dynamic dashboard for real-time monitoring of critical risks</li> </ul>