COMMIT
CONNECT
CARE

Sustainable Development Report 2014-15
Welcome to our seventh Sustainable Development Report, which is prepared based on Global Reporting Initiative (GRI) G4 – ‘in accordance’ – Core guidelines and is mapped to the United Nations Global Compact (UNGC) and Millennium Development Goals (MDGs). It reports our approach and disclosure towards triple bottom line principles – people, planet and profit over the 2014–15 financial year. See page 66 for more information about our reporting.
One Vision – One Vedanta

Our Core Values
Trust / Entrepreneurship / Innovation / Excellence / Integrity / Respect / Care

Our Core Purpose
Vedanta is a globally diversified natural resources company with low-cost operations. We empower our people to drive excellence and innovation to create value for our stakeholders. We demonstrate world-class standards of governance, safety, sustainability and social responsibility.
A DIVERSIFIED NATURAL RESOURCES COMPANY OPERATING ACROSS FOUR CONTINENTS

Headquartered in London, Vedanta Resources encompasses India, Zambia, Namibia, South Africa, Liberia, Ireland, Sri Lanka and Australia, through two subsidiary companies: Vedanta Ltd. (previously Sesa Sterlite Ltd.) and Konkola Copper Mines (KCM). Each of these businesses has its own unique and diverse culture but they are united under one Vedanta.

WHERE WE OPERATE

Our key operations include:

- **Zinc-Lead-Silver**
  1. Debari smelter
  2. Chanderiya smelters
  3. Rampura-Agucha mine
  4. Rajpura Dariba mine & smelters and Sindesar Khurd mine
  5. Zawar mine
  6. Skorpion mine, Namibia
  7. Black Mountain mine, South Africa
  8. Loharun mine, Ireland

- **Oil & Gas**
  1. Rajasthan block
  2. Ravva (PKGM-1) block
  3. Cambay (CB/052) block
  4. South Africa block

- **Iron Ore**
  1. Iron ore operations – Goa
  2. Iron ore operations – Karnataka
  3. Iron ore projects – Liberia

- **Copper**
  1. Silvassa refinery
  2. Tuticorin smelter
  3. Mt Lyell mine, Australia
  4. Konkola and Nchanga copper mines & Nchanga smelter, Zambia

- **Aluminium**
  1. Lanjigarh alumina refinery
  2. Jharsuguda smelters & power plants
  3. Korba smelters & power plants

- **Power**
  1. MEL power plant
  2. SEL
  3. Captive thermal power plant

**Statistical Highlights**

- **Revenue**: $12.9bn
- **EBITDA**: $3.7bn
- **People employed**: 82k
- **Beneficiaries of community investment**: 4m*
- **Tax payments**: $4.6bn**

* Some beneficiaries may have been involved in more than one project
** Includes direct and indirect taxes, royalties, sales tax and dividend tax
HOW OUR BUSINESS FITS TOGETHER

REFRESHING THE VEDANTA BRAND
The refreshed logo signifies Vedanta’s approach to the triple bottom line that focuses on People, Planet and Prosperity. A leaf, an unmistakable ‘symbol of life’ which has now been included into the Vedanta globe, and the new colour ‘green’, symbolise Vedanta’s ethical credentials. The colour ‘blue’, reflects Vedanta’s distinct virtues of integrity & professionalism.

Note: Our subsidiary Sesa Sterlite Ltd. was renamed Vedanta Ltd. in April 2015. The name change from Sesa Sterlite to Vedanta Ltd. positions us as a united and aligned identity, strengthening the linkage between our global businesses and communities.

* Option to increase stake to 94.4%
** Option to increase stake to 100%
*** Zinc International
OVERVIEW

FROM THE CHAIRMAN’S DESK

THE NATURAL RESOURCE SECTOR HAS THE POTENTIAL TO GENERATE MILLIONS AND MILLIONS OF JOBS.

"Vedanta’s success has been built not just by executives in boardrooms but by talented people fulfilling their potential every day in our mines, smelters and offices, who are our brand ambassadors."

The resources that we mine contribute to the growth of our communities and nations. The natural resource sector has the potential to generate millions and millions of jobs and that is the key to accelerate the growth and development of India. My vision is to open up the potential of India’s natural resources which can make India self-sufficient, to make India’s dreams my own and contribute to nation building by educating and empowering India’s youth.

India’s current regulatory framework is pushing towards a sustainable natural resources industry that will ensure that there is a stable economic model at work, assurance of resources for future generations, well-being of the communities around the operations and overall making natural resources an integral part of the economy. With the current reforms push and an investor friendly regime, a company like Vedanta which has capabilities across mining, smelting, refining and several distribution channels is instrumental in creating hundred thousand of direct and indirect employment. I believe there is no better way to alleviate poverty.

This year we have delivered long-term social and economic benefits to about 4 million people. We engage in skill development and nation building, and have invested in delivering wider value over the last 30 years, not because it is the right thing to do but because it gains us a ‘Licence to Operate’, building resilience to risk, and enhancing our reputation as a responsible company.

We continue to be guided by global best practices through our robust Sustainability Development Model and Framework, and I am pleased to introduce this report that details our approach and achievements in Sustainable Development.
A DECISIVE LEADERSHIP & PEOPLE BUSINESS

Today’s volatile commodity markets present challenges but our diversified and well-invested asset base, low cost of production, investment in Africa and exposure to the fast-growing Indian market, together with higher public spending on infrastructure and social security, give us resilience to navigate a strong position over the long-term horizon.

I am optimistic as ever on the emergence of India’s economy as one of the most dominant forces on the global platform. That is the reason why we have continued to invest heavily not just in our businesses in India, but also in the communities to ensure the social well-being of the people. Our businesses maintain financial strength and flexibility during this period of weak commodity prices through capital and resources re-phasing and cost management initiatives.

I continue to be inspired by the dedicated efforts of the Vedanta team. Listening to their ideas is invaluable. Vedanta’s success has been built not just by executives in boardrooms but by talented people fulfilling their potential every day in our mines, smelters and offices, who are our brand ambassadors.

We are very fortunate that in his first year as Chief Executive, Tom Albanese has demonstrated a passion and dedication towards managing the business ethically, committed to complete transparency, and continues to ensure that we operate in a ‘zero harm culture’ for our workforce, with the full support of the communities around our operations.

Although we have improved our safety record over the year, I am deeply saddened that eight of our people lost their lives. My heart goes out to the loved ones of these individuals and I give my personal assurance that safety is and will be at the top of my agenda in the coming year.

And of course, our business growth and stability is aligned to the growth of our communities. My leadership team and I take great pride in the positive relationships we have built with those living near our sites and the organisations that represent them. I am also delighted that the Indian government shares my personal views on values of community empowerment and fair distribution of wealth, and I look forward to working alongside the local governments to shape business policy and make it easier for the private sector to share economic value.

LOOKING AHEAD

As India grows by leaps and bounds its appetite for metals and minerals for infrastructure and power will increase rapidly. My dream as an entrepreneur is to create the world’s best natural resources company that is from India. Today there are limited players in the Indian mining industry, who are engaged in large-scale national activities. My vision is that India will not just be a large consumer of commodities in the years to come, but it will be a pioneer in creating companies with world-class infrastructure, community development at the heart of its philosophy and sustainable methods.

Businesses today are not isolated entities and their success needs empowering and developing their host communities. Rural India especially is benefiting from this philosophy of running an efficient and sustainable business.

SUSTAINABILITY HIGHLIGHTS OF THE YEAR

4m beneficiaries (FY 2014: 4.1 m) *

US$42m invested in community development (FY 2014: US$49 m)

40m MT carbon footprint (FY 2014: 37 m MT)

0.46 lost time injury frequency rate (FY 2014: 0.54)

US$4.6bn tax payments to exchequers (FY 2014: US$ 5.3 bn)

2,325 full-time female employees (FY 2014: 2,329)

100% periodic medical examinations for all applicable employees

* Some of the beneficiaries could be involved in more than one project.

US$61.5m invested in environment initiatives (FY 2014: US$57 million)

88% of sites certified to ISO 14001 environmental standard (FY 2014: 83%)

4,635 village meetings held (FY 2014: 3,538)

1.2m training hours delivered to workforce (FY 2014: 1.1 m)

0 category 4 or 5 (severe) environmental incidents (FY 2014: 1)

100% of subsidiary businesses have Biodiversity Management Plans in place or in preparation (FY 2014: 63%)

55% non hazardous waste recycling rate (FY 2014: 74%)

The basis of life and the motivation of living for these communities is largely based on the natural elements around them. I stand by the principle of free, prior and informed consent whenever we start new exploration, applying our heritage of neighbourhood dialogue to ensure all issues are addressed. It has been my categorical statement across forums and to my employees that not a blade of grass will be touched or cut without the prior consent of the local communities.

As we continue to grow, we need to simplify our Group structure; focus on increasing the mining life of all assets through exploration around our sites; optimise our assets and drive higher returns; and identify appropriate merger and acquisition opportunities that align to our values.

I am also committed to finding more, mutually beneficial partnerships that will deepen our community impact and uphold our licence to operate in countries with rising expectations of corporate social responsibility.

ANIL AGARWAL
CHAIRMAN.
CEO’S STATEMENT

LIVING OUR VALUES

Our approach to achieving our long-term business goals places utmost importance on safeguarding the welfare of our people by upholding safety as a core value in our operations to build a zero harm culture, and engaging transparently with our communities in a way that shares fairly the value we create.

Economic, demographic and environmental change across all of our markets, makes it imperative that we commit to our vision of long-term sustainable development, to deliver on our organic growth strategy and maintain our ‘Licence to Operate’. In my first year as CEO, I am encouraged to see the efforts taken at Vedanta to embed sustainable management practices across our operations and community development programmes.

WE ARE COMMITTED

The Responsible Stewardship that we embark on for all our activities is integral to our business growth. Our stakeholders have rated safety and health as Vedanta’s highest strategic priority and we continue to foster a culture of zero harm across all of our businesses.

The health, safety and well-being of our 82,000-strong workforce are paramount. We released six key safety standards for Group-wide implementation and we have asked for a personal commitment to not walk past any unsafe act or condition; report each near miss to correct the situation before it turns into a potential injury; and most importantly be mindful in assessing job hazards and putting risk mitigation plans in place before you and your co-worker take up any job. This year, over 750,000 hours of safety training were delivered to employees and contractors. Our lost time injury frequency rate fell to 0.46 from 0.54 in the prior year, and we saw fewer fatalities.

However, even one work-related fatality is too many and I echo the Chairman, Mr. Anil Agarwal’s sentiments that we must not be complacent despite seeing improvements in our safety record. That is why we have introduced campaigns that aim to entrench a culture of safety awareness, like our Kankola Copper Mines’ Chachilamo project. Chachilamo means ‘enough is enough’ and this project has introduced practical safety standards to the company’s 16,500 employees through mentoring, coaching and competitions.

Our commitment to safety can be seen at Board-level, in our policy framework and real-time auditing. This year, Vedanta joined other industry leaders in signing the World Business Council for Sustainable Development (WBCSD) Pledge for access to safe Water, Sanitation and Hygiene.
(WASH) in the workplace, which begins with a three-year commitment. We manage our environmental footprint to the most rigorous global standards and have developed specific objectives and targets, particularly with regards to water and energy management. Concentrated efforts have helped save 7.2 million cubic metres of water, going beyond our target of saving 2.49 million cubic metres of water, and 0.92 million GJ energy, achieving more than our target of 0.87 million GJ in the last year. 88% of our sites are now certified to the ISO 14001 environmental standard and I continue to be impressed by the innovative ways in which we turn waste into new and efficient products. Take, for example, the world’s first plant that makes cement-free concrete from fly ash by Vedanta Ltd’s Aluminium division in Lanjigarh; or extracting gypsum from smelter waste to be used in the construction industry and on our own roads at Vedanta Ltd’s Copper division in Tuticorin.

WE ARE CONNECTED

It is crucial that we maintain an ongoing, transparent dialogue with all of our stakeholders in order to build the strong relationships that will allow our business to succeed and to maintain our ‘Licence to Operate’. Our operations are in remote areas that are home to indigenous communities. Local communities have the right to participate in the decision making and we respect the principle of free, prior informed consent. Drawing on 30 years of community expertise, we place special emphasis on ensuring that the community’s rights are protected at all times and engage with local people through group meetings, public hearings, grievance mechanisms, cultural events and philanthropic activities.

In my visits to almost every Vedanta asset, I have seen the inclusive interaction among our people and the local communities, through the wide spectrum of community development programmes. I cannot emphasise enough that identifying and proactively managing community needs and expectations is a complex and sensitive process. This is why we work in partnership with our host communities. And it is why stakeholder engagement plans backed by robust grievance management systems have been implemented, and we have conducted over 4,600 village meetings during the year which gave local communities the opportunity to voice their opinions and concerns. Our businesses in India have also undertaken a community led need assessment exercise to align our programmes with community needs.

Human rights remain an important issue to our stakeholders. We undertake internal reviews related to human rights and child labour risk assessments led by the Sustainability Committee. We have completed internal assessment on the UN Guiding Principles on Human Rights. Our commitment to protecting the fundamental rights of our employees and contract workforce is underpinned by our Code of Conduct and Human Rights Policy, aligned to the UN Guiding Principles on Business and Human Rights.

Our inclusive, high-performance culture attracts the right skills, while our proactive stance about championing the rights of women is evident in our commitment to the promotion of women’s rights, and I am proud that this year we became a signatory of the ‘CEO Statement of Support’ for the United Nations’ Women’s Empowerment Principles (WEP), ‘Equality Means Business’. These principles establish high-level corporate leadership for gender equality, ensuring the fair treatment of men and women at work and promoting education, training and professional development for women.

To reinforce our commitment to complete transparency and emphasise our principles of community dialogue and mutual respect, we communicate with all stakeholders. An integrated and united message boosts employee morale and retention and also makes local communities and the talent pools they represent more driven to working with us, and they in turn are our ambassadors in the communities where we operate.

It also underlines my intention, going forward, to deepen our positive socio-economic impact, by partnering with like-minded businesses and organisations.

WE CARE

I feel privileged to lead a business that makes significant contributions to partner local governments in achieving their development goals; to strengthening national and local economies, and to build infrastructure and facilities for education and healthcare. We believe Vedanta’s role is to create value for all our stakeholders. We believe that the communities in and around the areas in which we operate should share the value that we create. Only by working in partnership with our communities will our business grow along with our shared financial, economic and social value and that will help us maintain our licence to operate.

This year we invested US$42 million in community development and we are consistently demonstrating how we can bring about economic empowerment and social mobility. Whether it’s helping over 15,000 women in India set up small scale businesses, providing over 4,000 youngsters with technical training and work placements, or bringing solar energy to remote villages, Vedanta’s social investments have benefited 3.8 million people globally, especially in the areas of education, childcare and women empowerment. In the journey of continuous improvement, I am committed to ensure that Vedanta continues to build on our culture of respect and engagement with the communities.

These are exciting times for us all and to maintain our licence to operate, as we will continue to commit, connect and care in this sustainable development journey.

TOM ALBANESE
CEO
Q. WHAT HAVE BEEN THE KEY ACHIEVEMENTS DURING 2014–15?

TA: In over a year since I have been CEO, I have been struck by the sheer breadth and depth of our community development activities. Many companies use the term 'community investment' but this is the first time that I have seen a company which truly embodies the phrase. Vedanta does things differently; building interdependence and empowerment instead of dependence and philanthropy. We have now entered a performance-driven phase of our sustainability strategy, having put tried and tested systems into action in recent years. The significant improvements to our safety performance are testament to this.

RB: In 2014–15 we completed our most comprehensive, structured and collaborative community needs assessment exercise in India, reaching every village in the vicinity of our operations. The main concerns we heard were about improving livelihoods (either in terms of employment or supplier opportunities with Vedanta) and the environment (primarily water and soil quality). We plan to concentrate our efforts on these areas in the year ahead, in addition to any issues that are raised through our material issues assessment.

Q. WHAT CHALLENGES HAVE YOU FACED?

TA: This year, we faced tax reporting issues, which are relevant not just to us, but to all our global peers. However, ethics and integrity are at the heart of our agenda for sustainable development, and I am determined to resolve any issues. Going forward, there will be even more emphasis on human rights, as I believe that our corporate social responsibility is only as strong as our human rights practices.

RB: These issues are a timely reminder that transparent reporting is critical to our reputation and licence to operate, and we are working on producing a detailed tax report in conjunction with our Annual Report.

Adding a fourth pillar, strategic communications, to our Sustainable Development Model in 2014–15 reflects our commitment to becoming a more transparent and responsible corporate citizen. As part of this initiative, all of our policies and company news are now available on our website.
Q. HOW HAVE STAKEHOLDERS INFLUENCED YOUR APPROACH?

TA: Our employees and our neighbouring communities have also been instrumental in creating a spirit of entrepreneurship that will play an important role in bringing successful, sustainable solutions to our stakeholders. Leaving behind a positive legacy, by implementing a number of sustainable development projects during the life of the mine for a responsible mine closure, is one of the company’s priorities. At Lisheen, which is expected to close soon, the objective is to rehabilitate the facility such that it is secure, sustainable and can be used for the widest possible range of potential after uses. To date, approximately nine hectares of the facility have been rehabilitated; extensive monitoring data is being collected and Irish regulatory authorities and their retained experts have independently validated and approved the project.

RB: Communities will always be one of our key stakeholders. Our heritage of social investment and local ownership differentiates us from other corporate responsibility programmes. It is rooted in 30 years of experience and its legacy will last for many years to come. We have held meetings with the NGOs, to gain their view to the approach on our on-ground activities. We encourage stakeholder input, including from the UN, governmental and non-governmental organisations (NGOs), and you will see outcomes of these partnerships throughout the Sustainable Development Report. It is the feedback from our stakeholders that has led to the report being aligned with our Annual Report. This report is prepared based on ‘in accordance with’ the Global Reporting Initiative (GRI) G4 Core guidelines.

Q. WHAT DOES THE JOURNEY AHEAD HOLD?

RB: Public expectations of big business have never been greater, and we are increasingly seeing companies held accountable for irresponsible and opaque practices around the world. My priority is to keep building positive relationships with those who have an interest in Vedanta. The goal is to empower communities through instilling a practice of sustainable, self-dependent growth. I look forward to convening all of our stakeholders in a neutral forum to explore ways that we can add more value and teaming with governments on social responsibility projects, to be the partners in progress. At this stage, we are focused on continuing to improve our performance, with an emphasis on minimising our footprint on the environment and setting out a roadmap for the long-term sustainable development of the company.

TA: We are learning more and more about how we can create value for our shareholders whilst also contributing to the society in which we operate. However, we cannot claim to have mastered this yet. We are focusing on ethical and green practices for our supply chain management, so that an environment of a zero harm culture is imparted in all our relationships. The management of our Gamsberg project, one of the world’s largest undeveloped zinc deposits, is benchmarked to global best practices.

I believe that we need to focus on improving performance against our sustainability metrics, as well as managing community expectations following our universal needs assessment in India. We are now at a point where we have a comprehensive, robust and successful sustainable development story to tell, and we intend to build more high-level partnerships and collaborative industry memberships to allow us to share our experiences.

We are well positioned to collectively drive excellence and sustainable long-term value for our stakeholders through our core assets our people – while prioritising a zero harm culture.
OVERVIEW

THE GLOBAL CONTEXT

CONNECTING GLOBAL TRENDS

Our role is to harness the opportunities of global economic, social and environmental megatrends while mitigating negative impacts

“The mining sector has a crucial role in fostering sustainable development where it matters most. Poverty alleviation in the world’s poorest countries is inextricably tied to the minerals and metals that underpin modern society.”

– International Council on Mining and Metals, October 2014

POVERTY AND INEQUALITY

Operating in some of the fastest growing economies in the world, our business: has around 82,000 direct and indirect employees; create opportunities for downstream industries that generate jobs for millions of people; generates US$4.6 billion in tax revenue; builds 14.5 kilometres of road and railway networks; and creates entrepreneurship opportunities in our extensive supply chains. We also support communities more directly, investing US$42 million in health, education, livelihoods and environment projects that reached around 4 million people over the year.

We are proud of our 30-year record in working towards the cause of poverty and inequality and our public commitment to initiatives such as the UNGC principles and MDGs (see page 71). Across all our work, we prioritise the empowerment of women and social mobility for those marginalised in society.

SEE MORE ONLINE AT WWW.UNICEF.ORG/SOWC2012/URBANMAP

United States
90%

Mexico
88%

Brazil
94%

OUR BUSINESS

EMPLOYS
82,000 PEOPLE

CONTRIBUTES
US$4.6 BILLION
IN TAXES

AND EMPOWERS COMMUNITIES BY

INVESTING
US$42 MILLION IN
HEALTH, EDUCATION,
LIVELIHOODS AND
ENVIRONMENT
PROJECTS

“To ensure that our youth get proper jobs, we have to aim to make India the manufacturing hub of the world.”

– Mr. Arun Jaitley, Indian Finance Minister, Union Budget Speech 2015-16
CLIMATE CHANGE AND RESOURCE DEPLETION

Many of our operating regions such as India, Australia and Africa are predicted to experience the worst impacts of a changing climate. Paradoxically, these are also regions that rely on accessing reserves of finite natural resources.

Therefore, while the materials we mine, such as lightweight aluminium, can help to reduce greenhouse gas emissions, as a business linked to fossil fuels we have a profound responsibility to drive down our carbon footprint, waste and resource use. That’s why we apply the very highest international standards and cutting-edge technology to reduce emissions and increase energy efficiency; it’s why we are re-purposing by-products like fly ash and scrubber ‘cake’ for further use to eliminate waste entirely; and why we are investing US$61.5 million in environmental initiatives.

Urban society depends on minerals and energy to meet its modern needs. We have a portfolio of power and minerals that enables modern progress.

DEMOCRAPHIC CHANGE

Global population is predicted to rise by more than a quarter by 2050, with some developing countries doubling in size. Further, by 2030, two-thirds of us will be living in cities. This, alongside rising disposable incomes among middle class Africans and Asians, will increase consumption and the purchasing power of emerging economies.

Our business is part of a value chain that is enabling more of us to access mobile devices, labour-saving appliances, air travel and well-equipped hospitals. Many of these products and services are becoming affordable for poorer people and those living in remote rural communities. They can transform life quality and break generational cycles of poverty.

We are a lifeline for many developing nations like Zambia, as we create jobs, nurture growth in micro-businesses and invest in trade-enabling infrastructure. For emerging economies like India, we can offer a route to maturity by giving consumers better quality and choice, and empowering entrepreneurs.
A STRATEGY TO COMMIT, CONNECT, CARE

INTEGRAL TO OUR BUSINESS

Alongside delivering high-quality assets and low-cost operations, our Sustainable Development Model is integral to core business strategy and helps us conduct our business in line with the values of trust, entrepreneurship, innovation, excellence, integrity, respect and care – whatever the jurisdiction.

The Model is made up of three pillars based on our strategy to commit, connect and care. In 2014–15 we added a fourth dimension: strategic communications. This reflects our dedication to transparency and to engaging in meaningful dialogue with all stakeholders.

For three years, the Model has been aligned with the UNGC’s 10 principles and the MDGs (see page 71). It also takes guidance from global standards set by the International Finance Corporation, the International Council on Mining and Metals and the Organisation for Economic Co-operation and Development.

This consistently rigorous approach has helped us win over 40 awards during the year (see page 63).
We have created a Sustainable Development Framework to help each of our businesses put the Sustainable Development Model into practice. It points to global best practice standards (see previous page) as well as our own policies and guidance notes for the most critical issues. We are committed to ensuring that the Framework is followed and managed in all our operations and new projects as part of our sustainability journey.

Our goal is for the Framework to be delivered by all employees and embedded in every decision we take, ensuring what we do is safe, ethical and transparent every time. Since rolling out the Framework in 2012-13, we have trained more than 12,000 management-level employees, with e-learning modules at most of our businesses and refresher training available throughout the year. Further, Board members are engaged in sustainability through in-house experts, who either sit on or are invited to the Executive and Sustainability Committees.

Our approach continually evolves to reflect changing market trends, varying local contexts and stakeholder feedback (see page 43). Continuous internal auditing is fundamental to keeping us on track and the Vedanta Sustainability Assurance Programme (VSAP) drives compliance with the Framework (see page 22). Results and action plans are reviewed by the Executive and Sustainability Committees on a periodic basis.

Going forward, global partnerships such as our involvement with the WBCSD, UNGC and GRI will become increasingly important to challenge ourselves to go further.
We know that our business gives rise to a number of social and environmental impacts, both positive and negative. Along with our stakeholders, we have to prioritise which of these issues we will tackle, and when. A process of ‘materiality’ helps us to do this.

Our FY 2015 materiality process consisted of the identification of material sustainability topics, the prioritisation of these topics, and verification of our analysis. We repeated last year’s materiality review to understand if stakeholder priorities had changed. This meant commissioning an external consultation process with six groups: Shareholders and lenders, Industry (suppliers, customers and peers), Civil society (NGOs and other organisations) and Governments, Employees and Communities. To get the management perspective, internal leadership and operational management workshops combined with interviews and ranking exercises formed the basis to guide the consensus on, and prioritisation of, material issues to be managed, measured and disclosed through our sustainability reporting process.

**A QUESTION OF PRIORITY**

Outcomes from these engagements are plotted on the matrix above, with the top-right corner indicating highest priority issues. We have considered the highest priority issues (highlighted in blue box) for both our stakeholders and us as a scope for this year’s reporting. Overall, stakeholder priorities remain consistent with the previous year. However, ethics and integrity, community engagement and impact, public policy and advocacy, and child and forced labour have all become more prominent.

Our most salient sustainability issues may affect stakeholders inside our organisation, outside our organisation, or both. Therefore, for each of our key material aspects, we have described whether the impacts of these topics occur within our organisation and also whether significant impacts are believed to predominantly affect or extend to stakeholders outside the organisation – to our contractors and subcontractors, local communities, or municipal and regulatory agencies (refer to the materiality chart). We have described our aspect boundaries within the narrative of the report.
Embedding sustainability into day-to-day activities is no easy challenge in a business as large and complex as ours. It requires leadership from all levels, with ultimate accountability lying with the Vedanta Board.

**GOVERNANCE**

**RESPONSIBLE LEADERSHIP**

We have clear lines of responsibility to ensure that business performance – including meeting our sustainability goals – is vigorously reviewed and mechanisms are in place to promote shared learning across the Group. Our policies and guidance notes are available to all employees through the corporate website, subsidiary portals and through awareness-training sessions.

**VEDANTA BOARD**

- **Remuneration Committee**
  - Chaired by Non-executive director Euan Macdonald.
  - The committee monitors the effectiveness of communication with analysts and shareholders concerning the Board’s Remuneration Policy.
  - See the Annual Report for detailed information.

- **Sustainability Committee**
  - Chaired by Non-executive director Euan Macdonald.
  - The committee oversees the Group sustainability performance and reports to the Board on a periodic basis.
  - See page 16 for detailed information.

- **Audit Committee**
  - Chaired by Non-executive director Aman Mehta.
  - The committee maintains and monitors Group systems and internal controls, including integrity of financial statements, anti-bribery and corruption procedures and employee whistle-blowing policies.
  - See the Annual Report for detailed information.

- **Executive Committee**
  - Chaired by CEO, Tom Albanese. The Executive Committee meets monthly and is responsible for implementing strategic plans formulated by the Board, allocating resources in line with delegated authorities and monitoring the operational and financial performance of the Group.
  - See the Annual Report for detailed information.

- **Nominations Committee**
  - Chaired by Chairman, Anil Agarwal, with other Executive Directors and members of senior management.
  - The committee identifies the optimum balance of skills, background and experience on the Board.
  - See the Annual Report for detailed information.

**SUSTAINABLE DEVELOPMENT TEAM**

- **Community Relations**
- **Environment**
- **Reporting & Communication**
- **Occupational Health**
- **Safety**

**Monthly Sustainable Development Team and Segment Business Committee’s reviews (Monthly Operational Reviews / Business Management Group Meetings)**

**NUMBER OF PEOPLE WITH SUSTAINABILITY RESPONSIBILITIES ACROSS THE VEDANTA GROUP**

- **Community Relations**: 10%
- **Occupational Health**: 19%
- **Environment**: 26%
- **Safety**: 45%

656

**SEE PAGE 22 FOR MORE INFORMATION ON CORPORATE GOVERNANCE AND ETHICS.**

Vedanta Resources plc Sustainable Development Report 2014–15
OVERVIEW

This report provides details of the role and responsibilities of the Sustainability Committee and the work it has undertaken during the year.

Vedanta’s business model is to deliver operational excellence while demonstrating world-class standards for governance, safety and social responsibility in the locations of operations. This approach is fundamental to gain and maintain our licence to operate and is vital to capture loyalty and insulate the company against crisis. The Sustainability Model, comprising three pillars: Responsible Stewardship, Building Strong Relationships and Adding and Sharing Value, was further strengthened this year with the addition of a fourth pillar – Strategic Communications, that reflects our commitment to complete transparency and emphasises our principles of community dialogue and mutual respect, including free, prior informed consent to access natural resources. The Sustainable Development Model guides us in ensuring the long-term, sustainable future of our business operations, meeting our growth targets, and creating long-term value for all our stakeholders.

The Vedanta Sustainable Development Framework has enabled significant improvements in the way we do business. The Group’s vastly improved safety performance is testament that robust practices and processes can have a direct impact on performance. In 2014–15, we began to see tangible outcomes of our safety drive, with far fewer fatalities and lost time injuries. However, any unsafe incident is entirely unacceptable and I am deeply saddened that eight people lost their lives while working at Vedanta. Each subsidiary company’s Chief Executive presented a detailed appraisal of the root causes and action plans to the committee. We maintained our focus on containing our impact on air, water and land use, to achieve our target for water savings and energy savings this year. As the businesses have met many of our goals, we have set escalated benchmarks.

As we enter a new phase of our sustainability journey, the committee recommended businesses to join the WBCSD – WASH Pledge, Global Compact Network – Women Empowerment Principles and other charters, to contribute towards establishing formal partnerships with national and international bodies in the cause of sustainable development. The committee also formed an internal committee to review gap assessment against UN principles of Human Rights and recognised that the subsidiary businesses need to improve their stakeholder engagement and management processes.

We are using the Vedanta Sustainability Assurance Programme (VSAP) as our internal sustainability risk management tool to ensure Framework compliance. As a result of a follow-up audit process, review and implementation of action plans, each of the businesses has made the sustainability objectives in line with our Framework requirements and now monitors performance at regular intervals. I take this opportunity to thank management across our businesses for their commitment to VSAP, which has been a demanding exercise.

“The Vedanta Sustainable Development Framework has enabled significant improvements in the way we do business. The Group’s vastly improved safety performance is testament that robust practices and processes can have a direct impact on performance.”

– Euan Macdonald, Chairman, Vedanta Sustainability Committee
**Membership and Attendance**

The Sustainability Committee comprises the following directors and met on four occasions during the year.

<table>
<thead>
<tr>
<th>Director</th>
<th>Number of meetings attended</th>
<th>Percentage attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euan Macdonald, Chair</td>
<td>4/4</td>
<td>100%</td>
</tr>
<tr>
<td>Tom Albanese</td>
<td>4/4</td>
<td>100%</td>
</tr>
<tr>
<td>Kishore Kumar</td>
<td>4/4</td>
<td>100%</td>
</tr>
</tbody>
</table>

The President, Group Communication, Sustainable Development and CSR, acted as secretary of the committee and the Group’s subsidiary companies’ Chief Executives or their representatives were invited to attend the meetings.

**Responsibilities of the Sustainability Committee**

The responsibilities of the Sustainability Committee are set out in its terms of reference which are available on the company’s website www.vedantaresources.com or from the Company Secretary.

The main responsibilities of the Sustainability Committee are:

- To advise on sustainability policies and framework, clearly setting out the commitments of the Group to managing matters of sustainable development effectively;
- To review and approve targets for sustainability performance, to report to the Board with respect to their appropriateness and to assess progress towards achieving those targets;
- To recommend initiatives required to institutionalise a sustainability culture through involvement of leadership, employees and communities at all levels;
- To review and report to the Board the performance of the Group and the Group companies with respect to the implementation of the Vedanta Sustainable Development Framework through the Sustainability Assurance Programme so that sustainability and reputation-related risks are assessed, controlled and managed effectively;
- To approve the Sustainable Development Report prior to publication.

**Sustainability Committee activities during the year**

The main areas of activity of the Sustainability Committee during the year are summarised below:

<table>
<thead>
<tr>
<th>Area of Responsibility</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framework</td>
<td>- Review and update Sustainable Development Policies;</td>
</tr>
<tr>
<td></td>
<td>- Provide oversight of the progress made on the development of the Sustainable Development Model and Framework;</td>
</tr>
<tr>
<td></td>
<td>- Review the implementation of the action plan emerging from Vedanta’s Sustainability Assurance Programme (VSAP);</td>
</tr>
<tr>
<td></td>
<td>- Review and approve sustainable development objectives and targets;</td>
</tr>
<tr>
<td></td>
<td>- Review and approve sustainable development initiatives, charters and partnerships.</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>- Review of safety incidents and performance;</td>
</tr>
<tr>
<td></td>
<td>- Oversee the implementation of action plans with respect to fatal accidents;</td>
</tr>
<tr>
<td></td>
<td>- Ratification of Group’s safety performance standards;</td>
</tr>
<tr>
<td></td>
<td>- Review of High Potential Incidents and other leading indicators.</td>
</tr>
<tr>
<td>Environment</td>
<td>- Oversee the Group’s initiatives for reduction in specific water and energy consumption;</td>
</tr>
<tr>
<td></td>
<td>- Monitor and follow up of higher category environment incidents;</td>
</tr>
<tr>
<td></td>
<td>- Review fly ash management plans and statistics;</td>
</tr>
<tr>
<td></td>
<td>- Review biodiversity initiatives and action plans.</td>
</tr>
<tr>
<td>System Development and Performance Reporting</td>
<td>- Review the implementation of IESC close-out audit recommendations of URS final report (October 2013);</td>
</tr>
<tr>
<td></td>
<td>- Oversee the implementation of Group-wide SAP-EHS IT Solution;</td>
</tr>
<tr>
<td></td>
<td>- Review of performance evaluation of the Sustainability Committee and review of terms of reference;</td>
</tr>
<tr>
<td>Community Relations and Engagement</td>
<td>- Ratification of the Group’s community relations framework;</td>
</tr>
<tr>
<td></td>
<td>- Oversee the implementation of strategic CSR projects;</td>
</tr>
<tr>
<td></td>
<td>- Review the progress on the Group’s Human Rights programme and initiatives;</td>
</tr>
<tr>
<td></td>
<td>- Review of important stakeholder engagements.</td>
</tr>
</tbody>
</table>

EUAN MACDONALD  
CHAIRMAN, SUSTAINABILITY COMMITTEE
HOW WE PERFORMED

MONITORING OUR MATERIAL ISSUES

We set ourselves challenging targets, designed to take us towards our vision of becoming a leading diversified natural resources company. These targets are aligned to our Sustainable Development Model and reflect the priority issues identified by our stakeholders.

<table>
<thead>
<tr>
<th>Objectives and targets FY 2014–15</th>
<th>Status</th>
<th>Performance FY 2014–15</th>
<th>Objectives and targets FY 2015–16</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESPONSIBLE STEWARDSHIP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieve zero fatal accidents</td>
<td>✗</td>
<td>8 fatalities (5 in India and 3 in Africa)</td>
<td>Achieve zero fatal accidents</td>
</tr>
<tr>
<td>Lost time injury frequency rate (LTIFR) to be 0.51 or less</td>
<td>✓</td>
<td>LTIFR (Vedanta): 0.46</td>
<td>Re-establish LTIFR base performance as per recently released ICMM reporting guidelines and enable future reduction in LTIFR targets</td>
</tr>
<tr>
<td>Total recordable injury frequency rate (TRIFR) to be 1.47 or less</td>
<td>✓</td>
<td>TRIFR (Vedanta): 1.46</td>
<td>Implement Safety Performance Standards with more than 75% of critical elements in the standards to be implemented across the business</td>
</tr>
<tr>
<td>Behaviour-based safety training module to be rolled out to other subsidiary businesses</td>
<td>✓</td>
<td>Successfully rolled out at HZL</td>
<td>Implement Safety Interactions at two businesses in addition to HZL</td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water savings – MCM – 2.49</td>
<td>✓</td>
<td>Early commissioning of innovative water recovery initiatives and implementation of water resource management plan have led to a water saving of 7.38 MCM</td>
<td>Water savings – 2.39 MCM</td>
</tr>
<tr>
<td>Energy savings – m GJ – 0.87</td>
<td>✓</td>
<td>Internal benchmarking and technological process intervention have led to an energy savings of 0.92 million GJ</td>
<td>Energy savings – 0.88 MCM</td>
</tr>
<tr>
<td>Report on Scope 3 emissions disclosure by 2015–16</td>
<td>✗</td>
<td>Subsidiary businesses established the systems and started reporting Scope 3 emissions internally</td>
<td>Report on Scope 3 emissions disclosure by 2015–16: Corporate to internally confirm the robustness of Scope 3 data</td>
</tr>
<tr>
<td>Initiation of high-risk Biodiversity Management Plans (BMPs) across all sites</td>
<td>✓</td>
<td>All our sites either have BMP in place or in preparation to meet our FY 2015–16 target</td>
<td>By 2015–16, all sites to have BMP in place</td>
</tr>
<tr>
<td>Continue to monitor new projects and site closures as per the Sustainable Development Framework</td>
<td>✓</td>
<td>All existing greenfield and brownfield projects at Zinc International, KCM and HZL subsidiaries are being managed as per Vedanta Sustainable Development Framework guidelines. Further, the Lisheen site closure plan has been put in place in compliance with the Framework</td>
<td>Continue to monitor new projects and site closures as per the Sustainable Development Framework</td>
</tr>
<tr>
<td>5% increase in non-hazardous waste recycling tonnage as compared to FY 2014 Total recycling tonnage – 8 million MT</td>
<td>✗</td>
<td>5.76 million MT of non-hazardous waste was recycled against the targeted 8 million MT. The decrease in recycling is the result of increased generation and decreased utilisation of fly ash.</td>
<td>Explore opportunities and areas to increase the fly ash utilisation rate</td>
</tr>
</tbody>
</table>

Status

- ✓ Achieved
- In progress
- ✗ Not achieved
<table>
<thead>
<tr>
<th>Objectives and targets 2014–15</th>
<th>Status</th>
<th>Performance FY 2014–15</th>
<th>Objectives and targets FY 2015–16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUILDING STRONG RELATIONSHIPS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All sites to review their needs and impact assessments</td>
<td>✗</td>
<td>Need-based assessment completed at major Indian sites, whereas remaining sites to be completed</td>
<td>All sites to complete need-based assessment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Pilot social impact assessments for Indian sites</td>
<td></td>
</tr>
<tr>
<td>Ensuring 100% coverage of Human Rights and Code of Conduct training for all new hires</td>
<td>✓</td>
<td>All new joinees are inducted and trained in Code of Conduct / Human Rights aspects as part of induction programme</td>
<td>Capacity building and refresher course – e-learning module on Code of Business Conduct and Ethics to be implemented</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Pilot social impact assessments for Indian sites</td>
<td></td>
</tr>
<tr>
<td>Implementation of Grievance Systems to be monitored</td>
<td>✓</td>
<td>Community Grievance Management System at all Vedanta operations is monitored by separate team</td>
<td>Roll out of SAP based programme-management tool for community grievance development and stakeholder engagement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Pilot social impact assessments for Indian sites</td>
<td></td>
</tr>
<tr>
<td><strong>ADDING AND SHARING VALUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roll-out of Technical ACT UP in all Group companies for specified technical roles</td>
<td>✓</td>
<td>– Pilot assessment completed for the two job families (Smelting &amp; Mining) in Sterlite Copper and HZL respectively</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Roll out plans for other job families in all the businesses are in place</td>
<td>To include 1,000 eligible employees for the Technical Assessment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Pilot social impact assessments for Indian sites</td>
<td></td>
</tr>
<tr>
<td>Identification of next set of 50 stars for the intensive programme; grooming next-generation talents for leadership roles</td>
<td>✓</td>
<td>Phase I of the programme successfully completed, including 50 high-potential stars in a structured development programme</td>
<td>Phase II planned covering next 50 high-potential stars for the intensive programme, grooming next-generation talents for leadership roles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Pilot social impact assessments for Indian sites</td>
<td></td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25% female representation at Vedanta Board level by 2015</td>
<td></td>
<td>Ms. Zotova joined Vedanta’s Board this year. We look forward for more women candidates on the Board</td>
<td>25% female representation at Vedanta Board level by 2015 (all appointments will be made on merit)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Pilot social impact assessments for Indian sites</td>
<td></td>
</tr>
<tr>
<td>15% of total female hiring at a lateral and fresher level</td>
<td>✓</td>
<td>15% of professional women joined Vedanta</td>
<td>Continue to focus on diversity with an objective of 15% of total women hiring at a fresher and lateral level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Pilot social impact assessments for Indian sites</td>
<td></td>
</tr>
</tbody>
</table>

**Status**
- ✓ Achieved
- ⊗ In progress
- ✗ Not achieved

Vedanta Resources plc Sustainable Development Report 2014–15
Employees at our Skorpion Zinc Mine.
We are privileged guardians of some of the most precious and finite resources of our planet. It is our responsibility to ensure a zero harm culture for our planet and people. Together with integrity and transparent business practices, our commitment is enshrined in our Code of Business Conduct and Ethics.

WHAT WE FOCUS ON
Our priorities identified through our materiality process

- Employee health and safety
- Environmental management (water, waste, air, emissions, incidents)
- Ethics and integrity
- Biodiversity
- New project management and site closure
- Energy and climate change
RESPONSIBLE STEWARDSHIP

FAIR AND TRANSPARENT BUSINESS

To meet our strategic objectives and create value for all of our stakeholders, we commit to developing the culture and implementing the programmes needed to conduct our business in a responsible and ethical manner at all times. This is governed by our values and evident in how we manage risk, health, safety and environment.

Our Code of Business Conduct and Ethics (the Code) provides a set of principles to guide our employees, while our Sustainable Development Framework outlines best practice standards that drive improvement consistently across all operations.

TRANSPARENT BUSINESS

We integrate a transparent policy framework into all corporate affairs and maintain the highest ethical standards in our dealings with stakeholder groups. To this end, we continually review our systems and processes to achieve excellence in corporate governance, as outlined in our Annual Report.

Our Board of Directors is keenly aware of the need for a strong corporate governance framework in the context of an organically growing business and global social and environmental change (see page 10). The Board comprises eight Directors, of whom more than 50% are independent.

ETHICS AND INTEGRITY

The Code covers aspects like human rights, insider trading and political contributions, competition, conflicts of interest and confidentiality. It provides guidelines for all businesses to assist employees in meeting high standards of personal and professional integrity. Training in our Code is mandatory for all new hires.

A key focus is absolute intolerance of fraud, bribery and corruption, and we welcome the Indian government’s policy in recent years to confront this. Despite our predominant presence being in India, we are held to account by laws in the United States, United Kingdom and Europe, due to our dual listings. Therefore, if we suspect malpractice anywhere in our operations, we undertake a rigorous investigation under the UK Fraud and Bribery Act. We are supporting the external investigation authorities with reference to the recent Cairn India Petrogate case.

The Vedanta Audit Committee applies rigorous assurance processes. During the year, all business units were reviewed for risks related to corruption and bribery, and employees were trained in our anti-corruption policies and procedures.

90 whistle-blower reports

UNG C PRINCIPLE 10

Employees and external stakeholders have the opportunity to anonymously report inappropriate behaviour under the Whistle-blowing Policy (available on our website). The email address whistleblower@vedanta.co.in and a 24-hour hotline are dedicated to give our employees and external stakeholders a voice, while protecting their identity. The Group Director for Management Assurance is responsible for whistle-blowing procedures while the Audit Committee reviews any reports made under the policy twice a year, and ensures that appropriate actions are taken. Outstanding cases are referred to the Ethics Committee for further assessment.

VEDANTA SUSTAINABILITY ASSURANCE PROCESS (VSAP)

VSAP is our sustainability risk assurance tool, which we use to assess the compliance of all our businesses with the Sustainable Development Framework and final recommendations of the Independent Environmental and Social Consultant Report 2013. The assurance model has different modules, which cover environment, health, safety, community and human rights elements. The assurance system works on the premise of tracking corrective and preventive action by our subsidiaries and commissioning periodic formal audits by external experts.

VSAP is an annual process with clear tracking of results by the Sustainability Committee and the Executive Committee, which in turn report to the Board. As per the identified gaps, respective businesses make management plans and undertake corrective gap-filling actions, which are periodically reviewed, evaluated and documented. The successes and failures are identified and highlighted, and cross-learning opportunities are created.

VSAP has been instrumental in helping us embed sustainable development into every activity. For example, our business units now have SMART sustainability objectives that align to our Framework, while their performance is monitored at regular intervals.

During 2014–15, VSAP scores reveal that all businesses increased rigour around implementing resource use, Waste, Water and Biodiversity Management Plans. Today, all planned and unplanned changes follow a detailed procedure, including review and communication to key internal and external stakeholders through structured Management of Change processes.
RESPONSIBILITY THROUGHOUT THE PROJECT LIFE CYCLE

In order to ensure that risk is minimised in new projects and to obtain and sustain our licence to operate, we are committed to implement a new project planning process i.e. conducting Environmental and Social Impact Assessments (ESIA) to international standards and site closure management standards, as prescribed by our Framework.

The management standard also obliges our businesses to ensure that adequate resources have been planned for, and are made available to implement site closure plans, including initiatives to prepare staff for closure and retraining. All our mines have site closure plans and continuous auditing monitors compliance with ESIA requirements, while stakeholder engagement helps ensure that project decisions reflect the views of all concerned. See the Community neighbourhood (page 46) and Environment (page 30) sections for more information.

HOW WE PERFORMED

During the year we provided more than 24,000 hours of training in our Code of Conduct to our employees and contract workforce. We have also strengthened executive-level training in integrity and ethics over the year.

All employees and stakeholders can register their integrity-related concerns either by calling on a toll-free number which provides multiple language options or by reporting to the web-based portal. Between January and December 2014, there were 90 Whistle-blowing cases, of which 34 were upheld, resulting in appropriate disciplinary actions including separation, warning, counselling and transfer against our employees, contract workforce and vendors.
HOW IS A NEW MINE CREATED?

The Gergarub deposit is a greenfield zinc site located in the south-western corner of Namibia, close to our Skorpion Zinc mine. As the deposit is near a biodiversity hotspot, an ESIA study was commissioned before any other technical studies could begin.

A number of international best practice standards were drawn upon in the ESIA including the International Finance Corporation’s environmental and social risk standards, risk management frameworks of the global Equator Principles, Namibian government legislation and our own sustainability guidance notes and policies as laid down in our Sustainable Development Framework (see page 13).

External consultants were appointed to undertake the ESIA and, since commissioning it in 2012, a number of further baseline studies have been conducted including vegetation, air pollution, fauna and health.

Background information documents have been drafted and circulated for public consultation.

At the end of 2014, specialist reports and a draft ESIA were under review and we expect to submit the final ESIA by early 2016.

...AND WHAT HAPPENS WHEN A MINE REACHES THE END OF ITS LIFE?

Our Lisheen mine is an underground lead and zinc mine located in north Tipperary, Ireland. The mine has been operating since 1999 but is expected to close in 2015. As responsible stewards of the site, we aim to leave a positive legacy, both socially and environmentally.

Achieving successful mine closure is a complex challenge, requiring the consideration of substantial environmental and geochemical information. The closure process must be effective, efficient and sustainable.

The project is well underway, with an extended programme of expert consultations and workshops to develop a closure plan framework. Further, a task force made up of local government representatives, Lisheen staff and members of governmental industrial development agencies is already working in partnership to manage the closure of the site and create new livelihood options for the community.

The team has been progressively rehabilitating its tailings management facility. To date, approximately 34 hectares (45%) of the site have been rock-capped and 8.5 hectares fully rehabilitated and restored to agricultural pasture land, with technological support to prevent metal uptake by plants. We have made a commitment to the local community and to regulatory stakeholders to complete 60% of the cap for the main facility within the operational life of the mine, with the balance to be completed after the mine closes.

Our commitment to Lisheen will extend far beyond its closure; we will monitor the site for an eight to 10-year period and maintain accountability for up to 30 years.
SAFETY AND HEALTH

EMBEDDING ZERO HARM CULTURE

Protecting the safety, health and wellbeing of those who work for us is a business imperative. Both we and our stakeholders recognise this and we have rated safety and health as our highest strategic priority.

In a geographically diverse business like ours, where attitudes to health and safety can vary, fostering a culture of zero harm is no easy challenge. Our Sustainable Development Framework points us to the highest recognised global standards, while continuous auditing and decisive leadership drive compliance.

SAFEGUARDING OUR WORKFORCE
All subsidiary businesses are obliged to ensure that their safety management programmes meet the requirements of the Sustainable Development Framework. In addition, 45 of our 52 sites are OHSAS 18001 certified. Businesses adopt a robust approach to hazard identification and risk assessment, as shown below.

HAZARD IDENTIFICATION AND RISK ASSESSMENT STUDIES

Application of relevant policies or technical standards
Draw on applicable sector and peer best practices

Training and awareness at site level
Health and safety is a mandatory module in our human resources training programme, and health and safety outcomes are linked directly to remuneration to further emphasise their importance, as with other sustainability objectives

Group audit and review
All high-potential, lost time injury, fatality and key health issues are monitored and reviewed by the business and Group Safety team along with the Sustainability and Executive Committees (see page 16)

As per the listed high-risk occupational hazards below, we issued safety performance standards including confined space entry, electrical, ground management, isolation, working at height, and vehicles and driving. We also worked with mining experts to develop a ground control standard for best practice. This has been a significant achievement given the complexity of technical and behavioural controls associated with working underground. It will be rolled out in 2015.

CHANGING BEHAVIOURS
Monthly meetings, videos and infographics, safety alerts and leadership audits are in place at Group, business and site level to manage health and safety issues. Behaviour-changing campaigns have also proven to be an important tool – for example, KCM’s Chachilama (enough is enough) campaign in Zambia (see page 29) – while Hindustan Zinc has partnered with DuPont to deliver cultural transformation in safety and a zero harm workplace. This journey has been named Aarohan, which means ‘stepping up’ towards safety excellence, and has reduced lost time injuries by 38% for one HZL business.

We also work with our senior management team to ensure they are appropriately motivated to emphasise and reinforce this culture. Our approach to safety is tailored to the particular operation and its local context. For example, linguistic and literacy skills of employees and contractors will influence how training is delivered.

In FY 2014-15, approximately 75% of incidents resulting in lost time occurred in the five hazard areas below:

<table>
<thead>
<tr>
<th>Occupational hazard</th>
<th>Our approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working at height</td>
<td>Application of working at height standards</td>
</tr>
<tr>
<td>Driving a company vehicle</td>
<td>Adherence to Vehicles &amp; Driving Safety standards</td>
</tr>
<tr>
<td>Work associated with electrical equipment</td>
<td>Effective implementation of Electrical &amp; Isolation standards</td>
</tr>
<tr>
<td>Ground control management</td>
<td>Compliance with ground control management standard</td>
</tr>
<tr>
<td>Walking near vehicles or machinery</td>
<td>Compliance with machine guarding guidance note and Vehicles &amp; Driving standard</td>
</tr>
</tbody>
</table>
RESPONSIBLE STEWARDSHIP

SAFETY AND HEALTH CONTINUED

HOW WE PERFORMED

In 2014-15, we began to see tangible outcomes of our safety drive, with fewer fatalities and lost time injuries. However, any unsafe incident is entirely unacceptable and tragically eight employees (five in India and three in African operations) died due to work-related causes over the year. Each fatality has been fully investigated, with causes being fall of ground, electrocution, fall from height, drowning, being hit by a vehicle, and crushing. Each subsidiary company’s Chief Executive or Chief Operating Officer presented a detailed appraisal of the root causes of each fatality to the Board’s Sustainability Committee and updated it on action plans in response.

During the reporting year, 756,643 hours of safety training were delivered to employees and contractors on subjects including working at height, permit to work, job safety analysis, first aid, incident reporting, safe behaviour and falls. We also made progress over the year on strengthening our risk assessment processes.

FATAL INCIDENTS

69% Reduction in fatal incidents as compared to FY 2011

ROAD SAFETY

Road safety continues to be a priority for the business due to the ongoing risks it presents to employees, contractors and the public. Over the year, our programmes continued, including road safety week celebrations across our subsidiaries Vedanta Ltd. Jharsuguda, Bharat Aluminium Company, Talwandi Sabo Power and Hindustan Zinc (HZL) (see page 28) where communities and drivers alike received coaching in safe practices on the road.

Vedanta Ltd’s Jharsuguda site has been tackling road safety in and around its premises since 2012. With around 1,500 coal truck movements every day, the facility had been experiencing an unacceptable rate of accidents, with a lack of driver or pedestrian awareness, poor road conditions and weak signage. The business has taken action by installing road signs and speed monitoring cameras, recruiting traffic control personnel, improving the state of the roads, building pedestrian pathways and regularly breathalysing drivers for traces of alcohol. As a result, this site has seen a reduction in road accidents and improved staff morale, winning first prize for environment, health and safety at the Confederation of Indian Industry awards in FY 2014–15.

LOOKING AHEAD

- Re-establish LTIFR base performance as per recently released ICMM reporting guidelines
- Implement Safety Performance Standards with more than 75% of critical elements in the standards to be implemented across the business
- Performing an Occupational Health baseline assessment for aluminium and copper businesses.

LTIFR (PER MILLION MAN-HOURS WORKED)

47% Reduction in Lost Time Injury Frequency Rate as compared to FY 2011
Patient safety is not only a moral obligation for us but, by reducing turnover and absenteeism, it is a key enabler of productivity.

Each jurisdiction maintains its own occupational health management system appropriate to the local context, while our Group approach is guided by a global health management standard and is structured around three areas – prevention, monitoring and support & recovery.

**Prevention**
- First aid and occupational health training to employees and contractors
- Health and wellness programmes including respiratory health, hearing conservation, eye checks and ergonomic surveys
- Mandatory use of Personal Protective Equipment
- Pollution control equipment, effluent treatment and the correct storage of hazardous chemicals
- Screening for diseases particular to the location, for example HIV (Zambia), Ebola (Liberia) and malaria (India and Zambia)
- Training in healthy lifestyles and disease prevention and treatment

**Monitoring**
- Investment in technologically advanced processes that reduce possible exposure levels, workplace monitoring
- Baseline studies to identify key risks
- Pre-employment medical checks and ongoing monitoring
- Tests for noise, dust, heat exposure and silicosis
- Continuous internal audit

**Support & recovery**
- Medical insurance for 100% of full-time employees whereas contract employees are covered either by employee state insurance or through Group insurance/workmen compensation
- Stress management programmes for employees at risk, and support and recovery programmes including yoga and training etc.
- On-site and outreach health and disease treatment programmes for employees’ families

**HOW WE PERFORMED**
During the reporting year, all of our sites conducted medical examinations for their staff. In our Liberia operations, we conducted screenings for Ebola and supported employees and their communities with aid parcels. In Zambia, our KCM subsidiary has worked in partnership with the Zambian government on a Prevention of Mother to Child Transmission of HIV programme. This includes maternal and infant HIV testing and prevention counselling. Vedanta Ltd. – Jharsuguda has nominated employee change agents to identify, monitor and improve workplace health.

87% of sites became OHSAS 18001 certified (FY 2014: 85%) for occupational health and safety management.

**CARING FOR OUR COMMUNITIES**
In addition to prioritising the health needs of our workforce, we also provide medical assistance to the communities that surround our operations. We offer advice and treatment for a variety of illnesses and conditions, educating employees, their families and the wider community.

Our approach is based on local community needs (see page 53), World Health Organisation health surveys and employee health indices. Community-specific awareness programmes are organised on health and nutrition, HIV/AIDS awareness, malaria, tuberculosis and cancer.

Free VCT camp for contract workforce and communities at KCM, Zambia.
SAFETY AND HEALTH IN ACTION

80% of HZL's workforce are contract workers and they are obliged to submit their safety credentials in the tendering process.

ROAD SAFETY ON THE MOVE, INDIA

More people die on the roads in India than anywhere else in the world. Our subsidiary HZL in partnership with the organisation Rajasthan Parivahan Nirikshak Sangh is bringing road safety messages direct to people's doors in a travelling van.

Designed to reach even the most remote communities in the desert of Rajasthan, the vehicle is equipped with an LCD projector to give audio-visual demonstrations. The videos cover traffic rules, safe driving and first aid, and are followed by a Q&A session.

So far the project has given around 600 demos to 100,000 people. In one district, Rajsamand, road accidents have reduced by 40%.

BRIDGING COMMUNITY THROUGH SAFETY, INDIA

When we talk about workforce safety, there is no difference between a contract worker and an employee.

Contract workers make up 70% of Vedanta’s workforce and contractors are obliged to submit their safety credentials in the tendering process. Once a contract is awarded, on-site training, support and supervision are given, and post-contract a safety audit and evaluation are completed.

As well as maintaining high expectations of contractors, HZL and Sterlite Copper teams are also working with families of these workers through the initiative ‘Bridging community through safety’. Safety officers visit families in their homes to share experiences of workplace safety, offer a free home safety audit, hand out emergency instruction pamphlets and safety kits.

Thirty households were involved during 2014, with families reporting improved confidence in taking responsibility for personal safety and health.

A DAY IN THE LIFE OF A SAFETY OFFICER, TAMIL NADU, INDIA

Sterlite Copper’s motto is ‘Make safety a way of life’. The company has taken this quite literally by giving employees the chance to be a safety officer for the day. A total of 245 employees from different departments got to experience first-hand what safety officers do, recording 6,694 unsafe acts and situations between them.

Although this exercise was a fun team-building experience, its message was serious and we are pleased to report greater awareness and a reduction in injuries.

245 EMPLOYEES RECORDED
6,694 UNSAFE OBSERVATIONS

“Road safety mobile van is proving to be very useful. We are able to reach remote villages, schools and rural people. We are able to show short films on road safety, which is helping make people understand the gravity of the situation.”

– Veerendra Singh Rathore, State President, Rajasthan Parivahan Nirikshak Sangh

Road safety mobile van at HZL's community school.
At Konkola Copper Mines (KCM) in Zambia, risk analysis had shown that 96% of accidents, including three fatalities in FY 2015, could have been avoided. So KCM launched the safety campaign Chachilamo, which means ‘enough is enough’.

With the aim of creating a zero-harm environment for employees, contract workers and visitors alike, the campaign focused on high-risk areas, namely electrical appliances, machine guarding, fire equipment, gas cylinders and welding machines. Over 12 weeks, safety champions were selected and trained to engage at least five colleagues each. This included spending time observing others at work and mentoring them in safer behaviours. Recording and monitoring of incidents was also addressed and processes brought in line with Group standards.

Since Chachilamo, there has been a 92% compliance rate with safety measures and greater awareness of how easy it can be to be safe.

**HEALTHY MINERS, IRELAND AND INDIA**

For our miners around the world, health is a key priority. Even before an employee (whether permanent or on contract) begins work, they undergo a pre-employment medical check, and free health examinations are available throughout their career.

At Lisheen mine, Ireland, health and well-being programmes include: screening for heart disease, cholesterol, body mass index and artery conditions; ergonomic surveys; and the promotion of healthy lifestyles (including smoking prevention, exercise and weight loss). Lisheen’s award-winning on-site canteen serves low-fat, low-salt foods and fresh fruit, while physiotherapy and fitness classes run all week.

At HZL’s larger mines and smelters in India, occupational health centres offer audiometric tests, spirometry, ophthalmology and chest X-rays, as well as toxic elements profile testing to check for any presence of arsenic, cadmium, mercury, cobalt, lead or chromium. During the year, 14,711 employees received medical examinations and no cases of occupational disease were reported.

HZL’s commitment to health extends beyond employees to their families and the wider community. The centres run special campaigns on issues such as stress management, bone density and hypertension for both employees and dependants. In the villages surrounding the zinc mines, monthly health check-ups have reached approximately 18,000 people, while 4,000 have attended HZL medical camps.

**MONTHLY HEALTH CHECK-UPS HAVE REACHED APPROXIMATELY**

_18,000 PEOPLE_

SEE PAGE 54 FOR MORE ON OUR COMMUNITY HEALTH STRATEGY.
We are conscious that what we do can give rise to negative environmental impacts, from gas and particulate emissions and hazardous waste to water extraction and landscape modification. To this end, we manage our footprint to the most stringent global standards throughout the project life cycle.

Our Sustainability Framework (see pages 12 and 13) shows the toolkit of policies, standards and guidance to rigorously manage environmental impact, as shown below. For the environmental priorities arising from the materiality process, we have developed specific objectives and targets, and review performance against these issues on a periodic basis, particularly with regard to energy and water management.

HOW WE PERFORMED
We are proud to report zero serious environmental incidents over the year (compared to one in FY 2014). Our goal is to obtain ISO 14001 certification at all sites, and as of now 46 of our 52 operations are certified. All subsidiary businesses have been assessed against internal audit modules and gaps were identified in energy, water management, greenhouse gas emissions and biodiversity. Action plans are now in place to close all the identified gaps.

88% of sites certified to ISO 14001 for environmental management (FY 2014: 83%)

0 Category 4 or 5 (critical) incidents (FY 2014: 1)

12 Category 3 (moderate) incidents (FY 2014: 24)

LOOKING AHEAD
- Implement actions identified in each business’s Environmental Management Plan
- Implement Biodiversity Management Plans at all sites
- Implement WASH Pledge action plan and water tool
- Explore potential further global or industry partnerships to share best practice

UNGC PRINCIPLE 7
BIODIVERSITY

PARTNERING WITH CONSERVATION EXPERTS

An extractive site can affect the habitats of flora and fauna. Where this is the case, we partner with expert conservation bodies such as the International Union for Conservation of Nature (IUCN) to ensure we leave our sites as (if not more than) bio-diverse as we found them.

Protecting biodiversity is an integral part of Vedanta’s commitment to sustainable development. Our dedicated Biodiversity Policy and Management Standard advise how disruption to wildlife should be avoided, minimised or compensated for, from project scoping to site closure and beyond. Our aim is to achieve a minimum of No Net Loss (NNL) of biodiversity and Net Positive Gain (NPG) of biodiversity (in case any critical habitat is present) at all our operations.

We apply the UN Environment Programme’s Integrated Biodiversity Assessment Tool (IBAT) to screen for risk, followed by site-specific assessments to identify sensitive habitats, important bird areas and key biodiversity hot spots. The results of risk screening and assessments are applied to develop Biodiversity Management Plans (BMPs) for all our main sites (see graphic below). The intention is to have a full suite of BMPs in place by 2015-16.

HOW WE PERFORMED

We are on track to meet our biodiversity targets. Almost all our subsidiary sites have BMP either in place or in preparation to meet our FY 2015-16 target. The sites that have completed a BMP made good progress in implementing the recommendations of their plans (see page 38), while remaining subsidiaries are working to develop BMPs.

As with our wider approach to sustainable development, we work alongside others. For example, by invitation of the India Ministry of Environment, Forest and Climate Change, Vedanta Ltd. became a signatory to the India Business and Biodiversity Initiative, a national platform for business and its stakeholders around mainstreaming sustainable management of biological diversity into business strategy. Over the next two years the initiative will build awareness among businesses, share best practice examples and advocate public policy at a national and international level.

Biodiversity risk screening
– Initial biodiversity risk rating using IBAT
– Identification of hot spots and IUCN red listed species

Biodiversity risk assessment
– Desk-based research and risk assessment
– Validation of biodiversity risk rating and IBAT results

Develop BMP for risk management
– Development of a biodiversity management plan (BMP)
– Implementation of the Biodiversity Management Plan (BMP)

Monitoring and reporting
– Monitoring biodiversity impacts
– Detailed reporting against GRI by FY 2016
RESPONSIBLE STEWARDSHIP

WATER

MINIMISING WATER FOOTPRINT

We recognise the value of water as an increasing global concern and are conscious of the impact of its use in mining, smelting and refining and at our power plants. Hence we are committed to minimising our water footprint and reducing the amount of fresh water we consume by reusing as much water as possible in our processes.

Our approach is outlined in our Water Policy and delivered through our Water Management Standard. We facilitate the integration of water management into decision-making processes for all our new and existing projects, which helps ensure all necessary measures are in place to avoid, minimise, or, in some cases, compensate for the impacts of our projects. This includes an obligation for all our subsidiary businesses to conduct a water-screening assessment to identify sensitive water resources, aquatic habitats and any known or suspected water resource constraints in proximity to each operation.

Most of our operational processes have been designed to be ‘zero discharge’, where the generated waste water is treated and recycled for cooling and other applications. In addition to these initiatives, effluent and sewage treatment plants are installed at many locations for reusing water at primary locations.

Due to the high water table in Zambia, Ireland and Australia, we have to ‘dewater’ (remove) a large quantity of water from these underground mines. Approximately 49% of the water withdrawn (around 178 million cubic metres) is discharged into nearby water bodies, complying with applicable regulatory limits, and treated in effluent treatment plants. Vedanta’s Iron Ore division, HZL, Cairn India and Sterlite Copper in Tuticorin have met some of their water requirements through rain water harvesting of 560,891 cubic metres. Further, Cairn India utilises the abundant supply of sub-surface saline water to meet its operational and domestic water needs, to avoid any risk to the fresh water resources of the region.

“It has been highly valuable to have Vedanta Resources on board with the WASH Pledge. The company is at the forefront of leadership on WASH issues, not only in the Indian business space but also in its industry. The company is sending a strong message to the global business community that business can and should make a concrete contribution to the societal goals surrounding water, sanitation and hygiene.”

Joppe Cramwinckel
Director, WBCSD’s Water Cluster

WBCSD – WASH PLEDGE

A staggering 1.8 billion people worldwide lack access to safe drinking water, while 4 billion are without adequate sanitation.

In India, the government has announced that all households will have complete sanitation by 2019.

In 2014–15, we pledged universal access to safe Water, Sanitation and Hygiene (WASH) in the workplace, an initiative of the World Business Council for Sustainable Development, which brings businesses together to create a sustainable future.

All Vedanta’s business units have completed the self-assessment questionnaire highlighting the gaps in compliance with the Pledge. Action plans, including budgets, resources and responsibilities, have been chalked out to plug gaps by March 2016. Progress will be reviewed by the individual business committees and the Sustainability Committee at Group level.

HZL Chanderiya employees supporting and signing the WBCSD – WASH Pledge.
INNOVATING TO SAVE WATER

During 2014–15, many of our operations applied creative thinking to find ways to reduce water consumption and recycle more waste water back into use.

Such initiatives include:

- Vedanta Ltd’s aluminium refinery in Lanjigarh, Odisha is the first in India to operate at zero discharge, reducing consumption of external water by over 60%.
- BALCO in Chhattisgarh, India, has improved the reliability of dyke water recirculation pumps, saving 200 cubic metres of water per day.
- KCM’s Nkana Refinery, Zambia, initiated an effluent recycling project to capture, treat and re-use waste water (see page 38).
- HZL installed Udaipur’s first sewage treatment plant, treating 20 million litres of effluent a day. It also installed its first adiabatic cooling towers, which reduce waste water by almost 80%.
- Cairn India uses the abundant supply of sub-surface saline water to meet its operational and domestic water needs. Total volume of produced water amounts to 17.78 MCM of which 17.26 MCM is re-injected back into the system.

HOW WE PERFORMED

All subsidiary businesses now have a Water Resources Management Plan in place to eliminate, minimise, mitigate and manage impacts on water resources. Total water conservation levels reached 7.38 million cubic metres, against a target of 2.49 million cubic metres for 2015-16. Further, all waste water discharge complies with applicable regulatory limits, and at all sites waste water is treated in effluent treatment plants. Metals are precipitated by addition of lime and flocculants and the use of sediment ponds.

During the reporting period, we withdrew 36.2 million cubic metres of water, with 59% from ground water, 40% from surface water and 1% from rain water and utility.

The Group’s water conservation efforts, across its subsidiaries on a global basis, led to the recycling of nearly 40 million cubic metres of water during the period, which has fulfilled our 17% requirement of overall water consumption.
Our Energy and Carbon Policy commits our operations to adopt and maintain global best practices in carbon and energy management and to minimise greenhouse gas (GHG) emissions. We are aware of the opportunities that energy management and climate change present and understand the business case for these initiatives, which can include efficiency savings based on a combination of new technology and advancing our business processes. To add further robustness to our energy programmes, subsidiary businesses are upgrading existing business management systems to allow accreditation to the energy standard ISO 50001. Our Sterlite Copper – Tuticorin and Silvassa, Vedanta Ltd. Aluminium (Jharsuguda and Lanjigarh), Sesa Iron Ore (Pig Iron Division) and Sterlite Energy Limited operations have obtained ISO 50001 certification.

As Vedanta is part of an energy intensive industry, our direct and indirect energy consumption is in the order of 363 million GJ. It is important that we carefully consider our approach to energy use, including our use of technology to maximise efficiencies. We have completed a carbon footprint exercise across all our manufacturing and mining locations. The long-term strategy for addressing climate change issues consists of diversifying the energy portfolio and water sources of all our companies, and the Group is developing its thinking around these issues and how best to implement them.

RISKS AND OPPORTUNITIES

We understand that climatic change risks arising due to changes in regulations, operating / physical parameters and carbon taxes and consumer behaviour may have the potential to generate a substantive change in our business operations, revenue or expenditure. As an example, the change in UK GHG reporting regulation and Indio’s / Zambia’s increasingly proactive and aggressive stance managing their GHG inventory may drive stringent regulations leading to higher fuel costs, ultimately reducing operating margins and profits for our businesses. All these changes pose a potential compliance risk for our operations, which may result in direct financial implications like financial sanctions or indirect financial implications such as loss of reputation, which can affect stakeholder confidence.

We feel that an understanding of the risks can highlight opportunities for us to improve ways in which we reduce our own impact on the environment and also to make a positive contribution to the debate. The voluntary reporting of our efforts to fulfil our environmental and social responsibility helps us in addressing key stakeholder concerns, meeting their expectations, increasing brand perception, and attracting suitable financial investment opportunities.

We have observed a significant reduction in our energy performance over the year, which has helped us in creating a new benchmark for energy performance in our sector. Thus, any mandatory cap and trade scheme may serve us with revenue generation opportunities owing to our excellent energy performance in comparison to other major players in the sector. Over the past few years, we have aggressively pursued the rewards offered by the Kyoto Protocol’s Clean Development mechanisms to reap multiple benefits – enhanced energy security, improved GHG performance, revenue generation through sale of CERs, and increased stakeholder confidence.

DIRECT AND INDIRECT ENERGY CONSUMPTION (million GJ)

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct energy consumption</th>
<th>Indirect energy consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>331</td>
<td>13</td>
</tr>
<tr>
<td>2013-14</td>
<td>342</td>
<td>13</td>
</tr>
<tr>
<td>2014-15</td>
<td>349</td>
<td>14</td>
</tr>
</tbody>
</table>

Meeting growing energy demands while limiting carbon emissions is a global challenge. We recognise that we have a social and economic responsibility both to take action to reduce our footprint and to engage constructively on climate change issues. Although this issue was deemed a slightly lower priority to our stakeholders over the year, it remains a high-profile challenge across our markets, with many of our operating countries (such as India, Australia and African nations) predicted to experience the worst impacts of a changing climate.
**SCOPE 1 EMISSIONS**  
(tonnes of CO₂ equivalent)

<table>
<thead>
<tr>
<th>2013–14</th>
<th>2014–15</th>
</tr>
</thead>
<tbody>
<tr>
<td>35,949,149</td>
<td>38,274,754</td>
</tr>
</tbody>
</table>

- Zinc India
- Zinc International
- Aluminium
- Copper India/Australia
- Copper Africa
- Vedanta Iron Ore
- Oil and Gas
- Power

**SCOPE 2 EMISSIONS**  
(tonnes of CO₂ equivalent)

<table>
<thead>
<tr>
<th>2013–14</th>
<th>2014–15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,167,209</td>
<td>1,581,703</td>
</tr>
</tbody>
</table>

- Zinc India
- Zinc International
- Aluminium
- Copper India/Australia
- Copper Africa
- Vedanta Iron Ore
- Oil and Gas
- Power

**HOW WE PERFORMED**

In 2014-15, we conducted internal benchmarking on energy consumption among our subsidiaries, in order to understand where to focus our efforts and create a sense of competition with Vedanta to drive performance. Vedanta Ltd’s Jharsuguda unit made energy efficient modifications to its smelting infrastructure, such as flue wall replacement, optimisation of fan power and greater deployment of compressed air. At KCM’s Nchanga mine in Zambia, changes to air compressors saved 55,560 GJ of energy, while ore flow optimisation saved a further 163,279 GJ. At BALCO, automation in the smelting furnace and cooling tower resulted in savings of more than 750,000 GJ in the reporting period. As a result of this approach, we are pleased to report that we met our energy targets over the year, consuming 1.15 million GJ. Consequently, we saw a decrease in our carbon footprint normalised by turnover. During the reporting period, we identified renewable projects under the global Clean Development Mechanism (CDM), with a certified emissions reduction of 1.4 million units. These projects are registered by the UN Framework Convention on Climate Change. In 2014-15 we accrued around 0.54 million units.

**CLEAN ENERGY**

As well as optimising our efficiencies, we also look to renewable energy to power our operations. While we currently source only 2% from renewable sources, we are taking the lead from subsidiaries like Copper Mines of Tasmania and KCM Zambia, where 100% of energy derives from hydropower.

Our HZL subsidiaries have 273.5 megawatts (MW) of wind farms in two phases across five states in India. All wind power generation has been registered under the CDM and 511.4 million units have been sold to the electricity grid in each state, an increase of 52.3% compared to 2012.

Thanks to wind generation and other investments such as waste heat recovery steam turbine generation and low-energy boilers (also registered under the CDM and bringing the total clean energy generation to 516,882 MWh per year), HZL has reduced annual average emissions by 583,685 tonnes of CO₂e.
Our Environmental Management Standard commits all our operations to identify and manage emissions to air from point, fugitive and mobile sources, as well as from process activities associated with combustion and materials storage.

Each facility applies air quality prevention and mitigation measures, and across the Group we monitor air quality for its impact on employees, local communities and the environment. This includes both ambient air quality monitoring (AAQM) and stack emissions monitoring. We require all our operations to apply air quality prevention and mitigation measures.

Suspended particulate matter (SPM), SOx and NOx are generally monitored as part of AAQM. The AAQM reports are regularly submitted to the regulatory authorities. In relation to stack emissions of particulate matter, emissions are legally regulated at most of our operations and are monitored to ensure compliance. During the year, we also monitored SOx, NOx and other relevant emissions including lead emissions in our zinc operations, fluoride emissions in our copper and aluminium operations, and polyaromatic hydrocarbons (PAHs) in our aluminium operations.

When transporting extracted materials like bauxite, coal, lime and alumina, we work hard to minimise dust. We have installed bag filters and dry fog systems with water sprinklers. Further, all trucks are covered with tarpaulin to ensure no spillage or dust generation.

**MANAGING AIR QUALITY**

Our significant emissions include SOx, NOx, and PM and are summarised in the graph below. Other include fluoride emissions (112 MT) from aluminium operations, lead emissions (23 MT) and PAH emissions (5 MT) from our zinc operations, and VOC emissions (188 MT) from our Cairn India operations.

In all operations we now fit bag filters and scrubbers to minimise dust and pollution. Over the past year, we have also put in place a number of initiatives to improve air quality. For example, Vedanta Ltd. Sterlite Copper has identified seven point sources for continuous ambient air quality monitoring and has invested US$320,000 in installing fence-line SO2 detection systems. Its factory is now continuously monitored for air quality. The system works on the principle of UV Differential Optical Absorption Spectroscopy to monitor SOx and NOx emission, along the four sides of our factory operation. Further, our Vedanta Ltd. – Jharsuguda thermal powerplant has completed hybridisation of all its electrostatic precipitators with bag filters, making it one of the best in terms of air emissions from the stacks.

**Excess Gas Flaring**

At our Cairn business, we currently use associated gas at the Mangala Processing Terminal to generate power for our operational facilities. The excess associated gas is flared at the assets where gas sales infrastructure does not exist. We have undertaken a project to compress and condition the excess gas. Post-conditioning, this gas will be commingled and exported with the Raageshwari gas for sale to our gas customers. This will help in conserving energy and reducing GHG emissions. For the reporting period, the volumes of flared and vented hydrocarbon emissions from Cairn operations were approximately 38.23 million SCM and 0.52 million SCM.

**STACK EMISSION DATA (MT)**

<table>
<thead>
<tr>
<th>Year</th>
<th>PM emission from stacks</th>
<th>SOx emission from stacks</th>
<th>NOx emission from stacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013–14</td>
<td>6,066</td>
<td>128,157</td>
<td>33,995</td>
</tr>
<tr>
<td>2014–15</td>
<td>6,008</td>
<td>146,371</td>
<td>42,351</td>
</tr>
</tbody>
</table>

Excess Gas Flaring at our Cairn business, we currently use associated gas at the Mangala Processing Terminal to generate power for our operational facilities. The excess associated gas is flared at the assets where gas sales infrastructure does not exist. We have undertaken a project to compress and condition the excess gas. Post-conditioning, this gas will be commingled and exported with the Raageshwari gas for sale to our gas customers. This will help in conserving energy and reducing GHG emissions. For the reporting period, the volumes of flared and vented hydrocarbon emissions from Cairn operations were approximately 38.23 million SCM and 0.52 million SCM.
WASTE AND RESOURCE USE

TURNING WASTE TO WEALTH

Our mining and smelting/refinery operations generate significant amounts of non-hazardous waste and some hazardous waste. Finding innovative ways to reduce and commercialise waste is a approach we are tackling with pioneering innovation.

We have in place a Resource Use and Waste Management Technical Standard and supporting guidance notes. Our main priority is to reduce both the quantity and the toxicity of our waste, followed by recovery, re-use and recycling, with disposal in landfill or by incineration viewed as a last choice. The technical standard obliges our subsidiary businesses to systematically identify these opportunities wherever practicable.

Our hazardous waste generation includes used/spent oil, waste refractories, spent pot lining and residual sludge from smelters. Hazardous wastes are stored in authorised, licensed and secured landfills, while some have value and are sold to authorised recyclers. The key non-hazardous waste we generate includes fly ash (from captive and merchant power plants), red mud (aluminium refinery waste), paraSITE/paraFIX (from zinc smelting), slag, lime grit (process residues from smelters and aluminium refineries) and phosphor gypsum (phosphoric acid plant).

HOW WE PERFORMED

We generated around 10.91 million MT and recycled/re-used 55% of non-hazardous waste. Hazardous waste was stored in a secured landfill and some of it was sold to authorised recyclers. Further, around 96 million MT of overburden and waste rocks and 28 million MT of tailing were produced. Much of our generated overburden is used in secondary construction work, for example, in raising tailing dam heights, and back-filling mined out areas and exhausted mine pits.

For our Cairn operation, around 38,536 MT of drill mud and cuttings were produced using non-aqueous drilling fluid, out of which 100% was disposed at onshore and offshore facilities.

HOW WE PERFORMED

We generated around 10.91 million MT and recycled/re-used 55% of non-hazardous waste. Hazardous waste was stored in a secured landfill and some of it was sold to authorised recyclers. Further, around 96 million MT of overburden and waste rocks and 28 million MT of tailing were produced. Much of our generated overburden is used in secondary construction work, for example, in raising tailing dam heights, and back-filling mined out areas and exhausted mine pits.

Sterlite Copper has achieved a 100% non-hazardous waste recycling rate and provides livelihood opportunities for nearby industries.

HZL’s state-of-the-art Central Research and Development Laboratory is exploring how to recover more metals from mining and smelting operations.

AMOUNT OF WASTE GENERATED (million MT)

<table>
<thead>
<tr>
<th></th>
<th>Non-hazardous Waste</th>
<th>Hazardous Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>8.36</td>
<td>0.64</td>
</tr>
<tr>
<td>2013-14</td>
<td>7.08</td>
<td>0.64</td>
</tr>
<tr>
<td>2014-15</td>
<td>10.15</td>
<td>0.76</td>
</tr>
</tbody>
</table>

CLOSING THE LOOP

Process / Business

<table>
<thead>
<tr>
<th>Waste Product</th>
<th>Reused</th>
<th>Useless purpose / products (brick, road and cement making)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captive and merchant power plants</td>
<td>Created fly ash</td>
<td>351K tonnes sent to make cement and bricks nearby</td>
</tr>
<tr>
<td>Aluminium</td>
<td>Red mud</td>
<td>208K tonnes reused in road construction and brick manufacturing</td>
</tr>
<tr>
<td>Iron Ore, Zinc and Copper</td>
<td>Slag</td>
<td>484K tonnes reused for road construction and cement production</td>
</tr>
<tr>
<td>Copper</td>
<td>Gypsum</td>
<td>2,060K tonnes reused in road construction and brick manufacturing</td>
</tr>
</tbody>
</table>
HAZARDOUS WASTE – A PIECE OF CAKE, INDIA
Hazardous waste such as oil, residual sludge and scrubber ‘cake’ is an unwanted by-product of many of our processes. Sterlite Copper is determined to recycle 100% of its scrubber cake.

The smelting business has discovered that scrubber cake contains the right balance of chemicals to produce gypsum, which has a rising value in global commodity markets. Following approval from the India Central Pollution Control Board, it invested approximately US$33.3 million in state-of-the-art technology to neutralise and repurpose its cake.

Metal dust is now restricted from entering lime scrubbers at its primary and secondary smelters, while a ‘bag house’ and flue gas desulphurisation remove noxious sulphur dioxide and dust from the air. Residual ‘bleed’ is taken to a plant for poly-electrolyte treatment. The final product is gypsum, a harmless mineral used to manufacture cement and plasterboard.

The investment has reduced hazardous waste by 60% and doubled the life of surrounding landfill sites.

SAVING WATER, CUTTING COSTS, ZAMBIA
KCM’s Nkana Refinery has initiated an effluent recycling project to capture, treat and re-use effluent from its operations.

Before 2014, refinery waste water had been exceeding legal discharge concentrations of 1.5 milligrams of copper per litre. This, together with high costs of water consumption at the refinery, prompted the team to explore a cheaper, more sustainable approach to waste water management.

A water filtration system was introduced and the time period for neutralisation and precipitation of copper and other elements in settling ponds extended.

Thanks to this innovative thinking, Nkana Refinery now operates at zero effluent discharge. The project has also reduced pressure on fresh water abstraction by over 60%, with associated costs substantially reduced.

PROTECTING THE NATIONAL BIRD OF INDIA, RAJASTHAN
An extensive biodiversity study covering a 10-kilometre radius of HZL’s mines revealed the need to protect the endangered peacock (Pavo cristatus), India’s iconic national bird.

In partnership with Rajasthan’s Forest and Wildlife Department, the business has invested over US$43,000 in a conservation plan.

The strategy involves reforestation of high-branched trees to offer peacocks shelter and protection from predators, planting species that attract the insects and snakes on which the birds feed, as well as water feeding points. These measures were supported by the engagement of employees and communities in the importance of conserving peacocks, as well as fire and poaching prevention measures.

INVESTED OVER
US$43,000
in a conservation plan

The biodiversity study also revealed the need to protect rare plants and those important to people’s livelihoods as food, medicine, herbs and animal fodder. HZL created a plant nursery, reintroducing species once they became saplings. For example, around 500 Commiphora wightii saplings were planted over the year.

Recycled water getting used for washing copper plates at KCM, Zambia.
**CONSERVING ECOSYSTEMS FOR GREEN ENTERPRISE, SOUTH AFRICA**

Namaqualand in South Africa contains ecologically sensitive ecosystems with critical value for biodiversity conservation, local livelihoods, eco-tourism and agriculture. Researchers highlight that the plant and fauna diversity of this habitat is particularly vulnerable to anthropogenic impacts and climate change.

Black Mountain Mining (BMM) has partnered with the International Union for Conservation of Nature (IUCN) to develop a Sustainable Biodiversity Management System at the proposed Gamsberg zinc mining site in Northern Cape Province. The system aims to enhance and diversify rural livelihoods within Namaqualand by promoting green enterprise development and biodiversity-related technologies.

An external Biodiversity and Livelihoods Coordination Committee (BLCC) has been set up to advise on BMM’s wider sustainable development strategy in Namaqualand.

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**FLY ASH – WASTE TO WEALTH, INDIA**

Fly ash is a residue generated in combustion processes and comprises fine particles that rise with flue gases. At HZL and Sterlite Copper, 100% of fly ash is captured and sold on to nearby cement industries. Bottom ash is also stored and supplied to brick-makers and internal road-making applications. Following the success of this initiative, other Vedanta businesses such as BALCO, Vedanta Ltd. Jharsuguda, and Lanjigarh are interested in following suit.

Our Vedanta Ltd. Lanjigarh Alumina refinery has become the first company in the world to develop cement-free concrete using fly ash. The product, Cold Setting Geopolymer Green Concrete, has the unique property of fast setting in ambient conditions and reduces costs and carbon by up to 15%. The company is devising a road map to extend this initiative to other subsidiaries.

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**NATURAL WASTE WATER TREATMENT, INDIA**

Cairn India is finding new, sustainable ways to deal with effluent near its Bhagyam oil field in Rajasthan.

A reed bed wetland has become a natural treatment works, removing harmful bacteria through sedimentation, filtration, biological degradation, adsorption and nutrient uptake. The water quality is tested daily and found to be well within the limits for use in irrigation or surface discharge. Over time, as the plant roots establish, water quality will become even better. Savings in fresh water irrigation and effluent transportation costs amount to over US$300,000 a year. This pilot project has demonstrated that reed bed technology is viable for treating domestic waste water in and climates.

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**UNGC PRINCIPLES 8 & 9**

**SAVING OVER US$300,000 a year from fresh water irrigation and effluent transportation costs**
Our CSR personnel are crucial to driving and managing local engagements and act as a point of contact for communities.
BUILDING STRONG RELATIONSHIPS

CREATING WINNING PARTNERSHIPS WITH STAKEHOLDERS

Transparent and continuous engagement with our stakeholders builds long-lasting relationships and maintains our licence to operate.

WHAT WE FOCUS ON
Our priorities identified through our materiality process

- Community engagement and impact
- Human rights and the rights of indigenous peoples
- Child and forced labour
- Land and resettlement

IN THIS SECTION
Stakeholder engagement – 42
Human rights – 44
Neighbourhood dialogue – 46
To illustrate the importance we place on this, we have added Strategic Communications as a fourth pillar of our Sustainable Development Model. This reflects the emphasis we place on partnership working and also global trends of consumerism in emerging markets, meaning that more people than ever have an interest in commodity production.

We have identified six stakeholder groups that have a significant interest in our operations:

- **COMMUNITIES**
- **SHAREHOLDERS AND LENDERS**
- **CIVIL SOCIETY (NON-GOVERNMENTAL AND OTHER ORGANISATIONS)**
- **EMPLOYEES**
- **INDUSTRY (SUPPLIERS, CUSTOMERS, PEERS)**
- **GOVERNMENTS**

When deciding where to focus our sustainability efforts (the materiality process – see page 14), we consult formally with every group. We also engage on other issues throughout the year, as shown opposite and throughout this report.

The approach we take to connect with different stakeholders is guided by our Stakeholder Engagement Technical Standard. All of our operations run their own stakeholder identification and analysis process. As part of this, they identify potential stakeholder representatives who act as a channel for the receipt and dissemination of information.

In addition, our sites identify individuals and groups who may be additionally affected by operations due to their disadvantaged or otherwise vulnerable status. Ways in which stakeholders may be affected and the extent of both actual and perceived impacts are identified and recorded against each group. Using the information gathered, we then determine with the stakeholders themselves the level of communication and consultation that is appropriate. From this, Stakeholder Engagement Plans (SEPs) are developed and continuously updated as circumstances develop on-site. These SEPs aim to:

- Identify, categorise and engage stakeholders at all stages of the project life cycle
- Ensure that systems are in place for stakeholders to feedback to us
- Outline the resources and responsibilities for implementing engagement activities
- Identify relevant information for local disclosure

**RESPONDING TO STAKEHOLDER CONCERNS**

As part of our continual engagement with those interested in our business, we are committed to responding effectively to stakeholder feedback. Effort is made by the business to ensure that multiple channels are used to maintain contact; for example, at Group level a dedicated email address — sustainability@vedanta.co.in — is available and is displayed in the Contacts section of our website. This is complemented by an online feedback form in the Sustainable Development section of our website. All issues, feedback points and grievances raised are recorded, and contribute to our continual monitoring and understanding of stakeholder interests and inform our materiality review (see page 14).

We meet pro-actively with key stakeholder groups including civil society organisations, media and industry associations to increase awareness about our business, explain our point of view and answer queries. We also publish in-house journals and newsletters, such as Zinc News and Yagna, to engage with employees, our wider industry and communities and host governments. We also have an active presence on various social media (YouTube, Facebook, Twitter, Flicker, Pinterest, blogs) to increase awareness about our business and activities.
HOW WE PERFORMED

Here we outline the various ways in which we engage with our six key stakeholder groups, highlighting the mode of engagement, and identifying the material aspects in which they have an interest and the outcomes. This report, coupled with our Annual Report, responds to these areas.

COMMUNITIES

**Mode of engagement**
Community group meetings, village council meetings, public hearings, grievance mechanisms, cultural events, engaging philanthropically with communities via the Vedanta Foundation.

**Identified material aspects**
- Community engagement initiatives
- Infrastructure projects
- Land and resettlement

**Outcomes**
- Revisited the community base need assessment for major Indian sites
- Stakeholder engagement process is being followed as per the Framework
- Around 6 million beneficiaries via integrated development programmes
- US$42m invested in community development
- All land and resettlement to follow the process laid down in the Framework

EMPLOYEES

**Mode of engagement**
Chairman's workshops, CEO meetings and feedback sessions, performance management systems, various committees at the plant level: mentor programme, event management committee and welfare committee, women's clubs etc.

**Identified material aspects**
- Employee health & safety
- Training and leadership development
- Gender diversity, succession planning

**Outcomes**
- Group-wide training and behavioural-based programme initiated
- Technical ACT-UP process rolled out
- Identification of Future Leaders – intensive employee grooming programme initiated
- Preference for women and regional hiring at all locations

SHAREHOLDERS AND LENDERS

**Mode of engagement**
Regular updates, investor meetings, site visits, Annual General Meeting and conferences, dedicated contact channel ir@vedanta.co.in and sustainability@vedanta.co.in.

**Identified material aspects**
- Economic performance
- ESG (Environment, Social and Governance) performance
- Adherence to international standards for new projects
- Sustainability risk management

**Outcomes**
- US$3.7bn EBITDA, US$12.9bn revenue
- All new projects are carried out per the Sustainable Development Framework and International Finance Corporation standards
- Sustainability assurance audits through VSAP

CIVIL SOCIETY

**Mode of engagement**
Partnerships with and membership of international organisations, working relationships with organisations on specific projects, engagement with international, national and local NGOs, conferences and workshops, dedicated contact channel sustainability@vedanta.co.in.

**Identified material aspects**
- Project partnerships
- Community development
- Human rights compliance – child labour and forced labour

**Outcomes**
- Membership of international organisations including the United Nations Global Compact and the World Business Council for Sustainable Development, Indian Biodiversity Business Initiative, etc.
- More than 250 partnerships with non-government organisations, schools, academic and government bodies
- Sustainability Committee reviewed human rights and child labour risk assessment for all Vedanta operations

INDUSTRY (SUPPLIERS, CUSTOMERS, PEERS)

**Mode of engagement**
Customer satisfaction surveys, scorecards, in-person visits to customers, supplier and vendor meetings.

**Identified material aspects**
- Contractual integrity – payments
- Partnerships

**Outcomes**
- SAP – Supplier Relation Management systems in place to facilitate transparency
- Whistle-blower complaints – hotline service and email ID

GOVERNMENTS

**Mode of engagement**
Participation in government consultation programmes, engagement with national, state and regional government bodies at business operational level.

**Identified material aspects**
- Economic performance
- Community development
- Environmental initiatives

**Outcomes**
- US$42m in community development
- US$61.5m spent on environmental improvement projects
- US$4.6 bn payment to exchequers
Our Human Rights Policy is aligned to the UN Guiding Principles on business and human rights and includes strict prohibition of child or forced labour – either directly or through contract labour. Additionally, our Code of Business Conduct and Ethics (Code) commits us to comply with all relevant national laws and regulations, underpinning our approach to protecting the fundamental rights of all our direct and indirect employees.

Human rights training is an integral part of our Sustainable Development Framework implementation, with over 24,000 man hours of training in Code of Business Conduct and Ethics including Human Rights provided to our employees and contract workforce. These range from our on-site security guards – who are required to work in compliance with International Finance Corporation (IFC) and International Council on Mining and Metals guidelines – to our transport workforce, where we have previously identified some risks of child labour. In 2014-15, all security guards in the Group received training in our Human Rights Policy.

Human rights-related risks may occur in our supply chain. Therefore, although all our significant suppliers have adequate systems to safeguard the human rights of their workforce, we continue to engage these businesses diligently. To this end:

- All our new suppliers and contractors are provided with an induction to our Code of Conduct, sustainability policies, standards and systems.
- All our new suppliers and contractors undergo sustainability screening on human rights and child labour, environment and labour aspects etc.
- Inspections and audits of all key suppliers and contractors are undertaken and any issues identified are recorded and communicated to the contractor.
- Supplier and contractor performance and compliance with human rights law is monitored by our continuous audit function.
- A supplier relationship management e-learning module ensures transparency and provides a communication mechanism for all registered suppliers to voice their concerns.

We support collective bargaining and our businesses, namely BALCO, Hindustan Zinc, Vedanta Ltd. (Iron), Konkola Copper Mines, Copper Mines of Tasmania and Zinc International, recognise unions, while other businesses have adequate systems for employee development, remuneration and grievance redressal. The rigorous Environmental and Social Impact Assessments (ESIAs) and our Sustainable Development Framework compliance that apply to all projects include the obligation to undertake human rights screening in all M&A activities (of which there were none in the reporting period).

Under the leadership of the Vedanta Sustainability Committee, we carried out internal due diligence according to the UN Guiding Principles on Human Rights for all Vedanta operations. This included risk assessments to identify potential human rights, child and forced labour-related risks within our boundary, communities and supply chain. The assessment confirmed that the Human Rights Policy is being effectively implemented by all units. However, the need for periodic internal capacity building around implementing our human rights standards is required. The review also helped us in strengthening our existing systems and delivering focused training for our staff.

Also, during the year we became a signatory to the WBCSD Water, Sanitation and Hygiene (WASH) Pledge to fulfil global human rights to water.

24,000 hours of training in Code of Business Conduct and Human Rights

UNGÇ PRINCIPLES

PROTECTING CHILDREN AND INDIGENOUS PEOPLES

Despite operating in countries where the risk of child and forced labour may be high, during the past year no instances of child labour in our operations came to the Group’s attention. We ensure that contractors and vendors understand our expectations, with guidance provided to sites to eliminate any breach. We also carry out periodic inspections of our remote mine locations and require proof of age for all contract workers.

The Indigenous Peoples and Vulnerable Tribes

The Group’s standards and guidance note on the subject was rolled out to support the implementation of our related technical standard. The core aim of the standard is to enable our project teams to engage, negotiate and partner with these vulnerable groups in a manner that avoids negative impacts and risks for all stakeholders, especially the indigenous peoples and vulnerable tribes.

It also outlines our desire to create opportunities for positive economic and social development, within the context of the unique requirements of these groups. During the reporting period none of our operating mines was found to be operating in or adjacent to indigenous peoples’ territory and hence no violations involving the rights of indigenous people or vulnerable groups were observed during the reporting period.
BUILDING COMMUNITY UNDERSTANDING

In line with our principle of community empowerment, we carry out a participatory needs assessment, working alongside communities (with a focus on those most marginalised such as women or indigenous peoples), governments and non-governmental organisations to co-create programmes that will have the most tangible long-term impact. The result is a three- to five-year plan owned jointly by all those involved.

OUR CONSULTATION APPROACH

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
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<tbody>
<tr>
<td>Entry point activity</td>
<td>Preliminary dialogue with the community</td>
<td>Wider consultation with the project-affected families</td>
</tr>
<tr>
<td>Approaching the community</td>
<td>Baseline study &amp; need assessment</td>
<td>Public hearing</td>
</tr>
<tr>
<td></td>
<td>Isolating issues</td>
<td>Feedback</td>
</tr>
</tbody>
</table>

SUPPORT FOR FEMALE EQUALITY


WEP are produced and disseminated by the United Nations Entity for Gender Equality, the Empowerment of Women (UN Women) and the United Nations Global Compact.

The CEO pledge was signed by Vedanta’s Chief Executive Officer, Tom Albanese. Women are increasingly playing an irreplaceable role across societies, and we are committed to providing equal opportunities within the Vedanta Group. As a part of Vedanta’s Corporate Social Responsibility, we continue to provide platforms that empower women in our communities. To be associated with the cause of advancing women by the United Nations Global Compact is an extension of our commitment to a holistic development of communities.

WEP present seven steps that businesses and other sectors can take to advance and empower women:

1. Establish high-level corporate leadership for gender equality
2. Treat all women and men fairly at work – respect and support human rights and non-discrimination
3. Ensure the health, safety and well-being of all workers
4. Promote education, training and professional development for women
5. Implement enterprise development, supply chain and marketing practices that empower women
6. Promote equality through community initiatives and advocacy
7. Measure and publicly report on progress to achieve gender equality

We practise and promote equal employment opportunities. Our Board has a 13% representation of women and in 2012 set out a target to reach over 20% by 2018. We have also empowered over 25,000 rural women through the creation of about 1,800 Self Help Groups in the communities, across the locations of our operations. Over 39,000 people benefited from Vedanta’s female empowerment and entrepreneurship & skill development initiatives that contribute towards the socio-economic empowerment of rural women and youth.

On International Women’s Day, 8 March 2015, Vedanta Group companies conducted a series of awareness programmes on health and nutrition benefiting over 11,000 women and adolescent girls in India.

The celebrations included 19 health camps in various rural locations around the business operations and nine Mobile Health Units travelling in remote locations, with the focus on treating women and creating awareness of the importance of health and hygiene practices. The celebrations took place across the states of Rajasthan, Chhattisgarh, Tamil Nadu, Odisha, Goa and Punjab in India.

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

The Biometric gates at KCM ensure restricted entry and prohibit child and forced labour practices.
Research shows that thriving communities support business growth. An engagement with local neighbours can help employees feel rewarded and connected, safeguard a future pipeline of talented people, and contribute to resilient supply chains. Our ethos of community empowerment goes back over 30 years and has made us a trusted corporate citizen. It starts with understanding the potential impact our business may have on the community. This is further strengthened with a robust stakeholder engagement mechanism to incorporate community feedback into our systems. Some of the impacts which take place in areas where we operate include shifts in employment patterns, lifestyle and attitudes. We have extensive risk and hazard identification mechanisms at shop floor level to ensure that controls are in place to avoid any negative impact on the community because of our operations.

Our approach is based on the global principle of free, prior informed consent whereby local communities, particularly indigenous peoples, have the right to participate in decision-making about access to natural resources. This is delivered through a suite of technical standards, which cover land and resettlement management, grievance mechanisms, stakeholder engagement and community consultation. These standards are applied in conjunction with the ESIA and together enable our businesses to understand their responsibilities to their host communities. Our community investment programmes are in response to the engagement with our stakeholders. Our community development initiatives have focused on enhancing income for our communities, increasing domestic savings for households and developing micro-enterprises to enable women entrepreneurs. Farmers in our communities have benefited from access to improved farm-based practices, water management and animal husbandry.

**COMMUNITY GRIEVANCE MECHANISMS**

We are aware that any project is likely to raise issues for a host community and we have in place community grievance processes for issues to be raised with our skilled on-the-ground business representatives. This is a key step in preventing concerns from escalating into significant issues or disputes, risking the viability of operations.

All public grievances are resolved per the process and procedure laid down in our Sustainable Development Framework Grievance Redressal Technical Standard. External grievances regarding Vedanta and its subsidiaries can also be logged at sustainability@vedanta.co.in. All community incidents (social and labour) and grievances are recorded and categorised as negligible (1), minor (2), moderate (3), serious (4) or disastrous (5), and captured on a monthly basis.

**HOW WE PERFORMED**

A total of 2,916 community grievances were recorded across our businesses, of which 2,204 were actionable and were resolved in a timely manner. None of the cases were related to human rights violations. No category 4 or 5 social and labour incidents were recorded in 2014-15, although lower-level incidents such as village road blockages and strikes were recorded, particularly related to employment and contractor issues, infrastructure projects and some operational issues including land and traffic management.

Over the year, we completed an ambitious project applying our community consultation model to all sites in India. Drawing on dedicated local personnel to act as conduits between business and community, we undertook around 3,500 village and community meetings and around 250 panchayat meetings (village self-governments) across our operations. The main requests raised were around infrastructure and community asset creation, community development and employment opportunities. No significant disputes relating to land use, or customary rights of local communities and indigenous peoples, were brought to our notice.

**MDG 8**
OUR BIGGEST-EVER COMMUNITY NEEDS ASSESSMENT, INDIA

Understanding community needs and expectations is a complex and sensitive process. In 2014–15, we completed our most comprehensive, structured and collaborative community engagement to date to develop medium and long-term development plans in participation with our stakeholders. 61% of our subsidiaries and divisions have completed the study or are in the process of completion and the rest have committed to working on it. This was done in partnership with government and non-government organisations (with a focus on those active in remote regions of India), for every community adjacent to our sites (two-thirds of communities were assessed in 2014 while one-third had been assessed in 2013).

WHAT WE HEARD

We were one of many stakeholders working together to listen to and understand the needs of our neighbours. Each community group (including women and marginalised individuals) had the opportunity to speak separately and voice their opinions without fear or shame. The main concerns we heard were around livelihoods (in terms of either employment or supplier opportunities with Vedanta) and the environment (primarily water and soil quality). This was a valuable feedback for our businesses, many of which are now developing projects around vocational training for them.

HOW WE WILL RESPOND

Going forward, we will be working with communities to help them understand our business better, including a focus on environmental hazards. A challenge will be managing expectations arising from this consultation. For example, where we cannot provide employment we will explore vocational training (for example, in brick manufacturing), entrepreneurship options (focusing on women) and other employability routes. We will align our programmes with these needs, at the same time ensuring that the business goals are also attained. The needs assessment will be repeated in three to four years’ time.

MDGs 1 AND 8

A TRANSPARENT RESPONSE TO GRIEVANCES, INDIA

When a community grievance was reported to Vedanta Ltd.’s Aluminium division in Odisha, the business put its Stakeholder Engagement Plan (SEP) into action to ensure a transparent, objective investigation and a fair outcome. Individuals from the villages Kurebaga and Brundamal had sought compensation for crops believed to be damaged by gas leakage from Vedanta Ltd.’s plant. The process below shows the chain of events.

- Community grievance reported
- Preliminary discussion with villagers to understand concerns
- Field visits by Central Rice Research Institute (CRRI) to test soil quality
- CRRI report confirms no visible toxicity symptoms
- Findings communicated to the District Magistrate
- Recommendations made to farmers around use of fertiliser
- Summary of the findings reported in local media

As a result of this open and consultative process, no further grievances were reported and communities were reassured by Vedanta Ltd.’s comprehensive response to any potential safety or environmental risks.

MDG 7

Stakeholder Engagement and Grievance redressal process at Vedanta Ltd. – Aluminium – Jharsuguda business.

Community led needs-based assessment exercise at HZL location.
We make an important contribution to socio-economic development through job creation, taxes, access to commodities and infrastructure, community empowerment and social mobility. In doing so we demonstrate that our business has a purpose beyond profit.

WHAT WE FOCUS ON
Our priorities identified through our materiality process

- Economic value
- Community engagement and impact
- Succession planning
- Training and leadership development
- Labour rights and relations
- Broader economic benefits

IN THIS SECTION
Employees – 50
Community relations – 53
Other stakeholders – 58
Awards & Accolades – 63
Our employees are our key asset and our growth and success are attributable to them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses.

Our strategy is to build a culture of high-performance, entrepreneurial innovation, while caring for and supporting everyone who works with us. To safeguard our future competitiveness, we also seek to identify and develop leadership skills; create a fair workplace free from discrimination; and respect human rights above all else. This has never been more important in an organically growing business with so many different businesses. During the year, we continued to focus on five priority areas, as shown on the following page.

Our approach is focused on ensuring that we have the right person in the right role, along with clear succession planning, with a focus on critical positions. This is important in our industry, where securing high-potential talent is a challenge because of high growth and competition for skilled personnel across the industry.

We are committed to hiring the right person for the right job, and expect all decisions relating to employee development and progression to be based on proper evaluation directly related to work performance. We continue to focus on hiring more women professionals for business roles and this is an internal priority set by management to bring in diverse skills across the Group. We also focus on recruiting from the communities that surround our operations to encourage local employment generation. Over the reporting period, across our business, the total percentage of senior management who are locally hired is: India (87%), Australia (nil), Zambia (67%), Namibia (nil), Ireland (100%) and South Africa (75%). We believe that we must invest in developing and retaining key talent to drive innovation and efficiency within the business. In this regard, our attrition rate has remained stable and this year was reported at less than 5%.

We continue to attract talent from top engineering institutes, business schools and graduate colleges. This is an important step in sourcing a strong talent pipeline for the future. We also focus on effectively utilising and grooming talent by appropriately rotating them across businesses for experience in new roles and to prepare them to take up various key positions in the future. In particular, this year, due to volatile market conditions and owing to disruptions in our business, we have redeployed and optimised appropriate resources to other businesses.

82,534 direct and indirect employees

1.24m training hours delivered to workforce (FY 2014: 1.1 million man hours)

2,325 full-time female employees (FY 2014: 2,329)

MDG 3 ☑

MDG 3 - UNGC PRINCIPLES

3 & 6 ☑

WOMEN IN WORKFORCE* (%) 8.6%

8.2 8.1 8.3 8.6

2012 2013 2014 2015

* Full-time employees
**BECOMING AN EMPLOYER OF CHOICE – KEY PRIORITIES AND PROCESSES**

**Employee engagement**

Employees are encouraged to communicate their views and opinions. We measure our success in fostering positive engagement through internal and external employee surveys, including Aon Hewitt’s ‘Great Places to Work’ programmes, and internal ‘dipstick’ surveys. We use these results to inform our employee programmes over the following year.

- Welfare and benefits including performance-related compensation, maternity leave, medical insurance covering family and dependants, health support, transport facilities, subsidised canteens, and a share option programme for executive-level employees.
- Whistle-blowing procedure to anonymously report unsafe or unethical practices (see page 22)
- Volunteering, collective bargaining
- Ethics Committee oversees issues including cases of discrimination and harassment
- Suggestion box and open door policy to senior management

**Performance management**

All employees participate in a reward-linked annual appraisal programme where performance is gauged against key performance indicators. Refer to the Remuneration report in our Annual Report.

- Appraisal based on annual goals measured against a pre-determined five-point scale
- Feedback and identification of areas for improvement
- Individual key performance indicators linked to sustainability outcomes

**Organisational growth**

Ensuring we have the right person in the right role, along with clear succession planning, with a focus on critical positions. We expect all decisions relating to employee development and progression to be based on robust evaluation directly related to work performance.

To this end, we:

- Work with universities and training institutions to develop the future pipeline of talent
- Offer rotation opportunities around the business, mentoring and career development
- Extend more opportunities to women, particularly at managerial level

**Talent development**

Over the last year we have delivered 1.24 million training hours for all staff, averaging 25 hours per full-time employee. Owing to the high proportion of our workforce who join Vedanta as new graduates, managing career progression and development is very important to the business, particularly to ensure talent retention.

- Expert-led training on issues including health and safety, behaviour and technical skills
- Orientation programme to manage new recruits’ transition from ‘campus to corporate’
- Chairman’s workshops attended by more than 2,000 people in the last five years
- Initiatives like Technical Act Up, Club 100 and leadership workshop provide opportunities for talent to build their careers

**Processes and systems**

This was an area of focus for 2014-15 and it is important to ensure we offer consistency in human resources support and development across all of our businesses.

- Digitalising our processes
- Employee redressal mechanism

**LABOUR RIGHTS AND RELATIONS**

We aim to have constructive relations with all employees and labour unions in the locations where we operate, and to ensure that compensation for workers meets or exceeds the legal requirements.

We do not believe that any country where we have operations represents a risk to freedom of association and collective bargaining, and we uphold this right at all the operations we manage.

We understand that collective bargaining offers the opportunity to build a constructive relationship with unions – management and union representatives negotiate agreements which include clauses on productivity, health and safety, working conditions, remuneration, allowances, incentives and bonuses. In addition, unions play an active role in safety committees at many sites and union representatives participate in various steering committees. We have a collective bargaining mechanism at our HZL (48%), Zinc International (68%), KCM (87%), Sesa Iron Ore (73%) and BALCO (61.5%) operations.

A mechanism is in place to make employees aware of any significant operational changes like restructuring, mergers and acquisitions, expansions and the like. Notification periods for such events are contained in collective bargaining agreements and certified standing orders of respective entities. For example, in India the notification period is 21 days, in Zambia and Namibia it is 30 days, whereas in South Africa it is 90 days.
We have identified over 800 individuals at Vedanta whom we consider to be ‘high potential’, 10% of whom are women. We develop these future leaders through initiatives like Leaders Connect, which aims to create a strong leadership cadre to complement the senior management team. Participants can expect to see accelerated growth through targeted support such as coaching. In 2014-15, 214 senior management professionals underwent the external assessment process. And our ‘Club 100’ of potential future leaders now has 100 members, 7% of whom are women.

In Rajasthan we have established a Mining Academy to support those with enhanced underground mining skills, while Technical Act Up is a structured programme for those who are technically highly proficient.

Initiatives like Women’s Interactive Network (WIN) at Hindustan Zinc Limited (HZL) inspire female professionals into leadership roles. WIN promotes fair treatment in the workplace, breaks down infrastructural and safety barriers to equality, builds positive relationships with line managers and colleagues, and promotes a culture of zero tolerance of sexual harassment.

HZL has four WIN coordinators at each location to support delivery of:

- A human resources policy framework that gives all female employees access to a fair, timely and confidential redressal
- Professional development programmes aimed at women
- Engagement opportunities such as quarterly women’s networking events
- An online WIN Portal for communication on gender issues

Going forward, WIN aims to increase its crèche offer at all HZL locations and further increase training and awareness in its focus areas.

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**MDG 3**

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**OUR FUTURE STARS**

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**A WIN-WIN, INDIA**

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**MDG 3**

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This resonates with our corporate values of trust, entrepreneurship, innovation, excellence, integrity, respect and care. So, in addition to extensive neighbourhood dialogue (see page 46) and our wider economic contribution, we see it as our responsibility to invest in communities in a meaningful way.

Our community investment strategy focuses on health, education, livelihoods and environment. In 2014-15, we invested US$42 million, benefiting around 4 million people globally through building hospitals, schools and infrastructure, developing employability skills, and engaging in community programmes. Our priority over the year was supporting rural livelihoods.

Consistent with our Sustainable Development Model of drawing on global best practice, our community investment approach is evaluated against the UN Millennium Development Goals and tends to follow a Public-Private-People-Partnership (4P’s) structure, in line with our goal of co-creation and handing ownership to communities as early as possible. As the MDGs expire in 2015 we will also evaluate how our projects will contribute to the sustainable development goals highlighted in Rio+20.

We are clear that the communities in and around our operations should get a fair share of the benefits, whether those are through employment, trade and enhanced infrastructure, or greater empowerment to voice opinions.

**COMMUNITY RELATIONS**

**SHARED VALUE FOR COMMUNITIES**

![Image of farmer with cattle]

Cattle breeding programme at KCM, Zambia.

“*The Agro advisory services are helping me immensely in better planning of crop management and improved harvesting and yield.*”

—Santi Naik, ‘Veggie Kart’ farmer

**BREAKING THE POVERTY CYCLE, ZAMBIA**

Raphael Mulenga Kalima, a peasant farmer and father of three in Chililabombwe, northern Zambia, only ever dreamed of owning cattle, but today is the proud owner of four. “My children won’t have any problems. If they pass to go to university, I will use cattle to sponsor their education.”

Mr Kalima is among the beneficiaries of a US$2.5 million sustainable livelihoods project run by Konkola Copper Mines (KCM). KCM is working with the NGO Village Water Zambia, the Ministry of Agriculture and 20 women’s organisations to target 2,700 of the poorest rural households and support them with animal husbandry skills and veterinary advice. Using a ‘pass-on’ model, two cattle and seven goats are given to each family on the condition that the calves are passed on to the next generation.

Women, the main income earners but with virtually no land rights, are the focus of the programme. This simple idea has the potential to break generational cycles of poverty and enable social mobility – philosophies that are at the heart of our Sustainable Development Model. Since 2010, KCM has given 596 heifers and 2,000 goats, and intends to hand ownership of the project to specialist organisations in 2015.

**US$42m**

Invested in community programmes, benefiting around 4 million* people

**MDGs 1-8**

*Some of the beneficiaries could be involved in more than one project.

See page 54
## OUR AREAS OF FOCUS

We have seven discrete focus areas in our community programmes: health, education, sustainable livelihoods, women’s empowerment, community asset creation, bio-investment and integrated village development. These areas have been chosen due to the relevance they have to the development agendas of our major host countries, and regional areas of operation.

<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>DETAILS</th>
<th>PERFORMANCE</th>
</tr>
</thead>
</table>
| **EDUCATION**   | The Vedanta Bal Chetna Anganwadi (VBCA) programme targets pre-school level education through the Integrated Child Development Scheme, run in partnership with the Indian government. We promote women’s education by sponsoring girls who opt for higher education. We support a midday meal programme through eight centralised kitchens, aimed at improving the health status of children from Class I to VIII in government-aided schools as well as encouraging regular attendance at school. We also assist adult literacy centres, distribute education kits and provide proactive support and encouragement for educational enrolment and achievement. Skills development training is offered in a wide range of marketable trades and we encourage development of small business enterprises and entrepreneurship. | – 550 young scholars from economically disadvantaged backgrounds were provided with scholarships.  
– 813 adults were taught to read and write by KCM in collaboration with the Zambian Ministry of Education. Several of them have passed certificate exams organised by the Ministry.  
– To inculcate scientific learning among students and improve pedagogical tools for teachers, Cairn India works in Rajasthan and Gujarat covering more than 150 schools. |
| **HEALTH**      | Our activities include the delivery of medical infrastructure such as the 44 hospitals/health posts we run across the Group supported by medical outreach services. These include mobile health vans and medical outposts to provide isolated rural communities with access to medical services. We have programmes to support access to clean water and increase awareness of the importance of sanitation, providing practical assistance in developing related infrastructure, such as toilets, garbage disposal facilities and waste recycling. We particularly focus on women, through targeted nutrition programmes and family planning, combined with child welfare initiatives. | – Sterlite Copper’s mobile medical bus delivered primary healthcare services to 35,000 people in Tamil Nadu.  
– 400 community cataract operations funded by Black Mountain mine, South Africa.  
– More than 4,000 household toilets have been built over the last year by HZL and Cairn in Rajasthan.  
– 3,393 people benefited from free eye check-ups funded by Sterlite Energy Limited.  
– Over 50,000 people were reached by 36 water kiosks in Rajasthan, funded by Cairn India.  
– HZL’s occupational health centres have reached approximately 18,000 people and more than 40,000 have attended medical camps for neighbouring communities.  
– Konkola Copper Mines (KCM) operates two hospitals and eight clinics, providing free medical services to more than 63,200 people, including employees and their dependents.  
– HZL and Cairn signed an agreement with the government of Rajasthan to build more than 40,000 household and school toilets. |
| **LIVELIHOODS** | On farms, we distribute high-yield seeds, and provide education and training in fruit and vegetable cultivation and in animal rearing practices, breed selection and animal vaccination. We offer a range of technical assistance through partners, including adopting new scientific technologies such as compost pits and drip irrigation systems. We also focus on non-farm interventions to create economic opportunity for rural youth. | – Vedanta Ltd. launched ‘Veggie Kart’, a microfinance project that helps farmers through agro-advice, procurement and marketing. In 50 farmers generated a substantial surplus in 2014, Odisha.  
– 1,082 young people have graduated as electricians and plumbers from Vedanta Ltd.’s technical school in Goa in the past 10 years.  
– BALCO’s skills school has benefited more than 3,800 young people to date, in five communities in Chhattisgarh.  
– Cairn India completed construction of the Cairn Centre of Excellence in Jodhpur, Rajasthan, offering skills development and employment in partnership with TUV Rhineland. |
### Focus Area: Women's Empowerment

**Details:** Our main activity in working to empower women is our support for over 1,200 women's Self Help Groups (SHGs). These SHGs bring women together to develop skills and create income-generating micro businesses. As economic opportunities are very limited in isolated rural villages, SHGs not only give women a chance to contribute towards the income of their families but also provide an opportunity to socialise and share concerns and experiences with other women outside the home, leading to overall empowerment of women. Specific opportunities include training in tailoring, stitching and local crafts to women, providing them with skills that can enable sustainable income generation. Market links are also provided. We partner to provide livelihood skills, including animal husbandry; support is also provided to establish links with financial institutions.

**Performance:**
- 1,056 Self Help Groups for women, reaching 15,251 women since 2004, Sterlite Copper (see following page).
- HZL and Cairn have installed sanitary vending machines for women along with incinerators to promote menstrual women's health. The sanitary pads are made by women's SHGs.
- Skorpion Zinc sponsored the Confederation of African Football's Women's Football Championship, Namibia.
- KCM has invested US$2.5 million in a community livestock programme focused on women, giving 596 cows and 2,000 goats since 2010 (see page 53).

### Community Asset Creation

**Details:** Amongst other initiatives, this also includes the building of schools in rural and remote locations. Facilities are built on a needs basis in discussion with the community and have included community halls, roads, health and education facilities.

**Performance:**
- HZL has invested over $800,000 for a sewage treatment plant which provides clean and safe drinking water to the community as well as helping the local administration combat the challenges of urban waste.

### Bio Investment and Energy

**Details:** This year, our focus has been on significant planting programmes around our operations. The aim of these mass plantings is to reduce dust emissions and preserve habitats and water tables. In addition, investment in energy where communities which are remote. The community owned model where we partner in capex and the community runs it on a fee model was piloted.

**Performance:**
- 100 households receive energy from Cairn India’s community-run solar PV plant.
- KCM partnered with Village Water Zambia, the government Forestry Department and communities to plant 7,000 fruit and animal fodder trees as nutritional supplements for communities.

### Direct Economic Impacts 2014–15

<table>
<thead>
<tr>
<th>Description</th>
<th>2014–15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youths provided vocational training</td>
<td>3,844</td>
</tr>
<tr>
<td>Youths linked to job after training</td>
<td>2,213</td>
</tr>
<tr>
<td>Youths linked with job/self-employment engaged under micro-enterprise development for self-employment</td>
<td>718</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2014–15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Self Help Groups (SHGs) (old + new)</td>
<td>1,571</td>
</tr>
<tr>
<td>Women members in SHGs</td>
<td>33,375</td>
</tr>
<tr>
<td>SHGs engaged in income generation activities</td>
<td>326</td>
</tr>
<tr>
<td>Number of women establishing micro-enterprises</td>
<td>3,371</td>
</tr>
<tr>
<td>Average income of Women Entrepreneurs (monthly income in Rs.)</td>
<td>6,302</td>
</tr>
<tr>
<td>Total number of Special/Mega Camps e.g. eyecare, cardiac care, family planning, TB, HIV/AIDS etc.</td>
<td>2,944</td>
</tr>
</tbody>
</table>
COMMUNITY INVESTMENT IN ACTION

PREPARING YOUNGSTERS FOR WORK, INDIA

In the state of Chhattisgarh, central India, young people lack manufacturing and service skills. The Chhattisgarh State Skills Development Corporation (SDC) has set a target of training 2 million youngsters by 2020.

As a key employer in the region, Vedanta’s aluminium business, BALCO, is offering vocational training and work placements. Its skills school provides the facilities, resources, transportation, uniforms and work placements, while training is delivered by experts from the SDC. All 30-45-day courses are free and subjects include hospitality, welding, sewing and electrical fitting, all certified by the SDC.

So far the project has benefited 3,000 young people across five communities. It has been commended as a model project by the State Secretary of Technical Education and has won a number of awards.

In Goa, Vedanta Ltd.’s technical school celebrated a 10-year anniversary, with 1,082 young people graduating as electricians and plumbers over the decade – a 100% pass rate.

“The training school gave me an offer to join a hotel. I happily joined there and today I am earning Rs.4,500 as monthly income.”

– Sangeeta Ekka, student at the BALCO skills school

MDGs 1, 3 & 8 ✔

SOLAR MICRO-GRID FOR 100 DESERT HOUSEHOLDS, INDIA

When night falls, the villages around Cairn India’s operations in Barmer, Rajasthan, are in complete darkness. But thanks to Cairn’s rural solar mini-grid pilot project, people now have the light and power to work, run small businesses and study safely.

In partnership with the photovoltaics company SunEdison, the grid is made up of a centralised solar energy production and storage facility, and electricity lines connecting each house. By pooling power in this way, each household can access energy more reliably than via the national grid, which is prone to outages.

With 100 households now able to run lights, fridges and fans, community productivity has dramatically improved. Television was even introduced to one remote village for the first time. By replacing kerosene lamps, which are prone to fire and emit petrol fumes, safety and health are also improved and villagers save two-thirds of the cost.

Following the success of this pilot, ownership of the solar facility was transferred to the Gram Panchayat (local self-government) and will be run as a Village Electricity Committee where community members are responsible for collecting payments, operations, basic maintenance and security of the facility.

This initiative is an exemplar of Vedanta’s philosophy of grassroots development, empowering women, working in partnership and handing ownership to beneficiaries at the earliest opportunity.

“Now the schoolchildren are able to study at night. Housewives and girls can now get freedom from working in the dark.”

– Bhanu Devi, beneficiary, Cairn India solar grid
SUSTAINABLE WATERSHED MANAGEMENT, INDIA

In partnership with the National Bank for Agriculture and Rural Development, the NGO Action for Food Production and community Panchayat councils, BALCO conducted a needs assessment in four villages in Chhattisgarh. This consultation revealed the requirement for better watershed management for agricultural irrigation.

BALCO stepped in to fund 33 acres of fencing, a cascaded dam, three farm ponds storing 850,000 litres of water, two wells and 600 kilograms of seed potato. The results have been impressive: 40 acres of land can now be irrigated, benefiting 28 farmers; rabi crop yields have increased and further crops including wheat, gram and mustard have been planted, 2,400 kilograms of potatoes have been harvested; soil water retention is helping preparedness for climate change drought; and fish are being reared at all three ponds. Farmers also received training in sustainable cultivation, nutrient and pest management and animal husbandry, and a cattle vaccination programme was initiated.

After successful implementation of this initiative, BALCO has begun the process of handing ownership to communities, in line with Vedanta’s model of social empowerment.

HELPING VILLAGERS TAKE CONTROL OF SANITATION, INDIA

Over the year, 11,426 household toilets were built as part of HZL’s agreement with the State Government of Rajasthan to invest £848 million in building 30,000 rural toilets for families classified as in poverty, over three years. The community development team has been working in and around 200 villages in Rajasthan where 60% of the population lacks access to a toilet and where open defecation leads to disease. Lack of sanitary wear is also preventing girls from attending school.

Also in Rajasthan, Cairn India has constructed 2,200 household toilets in three communities. Its goal is to build 20,000 household toilets and 150 school toilets in 120 communities by FY2018. Working closely with government and NGO partners, it saw satisfaction reported by 81% of beneficiaries.

HZL and Cairn India follow a public–private partnership model that involves close collaboration with communities and external stakeholders. An extensive process of Panchayat consultations and focus groups runs in parallel with awareness-raising campaigns on the importance of sanitation. Both businesses apply Vedanta’s ethos of long-term community ownership as beneficiaries share the costs of construction.

In Tamil Nadu, Sterlite Copper has invested £84,000 in building 195 individual toilets and 23 school toilets since 2011, alongside social NGO Sulabh International. Sanitation levels have increased by 24% in the two targeted communities.

PROJECTS LIKE THESE CONTRIBUTE TO MDGs 4, 5 AND 6

CHAMPIONING WOMEN ENTREPRENEURS, INDIA

Sterlite Copper has been creating and supporting Sakhi self-help groups for rural women for 10 years and has formed 1,056 groups over this period, reaching 15,251 women. The Sakhis bring together government organisations and six non-government organisations (NGOs) under Vedanta’s vision of developing women entrepreneurs to create social mobility and economic empowerment (see page 55).

Training is offered in book-keeping, leadership and decision-making, and members receive assistance to grow income-generating enterprises ranging from prawn pickle processing to dried flower production; candle making to rabbit rearing.

Groups are based on principles of fairness and democracy and are born out of a needs assessment to understand the issues and barriers facing women. For example, many women have reported a lack of access to credit as a barrier and thus microfinance has become a key focus of Sakhis.

As a result of these self-help groups, women are earning an average of US$48 a month more than they were previously, a relatively large sum in rural Tamil Nadu. Furthermore, many have secured loans ranging from US$800 to over US$6,000 to grow their enterprises. The collective savings of the group during the reporting period was US$642,000, a milestone in the Sakhi goal of being self-sufficient in funding.
Positive relationships with our shareholders and lenders ensure that we are able, through access to finance, to expand and grow our business. As many lenders are aligned to the Equator Principles and International Finance Corporation standards, our Sustainable Development Framework and this report act as important tools to build this relationship.

**In order to meet the economic commitments that the business has with its finance providers, Vedanta invests in projects and businesses that drive the development of the Group asset base and increase production, and therefore sales. The Group has a balanced debt portfolio, with a diversified range of funding sources and a balanced maturity profile.**

**DIALOGUE WITH SHAREHOLDERS AND LENDERS**
We engage with shareholders and lenders in a targeted and timely way and as part of this year’s materiality process we consulted with representatives of our shareholders and lender institutions. Our Annual General Meeting also enables two-way dialogue with shareholders, and members of our senior management team engage with shareholders on a periodic basis to enable understanding of our business and strategy.

**HOW WE PERFORMED**

**Consistent returns**
We have a progressive dividend policy and have returned dividends to shareholders since the IPO in 2004. Since our IPO at 390p in December 2003, shareholders have seen a Total Shareholder Return of over 200% and we have paid a progressive dividend that was increased in nine out of ten years and held constant for one year. Over the last ten years, Vedanta has returned US$1.6 billion to shareholders, an average return of 8% per annum. Dividends have been paid out every year, across the commodity cycle, increasing progressively from 17.0 US cents per share ten years ago to 63.0 US$ per share this year.

**Track record of delivering EBITDA growth**
Our broad natural resources portfolio diversified across base metals, bulks and oil & gas has delivered consistent EBITDA margins in excess of 30% over the last ten years.

Throughout this year, we have remained focused on our stated strategic priorities. We have started to ease back on capital expenditure and concentrated on increasing production through optimising our core assets.

We have seen unprecedented declines in oil and iron ore prices, though zinc and aluminium prices were relatively resilient. These affected Group EBITDA, which decreased by 17% to US$3.7 billion (FY2014: US$4.5 billion). However, our diversified portfolio allowed us to maintain a robust adjusted EBITDA margin of 38%.

---

**EBITDA MARGIN (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39</td>
<td>41</td>
<td>45</td>
<td>45</td>
<td>38</td>
</tr>
</tbody>
</table>

**RETURNS TO SHAREHOLDERS (US$ PER SHARE)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>52.5</td>
<td>55</td>
<td>58</td>
<td>59</td>
<td>63</td>
</tr>
</tbody>
</table>
GOVERNMENTS

PARTNER IN GROWTH

Working within the jurisdictions of developing countries necessitates an understanding of the socio-economic, political and cultural contexts of these nations, which are often distinct to those of developed economies. We believe that, as a Group, we make a significant, valuable contribution by ensuring that both the financial and non-financial returns that the business can deliver are realised.

For example, where infrastructure, including roads, housing, sanitation and healthcare facilities, are not adequate we partner with host governments to develop these areas for future generations.

At a broader level, we are committed to contributing to the development of democracy and democratic processes in the countries where we operate. We do this in a number of ways, including through membership of industry organisations and international bodies. Protecting the environment also involves working closely with host governments and our US$61.5 million investment in environmental initiatives helps support government priorities.

We make a direct, passive economic contribution to national and state budgets through the taxes and royalties we pay. We also make a broader contribution through developing industry, infrastructure and skills, and by providing some 82,000 direct and indirect employment opportunities and many times that through secondary, supporting industries. This is underpinned by the broad range of health, and education services and infrastructure that we provide, either independently or in constructive partnerships, benefiting some 4 million people.

In the last year, in total the Group contributed US$4.6 billion to host governments by way of taxes and royalties. Importantly, we have a transparent approach to disclosing the tax we pay and, for developing countries, the revenue received facilitates the sustainable development of host communities.

We have not received any direct financial assistance from governments, although as a part of various direct tax holidays and similar exemptions Vedanta did benefit by US$239 million during 2014–15.

It is Board policy, as per the UK Bribery Act, that neither Vedanta nor Group subsidiaries will make donations or contributions to political parties within the United Kingdom or European Union. In India, political donations or contributions made within the context of legitimate business operations are only made with the approval of the Board.

Tax Transparency has been gaining importance for the stakeholders like Government and the communities and range of initiatives have been taken worldwide for the tax disclosure requirement. We have also produced our first voluntary Tax Transparency Report that shows the contributions we make to the public finances in the countries in which we operate to provide insights into the contributions made by us to public finances.

### VEDANTA’S ECONOMIC CONTRIBUTION (US$m)

<table>
<thead>
<tr>
<th>Economic Value Generated and Distributed (EVG&amp;D)</th>
<th>FY 2013–14</th>
<th>FY 2014–15*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic value generated</td>
<td>12,945.0</td>
<td>12,878.7</td>
</tr>
<tr>
<td>a) Revenues</td>
<td>12,945.0</td>
<td>12,878.7</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td>12,118.1</td>
<td>12,298.6</td>
</tr>
<tr>
<td>b) Operating costs</td>
<td>9,830.8</td>
<td>10,159.1</td>
</tr>
<tr>
<td>c) Employee wages and benefits</td>
<td>801.6</td>
<td>812.8</td>
</tr>
<tr>
<td>d) Payment to providers of capital</td>
<td>1,194.5</td>
<td>802.8</td>
</tr>
<tr>
<td>Net Finance costs (including other gains/losses)</td>
<td>1,032.0</td>
<td>631.5</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>162.5</td>
<td>171.3</td>
</tr>
<tr>
<td>e) Payment to government – Income Tax</td>
<td>128.7</td>
<td>352.6</td>
</tr>
<tr>
<td>f) Community investment (including donation) – already included in operating costs</td>
<td>49.0</td>
<td>42.37</td>
</tr>
<tr>
<td>Economic value retained</td>
<td>826.9</td>
<td>580.1</td>
</tr>
</tbody>
</table>

* (Calculated as Economic Value Generated less Economic Value Distributed – excluding impairment)
Vedanta operates across the value chain, undertaking exploration, asset development, extraction, processing and value addition with a primary focus on upstream operations.

We capitalise on our strategic capabilities to create value for all our stakeholders: our shareholders, our employees, our customers and the communities where we operate. Further, we are committed to the highest standards of sustainable development in all aspects of our business with a well-developed Sustainable Development Framework underpinning everything that we do.

### VALUE CHAIN

#### Exploration

We focus on extending the life of our mines and oilfields through focused exploration, aimed at increasing our R&R base over and above what we extract each year. We prefer to explore brownfield opportunities across our current asset base, and a few select, large-scale, low-cost greenfield sites.

#### Asset development

We develop our resource base to optimise both production and the life of the resource. We also develop processing facilities that are strategically located close to our resources to optimise our costs and access to markets.

#### Extraction

Our operations are focused on mining metals and bulks, extracting oil & gas and generating power. We operate mines in India, Africa, Australia and Ireland, extracting zinc, lead, silver, iron ore, bauxite and copper. We produce oil & gas from three operating blocks in India.

#### Processing

In line with our integrated value chain, we produce refined metals by processing and smelting the ore that we extract. We have smelters and other processing facilities in India and Africa. We generate our own power for most of our operations, selling any surplus. We also sell power generated by our independent power plants and wind farms.

#### Value addition

While we are primarily upstream, we selectively add value by converting some of our primary metal products into higher margin products such as sheets, rods, bars and rolled products at our zinc, aluminium and copper businesses, depending on the profitability of adding value and the customer demand for these products.

### HIGH VALUE OUTPUTS

#### Natural resources

Our diversified portfolio produces high quality metals and minerals, LME-branded refined metals, and oil & gas, delivering industry leading EBITDA margins of over 40%. Our business activities are underpinned by a well-established Sustainable Development Framework to minimise our environmental footprint.

#### People and skills

We invest in developing our workforce, delivering over 1.24 million hours of training, including over 756,000 hours of health & safety training. We attract and retain talented employees through management training and development programmes, supported by specific initiatives to encourage gender diversity.

#### Governments

We are a substantial contributor to the economies where we operate, both as an employer and a tax payer. We paid a total of US$4.6 billion in taxes and levies across the Group.

#### Society

We make an economic and social contribution to the communities where we operate, investing US$42 million in building hospitals, schools and infrastructure and providing community programmes for around 4 million people.

#### Customers

We deliver high quality raw materials for our customers in line with international standards for quality settlement terms and delivery dates. We operate more than 25% of India’s oil production and contribute to the nation’s energy security. India has a deficit market and we are a large generator of power in India.

#### Shareholders

We have a progressive dividend policy and have returned US$1.6 billion in dividends to shareholders since the IPO in 2004.
SAVING US$800 MILLION IN OUR SUPPLY CHAIN

We believe that we can make savings of up to US$800 million, as well as substantial carbon savings, by engaging more effectively with our supply chain over the next four years. This is how we aim to do it.

KEY INITIATIVES

- Improve procurement unit prices
  - Optimise supplier portfolio and combining purchases at Group level (e.g. fuel, coal)
  - Combine logistics activities and better leverage of our assets e.g. Vizag port
  - Work with Government for easier access to raw materials

- Improve quality, processing and technology
  - Optimise products to best fit our assets (e.g. alumina, copper concentrates, coal)
  - Improve asset flexibility to process wider range of commodities (e.g. complex copper concentrates)
  - Strengthen quality assurance and full life cycle value e.g. reduced consumption

- Improve performance of our operations
  - Reduction in after-treatments and waste
  - Develop closer relationships with key vendors to achieve benchmark performance

DEVELOPING LOCAL MARKETS

As the largest producer of aluminium, copper and zinc-lead in India we make a significant contribution to the development and maturity of many markets. Due to the scale of our operations, we generate opportunities for downstream industries and support services which has led to the growth of other industries which have capitalising on the increased availability of domestic raw materials. Sourcing locally not only benefits local economies and governments but also contributes to reducing the carbon footprint. In addition, we strive to work with local suppliers wherever possible, contributing to local market development. Importantly, this relationship extends to non-financial benefits such as skills development and training in areas such as health and safety, as well as making improvements to local infrastructure.

SUPPLIERS

Our SAP supplier portal is an easy-to-use, highly efficient and secure method of communication between purchasing organisations and vendors. Requests for quotations, vendor bidding and auctions are carried out online to ensure transparency, with easy access to the status of offers, material dispatched and payments, ensuring transparency within the business and added value to our suppliers.

Sourcing locally not only benefits local economies and governments but also contributes to reducing our carbon footprint, and can improve skills development and training in areas such as health and safety, as well as making improvements to local infrastructure.

CUSTOMERS

We understand that meeting our customers’ expectations is crucial to the growth of our business, particularly when we have such a significant presence in the market. We therefore ensure that our raw materials meet the required London Metal Exchange (LME) standards for entering the commodity market. We have defined systems and practices in place to understand and meet customer expectations and regularly engage with them through our marketing and customer relationship personnel.

All our activities are focused on ensuring customer needs are met in an appropriate and timely manner, including assisting our customers with technical issues and product development for first use. Customer satisfaction surveys are conducted periodically by external third parties.

HOW WE PERFORMED

Last year Group-wide SAP – Supplier Relationship Management (SRM) IT module, which ensures transparency and adds value to our suppliers, who can access the system once registered.

No cases of non-compliance with relevant regulations, anti-competitive behaviour, anti-trust, monopoly and voluntary codes concerning the health and safety impacts of our products and services were observed or reported. Similarly, no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services were reported.
ADDING AND SHARING VALUE

CIVIL SOCIETY

As a major contributor to the social and economic development of the communities in which we operate, we advocate policies which promote sustainable development and value creation for all stakeholders.

The world faces many pressing issues including climate change, poverty and the depletion of finite natural resources. By our engagement and partnerships with civil society – encompassing a wide range of non-governmental and not-for-profit organisations – we can make a contribution to meeting these global and local challenges. In addition, to deliver our many community development programmes we partner with a wide range of civil society organisations as they can offer valuable expertise and personnel. These relationships are managed at the appropriate level: at the Group corporate level, at our subsidiary businesses and at the local level, utilising our CSR, investor relations, sustainability and other functional teams. We also listen closely to the views of organisations that challenge our business. Engaging with civil society (non-governmental organisations, religious, academic and healthcare institutions) helps us to tackle the world’s changing social and environmental megatrends and reduce business risk (see page 10). It is also fundamental to our corporate values of trust and sustainability.

HOW WE PERFORMED

In 2014–15, we focused on increasing our presence with global bodies such as UNGC – Women Empowerment Principles and becoming a signatory to the World Business Council for Sustainable Development’s Water, Sanitation and Hygiene (WASH) Pledge to fulfil global human rights to water by 2050. We also identified renewable projects under the International Panel for Climate Change's Clean Development Mechanism (CDM), with certified emissions reduction of 1.4 million units. These projects are registered by the United Nations Framework Convention on Climate Change. Some of our subsidiary companies are members of trade and industry bodies like the Federation of Indian Mining Industries, Confederation of Indian Industries, India Lead Zinc Development Association, Indian Institute of Metal, Federation of Indian Chambers of Commerce & Industry, Zambia Extractive Industries Transparency Initiative, Irish Business and Employers' Confederation, and The Energy Resources Institute, India, where they actively participate and contribute.

This year, we have continued to engage at a more local level, for example hosting NGO workshops at Lanjigarh and Jharsuguda, engaging existing and new organisations to share our baseline studies and meaning. Going forward, we aim to host a workshop with civil society organisations to gauge wider perceptions of our activities in a neutral forum.

Stakeholders meet with senior management at BALCO, India.
Hindustan Zinc Ltd.
- HZL – Chanderiya received National Awards for Manufacturing Competitiveness by International Research Institute for Manufacturing, India
- HZL – Chanderiya received 'Green Manufacturing Excellence Award 2014 – Challenger Award' by Frost & Sullivan
- HZL – Kayad Mine received the ‘Federation of Indian Mineral Industries (FIMI) Abherya Baldota Environment Award’ for the year 2013–2014
- HZL – Dariba received National Awards for Manufacturing Competitiveness by International Research Institute for Manufacturing, India
- HZL received ‘Best Sustainability Performance Award 2014’ in the Non Ferrous category by Indian Institute of Metal
- HZL awarded for ‘Outstanding contribution in the field of Environment’ by Udaipur Chamber of Commerce
- HZL – Sindesar Khurd Mines received – ‘Energy Efficient Unit Award 2014’ by Confederation of Indian Industry
- HZL – Chanderiya Smelting Complex Unit-2 received Gold Award – ‘Economic Times India Manufacturing Excellence Awards 2014’
- HZL – Chanderiya Smelting Complex received – ‘CII-ITC Sustainability Award 2014’ for outstanding accomplishment
- HZL received ‘Commendation Certificate’ from CII-ITC Sustainability Center
- HZL was recognized for excellence in CSR at India’s Most Ethical Companies 2014 by World CSR Day

BALCO
- BALCO (Plant II and CPP I) received the Shristi G3 runner up awards
- BALCO (Plant II) received India Green Manufacturing Challenge Award, Silver Award
- BALCO was recognized for its watershed project case study by India CSR – 2016.
- BALCO received Gold Award for Excellence in CSR in Metals and Mining Category from Green Tech Foundation

Vedanta Ltd. – Aluminium (Jharsuguda and Lanjigarh)
- Vedanta Ltd. – Jharsuguda Smelter-1 and CPP awarded Frost & Sullivan’s Safety Excellence Award 2014
- Vedanta Ltd. – Jharsuguda Smelter-1 and CPP awarded Frost & Sullivan’s Safety Green Manufacturing Excellence Award 2014
- Vedanta Ltd. – Jharsuguda awarded GOLD award at 4th Annual Greentech HR Award 2014 in the category of ‘Best Strategy’ in HR
- Vedanta Ltd. – Jharsuguda received Kalinga Safety Award in Aluminium Sector.
- Vedanta Ltd. – Jharsuguda received CIIL Odisha Award – 2014 first prize for Best Practices in Health, Safety & Environment
- Vedanta Ltd. – Jharsuguda received Kalinga Safety award in Odisha state conclave
- Vedanta Ltd. – Jharsuguda received 15th Green tech Award on Environment Management under Silver category in Metal and Mining
- Vedanta Ltd. – Jharsuguda Smelter-1 Awarded 15th National Award for Excellent in Energy Management by CII
- Vedanta Ltd. – Jharsuguda CPP Awarded 15th National Award for Excellent in Energy Management by CII
- Vedanta Ltd. – Jharsuguda received National award for best practices in CSR at National CSR conclave Green Tech CSR Award
- Vedanta Ltd. – Jharsuguda received India CSR award – 2014 for best CSR initiative in Women Empowerment
- Vedanta Ltd. – Lanjigarh received 6th Annual Green tech Award 2014
- Vedanta Ltd. – Lanjigarh received Odia Tele-viewers award 2014
- Vedanta Ltd. – Lanjigarh received CII Industrial Innovation award 2014
- Vedanta Ltd. – Lanjigarh received Skoch Renaissance award 2014
- Vedanta Ltd. – Lanjigarh received 6th Annual Green tech Award 2014 (GOLD Category)
- Vedanta Ltd. – Lanjigarh received PR CII award
- Vedanta Ltd. – Lanjigarh was recognized for its Green Concrete Project Case study by India CSR – 2014

Vedanta Ltd. – Iron Ore
- Vedanta Ltd. Iron ore business won 3rd Prize in World Environment Quiz organized by Goa State Pollution Control Board
- Vedanta Ltd. Iron Ore (Met cake Division) received the first prize in the Medium scale (Category 1) in ‘4th FICCI Safety System Excellence Award for Manufacturing’

Zinc International
- The Lisheen Mine won two awards for Health and Safety at the 23rd Annual National Irish Safety Organization / Northern Ireland Safety Group (NISO/NISG) Safety Awards

Vedanta Ltd. – Sterlite Coper
- Sterlite Copper received excellent award trophy for reducing the PPE inventory by 25% from current level in safety by National convention for Quality Circles – National level competition

Cairn India
- Cairn India (CB/OS-2 block) received National Safety Awards (Mines) for ‘Lowest Injury Frequency Rate’ for year 2011 and 2012 from Ministry of Labor and Employment, (Directorate General (Mines) for ‘Lowest Injury Frequency Rate’ for year 2011 and 2012
- Cairn India (Ravva Onshore & Offshore Facilities) received two CII awards under Large Scale Industries category
- Cairn India was selected as one of the 12 finalists among the major global oil and gas companies under ‘Stewardship Awards – Corporate Social Responsibility’ category by Platts, USA
- Cairn India received the IPE Excellence Award in the Development Sector for contributing to society at large through our well planned and executed CSR portfolio
- Cairn India (Ravva Block) received National Safety Award (Mines) in category of longest accident free period – runner up for 2011
- Cairn India (RGT) has received ‘Second Prize’ of FICCI Safety System Excellence in the category of ‘Large Scale Manufacturing Industries’
- Cairn India received Golden Peacock award for business excellence 2014
Cultural dance activities at KCM, Zambia
In line with the Strategic Communications pillar of our Sustainability Model, our reporting is transparent, credible and rigorous. It covers the full scope of our operations; is aligned to the external benchmarks like the Global Reporting Initiative (GRI), UNGC and MDGs and is externally verified.
ABOUT THIS REPORT

This is our seventh Sustainable Development Report and coincides with the publication of our Annual Report. Combined these two documents provide an overview of our approach and our achievements in FY 2014-15, outlining our actions over the past year to achieve our mission to be a world-class diversified natural resource company.

REPORTING SCOPE AND BOUNDARY

Covering the financial year 2014-15, the report is structured around our Sustainable Development Model’s pillars of Responsible Stewardship, Building strong relationships, and Adding and sharing value. All group subsidiary companies except Fujirah gold have been reported in full as though they were 100% wholly owned as we recognise the level of control and sphere of influence the Group has over these operations.

The aspect boundaries and content of this Sustainable Development Report have been defined using reporting principles prescribed in the GRI G4 guidelines and is prepared ‘in accordance’ – Core criteria of the Global Reporting Initiative (GRI) G4 Guidelines.

We followed the approach described in GRI implementation manual for designing the report content. The material aspects that have been covered in the report are clearly brought out in the materiality matrix. In the report, the DMA (Disclosure on Management Approach) describes the Company’s approach to the subjects relevant to it and the indicators provide details on performance on the specific subjects. Our subsidiary Sesa Sterlite Ltd. was renamed as Vedanta Ltd. in April 2015 and the same has been reported everywhere in the report. There are no specific restatements of the information provided in the previous reports and no significant changes in terms of acquisition and physical boundaries from the previous reporting periods in the scope and aspect boundaries.

The report is also mapped to the United Nations Global Compact (UNGC) and Millennium Development Goals (MDGs) principles. It reports our approach and disclosure towards triple bottom line principles – people, planet and profit over the 2014-15 financial year.

GRI G4 CONTENT AND DISCLOSURE DOCUMENT

The GRI G4 detailed content index and Vedanta GRI G4 Disclosure Document FY 2014-15 includes the core and additional indicators including the Mining and Metal and Oil and Gas supplements disclosure is available on our website at: http://sustainabledevelopment.vedantasources.com/sustainable-development/performance-and-reports.html

ASSURANCE AND DISCLOSURE

Assurance of this report was carried out in accordance with the DNV GL Protocol for Verification of Sustainability Reporting (VeriSustain). There is an internal approval system in the Company for appointment of external assurance provider for the sustainability report.
**KEY PERFORMANCE INDICATORS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Zinc / lead / silver</th>
<th>Oil &amp; gas</th>
<th>Iron ore</th>
</tr>
</thead>
<tbody>
<tr>
<td>• World's second largest integrated zinc-lead producer</td>
<td>• Cairn India is one of India's largest private sector oil and gas companies</td>
<td>• Operations in India and Liberia</td>
<td></td>
</tr>
<tr>
<td>• Zinc operations in India, Namibia, South Africa and Ireland</td>
<td>• Interest in seven blocks in India, and one each in Sri Lanka and South Africa</td>
<td>• Goa iron ore are exported, with Karnataka iron ore sold domestically</td>
<td></td>
</tr>
<tr>
<td>• Operators of the world's largest zinc mine at Rampura Agucha, India</td>
<td>• Contributes to ~27% of India's current domestic crude oil production</td>
<td>• Large iron ore deposit in Liberia</td>
<td></td>
</tr>
<tr>
<td>• One of the largest silver producers globally with an annual capacity of 16 moz.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Market share | We are the leading supplier of zinc in India, with an 78% market share. We are also the country's leading supplier of lead and silver. | We produced 27% of India's domestic crude oil in FY2014 and is well-positioned to reduce country's energy import burden. | We are a major supplier to the to domestic market with the Goa iron ore mine, India also serving the Chinese and Japanese export markets. |

| Location | India, Ireland, Namibia, South Africa | India, Sri Lanka, South Africa | India, Liberia |
| Revenue (US$ million)* | 2,943.9 | 2,397.5 | 326.5 |
| EBITDA (US$ million) | 1,476.8 | 1,373.3 | 31.4 |
| Production volumes | Zinc – 774 kt; Lead – 113 kt; Silver – 10.53 units million oz | 211.6 Kboepd | 1.2 million tonnes |
| Total no. employees including contract workforce | 23,768 | 8,591 | 5,933 |
| Total no. fatalities | 2 | 0 | 0 |
| High category environmental incidents | 0 | 0 | 0 |
| Total payment to local exchequer (US$ millions) | 911.2 | 3,115 | 72 |
| Community investment (US$ millions) | 11.2 | 11 | 1.3 |

<table>
<thead>
<tr>
<th>Description</th>
<th>Copper</th>
<th>Aluminium</th>
<th>Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Smelting and mining operations across India, Australia and Zambia</td>
<td>• The largest aluminium producer in India with a current capacity of 2.3 million tonnes</td>
<td>• 3.2GW of commercial power generation capacity</td>
<td></td>
</tr>
<tr>
<td>• Largest custom copper smelter and copper rods producer in India</td>
<td>• Strategically located large-scale assets with integrated power from captive power plants in the Indian states of Chhattisgarh and Odisha</td>
<td>• Largest supercritical unit in India operational at Talwandi Sabo Power plant</td>
<td></td>
</tr>
<tr>
<td>• Integrated copper mining and smelting operations in Zambia</td>
<td>• Integrated copper mining and smelting operations in Zambia</td>
<td>• One of the largest producers of wind power in India</td>
<td></td>
</tr>
<tr>
<td>Market share</td>
<td>We not only serves over 800 small and medium enterprises (SMEs) in the downstream industry for the critical electrical sector, but is also the major supplier of copper to the country's defence sector</td>
<td>We are the leading supplier of aluminium in India, with over 44% market share.</td>
<td>Our generating capacity is around 5% of India's generating capacity.</td>
</tr>
</tbody>
</table>

| Location | Australia, India, Zambia | India | India |
| Revenue (US$ million)* | 4,777.8 | 2,081.9 | 671.9 |
| EBITDA (US$ million) | 277.2 | 415.5 | 153.8 |
| Production volumes | 478 kt | 877 kt | 9,859 million units sold |
| Total no. employees including contract workforce | 18,970 | 21,032 | 2,909 |
| Total no. fatalities | 3 | 2 | 1 |
| High category environmental incidents | 0 | 0 | 0 |
| Total payment to local exchequer (US$ millions) | 271.5 | 98.1 | 34 |
| Community investment (US$ millions) | 15.8 | 2.8 | 0.86 |
DISCLOSURE AND ASSURANCE

INDEPENDENT ASSURANCE STATEMENT

INTRODUCTION
DNV GL represented by DNV GL Business Assurance India Private Limited has been commissioned by the management of Vedanta Resources plc (‘Vedanta’ or ‘the Company’) to carry out an independent moderate level of assurance engagement on the Company’s Sustainable Development Report 2014-15 (‘the Report’) in its printed and online formats prepared in line with the ‘in accordance’ – Core reporting requirements of the Global Reporting Initiative’s (GRI) G4 Sustainability Reporting Guidelines (GRI G4). The engagement was carried out against the DNV GL Protocol for Verification of Sustainability Reporting (‘VeriSustain’ – available on request from www.dnvgl.com). This engagement focused on verification of qualitative and quantitative information (sustainability performance) disclosed in the Report, and underlying management system and reporting processes.

The intended user of this assurance statement is the management of the Company. The management of the Company is responsible for all the information provided in the Report as well as the processes for collecting, analysing and reporting the information presented in the printed, online and web-based Report, including the maintenance and integrity of the website. Our responsibility in performing this work is in accordance with the standards of assurance practice and the quality of information presented in the Report. Our assurance engagement included the scope of assurance as agreed upon with Vedanta included the Company’s Sustainable Development Report 2014-15 (the Report) in its printed and online formats prepared in line with the G4 guidelines. Our assurance engagement was planned and carried out in March – June 2015.

SCOPE, BOUNDARY AND LIMITATIONS OF ASSURANCE
The scope of assurance as agreed upon with Vedanta included the verification of the Economic, Environmental and Social information in the Report. In particular the assurance engagement included:

- Verification of the application of Report Content Principles as set out in GRI G4 and the quality of information presented in the report over the reporting period (1st April 2014 to 31st March 2015);
- Review of the policies, initiatives, practices and performance described in the Report;
- Review of the disclosures made in the Report against the requirements of VeriSustain, with a moderate level of assurance;
- Verification of the reliability of GRI G4 Performance Indicators;
- Confirmation of the fulfillment of GRI G4 guidelines’ ‘in accordance’ – Core criteria, as declared by Vedanta.

The reporting Aspects were set out in the Report under the section “Materiality – A Question of Priority” and “About this Report” covering the sustainability performance of Vedanta Resources plc. As part of our verification, we visited Hindustan Zinc Limited (HZL, Darba mine and smelter, Debari – smelter), Bharat Aluminium Company (BALCO; Head office, smelter and Kawardha mine), Vedanta Ltd – Sesa Iron Ore, Goa, Vedanta Ltd- Sterlite Copper- Tuticorin (Smelter and Captive Power Plant), and Konkola Copper Mines (Head office, Konkola, Zambia) in addition to Vedanta’s Corporate Office at New Delhi, India.

Our engagement did not include assessment of the adequacy or effectiveness of Vedanta’s strategy or management of sustainability related issues and during the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. The financial disclosures in the Report are based on the audited financial statements issued by the Company’s statutory auditors. Further Tax transparency report discussed and referred in the report was not included in the scope and boundary of verification and assurance. No external stakeholders were interviewed as part of this assurance engagement.

VERIFICATION METHODOLOGY
This assurance engagement was planned and carried out in accordance with VeriSustain. The Report has been evaluated against the following criteria:

- Adherence to the principles of Stakeholder inclusiveness Materiality, Responsiveness, Completeness, Reliability and Neutrality;
- Application of the principles and requirements of GRI G4 for its ‘in accordance’ – Core criteria, including the material Aspects of the Metals and Mining and Oil and Gas Sector Disclosures;

During the assurance engagement, we have taken a risk-based approach, meaning that we concentrated our verification efforts on the issues of high material relevance to Vedanta’s business and its stakeholders. We have verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. In doing so, we have:

- Reviewed the approach to stakeholder engagement and materiality determination process;
- Verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- Examined and reviewed documents, data and other information made available by Vedanta for the reported disclosures including disclosure of management approach and performance indicators;
- Conducted interviews with key representatives including data owners and decision-makers from different functions of the Company during corporate and site visits;
- Performed sample-based checks of the mechanisms for implementing the sustainability related policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report.
CONCLUSIONS

The Sustainable Development Report 2014-15 is prepared based on GRI G4 Reporting Principles and Standard Disclosures for ‘in accordance’ – Core. In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with referenced information provides a fair representation of the material Aspects, related strategies, management systems and performance indicators and meets the general content and quality requirements of GRI G4, i.e.,

- General Standard Disclosures: We are of the opinion that the reported disclosures generally meet the GRI G4 reporting requirements for ‘in accordance’ – Core reporting;
- Specific Standard Disclosures: We are of the opinion that the reported disclosures generally meets the GRI G4 reporting requirements for ‘in accordance’ – Core based on GRI G4 covering generic Disclosures on Management Approach (DMAs) and Performance Indicators for identified material Aspects as below:

**ECONOMIC**
- Economic Performance – G4-EC1, G4-EC3;
- Market Presence – G4-EC6;
- Indirect Economic Impacts – G4-EC7, G4-EC8;
- Reserve – OG1;

**ENVIRONMENTAL**
- Energy – G4-EN3, G4-EN5, G4-EN6, OG2, OG3;
- Water – G4-EN8, G4-EN9, G4-EN10;
- Biodiversity – G4-EN11, G4-EN12, MM2, OG4;
- Emissions – G4-EN15, G4-EN16, G4-EN18, G4-EN21;
- Effluents and Waste – G4-EN22, G4-EN23, MM3, G4-EN24, G4-EN25, OG5, OG6, OG7;
- Supplier Environmental Assessment – G4-EN32;

**SOCIAL**

**Labour Practices and Decent Work**
- Employment – G4-LA1, G4-LA2, G4-LA3;
- Labor Management Relations – G4-LA4, MM4;
- Occupational Health and Safety – G4-LA5;
- G4-LA6, G4-LA8;
- Training and Education – G4-LA11;
- Diversity and Equal Opportunity – G4-LA12;
- Equal Remuneration for Women and Men – G4-LA13;
- Supplier Assessment for Labour Practices – G4-LA14;

**Product Responsibility**
- Fossil Fuel Substitutes – OG14;

**Human Rights**
- Investment – G4-HR1;
- Child Labour – G4-HR5;
- Forced or Compulsory Labour – G4-HR6;
- Security Practices – G4-HR7;
- Indigenous Rights – G4-HR8, MM5, OG9;
- Assessment – G4-HR9;
- Supplier Human Rights Assessment – G4-HR10;

**Society**
- Local Communities – G4 SO1, MM6;
- Anti-Corruption – G4-SO3, G4-SO4, G4-SO5;
- Public Policy – G4-SO6;
- Asset Integrity and Process Safety – OG13;
- Involuntary Resettlement – MM8;
- Closure Planning – MM10;
- Grievance Mechanisms for Impacts on Society – G4-SO11.

We have evaluated the Report’s adherence to the following principles on a scale of ‘Good’, ‘Acceptable’ and ‘Needs Improvement’:

**Stakeholder Inclusiveness:** The stakeholder identification and engagement process is well documented and implemented through the Vedanta Sustainability Assurance Programme and the Report brings out key stakeholder concerns as material aspects of significant stakeholders. In our view, the level at which the Report adheres to this principle is “Good”.

**Materiality:** The process of materiality assessment has been carried out based on the requirements of GRI G4, considering Aspects that are internal and external to the the Company’s range of businesses. The Report fairly brings out aspects and topics and its respective boundaries for the diverse operations of Vedanta. In our view, the level at which the Report adheres to this principle is “Good”.

**Responsiveness:** We consider that the responses to material aspects are fairly articulated in the report i.e. disclosures on Vedanta’s policies and management systems including governance. In our view, the level at which the Report adheres to this principle is “Good”.

**Completeness:** The Report has fairly disclosed the General and Specific Standard Disclosures including the Disclosures on Management Approach covering the sustainability strategy, management approach, monitoring systems and sustainability performances indicators against the GRI G4 – ‘in accordance’ – Core option. In our view, the level at which the Report adheres to this principle is “Acceptable”.

**Reliability:** The majority of data and information verified at the Corporate Office and sites visited by us were found to be fairly accurate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected. Hence, in accordance with VeriSustain for a moderate level assurance engagement, we conclude that the sustainability data and information presented in the Report is fairly reliable and acceptable. In our view, the level at which the Report adheres to this principle is “Acceptable”.

INDEPENDENT ASSURANCE STATEMENT

Neutrality: The disclosures related to sustainability issues and performances are reported in a neutral tone, in terms of content and presentation. In our view, the level at which the Report adheres to this principle is “Good”.

OPPORTUNITIES FOR IMPROVEMENT
The following is an excerpt from the observations and further opportunities for improvement reported to the management of Vedanta and are not considered for drawing our conclusion on the Report; however, they are generally consistent with the Management’s objectives:

– The sustainability performance of individual business may be disclosed considering the sustainability context, diverse nature of business and location of operations in various geo locations for the benefit of stakeholders

– The existing management systems needs to be further strengthened so as to enable each business vertical to further enhance the sustainability performance related to environmental and social dimensions.

– A system of periodic communication regarding sustainability parameters of individual businesses may be evolved to disclose key sustainability parameters for the benefit of stakeholders to arrive at informed decisions;

– Review and periodic validation of sustainability related data may be carried out by cross functional teams to further improve the quality and reliability of reported sustainability data.

OUR COMPETENCE AND INDEPENDENCE
We are a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. While we did conduct other second party and third party assessment work with Vedanta in 2014-15, in our judgment this does not compromise the independence or impartiality of our assurance engagement or associated findings, conclusions and recommendations. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV GL maintains complete impartiality towards any people interviewed.

For DNV GL

PROJECT MANAGER,
Regional Sustainability Manager,
DNV GL Business Assurance India Private Limited, India.

ASSURANCE REVIEWER,
Global Service Responsible – Social Accountability,
DNV GL Business Assurance India Private Limited, India.

10th June 2015, Bengaluru, India.
## UNITED NATIONS GLOBAL COMPACT (UNGC)

We are committed to upholding the ten principles of the UNGC. Our Sustainable Development Report communicates our progress in implementing the ten principles, and below we have mapped the principles against our material issues and specific report sections.

<table>
<thead>
<tr>
<th>Material issue</th>
<th>UNGC principle</th>
<th>Report reference</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human rights</td>
<td>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights</td>
<td>Human rights</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Principle 2: make sure that they are not complicit in human rights abuses</td>
<td>Human rights</td>
<td>44</td>
</tr>
<tr>
<td>Labour rights</td>
<td>Principle 3: Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining</td>
<td>Employees</td>
<td>51</td>
</tr>
<tr>
<td>Child and forced labour</td>
<td>Principle 4: the elimination of all forms of forced and compulsory labour</td>
<td>Human rights</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Principle 5: the effective abolition of child labour</td>
<td>Human rights</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Principle 6: the elimination of discrimination in respect of employment and occupation</td>
<td>Employees</td>
<td>50-51</td>
</tr>
<tr>
<td>Environment</td>
<td>Principle 7: Businesses should support a precautionary approach to environmental challenges</td>
<td>CEO Statement, Environment</td>
<td>6-7, 30</td>
</tr>
<tr>
<td></td>
<td>Principle 8: undertake initiatives to promote greater environmental responsibility</td>
<td>CEO Statement, Environment</td>
<td>6-7 30-39</td>
</tr>
<tr>
<td></td>
<td>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</td>
<td>CEO Statement, Environment</td>
<td>6-7 30-39</td>
</tr>
<tr>
<td>Ethics and integrity</td>
<td>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</td>
<td>Fair, transparent business</td>
<td>22</td>
</tr>
</tbody>
</table>

## UNITED NATIONS MILLENNIUM DEVELOPMENT GOALS (MDGs)

We also align our reported activities to be broad aims of the MDGs. The table below maps our contribution.

<table>
<thead>
<tr>
<th>MDG</th>
<th>Report reference</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Eradicating extreme poverty and hunger</td>
<td>Neighbourhood dialogue, Community Relations</td>
<td>54-57</td>
</tr>
<tr>
<td>2. Achieving universal primary education</td>
<td>Community Relations</td>
<td>50, 54-57</td>
</tr>
<tr>
<td>3. Promoting gender equality and empowering women</td>
<td>Employees, Community Relations</td>
<td>54-57</td>
</tr>
<tr>
<td>4. Reducing child mortality rates</td>
<td>Community Relations</td>
<td>54-57</td>
</tr>
<tr>
<td>5. Improving maternal health</td>
<td>Community Relations</td>
<td>54-57</td>
</tr>
<tr>
<td>7. Ensuring environmental sustainability</td>
<td>Environment, Community Relations</td>
<td>28, 54-57</td>
</tr>
<tr>
<td>8. Developing a global partnership for development</td>
<td>From the Chairman's Desk, Water, Community Relations</td>
<td>4, 26, 54-57</td>
</tr>
</tbody>
</table>
This report aligns to and is developed in accordance with the Global Reporting Initiative’s (GRI) G4 guidelines, following both sector-specific supplements for mining and metals, and oil and gas companies.

**GENERAL STANDARD DISCLOSURES**

<table>
<thead>
<tr>
<th>General Standard Disclosures</th>
<th>Page Number (or Link)</th>
<th>External Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy and analysis</strong></td>
<td></td>
<td></td>
</tr>
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<td>G4-1</td>
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## SPECIFIC STANDARD DISCLOSURES

**DMA and Indicators**

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**Identified Omission(s)**

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**Reason(s) for Omission(s)**

In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.

**Explanation for Omission(s)**

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**External Assurance**

Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.

### CATEGORY: ECONOMIC

**Material aspect: economic performance**

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### CATEGORY: ENVIRONMENTAL

**Material aspect: energy**

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### CATEGORY: ENVIRONMENTAL CONTINUED

**Material aspect: emissions**

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### CATEGORY: SOCIAL

#### Sub-category: labor practices and decent work

**Material aspect: employment**

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**Material aspect: labor/management relations**

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**Material aspect: occupational health and safety**

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74

Vedanta Resources plc Sustainable Development Report 2014-15
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### CATEGORY: SOCIAL CONTINUED

#### Material aspect: training and education

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<td>Yes</td>
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</table>

#### Material aspect: equal remuneration for women and men

<table>
<thead>
<tr>
<th>DMA and Indicators</th>
<th>Page Number (or Link)</th>
<th>Identified Omission(s)</th>
<th>Reason(s) for Omission(s)</th>
<th>Explanation for Omission(s)</th>
<th>External Assurance</th>
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<tbody>
<tr>
<td>G4-DMA</td>
<td>Page 52 and 53 (Adding &amp; Sharing Value)</td>
<td>Yes</td>
<td>Yes</td>
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<td>G4-LA13</td>
<td>Vedanta GRI G4 Disclosure Document FY 2014-15</td>
<td>Yes</td>
<td>Yes</td>
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#### Material aspect: supplier assessment of labor practices

<table>
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<tr>
<th>DMA and Indicators</th>
<th>Page Number (or Link)</th>
<th>Identified Omission(s)</th>
<th>Reason(s) for Omission(s)</th>
<th>Explanation for Omission(s)</th>
<th>External Assurance</th>
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<td>G4-DMA</td>
<td>Page 53 (Adding &amp; Sharing Value)</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>G4-LA14</td>
<td>Page 46 (Adding &amp; Sharing Value)</td>
<td>Yes</td>
<td>Yes</td>
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### Sub-category: human rights

#### Material aspect: investment

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<th>DMA and Indicators</th>
<th>Page Number (or Link)</th>
<th>Identified Omission(s)</th>
<th>Reason(s) for Omission(s)</th>
<th>Explanation for Omission(s)</th>
<th>External Assurance</th>
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<tr>
<td>G4-DMA</td>
<td>Page 44 (Adding &amp; Sharing Value)</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>G4-HR1</td>
<td>Page 44 (Adding &amp; Sharing Value)</td>
<td>Yes</td>
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#### Material aspect: child labor

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<th>Explanation for Omission(s)</th>
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<tbody>
<tr>
<td>G4-DMA</td>
<td>Page 44 (Building Strong Relationship) and Page 51 (Adding &amp; Sharing Values)</td>
<td>Yes</td>
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<tr>
<td>G4-HR5</td>
<td>Page 44 (Building Strong Relationship) and Page 51 (Adding &amp; Sharing Values)</td>
<td>Yes</td>
<td>Yes</td>
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#### Material aspect: forced or compulsory labor

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<td>Page 44 (Building Strong Relationship)</td>
<td>Yes</td>
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<tr>
<td>G4-HR6</td>
<td>Page 44 (Building Strong Relationship)</td>
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#### Material aspect: security practices

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<td>Page 44 (Building Strong Relationship)</td>
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<tr>
<td>G4-HR7</td>
<td>Page 44 (Building Strong Relationship)</td>
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#### Material aspect: indigenous rights

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<td>G4-DMA</td>
<td>Page 44 (Building Strong Relationship)</td>
<td>Yes</td>
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<td>G4-HR8</td>
<td>Vedanta GRI G4 Disclosure Document FY 2014-15</td>
<td>Yes</td>
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<td>G4-MM5</td>
<td>Vedanta GRI G4 Disclosure Document FY 2014-15</td>
<td>Yes</td>
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<td>G4-OG9</td>
<td>Vedanta GRI G4 Disclosure Document FY 2014-15</td>
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### SPECIFIC STANDARD DISCLOSURES

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<tr>
<th>DMA and Indicators</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Information related to Standard Disclosures required by the ‘in accordance’ options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.</td>
<td>In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.</td>
<td>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.</td>
<td>Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.</td>
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### CATEGORY: SOCIAL CONTINUED

#### Material aspect: Supplier Human Rights Assessment
- **G4-DMA**: Page 44 (Building Strong Relationship) Yes
- **G4-HR10**: Page 44 (Building Strong Relationship) Yes

#### Sub-category: society

##### Material aspect: local communities
- **G4-DMA**: Page 32 (Building Strong Relationship) and Page 53 (Adding & Sharing Values) Yes
- **G4-SO1**: Page 32 (Building Strong Relationship) and Page 53 (Adding & Sharing Values) Yes
- **G4-MM6**: Vedanta GRI G4 Disclosure Document FY 2014-15 Yes

##### Material aspect: anti-corruption
- **G4-DMA**: Page 22 (Overview) Yes
- **G4-SO3**: Vedanta GRI G4 Disclosure Document FY 2014-15 Yes
- **G4-SO4**: Page 22 (Overview) Yes
- **G4-SO5**: Page 22 (Overview) Yes

##### Material aspect: public policy
- **G4-DMA**: Page 59 (Adding and Sharing Values) Yes
- **G4-SO6**: Page 59 (Adding and Sharing Values) Yes

##### Material aspect: asset integrity and process safety
- **G4-MM8**: Vedanta GRI G4 Disclosure Document FY 2014-15 Yes

##### Material aspect: involuntary resettlement

##### Material aspect: closure planning
- **G4-MM10**: Vedanta Sustainability Report 2014-15: Page 22 Yes

##### Material aspect: grievance mechanisms for impacts on society
- **G4-DMA**: Vedanta Sustainability Report 2014-15: Page 44 Yes
- **G4-SO10**: Vedanta GRI G4 Disclosure Document FY 2014-15 Yes

##### Material aspect: fossil fuel substitutes
- **G4-OG13**: Refer GRI Word Document Yes

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