

MATERIAL MATTERS

Materiality assessment is important to how we understand our responsibility to both the people and the planet. It deepens our understanding of stakeholder expectations and helps us identify the issues that truly shape our long-term sustainability. This clarity empowers purposeful action, sharper strategic focus and the creation of resilient, long-term value.

Double Materiality Assessment

In March 2025, we undertook a comprehensive Double Materiality Assessment (DMA), marking a pivotal step in strengthening our sustainability agenda. The assessment enabled us to identify and prioritise the ESG matters of greatest significance to our stakeholders and enterprise, providing a robust foundation for informed decision-making, strategic resilience and long-term value creation.

The assessment was conducted in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD), ensuring a robust and globally recognised approach aligned with evolving regulatory expectations and leading sustainability disclosure practices.

Approach to double materiality

We follow a structured materiality assessment to identify the ESG topics that matter most to 'Z'.

Financial materiality

(Outside-In)

Assessed how external ESG factors – like environmental, regulatory, or societal trends impact 'Z's business performance, financial health, and long-term value.

Impact materiality

(Inside-Out)

Evaluated how 'Z's operations, content, and practices affect society and the environment.

The DMA Process ensures ESG risks and opportunities are integrated into strategic and financial decision-making and 'Z' remains accountable for broader impact, aligning with stakeholder expectations and global sustainability goals.

Our Six-step DMA process

PEER ANALYSIS

Analysed ESG practices within the media and entertainment industry to understand industry-specific sustainability drivers and identify relevant material topics for 'Z's operations

IMPACT MATERIALITY

- Assessed identified material topics based on the severity and likelihood of their impacts through structured stakeholder surveys
- Evaluated both negative and positive impacts across environmental, social, and governance parameters
- The assessment enabled 'Z' to prioritise actions that maximise positive change while responsibly managing adverse impacts

FINANCIAL MATERIALITY

- Evaluated the potential short-, medium-, and long-term impact of each material topic through one-to-one sessions with internal and external leadership
- Evaluated both the likelihood and the magnitude of financial risks associated with environmental regulations, social expectations, and governance practices
- Assessed each material topic's alignment with 'Z's strategic objectives

REFERENCE FRAMEWORK

Reviewed global sustainability standards and frameworks, such as GRI, SASB, and CSRD, to develop an exhaustive universe of potential ESG topics relevant to the industry and its stakeholders

STAKEHOLDER ENGAGEMENT

- Consulted internal and external stakeholders through an online workshop, group discussion, and a focussed one-to-one discussion
- The inputs helped prioritise, validate and refine material topics based on their perceived relevance and impact on business operations

DOUBLE MATERIALITY MATRIX

- Plotted the findings from the impact and financial materiality into a double materiality matrix
- Mapped each topic using the scores obtained as a product of impact and financial materiality assessment, providing a clear view of its relative significance
- The matrix enabled informed decision-making by highlighting issues most critical to both the Company's ESG performance and enterprise value

Stakeholders involved

Our materiality assessment was shaped through active engagement with internal and external stakeholders across the value chain, ensuring a balanced and comprehensive understanding of sustainability priorities.

Internal stakeholders

Senior leadership across key functions:

Content | Sales | Revenue | Finance | Branding | Insights | Digital | Operations | Compliance | Human Resources

External stakeholders

Production House | Technology Partners | Shareholders | Investors | Media Partners | Vendors | Suppliers

Governance and validation

The overall process undergoes independent validation by a third-party assurance provider. The final material topics were subsequently signed off by senior management to ensure robustness, credibility, and alignment with the business priorities.

To maintain the relevance of our sustainability priorities, the materiality assessment is planned to be conducted every two to three years, reflecting emerging ESG trends, changing stakeholder expectations and evolving business contexts.

Material matrix

DOUBLE MATERIALITY





Top three material issues for enterprise value creation

The top 3 material issues emerging from the assessment were assigned to the respective functional owners, creating accountability for the delivery. These priorities now inform departmental goals and annual targets focussed on mitigation and measurable progress. While ESG considerations are embedded at the functional level, organisation-wide ESG goals are yet to be formalised.

Material topic

1

BUSINESS ETHICS

BUSINESS IMPACT

- Strong business practices boost stakeholders’ confidence, build trust, and have a positive impact
- Reputational damage, financial loss, and deprivation of shareholders trust are the negative impacts

MITIGATION APPROACH

‘Z’ upholds highest standards of professionalism, honesty, integrity, ethics and prudent commercial conduct, ensuring fairness and transparency across business dealings. A robust framework comprising the Code of Conduct, Risk Management policy, and compliance policy guides responsible business practices, with mandatory adherence by all employees.

GOALS AND TARGETS

No regulatory non-compliances (year-on-year)

PROGRESS AGAINST GOALS AND TARGETS IN FY26

Nil non-compliances

Material topic

2

DATA PRIVACY AND CYBER SECURITY

BUSINESS IMPACT

- Reduced financial risks due to strong cybersecurity infrastructure
- Increased competitive advantage via data monetisation and improved customer trust
- Higher security implementation costs
- Potential reputational damage, regulatory and legal exposure
- Increased operational and insurance costs
- Business interruption & downtime risk

MITIGATION APPROACH

DATA PRIVACY

- Established a comprehensive privacy programme aligned with ISO 27701 and General Data Protection Regulation (GDPR)
- Regular Privacy Impact Assessments, Privacy by Design and Incident Management process in place
- Commenced implementation of the privacy programme under global data protection laws and newly released Digital Personal Data Protection Act (DPDPA) rules to identify gaps and take proactive mitigation measures

CYBER SECURITY

- Raising employee awareness on responsible and ethical use of Generative-AI tools, aligned with the Information Security Policy
- Proactive identification and blocking of unapproved AI tools / websites to mitigate shadow AI risks

GOALS AND TARGETS

No incidents related to the breach of data privacy and cybersecurity (year-on-year)

PROGRESS AGAINST GOALS AND TARGETS IN FY26

Nil incidents of breach of data privacy and cybersecurity

- Periodic ethical phishing simulations strengthen employee awareness and reduce social engineering threats
- ISO 27001 – aligned Information Security Management System ensuring identify-protect-detect-respond-recover capabilities and business continuity
- Successful ISO/IEC 27001:2022 (ISMS) recertification, strongly reaffirming our security posture
- Introduced server-side watermarking to trace pirated content and enable timely blocking or take-down action
- In-house tool to detect and block malicious or unusual download attempts
- Onboarded two piracy content Take Down service partners for Linear (Broadcast) & ZEE5 (OTT) platform services, strengthening our Content Security & Anti-Piracy efforts

Material topic

3

INTELLECTUAL PROPERTY PROTECTION AND ANTI-PIRACY

BUSINESS IMPACT

- Potential annual revenue loss from piracy / unauthorised use of ‘Z’s IP across theatrical, web series, and original content
- High upfront and recurring costs for Digital Rights Management (DRM), watermarking tools, legal enforcement, and IP disputes
- High mitigation investments essential to safeguard ‘Z’s creative assets and ensure long-term, sustainable monetisation

GOALS AND TARGETS

No content piracy incidents (year-on-year)

PROGRESS AGAINST GOALS AND TARGETS IN FY26

Nil piracy incidents reported

MITIGATION APPROACH

CONTENT/IP PROTECTION

- Strengthened Content Security & Anti-Piracy SOP covering ZEE5, Linear, Zee Music, and Zee Studios, with high-level governance oversight and cross-functional collaboration
- Use of industry-leading Digital Rights Management (DRM) systems and Watermarking technology to track and trace leaks and illegal distribution of ‘Z’s Content IP
- Partnership with industry-leading Cyber Threat Intelligence services to monitor dark web marketplaces and piracy networks
- Geo-blocking and region-specific access control to limit illegal streaming of ‘Z’s Content outside licensed territories

- Rapid legal takedowns using Digital Millennium Copyright Act (DMCA) provisions with strategic litigation and partnership with law enforcement and anti-piracy coalitions e.g., Dynamic John Doe Order, allowing ‘Z’ to block content piracy websites at the ISP level
- Ongoing IP monitoring and rights assessment, using automated tools to block piracy, behavioural analytics, strong authentication and enhanced proxy detection on ZEE5 OTT
- Multi-Key Digital Rights Management (DRM), enabling differentiated content protection, limiting playback to a lower resolution on L3 devices

Managing material issues – External stakeholders

Material topic

1

CLIMATE CHANGE RESILIENCE

BUSINESS IMPACT

- Investments in upgrading existing energy management system across 'Z's operations
- Cost savings achieved through energy-efficient equipment and systems
- Strengthened investors and shareholders confidence through sustainable business practices

MITIGATION APPROACH

- Develop GHG inventory, map carbon emissions and energy consumption for 'Z's global operations
- Replace outdated equipment and systems with energy-efficient technologies
- Formulate climate strategy for emissions reduction
- Conduct climate risk mapping

GOALS AND TARGETS

Align emissions reduction goals with SBTi – approved targets to drive measurable decarbonisation by 2027 (revised)

PROGRESS AGAINST GOALS AND TARGETS IN FY26

- A comprehensive GHG inventory has been prepared for global operations
- Climate change strategy and decarbonisation plan has also been developed
- Energy audits were conducted across pan-India locations to evaluate existing energy conservation measures

Material topic

2

BUSINESS ETHICS

Refer to **40**

