

ESG Rating Rationale

Lloyds Metals & Energy Limited (LMEL)	Rating Symbol*	Rating Score	Rating Action
ESG Rating	CareEdge-ESG 1	76.7	Assigned

* Please refer www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.

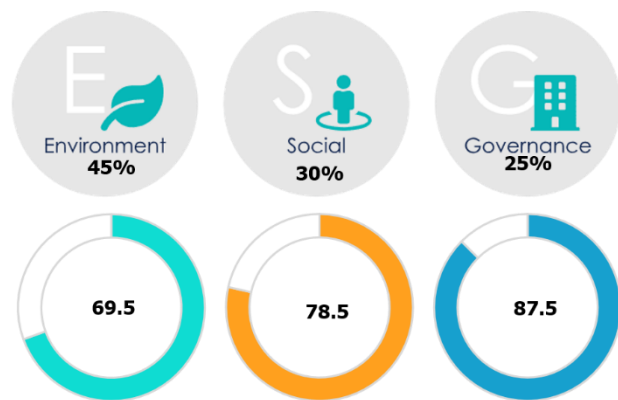
Leadership position in managing ESG Risk through **best-in-class** disclosures, policies, and performance

ESG Score



Data Transparency Level: **High**
Data Reporting Boundary: **Standalone**
Overall Transition Pathway Trajectory: **Leadership**
Environment Transition Pathway Trajectory: **Leadership**
Social Transition Pathway Trajectory: **Leadership**

Pillar Weights & Scores



Rating Scale



Please note: all scores mention in this document are on the scale of 0 – 100

CareEdge-ESG Rating Assessment Criteria



India & globally aligned



Physical risk evaluation



Comprehensive analysis

LMEL's Policy Analysis



Comprehensive



Board approved



Regularly reviewed

LMEL's Initiatives Impact



Adaptation



Mitigation



Resilience

ESG Disclosures

BRSR Report	2025-26	2024-25	2023-24
Sustainability Report	2025-26	2024-25	2023-24
GRI standards	2025-26	2024-25	2023-24
CDP disclosure	-	-	-
TCFD	-	-	-

Rating Rationale

The ESG rating assigned to Lloyds Metals & Energy Limited (LMEL) reflects the company's structured and rapidly maturing approach towards sustainability across environmental, social and governance dimensions, at a time when its operations are scaling up significantly. During FY26, LMEL produced a record 21.96 million tonnes of iron ore from its Surjagarh mine in Gadchiroli, more than double the ~10 million tonnes produced in FY25, along with 3.03 million tonnes of pellets and 484 thousand tonnes of Direct Reduced Iron (DRI), while its standalone turnover rose to ₹13,837.86 crore. The company has established a comprehensive ESG framework supported by Board-approved policies covering the majority of BRSR principles, a dedicated ESG & CSR Committee of the Board, and independent external assurance of its sustainability disclosures.

LMEL demonstrates strong environmental stewardship through its low energy and Scope 1 emission intensities, which remain well below industry medians, and its near-complete waste recovery. The company recovered 99.99% of the waste it generated in FY26 and has achieved Zero Waste to

Landfill. Its environmental management system is ISO 14001-certified, its Ghugus plant is certified under the ISO 50001 Energy Management System, and its sites identified as designated consumers under the Perform, Achieve and Trade (PAT) scheme have met their targets. Emissions, energy and water disclosures are independently assured. The rating is further supported by improvements in FY26 across key environmental performance indicators, including lower Scope 1 emission intensity, lower energy intensity, lower waste intensity and lower intensities of particulate matter (PM), NOx and SOx emissions. Decarbonisation initiatives such as the Hedri-Konsari slurry pipeline, one of the country's largest electric mining fleets, the use of biomass as an alternative fuel, and more than 100 MW of solar and wind capacity secured for captive use also support the assessment.

On the social front, LMEL has shown a strong commitment to employee health & safety, workforce welfare, human rights and community development, supported by comprehensive policies, structured grievance mechanisms and extensive training coverage. The company reported zero fatalities, improved its Lost Time Injury Frequency Rate (LTIFR), trained 100% of its workers on health & safety, human rights and skill upgradation, and spent well above its statutory CSR obligation, with industry-leading CSR spend in Aspirational Districts. Its governance framework is further strengthened by full compliance with statutory Board and committee requirements, a Board with 100% sector-relevant experience, one of the lowest CEO-to-median pay ratios in the industry, low non-audit fees, quarterly ESG performance reviews and an unqualified audit opinion.

However, the overall assessment is moderated by certain areas that need further improvement. These include air pollutant emission intensities (PM, NOx and SOx) that, despite declining during the year, remain above industry medians, a low share of renewable energy in the overall energy mix, an interim increase in treated water discharge pending commissioning of the Integrated Steel Plant at Konsari, and the non-disclosure of Scope 3 emissions. The company is also in the process of formalizing its approved Wildlife Management Plans into site-specific biodiversity management plans with measurable objectives. It is also in the process of setting targets for air pollutants, and its emission targets are not yet aligned with the Science Based Targets initiative (SBTi). LMEL also has a gender pay gap and a higher male employee turnover than industry levels. It is at an early stage of integrating ESG considerations across its supply chain. Going forward, sustained improvements in renewable energy adoption, air quality and water management, biodiversity planning, value chain sustainability and gender pay equity, especially as the company expands into pellets, steel and other minerals, are expected to further enhance LMEL's overall ESG performance and support future rating improvements.

Details of each pillar are given in the subsequent sections.

Environment Score



Transition Pathway Trajectory
Leadership

The Environmental pillar carries a weightage of 45% within the assessment framework for the metals & mining industry. Environmental performance is particularly material for iron ore mining and iron-making companies because of their large land footprint in forested and ecologically sensitive regions, energy- and carbon-intensive processing such as pelletisation and coal-based DRI production, air emissions from kilns, boilers and material handling, high water demand for beneficiation and slurry transport, and the

generation of large volumes of process waste. The assessment therefore focuses on biodiversity management, environmental compliance, carbon and other emissions, renewable energy adoption, energy efficiency, waste management, product stewardship, raw material sourcing and water stewardship.

Environmental stewardship is a key pillar of LMEL's sustainability strategy. As an integrated iron ore mining, pelletisation, sponge iron and captive power company operating in the Gadchiroli–Chandrapur region of Maharashtra, LMEL recognises that responsible environmental management is fundamental to long-term business resilience. The company has established an environmental governance framework supported by policies on environment (including biodiversity), climate-related risks and opportunities, greenhouse gas (GHG) emissions, air pollutant emissions, renewable energy, energy management, waste and hazardous waste management, and water management. Its environmental management system is certified under ISO 14001, and the company collaborates with government agencies, non-governmental organisations and industry associations on environmental issues.

The company remains compliant with the applicable provisions of the Air (Prevention and Control of Pollution) Act, the Water (Prevention and Control of Pollution) Act and the Environment (Protection) Act across its operations, and its emissions and waste generated during the year remained within the permissible limits set by the Central and State Pollution Control Boards. With no instances of non-compliance, no fines needed to be contested and no corrective actions were required under these regulations. Key environmental disclosures on emissions, energy and water are independently assured, reflecting a robust governance structure and a high degree of transparency.

Biodiversity is a highly material theme for LMEL, given that its Surjagarh iron ore mine is located in the forested Gadchiroli district. The company has incorporated biodiversity conservation into its

Environment Policy and undertakes initiatives to maintain and conserve biodiversity, including plantation and green belt development around its operations. All its locations operating in ecologically sensitive areas comply with the relevant environmental laws and regulations, and the company undertakes initiatives to reduce the biodiversity impact of its operations in these areas. LMEL has assessed the biodiversity of its operating areas, including a grid-based assessment within a 10 km radius of the Surjagarh mine and a district-wide survey, and its three major sites are covered under Wildlife Management Plans approved by the PCCF (Wildlife), Maharashtra, with a cumulative allocation of ₹31.06 crore. Formalising these into site-specific BMPs with measurable objectives and monitoring KPIs would further strengthen LMEL's biodiversity stewardship.

Climate change and emissions management is an important area of focus for LMEL. The company has a policy to incorporate climate-related risks and opportunities, along with policies to reduce GHG emissions and air pollutant emissions and to increase the use of renewable energy. LMEL has set targets to reduce its Scope 1 and Scope 2 emissions and to increase its use of renewable energy. However, these targets are not yet aligned with the Science Based Targets initiative (SBTi), and the company has not set a target to reduce air pollutant emissions. Its carbon and other emissions disclosures are independently assured, and 100% of its sites are monitored for emissions, compared with an industry median of 62.5%.

To reduce emissions, LMEL has implemented several operational and technological initiatives. The 85-km Hedri-Konsari slurry pipeline, with a capacity of 10 MTPA, transports iron ore by pipeline instead of road, sharply reducing the fuel consumption and emissions linked to transport. A second pipeline of about 195 km with 16 MTPA capacity is under development. The company also deploys new-age technologies to reduce emissions. It operates one of the country's largest electric mining fleets, including heavy earth-moving machinery re-engineered in-house, and is deploying LNG-based hybrid equipment. In addition, LMEL uses alternative fuels such as biomass (bamboo dust replacing coal fines in its boilers). The company does not currently have an internal carbon pricing mechanism.

All emission and resource intensities in this section are expressed per crore rupee of turnover. LMEL maintained a favourable GHG emissions profile during FY26. Its Scope 1 emission intensity declined from 103.66 tCO₂e/INR crore in FY25 to 86.41 tCO₂e/INR crore in FY26, well below the industry median of 455.83 tCO₂e/INR crore. However, Scope 2 emission intensity rose from 1.84 tCO₂e/INR crore in FY25 to 10.02 tCO₂e/INR crore in FY26, in line with, though marginally below, the industry median of 10.82 tCO₂e/INR crore, reflecting the electrification of ore transport through the slurry

pipeline and of mining operations through its electric fleet, which shifted emissions from Scope 1 to Scope 2. On a combined basis, Scope 1 and 2 emission intensity declined ~9% during the year. LMEL has not reported its Scope 3 emissions which limits visibility into its value chain emissions. This is a material gap, given the company's reliance on purchased coal and on logistics.

Despite improvements during the year, air pollutant emissions remain an area for improvement. PM emission intensity declined from 0.032 metric tonne/INR crore in FY25 to 0.021 metric tonne/INR crore in FY26 but stayed more than double the industry median of 0.010. NOx emission intensity decreased from 0.196 metric tonne/INR crore to 0.147 metric tonne/INR crore, still well above the industry median of 0.048 metric tonne/INR crore. Similarly, SOx emission intensity declined from 0.349 metric tonne/INR crore to 0.224 metric tonne/INR crore, against an industry median of 0.141 metric tonne/INR crore. As a result, LMEL's total air emissions intensity of 0.393 MT/INR crore in FY26 was considerably higher than the industry median of 0.143 MT/INR crore. Air pollutant emission intensities (PM, NOx and SOx) declined by 25–36% in FY26 and remained within regulatory limits, though they continue to be above industry medians given the company's integrated DRI, pellet and captive power operations. LMEL has initiated the process of setting quantitative air pollutant reduction targets.

Renewable energy accounted for 0.88% of LMEL's total energy consumption in FY26, as the company's energy mix is predominantly made up of coal used as a reductant and fuel in its DRI and pelletisation processes, which cannot be substituted by renewable electricity with currently available technologies. The company's electricity mix provides a more representative view of its energy transition. Of the 775,664.96 GJ of electricity consumed during FY26, about 10% (80,530.88 GJ) was met through solar and wind energy. A further ~30% was met through captive power generated by Waste Heat Recovery Boilers (WHRB) at the Ghugus plant, which utilise waste heat from DRI kilns without any additional fuel combustion. This power is consumed within LMEL's own operations, with the electricity supplied from Ghugus to the Konsari and Hedri units carrying a WHRB component of about 55%. The rest of it ~60% of electricity consumption was sourced from the grid and conventional fuel-based generation at Ghugus and Konsari. Overall, about 40% of LMEL's electricity requirement was therefore met through renewable and recovered energy. With over 100 MW of solar and wind capacity secured for captive consumption and a further 120 MW planned, the share of renewable energy in LMEL's electricity mix is expected to increase further, reducing the company's reliance on grid and fossil-based power.

LMEL demonstrated robust energy efficiency during FY26. The company has a policy, a target and initiatives to reduce overall energy usage, and its energy disclosures are independently assured. Its Ghugus plant is certified under the ISO 50001 Energy Management System. LMEL has sites identified as designated consumers under the Government of India's Perform, Achieve and Trade (PAT) scheme, and it has achieved the targets set under the scheme, so no remedial action was required. Energy intensity declined from 1,220.91 GJ/INR crore in FY25 to 1,083.46 GJ/INR crore in FY26, substantially lower than the industry median of 4,406.34 GJ/INR crore. This reflects efficient energy use across its mining, beneficiation, pelletisation and DRI operations, supported by electrified mining equipment, slurry-based ore transport and process optimisation.

LMEL demonstrates strong performance in effluent and waste management. The company has policies to manage waste and to reduce hazardous waste, a target to reduce waste, and programmes to reduce both overall and hazardous waste. A key strength is that it has a mechanism for Zero Waste to Landfill and has achieved Zero Waste to Landfill. The company also explains any gap where the waste recovered and the waste disposed do not add up to the total waste generated, which supports the integrity of its waste data.

These initiatives translated into strong performance during FY26. Waste intensity declined significantly from 48.92 metric tonne/INR crore in FY25 to 18.42 metric tonne/INR crore in FY26, well below the industry median of 111.08 metric tonne/INR crore. The share of total waste recovered increased from 98.74% in FY25 to 99.99% in FY26, more than double the industry median of 47.13%. Only 0.004% of waste was safely disposed of, compared with an industry median of 22.44%. About 0.25 million tonnes of waste was recycled or reused during the year, reflecting the company's focus on circular economy practices.

Under the Product Footprint & Stewardship theme, LMEL offers products and services considered environmentally friendly, and Extended Producer Responsibility (EPR) does not apply to its activities. The company conducts Life Cycle Assessments (LCA) for its products, with third-party or external assessment of the LCA studies. However, LMEL does not have a formal policy on product stewardship or LCA, in line with the industry median, and it does not hold LCA-related ISO 14040 or ISO 14044 certifications. It has also not disclosed the share of products covered under LCA (industry median: 35.85% of turnover), or the revenue contribution of products assessed under gate-to-gate, cradle-to-gate, cradle-to-grave or cradle-to-cradle LCA boundaries (industry medians of 50.0%, 76.0%, 0% and

0%, respectively). Adopting a formal product stewardship policy and disclosing LCA coverage and boundaries would strengthen transparency in this area.

Under the Raw Material Sourcing theme, LMEL undertakes initiatives to reduce overall raw material usage, promote the use of recycled materials and reduce the use of toxic materials. Beneficiation of low-grade Banded Hematite Quartzite (BHQ) ore and the exploration of organic binders in pelletisation support better resource use. In FY25, recycled or reused input material made up 19.57% of total material used (by value), above the industry median for that year. However, the company has not reported this figure for FY26 (industry median: 10.0%). Consistently disclosing recycled input material would help demonstrate progress on circular sourcing.

Water management is an important environmental theme for LMEL, given the water needs of ore beneficiation, slurry transport, pelletisation and DRI operations. The company has a water management policy, targets to reduce water consumption and water discharge, initiatives to reduce water consumption and achieve water positivity, and a monitoring system for efficient water consumption across all its sites. Its water disclosures are independently assured. LMEL has implemented a Zero Liquid Discharge (ZLD) mechanism at its Ghugus (Unit-1) and Hedri (Unit-3) units, but it has not yet achieved ZLD across all operations. It also does not have a Water Efficiency Management System such as ISO 46001 or ISO 24526. LMEL's water treatment profile score of 0.5, both overall and in water-stressed areas, matches the industry best and median. None of its water consumption comes from water-stressed areas, in line with the industry median.

Water consumption intensity increased from 236.86 kilolitres/INR crore in FY25 to 405.76 kilolitres/INR crore in FY26, as operations expanded and the slurry pipeline came into use. The slurry pipeline uses water as the carrier medium for ore transport, replacing diesel-based road haulage and the associated fuel consumption, emissions and road dust. However, it remained below the industry median of 614.87 kilolitres/INR crore. Water recycled or reused was 10.73% of total water withdrawn in FY26, in line with the industry median of 10.73%. The company has not disclosed a Water Positivity Index (industry median: 0.066).

Despite these strengths, opportunities remain to improve water management. The company discharged about 22.77 lakh kilolitres of treated water in compliance with consent norms and regulatory approvals, as an interim arrangement permitted until its Integrated Steel Plant becomes operational. ZLD is already in place at its Ghugus and Hedri units.

Social Score



Transition Pathway Trajectory
Leadership

The Social pillar, carrying a weightage of 30% for the metals & mining industry, reflects a company's performance across critical areas such as employee health & safety, human capital, human rights, community development, product safety and quality, consumer protection and value chain management. For iron ore mining and processing companies, the social pillar is a highly material part of ESG performance. This reflects the sector's hazardous operating environment, large direct and contractual workforce, operations in tribal and remote regions with land acquisition and resettlement implications, and close ties with local communities and suppliers.

LMEL demonstrates strong social performance, supported by comprehensive health and safety systems, extensive workforce training, robust human rights practices, substantial community development programmes and a sound product quality framework. The company outperforms industry medians across several key areas, including employee health & safety, human rights training, community development and product quality certification, while value chain engagement and gender pay equity remain areas for improvement.

Community support & development is a key pillar of LMEL's sustainability strategy, reflecting its extensive engagement with communities in the Gadchiroli and Chandrapur districts, which include several remote and tribal areas. The company is compliant with the statutory CSR requirements of the Companies Act, 2013. It has a policy on community services and follows ISO 26000 guidance for its CSR activities. LMEL undertakes impact assessments for some of its CSR projects, in line with the industry median, and has carried out social impact assessments of its projects as required by applicable laws. No serious concerns were raised in these assessments, so no corrective actions were needed. The company has also created jobs in rural and semi-urban areas during the year, including through skilling initiatives such as the Thriveni Industrial Security Academy for tribal youth.

The company implements a broad range of community development initiatives covering healthcare, education, skill development, livelihoods and women's empowerment. These include free healthcare at the Lloyds Kali Ammal Memorial Hospital, two CBSE schools at Hedri and Ghugus, and skill development centres at several locations. During FY26, LMEL spent ₹181.21 crore on CSR across 34 initiatives, reaching about 6.45 lakh beneficiaries in more than 40 villages.

The company's community development performance was strong during FY26. Total CSR spend over the last three years stood at 781.0% of its total CSR obligation for the period, far above the industry median of 132.8%. LMEL also recorded the industry's highest CSR spend in Aspirational Districts, at ₹1,32,450 per ₹ crore of turnover, compared with an industry median of ₹6,623. In addition, 100% of Project Affected Families (PAFs) were covered by Rehabilitation and Resettlement (R&R) measures, against an industry median of 0%. The company has a grievance redressal mechanism for communities and resolved 100% of community complaints during the year, in line with the industry median. However, LMEL has not disclosed the percentage of CSR beneficiaries from vulnerable and marginalized groups.

The share of wages paid to persons employed in smaller towns declined from 85.41% in FY25 to 78.64% in FY26, though it remained above the industry median of 75.60%. This reflects the company's continued role in local employment as its workforce has grown.

Employee health and safety is a highly material theme for LMEL, given the operational risks of open-cast mining, heavy machinery, kilns and material handling. The company has a policy on employee health & safety, an EHS management system for a safe and healthy workplace, and a dedicated health & safety team. It holds ISO 45001 certification. LMEL has processes to identify work-related hazards and assess risks on both a routine and non-routine basis, as well as a process for workers to report work-related hazards and to remove themselves from such risks. The company also provides non-occupational medical and healthcare services to its workforce.

During FY26, 100% of the company's plants and offices were assessed for health & safety practices and for working conditions, in line with the industry median. Health & safety training coverage was strong: 99.91% of employees and 100% of workers were trained, compared with industry medians of 93.93% and 57.56%, respectively. 99.77% of employees were covered under health insurance, in line with the industry median, while 100% were covered under accident insurance. LMEL extends life insurance or compensatory packages in the event of the death of employees and workers. All (100%) employees, workers or family members affected by high-consequence injury, ill health or fatality were rehabilitated and placed in suitable employment, in line with the industry median.

These initiatives contributed to strong safety outcomes during FY26. The company reported zero workforce fatalities, compared with an industry median fatality rate of 0.00013. The average LTIFR improved substantially from 0.52 in FY25 to 0.165 in FY26, below the industry median of 0.24. The

total recordable injury rate (excluding fatalities) of 0.0004 was also well below the industry median of 0.0016. LMEL received no health & safety complaints during the year, and no serious concerns relating to health & safety were raised.

LMEL recognises its workforce as a key driver of its rapid growth and has established policies on diversity and inclusion, equal opportunity, and training and career development. The company has an equal opportunity policy as required under the Rights of Persons with Disabilities Act, 2016, as part of its Human Rights Policy, and its premises are accessible to differently abled employees and workers. Differently abled people made up 0.08% of the total workforce, marginally above the industry median of 0.07%. LMEL has a grievance redressal mechanism for its total workforce and resolved 100% of workforce complaints during the year. It also provides paid paternity leave and extends ESOP benefits across employee grades. However, the company does not follow social accountability standards such as SA8000 or BSCI and does not hold such certification. Only 2.36% of its permanent workforce belong to employee unions or associations, compared with an industry median of 8.89%.

Workforce wellbeing and diversity were strengths during FY26. Spending on employee wellbeing rose sharply from 0.24% of total revenue in FY25 to 1.62% in FY26 (₹221.11 crore), more than five times the industry median of 0.30%. The ratio of female to male employees improved from 7.8% in FY25 to 10.6% in FY26, well above the industry median of 4.1% and close to the industry best of 12.0%. The ratio of female to male workers was 13.6%, the highest in the industry, compared with the median of 3.8%. Training coverage was also strong: 99.91% of employees and 100% of workers were trained on skill upgradation, against industry medians of 99.55% and 66.08%, respectively, while 90.97% of employees (other than the Board and KMPs) were trained on BRSR principles, in line with the industry median.

Despite these strengths, opportunities remain to improve gender pay equity and workforce retention. The median pay of female employees improved from ₹55.9 for every ₹100 earned by male employees in FY25 to ₹64.0 in FY26, but remained well below the industry median of ₹82.8. In contrast, the median pay of female workers rose from ₹86.3 to ₹92.1 for every ₹100 earned by male workers, above the industry median of ₹80.0. Female employee turnover fell sharply from 18.67% in FY25 to 7.55% in FY26, close to the industry median of 6.90%. Male employee turnover, however, rose slightly from 12.52% to 12.94%, well above the industry median of 7.30%. Closing the gender pay gap at the employee level and improving retention would further strengthen LMEL's human capital profile.

Human rights form an integral part of LMEL's governance and workforce management practices. The company has a formal human rights policy, an individual or committee responsible for addressing human rights issues, and integrates human rights requirements into its business agreements and contracts. LMEL also has mechanisms to protect complainants from adverse consequences in discrimination and harassment cases, along with a policy on the Prevention of Sexual Harassment (POSH). The company has made changes to its business processes in response to human rights grievances, demonstrating responsiveness to stakeholder concerns.

During FY26, 100% of LMEL's plants and offices were assessed for human rights practices, in line with the industry median. The company received no human rights complaints (other than sexual harassment cases), and no serious human rights concerns were raised. Human rights training coverage was well above industry levels, with 99.91% of employees and 100% of workers trained on the company's human rights policies, compared with industry medians of 80.41% and 68.92%, respectively. In addition, 90.97% of employees were trained on POSH guidelines, in line with the industry median.

During the year, POSH complaints amounted to 0.19% of the total female workforce, compared with an industry median of nil. All (100%) of these complaints were upheld and resolved within the year. While the timely resolution reflects the effectiveness of the company's redressal mechanism, extending POSH training to all employees would further strengthen awareness and prevention.

Product safety and quality are important for LMEL, given that its iron ore, pellets and sponge iron are key inputs for downstream steelmakers. The company has a policy on product quality and undertakes initiatives to maintain it. All (100%) of its sites are certified under the ISO 9001 Quality Management System, compared with an industry median of 13.45%. LMEL also maintains channels and platforms through which information on its products and services can be accessed. It has a grievance redressal mechanism for consumers and resolved 100% of consumer complaints during FY26, in line with the industry median. No serious consumer-related concerns were raised, so no corrective actions were needed.

However, LMEL does not currently conduct customer satisfaction surveys. Introducing structured customer feedback mechanisms would further strengthen the company's consumer-centric practices.

Value chain management is an area where LMEL has scope for further improvement. The company has policies on human rights protection for its value chain partners and on health & safety for its

suppliers, and it assesses the human rights practices of its value chain partners. LMEL has a grievance redressal mechanism for its value chain partners and resolved 100% of their complaints during the year. It also takes measures to ensure that statutory dues are deducted and deposited by its value chain partners. No serious health & safety or human rights concerns relating to value chain partners were raised during FY26.

Supplier concentration remains low. Purchases from the top 10 trading houses accounted for 25.56% of total purchases from trading houses, against an industry median of 54.01%, and sales to the top 10 dealers or distributors accounted for 13.23% of total dealer sales, against an industry median of 29.00%. This indicates a well-diversified value chain. LMEL sourced 95.78% of its input material (by value) from suppliers within India, the highest in the industry, compared with the median of 68.00%. Input material sourced directly from MSMEs or small producers rose from 2.94% in FY25 to 7.48% in FY26, though it remained below the industry median of 11.07%. Procurement from marginalised or vulnerable groups was 0.08% of total procurement (by value), against an industry median of nil. The company's accounts payable period was 57 days.

Despite these strengths, opportunities remain to embed ESG considerations more deeply across the value chain. LMEL has initiated ESG-based assessment of its significant suppliers, which is expected to strengthen the integration of environmental and social considerations across its value chain. None of its value chain partners were trained on BRSR principles during FY26, compared with an industry median of 23.51%. The company also does not have a preferential procurement policy for suppliers from marginalised or vulnerable groups, and its SME vendors do not hold ZED (Zero Effect Zero Defect) certification. Introducing ESG-based supplier screening, supplier capacity-building programmes and preferential procurement would further strengthen LMEL's responsible sourcing practices.

Governance Score



87.5

Governance forms the foundation of LMEL's ESG framework and underpins its ability to deliver sustainable long-term value to stakeholders, particularly in a phase of rapid capacity expansion and diversification. The governance pillar, carrying a weightage of 25%, assesses the effectiveness of Board oversight, ethical business conduct, transparency, regulatory compliance, risk management, executive remuneration, ESG oversight and stakeholder engagement. Given the highly regulated nature of the mining industry and the significance of related-party relationships, governance remains a highly material pillar of LMEL's ESG performance.

LMEL demonstrates a well-established governance framework characterized by full compliance with statutory Board and committee requirements, sound ethical policies, structured ESG oversight and transparent reporting. The company performs in line with or better than industry medians across most governance indicators, while risk committee independence, ethics training coverage and the formalization of business continuity planning offer scope for improvement.

Business ethics is a key governance strength for LMEL. The company has a Code of Conduct for management and employees, a whistleblower protection policy, an Anti-Corruption and Anti-Bribery Policy, and a policy on Related Party Transactions (RPTs). It also has processes to avoid or manage conflicts of interest involving Board members. LMEL complies with SEBI regulations on the prohibition of insider trading and with SEBI listing rules requiring shareholder and audit committee approval of RPTs. Non-promoter shareholders cast no 'against' votes on RPTs during the year, in line with the industry median. The company reported no serious concerns related to corruption or conflicts of interest and no incidents of anti-competitive conduct, so no corrective actions were required. LMEL has grievance redressal mechanisms for investors and shareholders and resolved 100% of their complaints during FY26, in line with the industry median.

Despite these strengths, training coverage on key ethics-related policies remained slightly below industry levels. During FY26, 94% of employees were trained on the Code of Conduct, the Anti-Corruption and Anti-Bribery Policy, and the Whistleblower Protection Policy, compared with industry medians of 97%, 100% and 94%, respectively. Coverage on anti-corruption and anti-bribery training was therefore the lowest in the industry. In addition, the company has not disclosed whether its Code of Conduct and anti-corruption policies extend to its suppliers, vendors and distributors, and it does

not train them on these policies. Extending ethics policies and training to value chain partners and achieving full employee coverage would further strengthen LMEL's ethical culture.

Oversight of ESG is another area where LMEL demonstrates strong governance practices. The company's policies cover the majority of BRSR principles and are approved by the Board, while its targets and initiatives also cover the majority of these principles. A Board-level ESG & CSR Committee is responsible for decision-making on sustainability issues, supported by a dedicated environment and sustainability management team. Members of the Board or senior management have expertise in both environmental/climate-related and social parameters. LMEL reviews both its performance against BRSR principles and its compliance with statutory requirements on a quarterly basis, with no BRSR principles pending review by the Board or its committees. It also has an independent external agency assess how its policies are working, and its sustainability disclosures are assured by Intertek India Private Limited under ISAE 3000.

LMEL has a stakeholder engagement policy and process. Stakeholder consultation is used to identify and manage environmental and social topics, and the Board is kept informed of stakeholder engagement activities and feedback. The company has an ESG materiality assessment framework and a materiality matrix that prioritises its material issues, and it publishes a Sustainability/ESG report as part of its Integrated Annual Report. Notably, 100% of its R&D expenditure was directed towards technologies that improve the environmental and social impact of its products and processes, compared with an industry median of 1.89%. However, only 6.02% of its capital expenditure went into such technologies, below the industry median of 11.31%. LMEL acknowledges that significant social or environmental risks arise from the production or disposal of its products and services. While the company does not have a formal standalone Business Continuity Plan, operational continuity risks are addressed through its risk management framework and site-level emergency response plans. The concentration of its operations is also expected to reduce as LMEL develops projects overseas and in other Indian states in partnership with state governments, alongside its diversification into copper and other critical minerals. Within Gadchiroli, the recent allocation of mineral blocks to the Gadchiroli Mineral Corporation, under which LMEL intends to develop further projects, is expected to strengthen the long-term raw material security of its operations. Formalizing a Business Continuity Plan covering its key sites and supply chains would further strengthen the company's operational resilience.

LMEL maintains a Board composition that complies with regulations. The Board is constituted in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, including requirements on Board size and independence, with at least 50% of directors being non-executive. The company has constituted all mandatory Board committees, including the Audit Committee, Nomination and Remuneration Committee (NRC), Risk Management Committee (RMC), Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. It complies with the requirements on the independence of the chairpersons and members of the Audit Committee and NRC, the non-executive status of NRC members, and the independence of CSR Committee members. LMEL has a Board diversity policy and exceeds the Companies Act, 2013 threshold on Board gender diversity. Women made up 9.09% of senior management, above the industry median of 0% (industry maximum: 25.0%). Strengthening its independence would further reinforce objective oversight of the company's risk management framework, including ESG-related risks.

LMEL demonstrates effective Board functioning. The company complies with statutory requirements on holding at least four Board meetings a year, Board attendance quorum, Audit Committee meeting frequency, Board rotation and external auditor rotation. Its directors comply with SEBI limits on directorships in other listed companies. The company held its AGM within the prescribed 15-month period and discloses AGM details, attendance, participation and minutes. Its Audit Committee complies with SEBI requirements on the financial literacy and financial expertise of its members. All (100%) Board members and Key Managerial Personnel (KMPs) were trained on BRSR principles during FY26, in line with the industry median.

LMEL's remuneration practices are well aligned with industry standards. Non-promoter shareholders did not cast more than 10% 'against' votes on the Board's compensation plan. Total Board compensation accounted for 5.85% of total compensation and KMP compensation for 3.69%, both in line with industry medians. The ratio of the CEO's pay to the median remuneration of employees stood at 39.23 times, less than half the industry median of 80.78 times reflecting a relatively equitable pay structure.

Reporting, filing and disclosures remain a governance strength for LMEL. During the last two fiscal years, there were no instances of late financial reporting or filings and no restatements of financial statements, and the statutory auditor issued an unqualified opinion on the company's financial statements for FY26. LMEL undertakes enterprise risk management covering credit, market and competition, operational and legal risks. Auditor independence is also strong, with non-audit fees making up 5.71% of total audit and non-audit fees, well below the industry median of 14.29%.

Comprehensive disclosures in the Integrated Annual Report, which follows the International Integrated Reporting Framework and GRI Standards 2021, together with the BRSR, statutory filings and investor communications, enable stakeholders to assess the company's financial and ESG performance.

Key Rating Drivers

Strengths

Energy Efficiency & Low-Carbon Operations

LMEL's energy intensity and Scope 1 emission intensity are among the lowest in the industry and continued to decline during FY26 despite a substantial ramp-up in production. This is supported by ISO 50001 certification at its Ghugus plant, achievement of PAT targets, one of the country's largest electric mining fleets, biomass co-firing and the Hedri-Konsari slurry pipeline, which together reflect a proactive approach to decarbonising mining and ore logistics.

Waste Management & Circularity

The company has achieved Zero Waste to Landfill, recovering 99.99% of the waste it generated in FY26 against an industry median of 47.13%, while sharply lowering its waste intensity to well below the industry median. Structured waste and hazardous waste policies, reduction targets and recycling initiatives reflect a strong commitment to circular economy practices.

Employee Health, Safety & Wellbeing

LMEL reported zero fatalities in FY26 and improved its LTIFR from 0.52 to 0.165, below the industry median. Health & safety, human rights and skill upgradation training reached all workers. This is backed by ISO 45001 certification, 100% assessment of sites, full rehabilitation support and wellbeing spending of 1.62% of revenue, more than five times the industry median.

Community Development & Inclusive Growth

Community development is one of LMEL's strongest social differentiators. The company's three-year CSR spend was 988% of its statutory obligation, it recorded the industry's highest CSR spend in Aspirational Districts, and it covered 100% of Project Affected Families under R&R. Healthcare, education and tribal youth skilling initiatives in the Gadchiroli-Chandrapur region create lasting socio-economic value.

Governance Framework & Transparency

LMEL maintains a governance framework characterized by full compliance with statutory Board and committee requirements, a Board with 100% sector-relevant experience, quarterly Board-level reviews of ESG performance, independent assurance of its sustainability disclosures, a low CEO-to-median pay ratio and strong auditor independence, reinforcing accountability and stakeholder confidence.

Weaknesses**Air Emissions & Water Discharge**

PM, NO_x and SO_x emission intensities declined by 25-36% in FY26 and remained within regulatory limits but continue to be above industry medians given the company's integrated DRI, pellet and captive power operations. The company has initiated the process of setting quantitative air pollutant reduction targets. Water discharge in FY26 was treated and released in compliance with consent norms and the approvals received, as an interim arrangement permitted until the Integrated Steel Plant at Konsari becomes operational, while ZLD is already in place at Ghugus and Hedri. Both areas need focused attention as pellet, DRI and steel capacities expand.

Renewable Energy Transition & Value Chain Emissions

Renewable energy accounted for 0.88% of total energy consumption in FY26, below the industry median, reflecting the coal-intensive nature of DRI and pelletisation processes, though renewable and recovered energy met about 40% of the company's electricity requirement. Scope 3 emissions are yet to be disclosed, though the company is establishing a Scope 3 accounting system, supported by a digital, AI-based data tool, as part of the ESG framework assignment undertaken. Its targets are not yet aligned with SBTi, and it has no internal carbon pricing mechanism. Commissioning contracted solar and wind capacity, disclosing value chain emissions and adopting science-based targets would strengthen its climate transition pathway.

Biodiversity Management

LMEL has assessed the biodiversity of its operating areas, including a grid-based assessment within a 10 km radius of the Surjagarh mine, and its three major sites are covered under Wildlife Management Plans approved by the PCCF (Wildlife), Maharashtra, with a cumulative allocation of ₹31.06 crore. Given the company's mining operations in the forested Gadchiroli region, formalising

these into site-specific BMPs with measurable objectives and monitoring KPIs remains an area of focus.

Value Chain Sustainability & Gender Pay Equity

ESG integration across the supply chain is at an early stage. LMEL has initiated ESG-based assessment of its significant suppliers, while BRSR training for value chain partners, supplier health & safety initiatives and the extension of ethics policies to vendors are being formalized. In addition, the median pay of female employees, at ₹64.0 for every ₹100 earned by male employees, and male employee turnover, at 12.94%, remain weaker than industry levels.

Key ESG Parameters of Lloyds Metals and Energy Limited

Parameters	Unit	2025-26	Industry Median
Environment			
Scope 1 intensity	tCO2e/INR crore of turnover	86.41	455.83
Scope 2 intensity	tCO2e/INR crore of turnover	10.02	10.82
Scope 3 intensity	tCO2e/INR crore of turnover	NR	0.22
Renewable energy consumption	% (of total energy consumption)	0.88%	1.14%
Energy intensity	GJ/ INR crore of turnover	1083.46	4406.34
Water consumption intensity	KL/ INR crore of turnover	405.76	614.87
Waste generation intensity	MT/ INR crore of turnover	18.42	111.08
Waste recovery rate	%	100%	47.1%
Zero waste to landfill	Waste to landfill/total waste	0.0	-
Achieved Zero liquid discharge	Yes/No	No	-
Social			
Employee turnover	%	12.3%	7.4%
Female to male employees' ratio	Per 100 male employees	11	4
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	63.97	82.83
Health & safety complaints	#	0.0	0.0
Health insurance coverage	%	99.77%	100.0%
Accident insurance coverage	%	100.0%	100.0%
Differently abled workforce	% of total workforce	0.08%	0.07%
POSH complaints upheld over reported	X/Y	1.0	0.0
Average lost time injury frequency rate	#	0.17	0.24
Workforce fatality rate	Per employee	0.0	0.0001
Total recordable injury rate	#	0.0004	0.002
Governance			
No. of female in board	#	2	0
% board members trained on BRSR	%	100.0%	100.0%
% KMPs trained on BRSR	%	100.0%	100.0%
Income gap ratio (CEO pay to median pay)	X:Y	39.23	80.78

Data source: company information, public sources, CareEdge-ESG research & analysis

KL = kilolitres | MT = metric tons | GJ = gigajoules

Rating Sensitivities

Potential Future Rating Upside Drivers

- Significant increase in the share of renewable energy and reduction in Scope 2 emission intensity
- Reduction in air pollutant emission intensities and adoption of air quality targets
- Achievement of Zero Liquid Discharge across all units and reduction in water discharge
- Disclosure of Scope 3 emissions and adoption of SBTi-aligned targets
- Implementation of site-specific biodiversity management plans with measurable objectives
- ESG-based supplier screening and capacity building across the value chain
- Improvement in gender pay equity and employee retention

Potential Future Rating Downside Risks

- Increase in environmental intensities
- Adverse environmental or biodiversity incidents in ecologically sensitive areas
- Deterioration in safety outcomes
- Reduced focus on CSR and community development initiatives
- Weakening of governance practices or Board and committee independence

Analytical approach:

Rating boundary: CareEdge-ESG has considered standalone data of LMEL for assessment. The same is in line with their disclosure in BRSR.

Methodology/Criteria:

For detailed understanding on the criteria and methodology used by CareEdge-ESG, please refer to the methodology document available on the company's website www.careedgeesg.com

About the company and industry:

Lloyds Metals & Energy Limited (LMEL) is one of India's fastest-growing integrated iron ore mining and metals companies, with operations concentrated in the Gadchiroli and Chandrapur districts of Maharashtra. The company operates the Surjagarh iron ore mine in Gadchiroli, India's first large-scale iron ore mine in the region, with JORC-compliant reserves and a mining lease valid until 2057. LMEL

plays a significant role in developing the Chandrapur–Gadchiroli belt into an emerging hub for mining and steel.

The company operates across iron ore mining and beneficiation, pelletisation, sponge iron (DRI) manufacturing and captive power generation. During FY26, LMEL produced a record 21.96 million tonnes of iron ore, 3.03 million tonnes of pellets from its 4 MTPA pellet plant, and 484 thousand tonnes of DRI, supported by a new 360 KTPA DRI facility commissioned at Ghugus during the year. The company's standalone turnover for FY26 stood at ₹13,837.86 crore. LMEL has integrated its logistics through the 85-km Hedri–Konsari slurry pipeline, with a parallel pipeline of about 195 km under development.

LMEL is pursuing a large expansion programme that includes scaling up iron ore mining, BHQ beneficiation, additional pellet capacity, a 1.2 MTPA wire rod mill and integrated steelmaking at Ghugus, captive renewable power, and diversification into copper and other critical minerals. Through its Mine Developer and Operator (MDO) partnership with Thriveni Earthmovers, the company combines mining expertise with downstream value addition across the iron and steel value chain.

The company is committed to responsible and sustainable business practices, focusing on reducing environmental impacts through electrification and efficient logistics, improving resource efficiency, maintaining high occupational health and safety standards, and supporting the socio-economic development of communities in its areas of operation. Through its integrated business model, community engagement and sustainability initiatives, LMEL aims to contribute to India's industrial growth and to the long-term development of the Gadchiroli–Chandrapur region.

Source of information

While assigning the ratings, CareEdge-ESG has considered publicly available information such as annual reports of the company and other policies, sustainability reports, certifications, BRSR reports, additional information and comments provided by the company.

Status of non-cooperation with previous ERP: Not applicable

Rating history for the last three years:

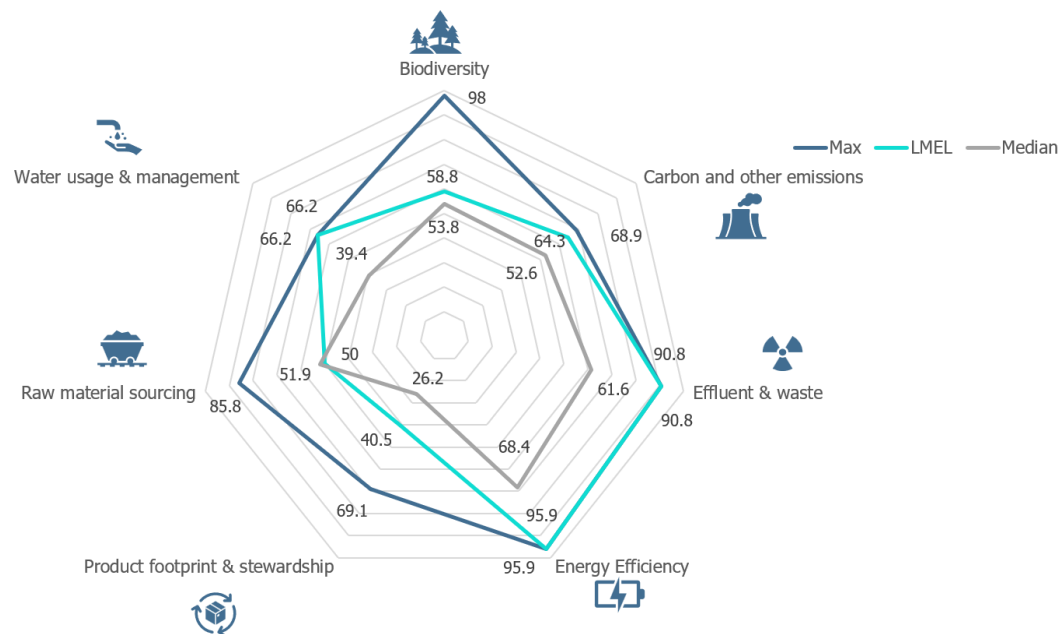
Sr. No.	Name of Product	Current Rating		Rating history		
		Rating	Score	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1	ESG Rating	CareEdge-ESG 1	76.7	-	-	-

Annexure: Graphical summary of key rating drivers

Hierarchy: While arriving at pillar level scores for Lloyds Metals and Energy Limited, CareEdge-ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

Materiality	Environment	Social	Governance
H I G H	 Carbon and other emissions	 Employee health & safety	 Oversight on ESG
	 Biodiversity	 Community support & development	 Business Ethics
M E D I U M	 Energy Efficiency	 Human Capital	 Board Composition
	 Effluent & waste	 Human Rights	 Reporting, filling & disclosures
L O W	 Water usage & management	 Product Safety & Quality	 Board Functioning
	 Raw Material Sourcing	 Consumer Protection	 Remuneration
	 Product footprint & stewardship	 Value Chain	

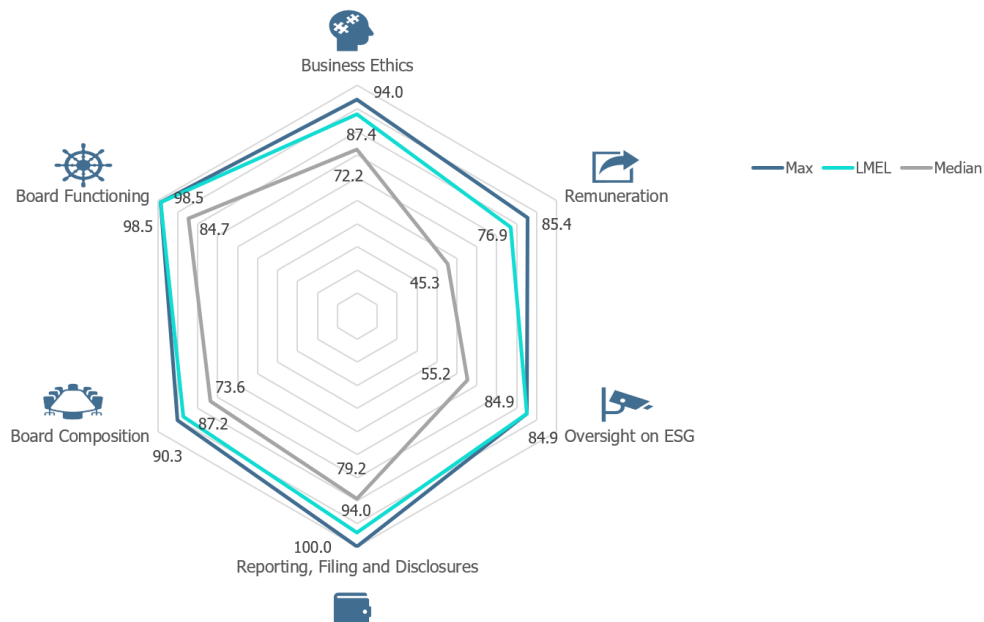
Environment Pillar: Theme-wise performance and industry benchmarks



Social Pillar: Theme-wise performance and industry benchmarks



Governance Pillar: Theme-wise performance and industry benchmarks



Summary Pillars and Theme Scores

Theme	Lloyds Metals and Energy Limited	Industry Median
Biodiversity	58.8	53.8
Carbon & other emissions	64.3	52.6
Effluent & waste	90.8	61.6
Energy Efficiency	95.9	68.4
Product footprint and stewardship	40.5	26.2
Raw materials sourcing	50.0	51.9
Water usage & management	66.2	39.4
Total Environment Score	69.5	54.2
Product safety & quality	100.0	84.0
Human Rights	78.3	69.5
Human Capital	57.4	46.1
Employee health & safety	97.2	78.8
Value Chain	61.6	56.2
Community support & development	70.5	58.5
Total Social Score	78.5	64.4
Reporting, Filing and Disclosures	94.0	79.2
Remuneration	76.9	45.3
Business Ethics	87.4	72.2
Board Functioning	98.5	84.7
Board Composition	87.2	73.6
Oversight on ESG	84.9	55.2
Total Governance Score	87.5	67.1
Total ESG Score	76.7	58.4

**The median and leader score is for each theme & pillar individually across the peers*

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About:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.

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