

Creating and sharing long-term sustainability



Introduction

This is Vedanta Group's fourth Sustainable Development Report. As we did last year, we have aligned our Sustainability Reporting Calendar with our Financial Calendar and future reports will continue to be published annually with the Annual Report.

We have used the Global Reporting Initiatives G3.1 Sustainability Guidelines to develop this year's report and the GRI G3.1 supplement on Metal and Mining Industries. In addition to the G3.1 guidelines 'A+' application level, our report is aligned to the International Finance Corporation's Guidelines and Performance Standards on Social and Environmental Sustainability for the Metals and Mining Sector and the Principles of the United Nations Global Compact.

This report covers Vedanta Group subsidiary companies as though they were 100% wholly owned (i.e. figures are 100% regardless of actual ownership percentage). This report does not include data from the assets purchased from Cairn PLC as this transaction was completed in December 2011, giving Vedanta only three months of ownership in the reporting period – accordingly information on Cairn assets will be included in the 2012-13 report, as will information on the Iron Ore resources we purchased in Liberia in 2011. In this year's report, we have included data from our Zinc International assets (purchased in 2010-11) and Sterlite Energy Ltd. assets (commissioned in the last quarter of 2010-11).

We have again appointed DNV as our assurance provider for this Sustainable Development Report, and in that capacity they selected the following businesses to visit: Vedanta Aluminium Ltd. (VAL), Bharat Aluminium Co. Ltd. (BALCO), Hindustan Zinc Ltd. (HZL), Sterlite India Industries Ltd (SIIL), Sesa Goa and Zinc International.

Quick find

Overview

Understand how and where we operate and our strategy and approach to sustainable development



p02

Responsible Stewardship

See the specific management systems that we have in place to manage our operations and to minimise risks



p20

Building Strong Relationships

Learn how we establish and maintain close, responsive links with our stakeholders in our sustainability journey



p44

Adding and Sharing Value

See the management systems we have in place to create and share value to the benefit of our stakeholders



p54

Contents

Overview

About Vedanta	02
Chairman's Statement	06
Our Strategy and Approach	08
Performance	16

In 2011, Vedanta further evolved its sustainability strategy and we have structured our report to reflect this. In this year's report we provide an overview of our performance, our progress and our sustainable development initiatives based on our three pillared sustainability framework – Responsible Stewardship, Building Strong Relationships and Adding and Sharing Value.

Responsible Stewardship

Strategy and Management	22
Sustainable Management in Practice	24
Health and Safety	26
Environment	34

Building Strong Relationships

Stakeholder Engagement	46
Human Rights	50
Community Consultation and Resettlement	52

Adding and Sharing Value

Adding Value to our Stakeholders	56
Our Employees	58
Our Communities	62
Our Industry	69
Our Governments	70
Our Broader Stakeholders	71

Assurance

Scott Wilson Report	74
GRI Index	78
UNGC	83
Millennium Development Goals	84
Assurance Statement by DNV	86
Glossary	88

About Vedanta

Our business model is based on growth, value creation and continuous improvement in all aspects of our operations

No business can be sustainable if the planet or society fails. Vedanta's vision is to be a world class, diversified and sustainable natural resources company providing superior returns to our shareholders with high-quality assets, cost efficient operations and exposure and proximity to emerging markets. It is important to us to implement internationally recognised performance standards; accordingly we embed sustainable development into all aspects of what we do and work to support the communities where we operate, contributing to the development of society where we can.

About Vedanta

Vedanta Resources plc is a London-listed FTSE 100 diversified natural resources group headquartered in London, with extensive interests in aluminium, copper, zinc, lead, silver, iron ore, power and, more recently, in oil and gas. Our business encompasses eight countries through several dozen operations, with a particular focus on India and Africa where we hold the majority of our operating assets.

Our business model is based on growth, value creation and continuous improvement in all aspects of our operations including our safety, social and environmental programmes and practices.

We have strived to continuously improve our means of engagement and the assessment of our work in this regard. During the past year, we have introduced a significant number of new and amended policies and standards to support this and we

are working hard to embed them throughout the business.

Our journey of continuous improvement includes the further alignment of Vedanta's operations with international best practice and standards. We have used the 2012 IFC performance standards, which underpin the Equator Principles, the International Council on Mining and Metals (ICMM) sustainable development framework and the UNGC principles as the basis for our sustainability framework. Implementation of our framework is expected at all businesses within the Group and covers the entire life cycle of our operations.

The Indian experience

India, for centuries, has been driven by its rich diversity. This diverse socio-cultural fabric of the country has been nurtured through a robust democracy that believes in upholding secular values and guaranteeing the same rights to every citizen, including

vulnerable groups. India has a fully developed legislature and judiciary which is the hallmark of its highly evolved democratic process. India is also an active participant in every major discussion on sustainable development, environment and economic development.

Vedanta's roots are in India, where our resources business traces its heritage. India has provided both a platform for Vedanta's global expansion and the invaluable experience of operating in an emerging economy that we can bring to our operations across the world.



A sustainable business must be capable of adapting and evolving in conjunction with the significant transition that the world as a whole is experiencing.

Despite India's status as an emerging economic super power, it is still a society with numerous socio-political and economic challenges. As we partner with India's growth story, where GDP is expected to grow by about 6.9% during FY 2012-13, we also understand the importance of Public-Private-Partnership. Our experience of working closely with the government and non-governmental

bodies has been a rewarding and enriching experience. We believe that for a business to succeed in India, it must be capable of adapting to its evolution process.

Vedanta has been successful in India and other countries by using advanced technology, highly automated systems, robust governance and cost-efficient production methods. A sustainable business must be capable of adapting and evolving in conjunction with the significant transition that the world as a whole is experiencing. Vedanta's sustainability journey reflects this ongoing evolution.

Working in developing economies

Our growth and success could not have occurred without our business activities being closely aligned with the development agenda of India. Our own Indian heritage provides us with a deep understanding of this agenda and has allowed us to make a broad contribution to India's social and economic advancement. We bring this deep knowledge and experience of working in a developing economy to our operations in Africa, where a deep understanding of local challenges is a key component of our success in Zambia, Namibia and South Africa.

Our work in developing economies has included developing transport, sanitation and health infrastructure and services as well as educational programmes through schools and community groups. We have also initiated and supported programmes focused on developing sustainable livelihoods in remote rural communities. We have successfully developed partnerships with 149 different non-governmental organisations with whom we work actively to support our host communities.

Critical to Vedanta's ongoing success is to listen and engage with all our key stakeholders – who we have identified as our employees, our neighbouring communities, members of our industry, our host governments, civil society (including NGOs),

our shareholders and lenders. Without engaging with them and fully understanding their changing interests and concerns, our business's long-term future cannot be assured. Although it can appear that these stakeholders have widely divergent interests, at a fundamental level we all share a common interest in creating a business that is safe and economically robust that contributes to the development of society through its products, employment and broader economic and social activities, while minimising our environmental footprint.

Proactively and positively working with the governments and communities in the countries in which we operate takes many different forms – from recruiting the majority of our workforce locally and developing local suppliers to the payment of royalties and taxes.

The Vedanta commitment

With our success as a world-class, diversified resources company built from many years' experience in India, our origins in the developing world significantly differentiate us from the majority of our peers. We are aware of the impact we can make on the lives of the individuals who work with us – as employees, contractors and suppliers – as well as on those families and communities that are touched by our presence. In addition, our activities do provide significant economic benefits to our host countries, as well as contributing to broader development goals. At the broadest level, we do this by – as at March 2012 – directly employing over 30,000 people, and contracting over 69,000 more, with the majority drawn from the surrounding communities of each of our operations, as well as contributing to the countries we operate in through the payment of our tax obligations – we contributed US\$4.7 billion to our host governments through direct and indirect taxes and royalties. In addition we spent over US\$10.9 billion in operating costs, over US\$500 million in wages and benefits and some US\$38 million in community investments.

+23%

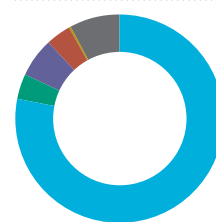
US\$14 billion Revenue FY 2012

+13%

US\$4 billion EBITDA FY 2012

- > World-class diversified portfolio of large, structurally low-cost assets with long mine-life.
- > Strong cash flow growth driven by substantially invested projects.
- > Recent acquisitions provide additional growth options.
- > Scalable assets in close proximity to high-growth markets.

Economic Value Generated and Distributed (US\$m)



- Operating costs 78.15% (US\$10,945)
- Wages and benefits 3.87% (US\$543)
- Payments to providers of capital 6.27% (US\$879)
- Payments to government - Income Tax 3.69% (US\$517)
- Community investments 0.27% (US\$38)
- Economic value retained 7.75% (US\$1,085)

About Vedanta continued

A globally diversified natural resources group

Our operations

Zinc-Lead/Silver

We are the world's largest integrated zinc-lead producer. In India, we have multiple mines and smelters – our Agucha mine is the largest in the world and with silver-rich ore from the Sindesar Khurd mine, we are also on track to become one of the world's top silver producers. Following the acquisition of Anglo American's zinc assets, we now have mines in Namibia, South Africa and Ireland. These include the 186 MT Gamsberg deposit in South Africa, which is one of the world's largest undeveloped zinc deposits.

Total revenue by division (million)
US\$3,207

Aluminium

Our aluminium operation is supported by captive power plants located in India, in the states of Chhattisgarh and Orissa. These include our one million tonne refinery in Orissa which sources its bauxite feed partly from our mines in Chhattisgarh and partly from external sources in India, and two alumina smelters. Orissa has abundant untapped bauxite resources.

Total revenue by division (million)
US\$1,874

Iron Ore

We have iron ore mining operations in India, in the states of Goa and Karnataka. We are the largest private sector producer-exporter in India. Our planned capacity expansion and new acquisition in West Africa will position us as one of the major iron ore producers in the world.

Total revenue by division (million)
US\$1,691

Power

India has an acute need to add to its power generation capacity to meet its growing power requirement.

We have power generation facilities in India, including thermal and wind power facilities. Our power sales are supplemented by sales of surplus power from our captive power plants. We have just completed a 2400 MW power project at Jharsuguda, Orissa and our 1980 MW power plant at Talwandi, Punjab is in an advanced stage of construction. We also have 273 MW of wind power within our Hindustan Zinc business.

Total revenue by division (million)
US\$458

Copper

Our copper business has operations across Zambia, India and Australia. In Zambia we have integrated copper mining and smelting operations. In India, we have facilities for custom copper smelting and production of copper rods. In Australia, we have copper mines.

Total revenue by division (million)
US\$5,915

Oil & Gas

We are one of the largest private sector crude oil producers in India, contributing about 20% of Indian production. Our current operating rate is about 200,000 barrels per day and we have a potential to raise production from our Rajasthan block to 300,000 barrels per day from the existing 175,000. Recent successful exploration in Sri Lanka has enhanced Vedanta's strong and diversified growth pipeline.

Total revenue by division (million)
US\$882 – (post acquisition)

Ireland

- 1 Lisheen mine

FTE	377
CE	25



Africa

- 1 Konkola and Nchanga copper mines and Nchanga smelter
2 Skorpion Mine
3 Black Mountain Mine
4 Liberia Iron Ore project

South Africa – Black Mountain Mine

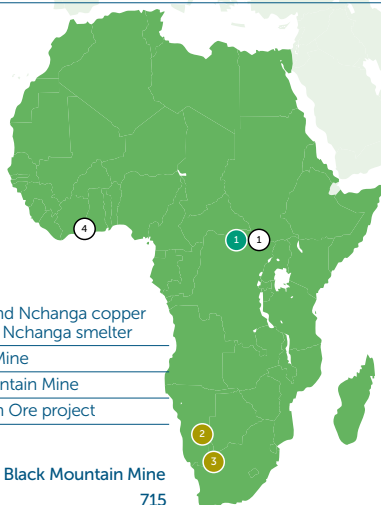
FTE	715
CE	628

Namibia – Skorpion Mine

FTE	733
CE	658

Zambia – Konkola Copper Mine

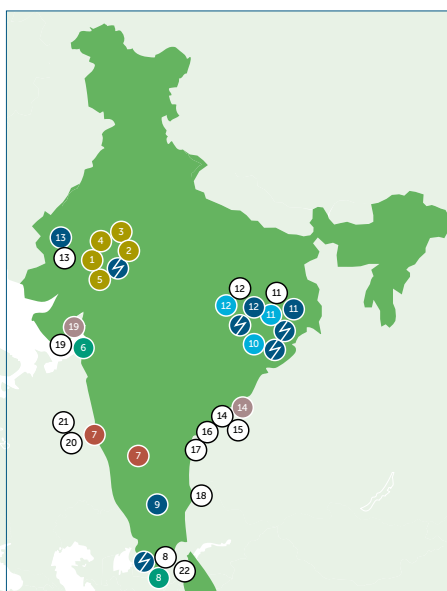
FTE	8,689
CE	13,217



India

- 1 Debari smelter
2 Chanderiya smelters
3 Rampura-Agucha mine
4 Rajpura Dariba mine and smelters and Sindesar Khurd mine
5 Zawar mine
6 Silvassa refinery
7 Sesa Goa operations
8 Tuticorin smelter
9 MALCO power plant
10 Lanjigarh alumina refinery
11 Jharsuguda smelters and power plants
12 Korba smelters and power plants
13 Rajasthan block
14 Ravva PKGM(1) block
15 KG-DWN-98/2 block
16 KG-ONN-2003/3 block
17 KG-OSN-2009/3 block
18 PR-OSN-2004/1 block
19 Cambay (CB/052) block
20 KK-DWN-2004/1 block
21 MB-DWN-2009/1 block
22 SL 2007-01-001 block

FTE	19,625
CE	54,730



Australia

- 1 Mt. Lyell mine

FTE	103
CE	234

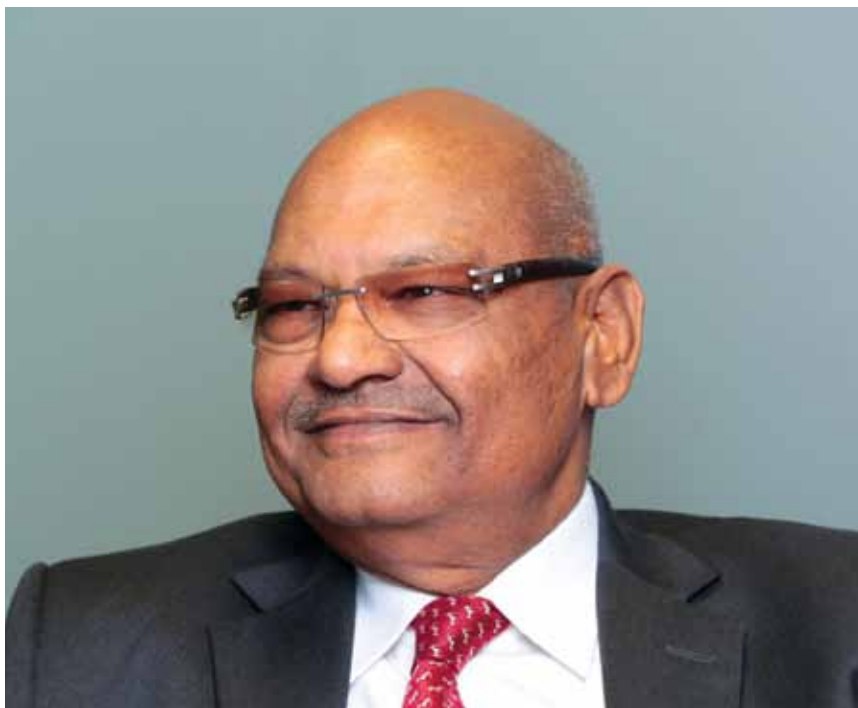


30,242
Total full time employees

69,492
Total contractor employees

- Aluminium
 - Copper
 - Iron Ore
 - Zinc/Lead/Silver
 - Power
 - Oil & Gas
 - Projects under development
 - ⚡ Captive power plant
- FTE Full time employees
CE Contractor employees

Chairman's Statement



- > New Sustainability Framework rolled out.
- > LTIFR reduced by 10% over last year.
- > Doubled water recycling across the Group to 55.72 million cubic metres from 27.91 million cubic metres last year.
- > Community programmes covering 3.1 million people.

Embracing challenges, creating long-term sustainability

The big five

Last year I set the following five priorities, and this report illustrates the progress we have made against them.

I expect these priorities to provide a clear path to our successful growth and a sustainable future, where our success and growth will deliver positive outcomes for our stakeholders.

- 1 Embed sustainable development into every aspect of what we do.
- 2 Improve our health and safety performance for a safer, more secure and healthier environment.
- 3 Contribute further and in a more targeted way to local communities.
- 4 Continue to manage and minimise our impact on air, water and land.
- 5 Maintain a dialogue with stakeholders to help us further understand what is needed to help support a sustainable society and planet.

I am very pleased to introduce our 2011-12 Sustainable Development Report, detailing our approach to sustainability. The Vedanta values have always reflected my desire for sustainability to be a foundation of our business strategy and I subscribe to the notion that business will succeed when society also thrives.

Key to sustainability is understanding people's needs and aspirations. It is important that we understand what each of our stakeholder groups values and deliver the same in a spirit of mutual trust. This provides a clear path to a sustainable future, where our success and growth will deliver positive outcomes for our stakeholders. We have aligned our governance and stewardship as per the international standards related to environmental, economic and social impacts of all business decisions and processes.

As our businesses are primarily located in the developing economies of India, Zambia, South Africa, Liberia and Namibia, where people still face challenges due to a lack of access to modern healthcare, education and other social infrastructure, our adherence to sustainable practices makes a significant impact. We are partnering with governments and NGOs to create projects that will deliver solutions to help fight malnutrition, improve education and healthcare and develop skills within communities that will help create a robust local economy.

We work with natural resources which are the foundation of modern life – without them the world as we know it today could not function. To extract these essential, finite commodities efficiently requires a robust sustainability strategy, technical skill, an excellent workforce and positive engagement with the governments and communities that host our activities, as well as with our other key stakeholders.

Strengthening our Approach to Sustainable Development

I am very happy with the progress we have made this year in advancing our sustainability strategy. The prime driver of our strategy is our Sustainability Committee – chaired by Senior Independent Director Mr Naresh Chandra. During the year, the committee has overseen the development of our Sustainable Development Model and Sustainability Framework as well as approving a suite of new policies. We signed the UN Global Compact in March 2012. We have also made significant progress in implementing all of the recommendations made in the Scott Wilson report of 2010, with all expected to be met this year, except for those subject to external factors beyond our control.



Key to sustainability is understanding people's needs and aspirations.

I am sure that you will agree after examining this report that Vedanta is positioning itself to be a successful resources company. The three core pillars supporting our sustainability strategy are responsible stewardship, building strong relationships and adding and sharing value. Our goal is to be recognised internally and externally as the global benchmark company in sustainability performance.

Responsible Stewardship

Key to our sustainable development journey – and for a company whose core business is the development of natural resources – responsible stewardship is the foundation on which we build our business. We subscribe to continuous improvement and have seen positive developments within the Group in water and energy use.

I do regret to report that we have had an unacceptably high rate of fatalities this year – reducing this number and the continuous improvement of our health and safety processes is my overarching concern.

Building Strong Relationships

I am pleased to report continued active engagement with our external stakeholders, including our neighbouring communities, government representatives, non-government organisations and our providers of capital. I have personally undertaken numerous workshops with many different groups of our talented employees giving me additional insight into the successes and challenges our business and our employees face on a daily basis. I am proud of our workforce and their achievements.

Adding Value

I am happy that Vedanta has continued to make a difference to the lives of over three million people through our numerous community development programmes, which you can read about further in this report. I personally support the community investments we make in the countries in which we operate and work to ensure we leave a positive contribution.

The Future

In the coming year, I look forward to continuing our sustainability journey and, by implementing our sustainability model and framework, I expect Vedanta to demonstrate sustainability in practice.

Anil Agarwal
Chairman

Our Strategy and Approach



Embedding
sustainability
in all we do

CEO Introduction

Vedanta Resources plc's business model is to find, develop and invest in natural resource production where there is an opportunity to create significant shareholder value while adhering to sustainable development standards. Our policies and standards are aligned to international best practices. In addition, we contribute to the debate and appreciate global trends through our membership of the World Business Council for Sustainable Development, whose Vision 2050 is for business to lay out a pathway to a world in which nine billion people can live well, and within the planet's resources, by 2050.

As a responsible parent company, we have always been process oriented, underpinning our rigour with a spirit of entrepreneurship. Our subsidiaries have invested in the best technology and we see sustainable development as a natural way to strategically improve the value of our business by managing risk and improving our operating standards. Our approach to sustainability mirrors our prevailing business ethos of focusing on excellence in our processes and outcomes.

With this perspective in mind, we are following a structured process that began when we reviewed and revised our Vision, Values and Code of Conduct last year to further reinforce our commitment to Sustainable Development.

Embedding Sustainability

This year, under the guidance and leadership of the Sustainability Committee, we have taken further steps to embed sustainability in all we do by improving our processes across the Group to implement new technical standards aligned to international best practices. We have mapped the Vedanta sustainability framework of policies and standards against international standards and are satisfied that we have reflected them in our internal organisation.

Sustainability Sub-committee

In November 2011, we formed the ExCo Sustainability Sub-committee – which I chair – to manage the day-to-day implementation of the sustainability framework across the Company. This committee is formed by the senior leaders of all Group companies and provides an executive forum to drive continuous improvement and implementation. The sub-committee's focus since formation has been health and safety and the review of our standards and practices. I do deeply regret that we have suffered fatalities in our business this year. All of us at Vedanta feel great sympathy for the families, friends and colleagues who have been impacted by these losses. I am committed to eliminate unsafe conditions and behaviour across our sites and I will not be satisfied until we reach our goal of zero fatalities.

We are seeing the early signs of a reduction in injury rates and the hands-on leadership of Group company CEOs will be central to achieving our goals around health and safety. Over the past five years we have reduced our Lost Time Through Injury Frequency Rate from 1.91 to 0.99, with our target for this coming year below 0.8.

All our policies and supporting technical standards are focused on ensuring we manage responsibly across our business. To date, over 1,000 people have received training in the new Sustainability Framework and its implementation will continue throughout 2012.

The future of Vedanta is dependent upon us reaching and maintaining world-class standards in our approach to and execution of our sustainability processes, a path I am committed to following.

MS Mehta
Chief Executive Officer

Management Update

Sesa Goa Ltd

In 2011-12, the Indian iron ore mining industry has been affected by a decision to suspend all iron ore mining in Karnataka, made by the Honourable Supreme Court of India. The issues relate to regulation, policy and other environmental concerns and this state-wide suspension of iron ore mining has affected Sesa Goa and the mining at the A. Narraine mine in Karnataka has been halted. Following the submission of the Central Empowered Committee's report to the Supreme Court in February 2012, the Company expects a positive resolution to this matter in the near term.

On 16 July 2011, due to excess rainfall there was an increase in the pit water level at one of our mining pits resulting in an overflow causing erosion and breach of bund wall and the rainwater flowing into nearby fields. We have compensated those affected and taken multiple actions to ensure this does not recur.

Vedanta Aluminium Limited – Lanjigarh

In Orissa, India we have built one of the most modern alumina refineries in the world. We are continuing to work with state and national governments and regulators towards approval for an expansion project.

Red mud waste from our alumina refinery is stored in a red mud pond with sloping dyke walls. It was alleged that some red mud waste overflowed the dyke during a heavy monsoon rainstorm. This was not the case as the Ministry of Environment and Forests high level technical committee issued a report confirming this following their visit to Lanjigarh on 25 April 2011 (available on their website moef.nic.in/downloads/public-information/rpt-vedanta-07-06-2011.pdf).

Sterlite Industries India Ltd – Tuticorin

The Honourable Supreme Court ordered that an independent assessment of the present situation and condition of the unit and its effect with reference to environmental pollution is to be carried out by the National Environment Engineering Research Institute (NEERI). We have agreed to implement the recommendations – which are improvements beyond accepted norms – and expect them all to be implemented by August 2012.

The Future

To measure our success in embedding and enhancing our sustainability processes, we have set ourselves the following targets:

Measure	2012-13 Target
Safety – LTIFR	<0.80
Safety – TRIFR	<1.0
Water Savings – Million Cubic Metres of water	18.72
Energy Savings – Million GJ	3.90

- > Stakeholder Engagement Plan (SEPs) – All sites to have SEPs by 2013.
- > All sites to have Biodiversity Action Plans (BAP) by 2015.
- > 25% women representation at the Vedanta Resources plc Board level by 2015, although all appointments will be made on merit.

Our Strategy and Approach continued

Our sustainability model

Our vision

Vedanta's vision is to be a world class, diversified resources company providing superior returns to our shareholders with high-quality assets, low-cost operations, and sustainable development.

Group strategy

To deliver growth, long-term value and sustainable development through our diversified portfolio of large, long-life, low cost natural resources assets.

1. Responsible stewardship

Responsible stewardship is the foundation on which we build our business – the way in which we respond to, and manage, our business. This includes; how we manage our employees and their health and safety, the management of our land and our environmental impact and our supporting business processes.

2. Building strong relationships

We work hard to engage with our stakeholders to understand their key concerns and expectations of our business and practices. Proactive engagement also enables us to identify opportunities and mitigate risks by understanding and responding to issues rather than reacting to them.

3. Adding and sharing value

We seek to add and share value through everything that we do. As a business we make a considerable economic impact; through employment, the payment of taxes, royalties and other contributions to local, state and national governments. We also build local infrastructure that benefits local communities in the form of roads, schools and healthcare centres.



Shareholders

The returns that we are able to provide to our investors as we grow our business will always be management's focus.



Industry

Our value chain encompasses all of the key steps we engage in to create value – with a particular focus on our network of suppliers and customers.



Lenders

Commercial banks and financial institutions across the world.



Government

We work with Governments of all levels – local, state and national.



Employees

At the end of 2011-12 we employed over 30,000 people across the world, and worked with some 69,000 contract personnel.



Civil society

We engage with a wide range of organisations, including NGOs, academic institutions and charitable bodies



Communities

We work to support the communities where we operate, contributing to the development of society where we can.

Our Strategy

Implementing Vedanta's sustainability business model and supporting framework provides us with a robust, overarching strategy to inform all our activities and drive our future growth. It is based on our fundamental belief that a business cannot be sustainable in a planet and society that fails, and that we can mine and process metals in a sustainable way by undertaking a range of activities which have the dual purpose of strengthening our business and positively influencing the world around us. Of course it can be argued that mining, in removing a finite resource, is inherently unsustainable; however, through a systematic and targeted sustainability strategy we believe that there are overall benefits to society beyond the mine and our active engagements can provide for the long-term well-being of our host communities. Our efforts can enable a positive feedback loop where we meet societies' need for materials and advance both our business outcomes and those of the people, communities and environment that surround us.

Our customers and our stakeholders expect us to maintain the highest ethical standards, fulfil our commitments and to act with complete integrity, where our actions and policies meet the highest level of business ethics and personal integrity. Our code of business conduct and ethics informs our approach to sustainability and how we conduct ourselves day to day – with each other, our customers, our shareholders, our competitors, our neighbouring communities and our suppliers.

Our sustainability model comprises the three pillars of responsible stewardship, building strong relationships and adding and sharing value, each designed to support our long-term sustainability as a world-class diversified natural resources company providing superior returns to our shareholders. These three pillars capture the steps we must take across our business to ensure our future.

We apply our model to our seven stakeholder groups – our employees,

Vedanta's sustainability framework supporting the sustainability model

Responsible Stewardship

Policies

- > HSE Policy
- > Biodiversity Policy
- > Water Management Policy
- > Energy and Carbon Management Policy

Technical Standards

- > Health Management
- > Safety Management
- > Environmental Management
- > Conducting ESIA to International Standards includes EMPs
- > Waste Management
- > Biodiversity Management (EMPs)
- > Water Management
- > Energy and Carbon Management
- > Land and Resettlement Management
- > Security Management
- > Emergency and Crisis Management
- > Transport and Logistics Management

Building Strong Relationships

Policies

- > Social Policy
- > Supplier and Contractor Management Policy
- > Human Rights Policy

Technical Standards

- > Cultural Heritage
- > Supplier and Contractor Management
- > Employee Consultation & Participation
- > Stakeholder Engagement
- > Social Investment Management
- > Grievance Mechanisms

Adding and Sharing Value

Policies

- > HIV/Aids policy

Technical Standards

- > HIV/Aids Management
- > Site Closure

Management Standards

Global Management Processes

- > New Projects, Planning Processes & Site Closure
- > Stakeholder Materiality and Risk Management
- > Performance Monitoring, Data Management and Reporting
- > Incident Reporting and Investigation
- > Management of Change
- > Documentation & Records Management
- > Corrective & Preventative Action Management
- > Auditing and Assurance
- > Acquisitions, Divestment and Joint Venture Due Diligence

Policy Management Standards

- > Compliance and Other Requirements
- > Leadership Responsibility and Resources
- > Objectives, Targets and Performance Improvement
- > Competency, Training and Awareness
- > Management Review and Continual Improvement

neighbouring communities, members of our industry, our host governments, civil society and those that finance our business – our shareholders and our lender groups. Appropriate and effective engagement with each of these groups is key to our long-term success as each group of stakeholders has been identified as capable of making a significant contribution to how we carry out our business;

accordingly we are working to ensure we have the people and processes in place to manage and maintain these relationships, using tailored and responsive communication.

Responsible Stewardship

Responsible Stewardship of all the assets we manage is our primary goal. This includes our employees and their health and safety, our

business processes – the core of which is risk management, the management of our land and our environmental impact. For stewardship of our assets we aim to be a technically and systemically advanced producer of natural resources for use worldwide. To achieve this aim, good process control is vital, accordingly we are constantly seeking to improve

Our Strategy and Approach continued

Shareholder engagement meetings (in numbers)

Village meetings conducted	2,553
Panchayat meetings attended	106
Meetings with Government Officials	247
Meetings with NGOs	294
Number of Public Hearings Conducted	6



In order to set out our priorities, we continuously examine the material indicators for our business.

our systems and operations. Compliance with local laws is not sufficient – we work to meet the levels set by internationally accepted standards. Where gaps exist we develop improvement processes that we expect will raise the performance of our business across the sustainability spectrum from health and safety, through emissions management to the efficient use of water and energy and environmental and biodiversity management.

This effort is not without its challenges as we operate in many developing countries, and creating a culture of excellence takes sustained management leadership and oversight. We remain focused on the task.

Building Strong Relationships

Building a reputation for compliance and good management enables the second pillar of our model – Building Strong Relationships. Engaging with people and organisations that are interested in our business can lead to the identification of new areas where we can find and unlock additional value. Concurrently we are better equipped to foresee and appropriately manage challenges. The stronger our relationships the better equipped we are to capture material issues and strategic opportunities, accordingly ensuring we have in place a systematic approach to relationship management is important – with regard to our employees, our suppliers and partners and those external to our business.

An awareness of trends and issues is a key factor in ensuring our business continues to operate at a world-class standard and, equally, is positioned to capture value as and when new opportunities arise. In addition, strong relationships ensure that we have appropriate and open channels to deal with issues that, in the absence

of appropriate engagement, may negatively impact on our employees, stakeholders and business. Each stakeholder has their own unique point of view – it is important that we work to ensure we have robust processes in place that enable appropriate, tailored engagement.

We use our Risk Management Committee to collate all major Group risks within this committee and we formulate strategic plans to reduce and manage them.

Adding and Sharing Value

The third pillar in our model is Adding and Sharing Value. At its most basic level, we add value by the direct economic impact we make, by investing in people through employment, building infrastructure, developing technology and the payment of taxes, royalties and other payments to local, state and national governments. We add further value by turning the knowledge and ideas created by our engagements with our stakeholders into specific projects.

We believe that through adherence to our sustainability model and having strong relationships, we can maximise the value we create for our shareholders, more effectively grow the business and locate and create positive outcomes to the benefit of all our other stakeholders.

Our Approach

Our approach to delivering our sustainability strategy is to evolve and align our policies and standards with both the company's vision and global best practices and to ensure its seamless implementation across our operations. This includes engagement with unit teams and advancing the management systems within the Group that are already certified to ISO9001, ISO14001 and OHSAS 18001 to further align them to our Sustainability Framework, which corresponds to international principles and guidelines.

For example, to embed our strategy and approach we ran an extensive sustainability training programme across the businesses, with over

Materiality mapping

1. Responsible stewardship

- > Risk mitigation
- > Compliance with international standards
- > Accessing and managing natural resources
- > Product stewardship
- > Competitive and ethical behaviour
- > Occupational health & safety
- > Environmental management
- > Responsible closure
- > Supplier and contractor management
- > Climate change
- > Land use management and control

2. Building strong relationships

- > Host government relations
- > Community consultation
- > Land acquisition
- > Resettlement and rehabilitation
- > Human rights management

3. Adding and sharing value

- > Compensation
- > Attracting people and retaining skilled workforce
- > Direct and indirect local employment opportunities
- > Community development

1,000 employees attending this training in 2011/12. This included all business CEOs, 30 operations and project managers and 67 sustainability specialists. In 2012-13, our target is to train over 2,000 managers and supervisors.

Materiality

In order to set out our priorities, we continuously examine the material indicators for our business. We interact with a range of stakeholders including local community members at our operations, employees and contractors, communities, our industry – including customers and suppliers, host governments, civil society, investors and shareholders. This not only helps us to identify the material issues but also enables the

Group to efficiently deal with issues that are of highest relevance, as well as enabling clear identification of core stakeholder concerns.

Our materiality identification process has continued to evolve over the years and will continue to do so, ensuring that our key stakeholders are engaged in the process. To determine our material issues we have consulted key personnel across the business, including Group and unit senior management, and our CSR, HR, Investor relations, Finance and HSE departments, giving us a holistic view of materiality and the issues affecting our specific stakeholders. When material issues have been identified, these have been prioritised which helps us drive our programmes.

Our material issues are highlighted in the materiality mapping diagram and addressed throughout this report.

Sustainability Management

This year, in addition to the strategic focus of the Sustainability Committee (see page 14) and the technical focus provided by the corporate sustainability team, we have also strengthened our management by forming an ExCo Sustainability Sub-committee. This sub-committee is charged with driving key sustainability issues and processes through the business, and is chaired by the Group CEO. Over the last year it had a particular focus on safety.

All our subsidiary businesses have their own boards of directors and management staff. They have their own committee structures and management and technical specialists who are responsible for operational performance and compliance, and are guided by both the Sustainability Committee and the ExCo Sustainability Sub-committee.

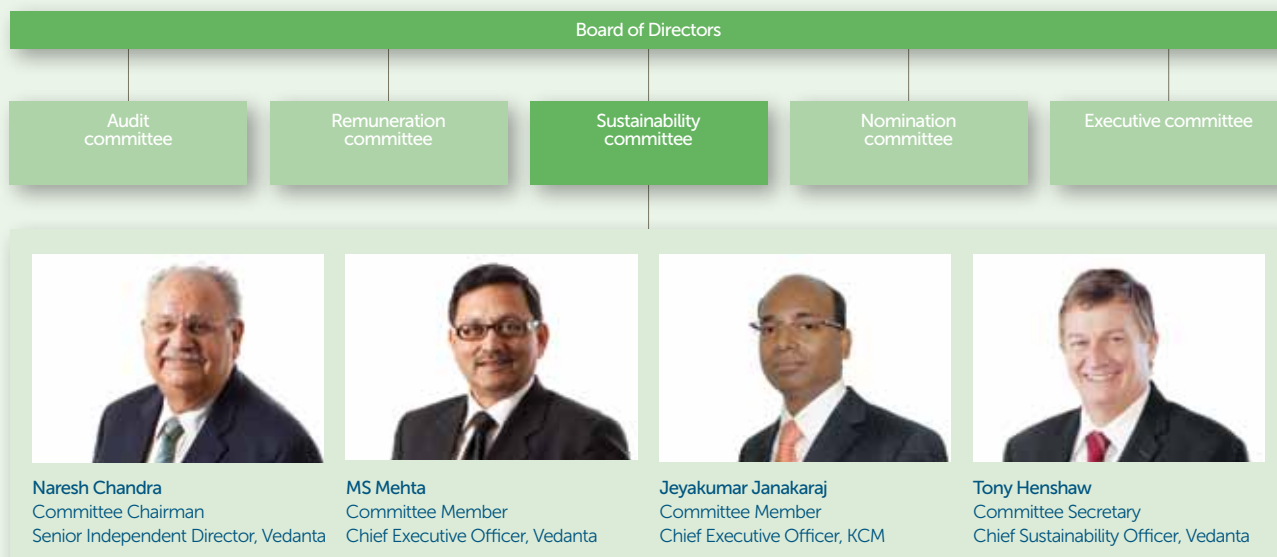
Our corporate sustainability team is responsible for the rollout of the approved sustainability policies, and supporting technical standards with a structured training programme which includes all unit CEOs, key operation and project manager and sustainability experts. Sustainability experts in these training programmes were further trained as trainers to train other employees in their own Group companies.

Global Trends

We search for developing trends and our goal is to advance by embracing any changes to major international standards which guide our industry, such as the recently introduced UK Bribery Act, where we have updated our code of conduct to incorporate its introduction and have completed over 18,000 hours of training.

Our Strategy and Approach continued

Sustainability Committee



The Vedanta Board is responsible for all aspects of sustainability across the Group. To carry out its duties it has appointed a Sustainability Committee chaired by the senior independent director, Mr Naresh Chandra, and is composed of Mr MS Mehta, CEO Vedanta and Mr J Janakaraj, CEO KCM. The Vedanta Chief Sustainability Officer, Mr T Henshaw, acts as the secretary while all other subsidiary company CEOs have a standing invitation. The committee oversees and reviews sustainability performance and the Committee Chairman regularly updates the Board on progress.

The Committee's mandate covers all aspects of sustainable development including policies, commitments and the approval of this report. In addition, it reviews compliance with the law and expected international standards of governance and outlines initiatives required to institutionalise a sustainability culture through the involvement of employees at every level of the business. It is also integral to corporate risk assessment and management and advises the Board on performance. The Committee has also approved Group sustainability policies and monitors the implementation of the management framework. The Chief Sustainability Officer provides information and updates to the Committee on international standards and best practice and industry benchmarks.

As noted in the Sustainability Committee Report in our Annual Report (see www.vedantaresources.com/investor-relations.aspx) over the last year the Committee oversaw the following programmes:

- > Accident reduction and the prevention of harm to employees and contractors
- > Water use reduction
- > Energy and carbon use reduction
- > Clean development mechanism programmes
- > Implementation of Scott Wilson report recommendations
- > Waste management

In addition the committee approved seven new sustainability policies and amended our HSE policy:

- > Biodiversity
- > Water
- > Energy and Carbon
- > Supplier and Contractor Management
- > Social
- > Human Rights
- > HIV/Aids

Scott Wilson

Together, the Sustainability Committee, corporate sustainability team and operating management have overseen the implementation of the framework, strategy and the recommendations of the 2010 Scott Wilson Report, and we have made excellent progress against their recommendations across the three areas addressed in the report – Corporate, Group Companies and our Lanjigarh operations.

Our progress is discussed in detail on our sustainability website at www.vedantaresources.com/sustainability/scottwilson, with details also contained in the last section of this report (see pages 74-77). We have successfully implemented their recommendations surrounding advancing our sustainability governance and framework as well as further enhancing the robustness of our approach to embedding a sustainability culture throughout the business, with a full external audit of our implementation anticipated to be undertaken in mid-2013.

Environmental and Social Impact Assessments

As a part of our new project development process, commissioning, implementing and managing Environmental and Social Impact Assessments (ESIAs) in order to ensure that we meet international standards is compulsory across the business and applies to the entire operation lifecycle – including exploration and planning, evaluation, operation and closure.

An ESIA aims to predict and evaluate the significance of positive and negative impacts to the environment and people from a proposed project. This supports good decision-making and management of the project, its operation, decommissioning and closure. In the past year, we commenced a new ESIA for the Western Cluster Project, Liberia (a project to develop a resource of approximately one billion tonnes of iron ore deposits). There are a total

of three mining sites and we have received the environmental licence for exploration activities from the Environmental Protection Agency (EPA), Government of Liberia, for all three sites. The ESIA process was initiated in January 2012 and, as part of the process, a Screening Report of Environmental and Social Risk and Opportunity was completed in March 2012. We are also conducting supplementary assessment work at our Taraimar coal block, located in Raigarh district, Chhattisgarh State, India (the project comprises some 211 million tonnes of coal reserves). Environmental Clearance as per the Ministry of Environment and Forests (MOEF) requirement has been obtained. The ESIA study was commenced in July 2011 with consultants appointed to study the gaps in the existing EIA and SIA studies with respect to international standards.

Looking Ahead

We expect the Sustainability Committee to maintain its focus on the topics highlighted on page 14 and to approve the medium-term Sustainability targets and Stakeholder Engagement Plan. Further, we expect to oversee human rights due diligence, while confirming our methodology for materiality, developing our sustainability risk profile and beginning a programme of supply chain audits.

Over the short, medium and long term, using our Sustainability model we aim to demonstrate clearly why we should grow and prosper – we will achieve this by focusing on both increasing our financial and non-financial value, and objectively measuring our success.

Using the three pillars of our sustainability model, we have identified our key activities over the coming year and beyond:

Responsible Stewardship

- > Improving our safety performance, with a core focus on fatality reduction.

- > Reducing our Environmental Footprint.
- > Implementation of annual internal sustainability audit programme to confirm compliance across the Group and its subsidiaries, by the head of assurance within the Group's corporate sustainability team.
- > New Project Development and the implementation of our Site Closure process across the business.
- > Increased focus on Biodiversity initiatives.
- > Complete the implementation of the Scott Wilson recommendations.

Building Strong Relationships

- > Further development of our Stakeholder Engagement plans and embedding our Stakeholder Engagement standard.
- > Further implementation of our Human Rights policy.
- > Continue to evolve community development programmes across Group companies.
- > Roll out our Grievance Mechanism process across all Group companies.

Adding Value

- > Develop and implement the Extractive Industries Transparency Initiative (EITI) IT programme in Zambia.
- > Continue training employees on our sustainability policies, standards and guidance notes.
- > Continuing Strategic Community development initiatives across the group companies:
- > Social Investment – Health, Education, Livelihood, Bio Investment – Water Harvesting, Agriculture & Social Forestry.
- > Integrated Village Development programme.

Performance

At Vedanta, improving, refining and enhancing our sustainable development performance, targets and strategy is a priority. The application of advanced technology, continuous focus on achieving best practice and our strong corporate governance and stakeholder engagement will help us to embed world-class sustainability practices in our business.

Responsible Stewardship

2011-12 saw us take significant further steps in advancing our aim of being a responsible steward of people and the environment.

Our Sustainability framework – including sustainability policies, technical and management standards – was rolled out across Group companies.

Health & Safety

In 2011-12, we achieved 0.99 LTIFR, down from 1.10 in 2010-11, and are targeting less than 0.80 in 2012-13 and less than 0.50 in 2015-16. On page 17 the LTIFR graph shows the declining trend for the past five years, where we have achieved a 48% reduction in our LTIFR (per million man hours worked, employees and contractors) across our operations.

We suffered 22 fatalities in 2011-12 – our target was, and remains, zero. We strongly believe that our employees' and contractors' attitude to safety is a major determinant of safety outcomes. Ensuring their attitudes and behaviours encompass best practice standards is key, accordingly our different businesses have introduced a behavioural safety programme, focusing on identifying and reinforcing safe behaviours and reducing unsafe behaviours to improve safety performance. In addition, we also have structured programmes to review and investigate unsafe conditions and risks and strict investigation procedures to determine the cause of serious incidents (fatalities and other recordable injuries) including robust root-cause analysis and a detailed report into the incident, making recommended actions, the updating of existing standard operating procedures at the plant and improved contractor management standards.

Employees

We attribute our growth and success to our employees. Our

human resource strategy is designed to recruit, develop and retain the people who run our businesses – we have a committed workforce of over 30,000 full time employees and more than 69,000 contractor employees.

Employee Turnover & Attrition

During the year, employee turnover (including retirements but excluding VRS) stood at 10.7% and attrition at 5.5%.

Training Hours

During the year, across the Group we managed 1.65 million man hours of structured training programmes, which focus on policies, standards and practices to give our employees in-depth knowledge and understanding of our businesses.

Environment

Environmental management systems

- > 38 of our 44 major plants are ISO14001 and OHSAS 18001 certified.
- > Our plant in Lanjigarh is the first in our industry to receive ISO50001.

Water Consumption

- > Significant specific water consumption improvements were made in HZL Mines (9%), BALCO (45%), CMT (6%) and VAL-J (28%) through a combination of process innovations and opportunities identified through a water audit programme and an increase in rainwater collection capacities.
- > Our water savings target for 2012-13 is 18.72 Million Cubic Metres (MCM) – equivalent to filling over 7,000 Olympic swimming pools.
- > Doubled water recycling across the Group to 55.72 million cubic metres from 27.91 million cubic metres last year.

Climate Change

- > Hindustan Zinc added another 102 MW of wind power, taking the total

capacity to 273 MW – making us one of the largest wind power producers in India.

- > We have to date registered five Clean Development Mechanism (CDM) projects, which have accrued the Group 335,000 Certified Emissions Reductions (CER).

Energy Consumption

- > We achieved significant reduction in specific energy consumption in HZL mines (5%), SILL (7%) and VAL-J (1%) from a large range of energy efficiency improvement initiatives, including the installation of Variable Frequency Drivers (VFD) to allow optimisation of the speed of pumps and blowers, interlocking conveyors to minimise idle time, avoiding the use of dedicated cooling towers for compressors, reduction of dead pot voltage and lighting automation.
- > Our energy saving target in 2012-13 is 3.90 million GJ, equivalent to one years' operation of a 120 MW thermal power station.

Waste Management

- > More than 70% of generated non-hazardous waste is constructively utilised.
- > 3.6 million metric tons of fly ash was used in cement and brick manufacturing and in the raising of ash pond dyke height.
- > 2.2 million metric tons of slag was utilised in various applications (road construction, land levelling, abrasive and cement industries).
- > 0.8 million metric tons of gypsum was utilised in cement and fertiliser industries and brick manufacturing.
- > We recycled over 64,000 tons of carbon block butts and lead secondary back into our operations at our aluminium and zinc businesses.

Safety

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Fatalities	18	19	67	26	22
LTIFR	1.91	1.67	1.52	1.10	0.99

Employees

	Full Time Employee		Contract Employees	
	2010-11	2011-12	2010-11	2011-12
India	20,318	19,625	40,073	54,730
Zambia	9,362	8,689	3,324	13,217
Australia	102	103	185	234
Namibia	NA	733	NA	658
Ireland	NA	377	NA	25
South Africa	NA	715	NA	628
Total	29,782	30,242	43,582	69,492

For 2010-11 – Manpower details are inclusive of subsidiaries within the scope of the Sustainability Report and are exclusive of the assets purchased from Anglo Zinc in the latter part of the year.

For 2011-12 – Manpower details are inclusive of subsidiaries within the scope of the Sustainability Report – exclusive of Cairn.

Employee Breakdown by Gender

	Male		Female	
	2010-11	2011-12	2010-11	2011-12
India	18,760	18,122	1,558	1,503
Zambia	8,609	7,973	753	716
Australia	84	94	18	9
Zinc International	NA	1,584	NA	241
Total	27,453	27,773	2,329	2,469

Employee Turnover & Attrition

	% of Total Full Time Employees			
	2008-09	2009-10	2010-11	2011-12
Employee turnover including retirements but excluding VRS	10.9%	12%	10.6%	10.7%
Total Attrition	3.7%	4%	5.4%	5.5%

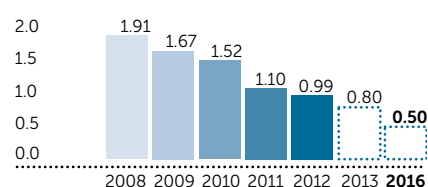
Employee Turnover = Employee who left the organisation in the FY 2011-12 excluding people who took Voluntary Retirement/Total Manpower

Total Attrition = Employee Initiated Separation/Total Manpower

Training Hours

	Total Training Hours (in thousands)		Average Man-hours per employee	
	2010-11	2011-12	2010-11	2011-12
Group Consolidated	1,676	1,651	53.78	54.82

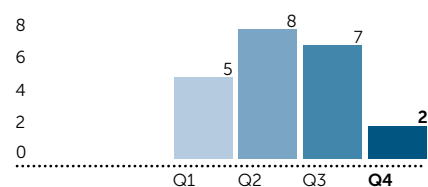
LTIFR



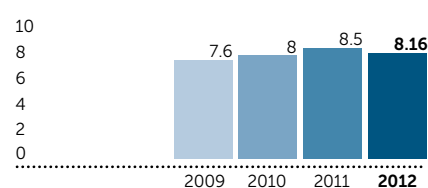
From 2011-12 LTIFR is calculated as per ICMM definitions and includes operations only

(Year in graph denotes financial year ending)

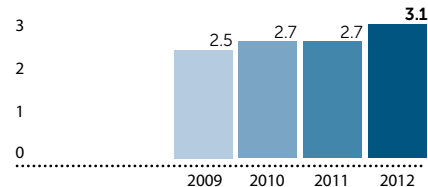
No. of Fatalities FY 2011-12 (Quarter wise)



Women workforce (%)



CSR footprint (million beneficiaries)



Performance continued



Sustainability grievances related to all Group companies can be registered on our sustainability@vedanta.co.in email address

- > We have in place 61 MW of power generating capacity from waste heat at our operations at Sesa Goa, Hindustan Zinc and Sterlite Copper.

Building Strong Relationships

Proactive stakeholder engagement enables our operations – including all operational sites – to effectively manage their social risks and responsibilities and foster positive relationships and trust.

- > We successfully piloted our grievance mechanism at Lanjigarh and are now strengthening our grievance mechanisms process at our other operations.
- > Sustainability grievances related to all Group companies can be registered on our sustainability@vedanta.co.in email address. In 2011-12 we received 310 emails to this address, see detailed breakdown on page 19.
- > Over 3,200 Stakeholder engagements including formal meetings, group forums and individual consultations, including meetings with village panchayat (councils) in India, NGOs and government representatives.
- > Accepted as a member of the World Business Council for Sustainable Development.

- > As part of the strengthening of our Stakeholder engagement plans, we have significantly increased the number of villages we work with over 1,000 in FY 2011-12 across India and Africa.
- > Partnerships with 147 NGOs, government bodies, academic institutions and hospitals.
- > Our Sesa Goa company has been certified for SA8000.

Adding and Sharing Value

We add value through our capital and project investments, employment and work opportunities to approximately 100,000 people, along with the support we provide to the communities who host our operations, including through carefully managed project creation and implementation. We spent US\$542.7 million on employee wages and benefits in 2011-12.

We have grown the overall economic value we have distributed from US\$6.3 billion in 2006-07 to some US\$12.9 billion in 2011-12. This includes through:

- > Operating costs,
- > Employee compensation,
- > Donations and other community investments,
- > Retained earnings; and
- > Payments to capital providers and governments.

The total payment to exchequers from Vedanta and Group companies for FY 2011-12 was US\$4.7 billion. Key components were:

- > Royalties US\$1.1 billion,
- > Petroleum profits US\$1.2 billion,
- > Direct taxes US\$0.8 billion,
- > Customs duty US\$0.7 billion; and
- > Other taxes and duties US\$0.9 billion.

Building Strong Relationships

In support of our stakeholder engagement goals, we introduced a number of new standards during the year, including:

- 1 Stakeholder Engagement Standard
- 2 Vulnerable Social Groups Standard
- 3 Cultural Heritage Technical Standard
- 4 Grievance Technical Standard

Emails to sustainabilities@vedanta.co.in

	Reply Sent or Action Taken / Closed	No Reply Needed / No Action Taken	Total
Request for Sustainability Information	51	0	51
Employment seeking	67	2	69
Marketing Offers / Offer of services	36	80	116
Seminar Attendance / Speaker Request	9	23	32
Others (survey, int. mail, spam)	16	26	42
All Mails	179	131	310

Community spend per country (US\$)

Country	CSR expenses (Livelihood, Infrastructure, Community Development etc.)	Spent on Company run school	Spent on Company run hospital	Total
India	14,868,827	1,359,962	2,877,981	19,106,769
Zambia	2,295,750	13,372,173	1,038,981	16,706,904
Namibia	773,868	–	–	773,868
Ireland	290,733	–	–	290,733
Australia	167,438	–	–	167,438
South Africa	1,069,313	–	–	1,069,313
	19,465,929	14,732,135	3,916,962	38,115,025

During the year we invested over US\$38 million, approximately half in India with the majority of the remaining funds in Zambia, where we run a comprehensive school programme.

Economic Value Generated and Distributed (in US\$m)

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Economic value generated	8,204	6,579	7,931	11,427	14,005
Revenues	8,204	6,579	7,931	11,427	14,005
Economic value distributed	6,303	5,797	6,537	9,523	12,921
Operating costs	5,267	5,065	5,800	8,388	10,983
Employee wages and benefits	345	407	465	505	543
Payments to providers of capital	-67	45	-58	-19	879
– Net finance cost (including Other Gain/Loss)	-171	-7	-176	-149	735
– Dividend paid	104	119	118	130	144
Payments to government – Income Tax	758	281	330	650	517
Community investments (Including Donations)					
– Already included in operating cost	24	27	40	40	38
Economic value retained (calculated as Economic value generated less economic value distributed)	1,901	781.7	1,393	1,904	1,085

US\$14,005m

US\$14,005 million economic value generated Revenues

US\$144m

US\$144 million dividend paid

US\$38m

US\$38 million community investments

US\$517m

US\$517 million payment to government

US\$543m

US\$543 million employee wages and benefits





Responsible Stewardship

How we manage sustainability issues within our direct control

In this section we discuss the specific management systems that we have in place to manage our operations to minimise the risk of harm to people and the environment throughout the lifecycle of our projects. This includes our health and safety management systems, environmental management systems, risk assessment and regulatory compliance and our Environmental and Social Impact Assessments (ESIAs) and our performance against international standards of sustainability.

Strategy and Management	22
Sustainable Management in Practice	24
Health and Safety	26
Environment	34

Strategy and Management

A strong culture of good governance and compliance

Introduction

Responsible Stewardship is the first pillar of our sustainability framework. It is how we manage risk and demonstrate compliance with legal requirements and best practice. It is a vital part of all the phases of our project lifecycle – the way we conduct environmental and social impact assessments, our regulatory compliance and risk management, the operation of our health, safety and environmental management systems, the way we manage water and energy use, our carbon footprint and our work on biodiversity management planning. It also incorporates our approach to land management, waste management and air quality management.

Strategy

Through our code of conduct and policy framework the Board requires us to work to achieve zero harm. We aim to have a continuous reduction in our health, safety and environmental footprint, by applying advanced technology and rigorous standards in support of our aim to manage it responsibly. This is critical for maintaining our licence to operate. All the businesses in the Vedanta Group have management systems in place. 38 of our 44 major plants are certified to ISO 9001, 14001 and OHSAS 18001 standards. Our plant at Lanjigarh is the first in our industry in India to receive ISO 50001 and one of our companies, Sesa Goa, has certified for SA8000. Our strategy is to build on these management systems, measure our performance and constantly work

to improve them to align with international standards.

Risk Management

Vedanta's businesses are in the mining and resources industry, which raises particular risks that need to be identified, evaluated, mitigated and monitored – any significant incident at our operations could result in injury, environmental or reputational damage, litigation or statutory penalties and a subsequent threat to our licence to operate.

We are committed to a robust system of risk identification, backed by a robust risk management framework. Our risk management framework acts as an effective tool in mitigating the various risks which our businesses are exposed to in the course of their operations as well as in their strategic actions. We have a continuous process to identify, analyse, evaluate and respond to possible future events or risks that might impact the achievement of our businesses' objectives. In order to minimise the risk, we respect the precautionary principle.

We are planning to set up a Risk Management Committee (RMC) to be chaired by the Group Chief Executive Officer (CEO). The RMC will meet quarterly to review risks as well as progress against the planned actions. Risk officers will be nominated both at Vedanta as well as at the operating company level. The RMC will be briefed every quarter on risk management. The role of Chief Risk

Officer (CRO) is being created to heighten awareness of the risk management framework at senior management level. The CRO will help the organisation to enhance its risk management process and ensure that the risk management framework evolves and grows in parallel with the organisation.

Currently, a consistently applied methodology using the Turnbull matrix is used to identify risk at the individual company level, covering operations and projects. All the risks related to our businesses are identified and the top 20 risks are reviewed. Risk management is undertaken through a series of meetings at Group company level and at key stages of projects. An update is performed periodically through the internal management assurance process.

Once identified, the risk evaluation is undertaken using a matrix to establish financial and non-financial impacts and the likelihood of occurrence. The current controls to mitigate the risk are then reviewed to enable the development of a prioritised risk management plan. A committee comprising the Group Chief Executive Officer, Group Chief Financial Officer (CFO) and the Director of Management Assurance then reviews the risk matrix. The committee reviews the risks, changes in the nature and extent of the major risks since the last assessment, controls and action plans.

Many of the mitigation measures stated in the risk matrix relate to Group policies, the audit process

and the audit plan to cover the key risks identified through the risk management programme. The risk mitigation measures are closely reviewed by the operating management teams to ensure their effectiveness.

The principal risks confronting our business and mitigating those risks are discussed in the Principal Risks section of our Annual Report.

Ethics Sub-Committee

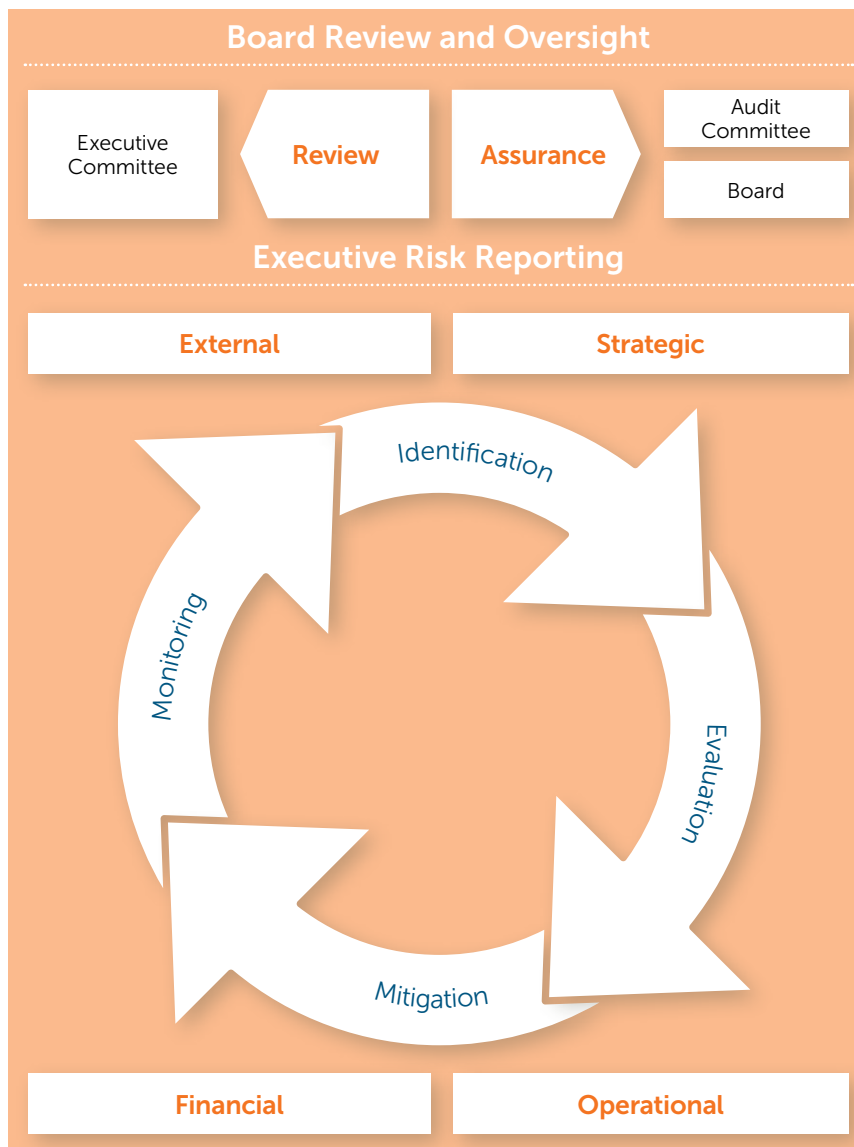
We have a dedicated Ethics Sub-Committee (ESC) in place, currently chaired by the Managing Director of our Iron Ore Business. The role of the ESC is to bring uniformity, speed and consistency in the decision-making process around ethical investigations and also to ensure that, after such investigations, appropriate decisions are taken in a reasonable period of time. The committee meets monthly.

Whistleblowing policy

Our Whistleblowing policy, overseen by the Board appointed Audit Committee, governs the confidential receipt, investigation and treatment of complaints in areas concerning suspected fraud, violation of Group accounting rules and violations of ethical business practices. Emails sent to whistleblower@vedanta.co.in directly reach the Head of Management Assurance, who is independent of operating and business management. Ninety whistleblowing complaints were received between January and December 2011 and 39 were upheld, resulting in appropriate disciplinary actions.

Bribery and Anti-Corruption

Our code of conduct was updated during the year to comply with the UK Bribery Act, which prohibits payment and receipt of bribes directly or indirectly through associated persons. During the year, our business units were reviewed for risks related to corruption and employees were trained in our anti-corruption policies and procedures. A comprehensive Anti-Bribery Programme was implemented across the Group. Going forward, it will be the remit of the Audit Committee to ensure the robustness of our anti-bribery and corruption programmes. The Bribery Act programme includes engaging professional assistance, amending existing policies, developing a training pack, carrying out awareness sessions for employees and implementing new procedures such as a Suppliers' Code of Conduct.



Sustainable Management in Practice

Our incorporation and proactive use of our sustainability practices commences at Board level

To underpin our sustainability framework, robust processes are now in place to support its execution in all new business ventures. The key standard that dictates our activities and behaviours is the Management Standard – New Projects, Planning Processes and Site Closure. Additional standards supporting this approach include the Acquisitions, Divestment and Joint Ventures Due Diligence technical standard.

Applying the Standard is mandatory for all new projects and it prescribes that:

1. Any new project complies with Vedanta Group Sustainability programmes and national, regional and local regulatory requirements;
2. Sustainability-related matters are given equal priority to other business functions when considering new projects;
3. A commitment to continual improvement is adopted as part of the project concept, that takes into account positive and negative impacts and direct and indirect impacts;
4. Assigned committees and senior management are engaged in considering all sustainability aspects of new projects (including

alternative solutions) and meet the requirements of the Leadership, Responsibility and Resources Management Standard;

5. Sustainability matters are considered for the full lifecycle of the project, including post-closure and rehabilitation, and design decisions shall be taken accordingly;
6. Consultation and feedback are obtained from stakeholders at the earliest opportunity on how sustainability issues associated with the project are being considered and prioritised;
7. Sustainability good practices/lessons learnt are sought and identified from previous projects, within the Vedanta Group, and applied to the proposed project such that impacts can be eliminated/mitigated by design.

Our sustainability standards ensure that as part of the Planning/Feasibility stage, sustainability due diligence is integrated into the wider due diligence around new projects and where we are contemplating an acquisition (including commercial, financial and legal). The New Projects Standard begins with the requirement for a sustainability risk screening exercise as part of the Planning process.

A new project or project expansion is expected to go through a number of decision 'gates' such as project definition, pre-feasibility, feasibility, concept, design and procurement. Sustainability is integrated into each decision gate and taken fully into account, along with a full sustainability risk assessment. If an identified sustainability risk is regarded as being potentially significant to the success of the project, further analysis is undertaken.

The sustainability risk assessment process shall identify, analyse and evaluate current and future sustainability scenarios, as far as practical, and identify critical risks to Vedanta and the project, using both Vedanta staff and external experts. The issues considered can include: resettlement, indigenous people (vulnerable groups), significant loss of cultural heritage, human rights, biodiversity loss including protected land and endangered species, transboundary issues and overall environmental impact.

Conducting ESIs to International Standards

Conducting an Environmental and Social Impact Assessment to international standards is a core step – undertaking an ESI

on greenfield projects or expansion activities enables assessment of the environmental, social and health impacts throughout the project's lifecycle.

Site Closure

As observed globally, poor mine and operations closure practices – where there is a lack of planning in equipping communities and the environment for life after the operational phase – have a negative impact on stakeholder perceptions of the resources industry. This in turn can lead to mistrust, threatening a resource business' ability to commence new projects.

Vedanta's Site Closure Standard obliges us to consider sustainability issues before, during and after site closure, working to achieve a sustainable community and environment post-closure. Our approach is compliant with the standards set down by the IFC Performance Standards and their EHS guidelines. The purpose is to identify, minimise or mitigate and manage risks (environmental, socio-economic, reputational and health and safety) associated with site closure.



Progressive Reclamation – Lisheen Mine Tailings Facility

The Need

The Lisheen Mine is an underground lead and zinc mine located in north Tipperary, Ireland. Construction commenced in 1997 and the mine has been in production since 1999. The mine is currently expected to close in late 2013 or early 2014. The Lisheen Tailings Management Facility (TMF) is located on soft ground (peat) adjacent to the site. It is lined with a geotextile membrane and has an internal area of around 64 hectares. Upon closure the facility will contain over 10 million tonnes of tailings. Lisheen Mine tailings have a significant net acid generating potential – this potential risk must be managed appropriately.

The Solution

The management of the mine tailings has been the subject of considerable geochemical and geophysical test work and this has supported the development of a practical strategy for residual liability management through progressive rehabilitation of the TMF.

In January 2008, a progressive rehabilitation programme on the Lisheen Mine TMF was commenced. This involved depositing tailings using conventional high density plastic discharge pipes placed on the dam wall, to progressively form an even distribution of tailings with a shallow surface slope (referred to as beaches). These beaches are then capped by firstly placing a geotextile membrane directly on the tailings, followed by a 700 mm deep layer of local topping and then a 400 mm deep layer of soil forming material. This soil forming material is produced by mixing peat with glacial till in a ratio of 1:1. The peat is sourced from the initial construction of the TMF, where peat was excavated from under the wall footprint and stockpiled. The glacial till was sourced from the Lisheen Wind Farm; an 18 turbine 36MW project completed in 2009. The cap is then seeded with native grassland, herb and wildflower species.

Glacial till is essentially silts, sands and rocks deposited by glaciers (large ice sheets) during the last ice age across much of Ireland including Lisheen. It forms a layer that sits between bedrock and the surface soil.

When the Lisheen Wind Farm was constructed in 2009 the turbine foundations were sited within the glacial till. The displaced material was stockpiled and mixed with peat to form a soil for TMF rehabilitation purposes.

This is an important innovative feature of the Lisheen progressive rehabilitation programme. By re-using material sourced from the Lisheen site such as peat (which is too organic in its own right to support extensive vegetation) with glacial till (which is inorganic and does not support vegetation) a successful soil cover can be formed.

In July 2010, Lisheen initiated a livestock trial programme by introducing 10 cattle onto the rehabilitated area. This trial is ongoing.

The objective of the project is to rehabilitate the facility such that it is secure, sustainable and can be used for the widest possible range of potential after uses.

The Outcome

To date, approximately nine hectares of the facility have been rehabilitated and extensive monitoring data is being collected. Lisheen intends to continue to rehabilitate the TMF over the coming years in the same manner with regular validation through on-going sampling and monitoring and compliance with emission limit values, as prescribed in the Lisheen Mine Integrated Pollution Prevention Control Licence (IPPC).

Irish regulatory authorities and their retained experts have independently validated and approved the project.

Health and Safety

Vedanta is committed to providing a safe, injury free and healthy place to work

– the health and safety of our employees and contract workers and those communities that adjoin our operations is a key priority.

48%

Lost Time Injury Frequency Rate reduced by 48% over the last five years

38 major plants

38 of our 44 major plants are accredited to OHSAS 18001

Rolling out

Rolling out of new and updated technical and management standards

The high risk nature of the metal mining and resource industry makes occupational health and safety a material concern to the Group – Vedanta continuously works to reduce total accidents and minimise health risks. We pursue this by adherence to our standards, promoting safe practices and the promotion of a positive safety culture on the shop floor with safety behaviour ownership.

Our approach towards managing and controlling the risks associated with our operations begins with a hazard identification and risk assessment. Following this, management systems are designed to identify and remove unsafe conditions, train our people in safe practices and ensure correct behaviour through management leadership. Our goal is a consistent safety culture across all our businesses.

Our Role

We have developed and implemented health and safety management systems aligned with our commitments and beliefs, and consistent with world-class standards. 38 of our 44 operations are certified to the OHSAS 18000 standard.

To meet our target and expectations, we have a capable organisation

comprising 375 HSE personnel, of whom 36 are health specialists, 195 are safety specialists and 144 are environment specialists.

As part of our continuous improvement programme we conduct periodic audits across our businesses by our qualified HSE professionals. We strive to encourage and build a safe and healthy working environment where all employees and contractors demonstrate this belief in their behaviour and actions. We drive this message through:

- > Before entering into operation locations, a safety induction is mandatory for each new employee, contract worker and visitor.
- > Periodic safety re-trainings to all employees and contract workers.
- > Specific training for high risk activities.
- > Adherence to appropriate PPE at work areas.
- > Display of required safety signage/posters/captions pertaining to hazards at work locations.

Safety

The safety of our employees and any other person who may be impacted by our operation is of paramount importance and our aim is zero harm to people. As part of our process of continuous improvement we have

introduced new and updated management and technical standards across our businesses, including:

- > Safety,
- > Emergency Crisis Management,
- > Security, and
- > Incident Reporting.

As part of our comprehensive sustainability training programme, over 1,000 employees have undertaken a training programme to reinforce the practices mandated by our safety standards.

At the senior management level, the Sustainability Committee and our ExCo Sustainability Sub-committee review safety performance and the implementation of safety management systems across the business. Safety performance is a part of the reward structure of senior managers at all our units.

To promote a safe work environment, our Group CEO is leading our Elimination of Unsafe Conditions Programme, which requires all our companies to review and to report on their safety compliance on a monthly basis, including inspection of equipment and related activities identified as high risk, including machine guarding, welding machines, conveyors, electrics, ladders and pressurised equipment.

Safety committees take place at all units, with representation from management and unions attending (where applicable) which will cover the entire workforce at the site. The strength of management and union workforce vary significantly based on the operations and are generally specified in collective contractual agreements. The safety committee meets on a regular basis to provide advice on occupational health and safety improvements.



Ms. A. Sumathi

HSE head – Sterlite-Tuticorin plant

Ms. A. Sumathi joined the company from college in 1997. Starting her career as a Graduate Engineer Trainee with the electrical department she progressed to become the HSE head of our Tuticorin plant and is also a certified lead auditor for ISO 9001, ISO 14001 and OHSAS 18001. In coordination

with the Group sustainability team, she is leading the Unsafe Condition Elimination Programme for Sterlite Copper. From the implementation of management systems to initiating and successfully completing numerous projects with respect to health, safety and environment, she has made a major contribution to the Group.

Health and Safety continued



Zone Owner Concept HZL – Chanderiya Lead Zinc Smelter

The Need

A new approach was sought to embed a safe working environment and practices at our lead zinc smelter complex in Chanderiya, Rajasthan, India to reduce safety incidents and near misses.

The Solution

It was determined that the best approach to safety was to ensure personal responsibility through management and employee ownership of the issue.

The 'Zone Ownership' concept was introduced to Hindustan Zinc's Lead Zinc Smelting Complex at Chanderiya, in Rajasthan in March 2012. The complex was divided into 46 zones and a zone owner was nominated for each zone. Zone owners were selected based upon their experience and knowledge. The owner's information, including a large photograph, is displayed at prominent locations in the zone. This promotes effective control of hazardous work activities by fixing accountability at an individual manager level.

The zone owner is accountable for:

- > Ensuring high standards of housekeeping in his zone.
- > Ensuring safe execution of activities in his zone which includes permit to work, hazard identification, near miss reporting and implementation of corrective and preventive actions.
- > Ensuring regular checking of key features of the workplace to ensure that appropriate risk controls are in place.
- > Carrying out necessary inspection and record non-conformities and hazardous situations based on checklists.

Zone owners submit their findings to the Zone Observer (operational head of the respective zone) and also ensure that a corrective action plan is developed along with target dates for compliance.

The Outcome

The zone owner system helps in better control and effective supervision on all hazardous work activities and improves employee participation in various safety activities. We will report on the success of the programme in our next report as it is rolled out across the Group.



Our management standards emphasise the training of both employees and contractors based on role, risk, and responsibilities and use different learning methods to cater for differing needs.

The future programme includes a review of Lock Out Tag Out (LOTO) capability and emergency warning equipment. These reviews will be built into the preventative maintenance schedules over time.

Our management standards emphasise the training of both employees and contractors based on role, risk, and responsibilities and use different learning methods to cater for differing needs – for example videos and classroom training. It is an ongoing and iterative process. Retraining also takes place at regular intervals. We also ensure that, prior to induction training, all employees and contract workers have passed the required medical exam. Our employees have a safety-training calendar where pre-selected safety topics are covered on a regular basis in accordance with the employee's training plan. During the past year over 134,000 man hours of safety training was imparted.

A particular focus has been to work with our contractors to ensure our standards are enforced and adhered to by all the individuals who contribute to our business. For example, at Vedanta Aluminium Ltd – Lanjigarh a safety induction video consisting of plant hazards, PPE usage, implementation of work permits and emergency and evacuation procedures is mandatory for all visitors and

contractors and a visitor safety handbook is distributed in both English and the local language.

Embedding our safety standards is an on-going programme and will be supported by compliance auditing and the use of both leading and lagging indicators.

Our Safety Challenge

Due to the continued rapid expansion in the natural resource industry, there is a high degree of contractor and employee turnover because of the additional opportunities available. Accordingly we must work to ensure a culture of safety is embedded across our businesses, regardless of turnover rates.

Our business has operations in a variety of locations, many of which are isolated and rural, with contractor workforces with varying levels of literacy and language abilities – this requires various techniques to ensure an awareness of expected safety standards and compliance with safety procedures and, when required, behavioural change. The techniques we have used include:

- > Safety induction videos in local languages.
- > Visitor safety handbook
- > Safety briefing at the start of shifts.
- > A safety update in the daily morning departmental meetings.
- > Reflective safety signage at work places.
- > Counselling on the mandatory use and benefits of wearing personal protective equipment in the workplace.
- > Emergency drills.

Safety Performance

In 2011-12, 16 contract workers and six employees lost their lives in the

Safety

Performance	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Fatalities (numbers)	18	19	67	26	22
LTIFR	1.91	1.67	1.52	1.10	0.99

workplace. In each case an accident investigation was carried out and corrective actions were implemented across the Group where appropriate. The Sustainability committee reviewed each accident and oversaw the implementation of lessons learnt.

We have initiated across the Group a full safety compliance audit of high-risk areas combined with an ongoing process to provide awareness, adherence to compliance and monitoring for implementation.

Details of each fatality's cause for FY 2011-12:

Type of Fatalities – FY 2011-12

Fall from height	4
Electrical	4
Explosion/blasting	3
Exposed to gas	1
Material handling	2
Conveyor	2
Traffic	2
Fall off ground	2
Horseplay	1
Moving equipment	1
Total	22

In addition to the elimination of fatalities, we measure our safety performance in terms of Lost Time Injury Frequency Rate (LTIFR) – the accepted measure of injury rates in our industry, where lost time injuries per million man hours worked are measured. In 2011-12 our lost time injury rate was 0.99, a 10% reduction in LTIFR from the previous year. The Group suffered 8,076 Lost days in the last financial year. Over the

past five years there has been a 48% reduction in LTIFR, which demonstrates our progress so far, and we are striving for even greater reductions in the future. Our LTIFR target for 2012/13 is less than 0.80 and for 2015/16 is less than 0.50.

LTIFR by Business for the Year

Unit Name	2010-11	2011-12
HZL	2.52	1.97
Skorpion Zinc	NA	0.55
The Lisheen Mine	NA	2.13
Black Mountain Mine	NA	3.93
CMT	2.38	11.09
SIIL	0.86	0.26
KCM	0.40	0.52
BALCO	0.62	0.60
VAL – J	2.41	1.50
VAL – L	0.00	0.00
MALCO	1.36	1.18
Sterlite Energy Limited	NA	0.00
SESA GOA	0.86	0.76
Vedanta	1.10	0.99

In addition to continued training and a focus on line management's safety leadership, to achieve our 2012/13 target we will have a particular focus on those sites where the injury rate remains unacceptably high.

Hazard Identification

To make an industrial operation safe, it is essential to identify the hazards, to assess the associated risks and to bring the risks to tolerable levels through the intervention of risk control measures.

Health and Safety continued

Hazard Identification & Risk Assessment (HIRA) is an initiative being piloted at our Hindustan Zinc business which promotes a pro-active approach towards identifying hazards at the workplace by prioritising the corrective actions for effective safety management,

embedding workplace safety standards and protecting our employees and contractors from the hazards that they may potentially be exposed to. For example, during the year a 'train the trainer' programme on HIRA was organised for line managers at HZL and 20

trainers have been certified. These trainers have further rolled out training in their workplaces and 157 line managers have been trained on HIRA. The programme is being extended to other businesses over the coming year.



Behaviour based safety training at Sesa Goa

The Situation

Sesa Goa's Iron Ore business identified that human behaviour is often a key factor in safety incidents and accidents – changing behaviour in the worksite to ensure an observance of safety processes is a key factor in reducing the rates of near misses and accidents resulting in injury.

The Solution

Traditional methods of safety management focusing on working environment and safe systems of work needed to be supplemented by the elimination of unsafe behaviours.

A training programme for employees and contractors on behaviour based safety – 'Suraksha Jagruti' (safety awareness) – was introduced at Sesa Goa's Iron Ore Division in 2011-12, with planned implementation across the remainder of the operations in 2012-13.

The training focused on aspects of how 'attitude' leads to safe or unsafe behaviour, which in turn governs the extent to which work is executed safely. An ABC analysis – Activators/Antecedents of the unsafe Behaviour and the Consequence of the behaviour – was used as a framework to identify relevant and powerful examples.

Over the past year, 28 training sessions were conducted, each of 16 hours, with 752 employees representing 37% of our Sesa Goa Iron Ore division. The breakdown of results at management level was: Management 203 – Level M 3, M4 10, M5 17, M6 48, M7 64, M8 16, M9 45 – and Workmen 549 – including technicians, drivers, shop floor supervisors, welders, loader operators, multi-skilled workers, supervisors, office staff.

By 2012-13 we intend that all employees and contractors will have attended this or similar training programmes across our mining and processing facilities locations.



Occupational Health

The industries in which we operate have potential hazards to human health. We believe strongly in maintaining a healthy workforce by minimising the potential impacts of exposure to these hazards.

We invest in technologically advanced processes that reduce possible exposure levels, including pollution control equipment, effluent treatment and the proper storage of hazardous chemicals. We also monitor and review industrial hygiene parameters such as noise levels, lighting levels, heat stress, heavy metal exposure and manual handling. Use of work related Personal Protective Equipment further strengthens our ability to manage occupation related illnesses.

Our healthy worker concept commences at the employee entry stage, where we carry out extensive medical check-ups. Our businesses also carry out risk based medical assessments for the various process areas and the results are recorded. These periodical assessments happen either at six monthly intervals or yearly depending upon the assessed risk level. Anyone found near the threshold

is immediately job rotated and more frequent assessments are carried out. Over the past year over 87,000 medical examinations of our employees and contractors were undertaken. These examinations included blood lead level assessment, audiometries and chest X-rays:

Medical Test performed

Spirometries	18,648
Audiometries	16,866
Chest X-rays	22,674
Blood lead	3,772
Blood cadmium	1,522
Vision test/Colour blindness	18,187
Dental erosion	5,765
Total Medical Tests	87,434

Our employees are provided with healthcare at occupational health centres, either owned by the company or outsourced to reputable hospitals. In addition, on-site doctors conduct various health awareness sessions on first aid and its importance, life style related health disorders such as HIV/AIDs and diabetes, and sessions on eye care, skin care and heart care. We also provide medical insurance for our full time employees.

A total of 1,975 occupational health cases, primarily musculoskeletal syndrome and hearing impairment, were reported across the Group's companies.

Preventative Health

We provide preventative health programmes to our employees and contractors, including seminars on health and wellness management and newborn care. Periodic first aid training is also conducted through St John Ambulance and we also conduct periodic 'health camps' for check-ups and education across a range of health issues, targeted at the main health issues we have identified for that particular workforce, such as HIV/AIDs, malaria and tuberculosis.

Health and Safety continued

VAL – Lanjigarh – Health and Wellness Programme

Dr Sabita Swain is responsible for leading our Health and Wellness Programme at our aluminium operations in Lanjigarh, India (VAL). The programme provides assistance to employees, contractors and the local community.

The programme has eight focus areas, which have been developed in consultation with local villagers and government agencies, reflecting the identified needs specific to the area of VAL's operations. These focus areas are:

- > Prevention of Vector-Borne Diseases.
- > Prevention of Water-Borne Diseases.
- > Safe Motherhood.
- > Childcare.
- > Nutrition.
- > Prevention and control of Sickle Cell Anaemia.
- > Health and Hygiene Awareness.

VAL's overarching philosophy is that equipping people and communities with appropriate health and wellness education is the best path to a long and healthy life.

Vedanta's actions in relation to each of its focus areas are detailed below.

Prevention of Vector-Borne Diseases

- > Control of Malaria, Dengue and Filariasis by providing long lasting insecticide impregnated mosquito nets to 50,000 people.
- > Conducting regular behaviour change communication sessions



in local villages and among our workforce on the regular use of mosquito nets, strict personal and community hygiene to avoid water logging, reduction of mosquito population and counselling to report at a hospital for investigation and treatment within 24 hours of fever symptoms.

- > In 2011-12, treatment for radical cure of Malaria was provided to 8,450 cases, of which 30 complicated cases were referred to Tertiary Care Centres paid for by the Group.
- > To control the mosquito population, indoor spraying and outdoor fogging was done over a 25km radius adjacent to our plant and at the two nearby towns of Bhawanipatna and Kesinga and their peripheral tribal villages during July-Sept 2011.
- > For employees and contractors who come to our operations for the first time and have had no previous contact with Malaria, chemoprophylaxis is given, commencing 15 days prior to arrival.

- > Free treatment is given to all those diagnosed with Filariasis and prophylaxis treatment is extended to all those who come to our operations from a Filariasis endemic zone.
- > Regular sessions are conducted at villages and worksites demonstrating the danger signs of Dengue and people are counselled to report for treatment at the start of the symptoms of fever to avoid complications.

Prevention of Water-Borne Diseases

For the control of water-borne diseases, regular counselling sessions are held to educate the local populace and our workforce in safe sanitation practices. In 2011-12 we provided these sessions to over 50 villages and some 50,000 people. Issues discussed included:

- > Compulsory hand-washing with soap and water after toileting and before taking food or water.

- > The use of chlorinated tablets for drinking water.
- > Rainy-season tube well disinfection.
- > Safe washing of clothes with soap and water.
- > Safe disposal of wastes, especially carcasses.
- > Safe cooking methods.
- > Treatment of all gastroenteritis cases.
- > Routine immunisation for children.
- > Use of Oral Rehydration Solution and other liquids suitable for use in case of diarrhoea.
- > Safe disposal of soiled clothes.

Safe Motherhood

We provide counselling to expectant mothers on healthy parenting practices as well as antenatal and post-natal check-ups. In 2011-12 we worked with some 600 expectant mothers and our assistance included:

- > Informing them of government sponsored programmes such as Janani and Sishu Surakshya, Pustikar Diwas and Mamta Diwas to encourage a stress free pregnancy and safe delivery.
- > Free testing at our hospital to detect any complication such as Diabetes, Hypertension, Malnutrition, Anaemia, Rh incompatibility, eclampsia, pre-eclampsia and any infectious diseases which could interfere with child growth and health.
- > Counselling and voluntary testing for HIV/AIDS (for mother and father).
- > Counselling to ensure immunisation against Tetanus to pregnant mothers and immunisation of newborns against Tetanus, Diphtheria, Pertussis, Mumps, Measles, Rubella, Polio and Tuberculosis.
- > Counselling to undergo a minimum of four antenatal check-ups during pregnancy.

- > Counselling for proper nutrition and abstinence from alcohol and tobacco.
- > Counselling on institutional delivery.
- > Exclusive breastfeeding of infants for a minimum of six months and, if possible, for extended periods.
- > Counselling on the benefits of child education.

Childcare

VAL works to improve child health and infant mortality rates, and these activities include:

- > Appropriate bathing techniques.
- > Dental screening – 1,200 children were screened for cavities in 2011-12, and were provided with appropriate treatment where required.
- > VAL's 39 childcare centres provided nutritious meals to over 950 children.
- > Training to ASHA Workers, Anganwadi workers and childcare workers in the care of young children, the benefits of immunisation, regular health check-ups, early treatment, healthy nutrition, vitamin supplementation and deworming.

Nutrition

VAL works to improve dietary intakes by building awareness of the nutritional value of local species and the use of appropriately stocked 'kitchen gardens', supported by nutritional supplements provided at VAL childcare centres and Anganwadi centres.

Prevention and Control of Sickle Cell Anemia

To decrease the prevalence and incidence of Sickle Cell Disease, adults detected with the disease are counselled on the beneficial impact of marriage to partners who belong to distant communities and are not carriers of the disease.

Affected adults are also counselled to undertake regular medical check-ups, to take folic acid

supplements, hydroxyurea and methods to avoid dehydration and to report to a hospital at the earliest opportunity in case of fever or any other health problem.

Children detected with the disease are paid home visits by our Mobile Health Unit workers to detect any health issues and record their progress. They also teach the parents to detect any complications and to report as early as possible to hospital to limit complications. These children are also provided with free folic acid supplements by VAL and parents are encouraged to immunise the children against Influenza and Pneumococcus in addition to routine immunisation.

All the family members of the Sickle Cell Anaemia carrier/patient are screened for the disease and positive cases are provided with medical care and counselling.

Health and Hygiene Awareness

VAL, in conjunction with its associated partners, conducts health and hygiene awareness sessions in the plant and surrounding villages.

ASHA workers (Accredited Social Health Activists), Anganwadi Workers, Auxiliary Nurse Midwives, Health Workers, Childcare Workers, Village coordinators, Sarpanchs, school teachers and students serve as healthcare 'change agents' in the community and have been appropriately trained in providing healthy living advice. These change agents then spread healthy living messages among the local community, where they reside.

This strategy has helped to increase healthy behaviours in the communities in which the change agents operate by increasing villagers' awareness of healthy living strategies, government health programmes, local hospitals and ambulance services, while also providing skilled local people who can assist in times of need.

To date, VAL has trained and provided 600 change agents.

Environment

We are committed to mitigating the environmental impact of our activities, wherever possible

US\$56.93m

We will continue to invest to reduce our environmental footprint. In 2011-12, we spent US\$56.93 million on environmental protection.

29%

29% of our total water usage was recycled, amounting to 55.7 million cubic metres – equivalent to filling over 22,000 Olympic swimming pools.

38 major plants

Thirty-eight of our 44 major plants are accredited to the ISO 14001 environmental management standard.

14.5m

14.5 million cubic metres of rainwater was collected in reservoirs during the year*, primarily at our Sesa Goa facilities.

102MW

102 MW of wind power capacity was added during the year, taking the Group's total wind power capacity to 273 MW.

Introduction

We operate a range of mining and resource processing businesses around the world, in different countries and ecosystems. Our goal is to minimise our environmental footprint from commencement of our operations to post-closure.

The processing of raw material into pure metal has the potential for impacts on air, including the emissions of gases and particulates associated with combustion and smelting, while water consumption can affect water tables and water quality can be impacted by the use of hazardous materials. Our presence and operations, including through the altering of land use, can also have an impact on biodiversity.

To minimise our impacts and therefore run our business in a sustainable manner, we appropriately manage our processes across our products' lifecycle. We do this through the use of advanced technologies and operate in accordance with global standards in their manufacture and concurrently minimising the associated risks. Managing our business sustainably also encompasses an understanding of the outputs generated in production, including greenhouse gases, emissions and other waste products – managing our operations efficiently to deal with these outputs and keep them to a minimum is important in reducing

the risk of harm to people and the environment and makes good business sense.

Our Approach

Our role is to be aware of the key environmental impacts and to have plans in place to manage them appropriately. We understand that water and energy are scarce resources and, accordingly, we are focusing on resource conservation by assigning water and energy reduction targets for each of our Group's companies. We employ specific guidelines and solutions for our copper, zinc and aluminium production and in iron ore mining.

Our Environmental Technical Standard encapsulates our approach, where all Vedanta operations are obliged to avoid if possible, or otherwise minimise, adverse impacts on the environment from our operations through effective management systems and processes that work towards continuous improvement of our environmental performance.

Vedanta's Sustainable Development framework includes the following policies – Biodiversity management, Energy and Carbon management, Health, Safety and Environment, and Water Management. Together they make sustainable environmental management practices an integral part of our business.

In 2011, the Vedanta Sustainability framework was mapped against the International Finance Corporation's sustainability standards and will be applied to the entire lifecycle of all our business operations worldwide. The standards ensure that sustainability issues, including environmental risks, are considered in all new projects throughout their lifecycle, including decommissioning, closure and rehabilitation.

We are launching an assurance programme which will work to ensure our environmental management system complies with applicable legal and company requirements. In addition, to have a better understanding of the best

Key Environmental Risks

Water Consumption

Management Approach

- > Measure usage
- > Reduce freshwater usage through process innovations
- > Act as a responsible water user, especially in water scarce areas, balancing the needs of different users
- > Augment water resources through artificial recharge and rainwater collection

Energy Management including greenhouse gas (GHG) emissions

- > Measure usage
- > Select best available technology to reduce energy consumption
- > Make our operations as energy efficient as possible
- > Reduce direct GHG emissions from our operations including exploring opportunities for low emissions technologies to reduce carbon emissions

Biodiversity impacts

- > Assess biodiversity risks
- > Minimise impacts on ecosystems
- > Avoid any loss of IUCN Red List species
- > Conserve biodiversity within our operations
- > Where possible, rehabilitate sites progressively and restore to a status similar to the conditions before operations commencement

Waste Management – including tailings management

- > Explore opportunities to minimise waste generation as well as improve waste re-use/recycling options
- > R&D initiatives to minimise waste generation, increase fly ash utilisation, slag and gypsum utilisation in industrial applications, explore opportunities for recycling of hazardous waste

Air emissions

- > Measure emissions
- > Improve extraction and refining processes to reduce particulate emissions
- > Install and maintain appropriate emission control equipment

Land Management and technology

- > Minimise plant footprint by optimisation of land use
- > Use of barren or uncultivated land for operations
- > Explore opportunities for solid waste utilisation
- > Closure planning

* Artificial recharge is the harvesting of rainwater for productive use which otherwise would have been discharged as storm water runoff

Environment continued

70%

More than 70% of generated non-hazardous waste is constructively utilised:

3.6m

3.6 million metric tons of fly ash was used in cement and brick manufacturing and in raising of ash pond dyke height.

2.2m

2.2 million metric tons of slag was used in various applications including road construction, land levelling, abrasive and cement industries.

0.8m

0.8 million metric tons of gypsum was used in cement and fertiliser industries and brick manufacturing

Consumption of direct and non-renewable material (MT) for Vedanta

Liquified Petroleum Gas (LPG)	6,653
Diesel	139,769
Coal	20,811,745
Coke	8,713
Furnace Oil	173,620
Light Density Oil	16,259
Liquified Natural Gas	2,719
Low Sulphur Heavy Stock	348
Petrol	318
Propane	8,084
Unleaded Petrol	7

Consumption of Raw and Associated Materials 2011-12 (MT)

Unit name	Raw Material	Asso Material	Semi Manufactured	Packaging material
HZL	8,413,955.82	314,016.14	5,491.36	725.59
Skorpion Zinc	1,896,638.00	77,676.00	–	–
The Lisheen Mine	1,900,135.24	–	–	–
Black Mountain Mine	1,470,666.95	566.76	–	–
CMT	2,065,351.57	5,100.44	85,335.84	–
SIIL	1,610,045.28	171,258.39	–	122.00
KCM	8,584,230.82	505,374.65	13,841,279.55	298.61
BALCO	–	123,288.43	38,539.00	211.18
VAL – J	–	236,127.07	842,173.82	100.93
VAL – L	2,947,334.00	185,681.84	–	–
MALCO	–	–	–	–
Sterlite Energy Limited	–	–	–	–
SESA GOA	794,143.90	54,362.72	–	–
Vedanta Final	29,682,501.57	16,73,452.43	14,812,819.57	1,458.31

practices available to comply with our Sustainability Standards, we plan to issue guidance notes to support all our subsidiary companies.

Delivery

During the past year, we invested US\$56.93 million in various environmental management activities including improved emissions/control, process water and solid waste management. During the year, no environmental legislative or regulatory financial penalties were imposed.

Raw Material Consumption

Raw materials consumed in our operations include bauxite, copper ore/concentrate, zinc, iron and lead ore and their associated mineral inputs, semi-manufactured and packaging material. During the year, 29.68 million metric tonnes (MT) of raw material, 1.67 million MT of associate materials, and 14.81 million MT of semi-manufactured materials were consumed. The break down of direct and non-renewable material consumption for 2011-12 is provided.

Water

We use water in mining, smelting, refining and power plant – independent and captive – operations with the majority of our operations located in environments where access to water can be a challenge. Ensuring that we are able to fulfil the need of the communities surrounding our operations to have access to safe and clean water and provide for our business requirements whilst maintaining aquifer quality is the core aim driving our water policies and procedures. An inability to fulfil the local community's water requirements or permanent damage to an aquifer would seriously impact our ability to operate.

In 2011-12 we consumed 190.14 million cubic metres (MCM) of water across all our operations. As an essential component of our sustainability journey, we are seeking a 9.8% reduction in water consumption by 2013 (which on a like-for-like production volume basis, would

result in absolute water savings of 18.7 MCM – the equivalent to filling over 7,000 Olympic swimming pools). To ensure that our water conservation programme has rigour, we are working with the World Business Council for Sustainable Development (WBCSD), The Energy Resources Institute (TERI) and other likeminded companies in India to design a mapping process. This is in addition to management of specific water consumption targets (including the absolute water savings target) set by individual units. Each operation has presented their management plan – including the resources (human and financial) allocated to drive the various interventions needed to reduce consumption – to the ExCo Sustainability Sub-committee.

We strive to minimise the amount of freshwater we consume by re-using and recycling as much water as possible in our processes and encouraging rainwater harvesting where we can. Currently Sesa Goa is our leader in rainwater harvesting, with Sterlite Copper and Hindustan Zinc also using captured rainwater. In addition, effluent and sewage treatment plants are installed for treatment and the resulting water is re-used at all primary locations.

Performance

Water usage

The efficiency of our water use is reported using consumption measured as cubic metres per metric ton of output/product. We are pleased to report that, over the past year, our specific water consumption at BALCO reduced by 45% through process innovations and opportunities identified through the water audit programme, and by 28% at VAL-J through our water audit programme.



Recovering Metal from Zinc Smelting Wastes

The Issue

While recovering zinc through hydrometallurgical process, lead and silver were separated out as commercially poor grade Lead-Silver Concentrate (LGLC), which was stored as inventory. Part of the manganese present in the zinc concentrate is also separated during zinc electrowinning as cell sludge, most of which is disposed safely in special facilities.

In addition, hot gas precipitator dust (HGP) in zinc pyro metallurgical operations containing high lead and silver is produced with purged out cadmium as an impurity, which restricts its recycling. This is being sold at very low metal realisation. If the utilisation of these wastes can be enhanced, it would result in greater environmental sustainability and improved recovery of ore.

The Solution

Hindustan Zinc's Central Research & Development Laboratory developed a flowsheet for the recovery of lead and silver from these three waste products – LGLC, HGP dust and cell sludge – by treating

them together in the one process. The residue left after waste processing can be consumed internally in an Ausmelt furnace to recover lead and silver. The leached impurities are precipitated out in the existing effluent treatment facilities. The process enables full treatment of LGLC stock, HGP dust and part consumption of cell sludge.

A pilot plant has been commissioned to treat these wastes, which has successfully proven the business and environmental sustainability potential of the process.

The Outcome

- > Preservation of natural resources with the contribution of wastes in achieving business targets, which is equivalent to some 30,000 MT mining of lead-zinc ore.
- > Reduction in environment liability – as LGLC would otherwise require additional land storage.
- > By treatment of 911 MT LGLC and 301 MT HGP dust along with 30 MT cell sludge, nearly 248 MT Pb and 519 Kgs silver is produced.

Environment continued

The table on page 39 shows our FY 2011-12 and 2010-11 total water usage, including the percentage of water recycled (with respect to total water usage) and total volume of water recycled/reused, across each of our subsidiary companies. Water sources and related habitats are not significantly affected by withdrawal of water from our operations.

During 2011-12, the Group doubled water recycling when compared to 2010-11, from 27.91 million cubic metres to 55.72 million cubic metres. This has been achieved through process innovations.

With regard to our total water withdrawal by original water source, it is noted that:

- Surface water source is the primary water source of the majority of our Indian operations.
- Groundwater is the primary source of water for our KCM mines located in Zambia and Lisheen Mine located in Ireland.
- 14.4 MCM of rainwater was collected in reservoirs and used at Sesa Goa – approximately 75% of total water usage at Sesa Goa.

SIIL, Sesa, VAL-Lanjigarh, MALCO, SEL, Skorpion Zinc, Black Mountain mine and HZL are zero effluent discharge plants where all treated process wastewater is reused or recycled within the plant premises.

The table on page 40 shows total process water discharge by quantity and destination across Vedanta operations. Process wastewater discharge complies with the applicable regulatory limits.

Treated wastewater is discharged from BALCO, VAL J, and CMT and KCM and our records show that treated wastewater quality is within statutory prescribed norms as applicable and no significant impact is envisaged due to discharge of treated wastewater.

Climate Change and Greenhouse Gas Emissions

In accordance with our Energy and Carbon policy, we acknowledge the global concern on climate change and recognise that concerted and sustained global action is required to reduce the scale of the problem and adapt to its impacts. Accordingly, we strive to adopt and maintain global best practices on carbon and energy management and to minimise greenhouse gas emissions throughout our operations.

Performance

Although we hold no carbon liabilities across the majority of our operations under the Kyoto Protocol, we nonetheless take the challenge of climate change seriously. Managing greenhouse gas emissions is one of the Group's material issues. We use the WBCSD-WRI methodology for calculating our CO₂ emissions. During 2011-12, our operations emitted approximately 32 million tonnes of CO₂ equivalent, which includes generation from both captive and independent power plants. We support the work of the Carbon Disclosure Project. Last year, our report was rated 9th of the 18 metals and mining companies in the FTSE 100 and Sesa Goa was listed in 7th position from all companies in CDP India.

We have identified various projects with a total potential carbon reduction potential of 7.8 million tonnes. We have registered projects worth 0.4 million tonnes of carbon with the UNFCCC.

The CDM projects fall primarily into two categories – waste heat recovery based power generation projects and wind power projects. During the year, we accrued 335,000 CERs.

We have initiated monitoring of Scope III emissions and will report by 2015.

Energy Use

Resource extraction and production is energy intensive. Energy sources

for our operations include fossil fuel, renewable energy and electricity. We strive to continuously reduce specific energy consumption across our operations in support of our sustainability mission.

Performance

During the year, we saved 160,000 GJ of energy through various conservation initiatives adopted during the year. These initiatives included installation of Variable Frequency Drive (VFD) to allow optimisation of the speed of pumps and blowers, interlocking conveyors to minimise idle time, avoiding the use of dedicated cooling towers for compressors, reduction of dead pot voltage and lighting automation. Initiatives to reduce indirect energy consumption included improvement in captive power use across units, which in turn minimised transmission losses, promotion of local procurement to reduce energy used in transportation, the use and promotion of car pooling and busing and an increase in conducting meetings through video/telepresence facilities, reducing airline travel.

On a production volume like-for-like basis, we are targeting a reduction in Group energy consumption of 1.3% by 2013 (which would result in absolute energy savings of 3.9 million GJ), equivalent to one year of operations of a 120 MW thermal power plant.

This year, we have also added SEL and Zinc International Operations data and the table on page 41 provides our direct and indirect energy consumption for 2010-11 and 2011-12.

Water Usage (million m³)

Unit	2010-11			2011-12		
	Water used (Million m ³)	Water recycled (Million m ³)	Percentage Recycled	Water used (Million m ³)	Water recycled (Million m ³)	Percentage Recycled
HZL	33.26	10.73	32.27	26.75	9.97	37.27
Skorpion Zinc	NA	NA	NA	2.80	0.54	19.37
The Lisheen Mine	NA	NA	NA	3.10	3.08	99.28
Black Mountain Mine	NA	NA	NA	1.44	0.21	14.57
CMT	4.92	0.82	16.67	3.31	0.00	0.00
SIIL	3.13	0.41	13.21	2.97	0.49	16.45
KCM	184.81	0.86	0.47	61.43	23.75	38.66
BALCO	40.13	6.93	17.26	28.90	6.35	21.97
VAL – J	22.15	0.53	2.37	19.35	0.60	3.09
VAL – L	4.70	1.28	27.14	4.04	1.68	41.67
MALCO	3.34	0.13	3.84	2.42	0.08	3.35
Sterlite Energy Limited	NA	NA	NA	15.05	0.18	1.21
SESA GOA	15.76	6.22	39.47	18.56	8.78	47.33
Vedanta	312.20	27.91	8.94	190.14	55.72	29.30

Total Water Withdrawal by Source (million m³) for each business unit

Unit	Surface water		Ground water		Rain water		Water from utility		Total	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
HZL	17.91	22.56	4.51	3.74	0.03	0.03	0.72	0.98	23.17	27.31
Skorpion Zinc	NA	0	NA	0	NA	0	NA	2.75	0	2.75
The Lisheen Mine	NA	0	NA	28.08	NA	0	NA	0	0	28.08
Black Mountain Mine	NA	4.37	NA	0.01	NA	0	NA	0	0	4.38
CMT	4.1	4.6	0	0	0	0	0	0	4.10	4.60
SIIL	2.97	3.29	0.01	0.01	0.08	0.06	0	0	3.06	3.36
KCM	32.28	29.39	146.8	144.96	0	0	4.87	4.88	183.95	179.27
BALCO	33.15	28.84	0.06	0.06	0	0	0	0	33.21	28.90
VAL-J	3.43	19.35	0	0	0	0	0	0	3.43	19.35
VAL-L	21.63	4.04	0	0	0	0	0	0	21.63	4.04
MALCO	3.21	3.01	0	0	0	0	0	0	3.21	3.01
Sterlite Energy Limited	NA	15.05	NA	0	NA	0	NA	0	0	15.05
SESA GOA	3.14	1.93	0.24	2.81	12.58	14.41	0.12	0.11	16.08	19.26
Vedanta	121.82	136.44	151.62	179.68	12.68	14.5	5.71	8.72	291.84	339.34

The significant water withdrawal at KCM and the Lisheen mine is due to mine dewatering operations

Environment continued

Waste Water Discharged (million m³)

Unit	Total waste water discharged after treatment for each business unit			
	2010-11	Destination	2011-12	Destination
HZL	0.11	Sea	Zero Discharge	NA
Skorpion Zinc	NA	NA	Zero Discharge	NA
The Lisheen Mine	NA	NA	0.03	River
Black Mountain Mine	NA	NA	Zero Discharge	NA
CMT	27.55	River and Creek	26.78	River and Creek
SIIL	Zero Discharge	–	Zero Discharge	NA
KCM	107.59	Streams and River	137.28	Streams and River
BALCO	9.62	River	3.84	River
VAL-J	1.75	River	1.41	River
VAL-L	Zero Discharge	–	Zero Discharge	NA
MALCO	Zero Discharge	–	Zero Discharge	NA
Sterlite Energy Limited	NA	NA	Zero Discharge	NA
SESA GOA	Zero Discharge	–	Zero Discharge	NA
Vedanta	146.62	–	169.34	NA

Total Direct and In- Direct Green House Gas emissions by business units (tonnes of CO₂ eq)

Unit	Scope-1		Scope-2	
	2010-11	2011-12	2010-11	2011-12
HZL	3,723,069	4,619,113	422,750	180,160
Skorpion Zinc	NA	28,044	NA	649,823
The Lisheen Mine	NA	4,403	NA	71,551
Black Mountain Mine	NA	16,114	NA	487,098
CMT	8,903	9,069	4,780	5,156
SIIL	320,511	180,359	278,585	113,068
KCM	129,200	119,237	27,091	12,868
BALCO	8,190,469	7,622,035	589	1,462
VAL-J	15,290,068	9,112,679	0	68,193
VAL-L	1,928,645	1,135,227	3,112	1,012
MALCO	1,287,020	875,470	0	0
Sterlite Energy Limited	NA	6,325,020	NA	0
SESA GOA	713,669	671,534	66,956	68,720
Vedanta	31,591,554	30,718,303	803,863	1,659,110

There was a typographical error observed for Scope-1 and Scope-2 emission values for Sesa Goa in the last year SD Report.

Waste and recycling

Our Waste Management Standard guides the Group to work to reduce waste generation and disposal of waste in a safe and sound way. During the year, our operations generated 9.3 million metric tonnes of non-hazardous waste including fly ash (from captive and merchant power plants), red mud (aluminium refinery waste), jarosite/jarofix, gypsum, lime grit (process residues from smelters) and 1.1 million metric tonnes of hazardous waste, including used/spent oil, waste refractories, spent pot lining and residual sludge (from smelters).

More than 70% of generated non-hazardous waste is constructively used:

- > 3.6 million metric tonnes of fly ash were used in cement, brick manufacturing and in raising of ash pond dyke height.
- > 2.2 million metric tonnes of slag were used in various applications (road construction, land levelling, abrasive and cement industries).
- > 0.8 million metric tonnes of gypsum were used in cement and fertiliser industries and brick manufacturing.

Other non-hazardous waste materials are stored in designated land-fill and/or are sold to local vendors.

We have processes in place to ensure appropriate management and disposal or recycling of these wastes.

Hazardous wastes are stored in a secured land fill and some of them are sold to authorised recyclers while most of our generated overburden is used in secondary construction work – for example, in raising tailing dam heights. Some tailings are also used for the back filling of mines.

In order to combat the challenges inherent in alumina processing, our VAL-Lanjigarh unit has taken up a new Clean Development initiative through a number of Research and Development (R&D) projects in collaboration with reputable organisations including IMMT, Bhubaneswar and NIT Rourkela.

Amount of Hazardous and Non-Hazardous Waste Generated (MT)

Unit	Hazardous Waste 2011-12	Non-Hazardous Waste 2011-12
HZL	581,960	589,267
Skorpion Zinc	242	NA
The Lisheen Mine	28	NA
Black Mountain Mine	107,502	965
CMT	88	133
SIIL	46,219	1,425,232
KCM	937	404,767
BALCO	8,470	2,295,497
VAL-J	26,056	1,195,420
VAL-L	8,074	1,736,323
MALCO	21	31,889
Sterlite Energy Limited	63	1,683,118
SESA GOA	327,542	8,910
Vedanta	1,107,202	9,371,521

Tailings is not reported as a part of Non-Hazardous waste. It is reported under GRI MM3 Indicator

Direct and Indirect Energy Consumption (million GJ)

Unit Name	Direct		Indirect	
	2010-11	2011-12	2010-11	2011-12
HZL	30.01	45.51	1,855,960	3,494,206
Skorpion Zinc	NA	0.38	NA	2,436,837
The Lisheen Mine	NA	0.06	NA	483,271
Black Mountain Mine	NA	0.22	NA	487,098
CMT	0.12	0.12	344,170	371,247
SIIL	3.47	1.96	1,091,859	1,708,117
KCM	1.71	1.57	6,772,764	6,617,778
BALCO	78.48	72.6	2,582	6,571
VAL – J	82.87	79.11	–	577,346
VAL – L	20.5	12.39	13,662	4,555
MALCO	13.4	9.11	–	–
Sterlite Energy Limited	NA	65.99	NA	103,871
SESA GOA	2.15	1.98	296,072	289,515
Vedanta	232.71	291.02	10,377,068	16,580,413

Amount of overburden, tailing (MT) for each business units

Company	Overburden	Tailings	Total
HZL	70,353,975	5,745,934	76,099,909
Skorpion Zinc	0	1,666,893	1,666,893
The Lisheen Mine	0	683,257	683,257
CMT	2,155,269	2,130,957	4,286,227
KCM	61,237,861	14,885,890	76,123,751
BALCO	4,334,168	0	4,334,168
SESA GOA	47,256,913	10,836,311	58,093,224
Vedanta	185,338,188	35,949,242	221,287,429

Environment continued

The R&D projects will facilitate the potential development of clean technologies in the aluminium business. The implementation of the successful R&D projects across the different areas of the refinery will ensure conversion of waste into marketable commodities as well as adopting a cost effective process through the removal of critical impurities from bauxite ore.

Performance

During the year, Vedanta recycled 64,000 MT waste materials as inputs into production.

The emission of ozone depleting substances is not a material concern for Vedanta as none are used in processes associated with our operations.

The presence of Poly-Chlorinated Biphenyls (PCBs) is not a material concern for Vedanta as, apart from KCM Zambia, none are used in our operations. At KCM, PCBs are observed in some of the transformers – these will be phased out during FY 2012-13.

Significant

Environmental Incidents

We strive for zero environmental incidents at all Vedanta operations. We monitor, report and investigate any incidents that do occur and apply lessons learned to prevent recurrence of similar incidents in future. We have developed an internal rating system for incidents according to their severity (see table opposite). On a quarterly basis, the Sustainability Committee reviews the Category 4 and Category 5 incident investigation reports.

In 2011-12, two significant spills (one Category 5 and one Category 4) were recorded:

Incident 1: Sesa Goa (Bicholim mine) – Category 5

Date of Incident: 16 July 2011 at 7.00 am

Brief: Due to excess rainfall there was an increase in pit water level and because of a blockage in the overflow pipe an overflow occurred, which

resulted in erosion and breach of bund wall and the rainwater flowing into nearby fields. This incident affected 1.30 hectares of land and impacted the adjoining area.

Actions taken:

1. A parapet wall was constructed to arrest the additional silt flowing into the next settling pond.
2. Erection of bund with hard laterite material completed.
3. Three additional pipes of 900mm diameter at different levels were laid and the pumping capacity of the overflow pump was doubled.

Incident 2: Zinc International (Black Mountain Mine) – Category 4

Date of Incident: 9 November 2011

Brief: A diesel tanker carrying 12,500 litres of diesel was pumping into a workshop tank (capacity approximately 9,000 litres). The isolation valve of workshop tank was accidentally left open, resulting in a diesel spill around the area which affected a mine water dam over a 10 square metre area.

Actions taken:

To prevent recurrence and as a corrective action a lockout system was installed on the surface valve at the main diesel storage area.

Biodiversity

Our biodiversity policy commits us to minimise and mitigate biodiversity risks throughout our business. Inherently, mining operations can affect local ecology but we strive to avoid any impact on natural habitats. We plan to manage and use land in our operations in a manner that allows biodiversity conservation to be integrated through the project lifecycle, including decommissioning, closure and rehabilitation.

We have recently undertaken a risk mapping of key biodiversity areas, extinction species and IUCN category areas across all our Group's operations using the IBAT mapping tool <https://www.ibatforbusiness.org/>. This process has led to a risk assessment which is being used

to set priorities for the development of Biodiversity Action Plans. As biodiversity is a specialised discipline, we plan to review the risk assessment process, including conducting pilot studies to validate the identified risks through the IBAT tool. We plan to have a full suite of appropriate Biodiversity Action Plans (BAP) in place at all our sites by 2015.

As part of our Environmental Management programme, massive afforestation drives are organised under the auspices of our Green Belt Development Programme. During 2011-12, we planted 5.7 million saplings. To date, the Group has planted more than 17.7 million trees.

Air Emissions

Air emissions include both Ambient Air Quality Monitoring (AAQM) as well as stack emissions monitoring. In general, as part of the EIA study, the baseline ambient air monitoring data is collected within a 10km radius of the plant site. The monitoring locations are selected based on the following considerations:

- > Meteorological conditions on synoptic basis.
- > Topography of the study area.
- > Likely impact areas.

Suspended Particulate Matter (SPM), SO₂ and NO_x are generally monitored as part of AAQM. The AAQM reports are regularly submitted to the regulatory authorities.

In relation to stack emissions, particulate matter emission is legally regulated at most of our operations and accordingly is being monitored. We monitor SO₂ and NO_x and other relevant emissions – lead emissions in zinc operations, fluoride emissions in copper and aluminium operations and Poly Aromatic Hydrocarbons (PAH) in aluminium operations. We will provide more details of our measures around Air Emissions in next year's Sustainability Report.

Internal Rating System for Incidents According to their Severity

Categories	Definition	Criteria (Any one)
Category 1	Negligible	<ul style="list-style-type: none"> > Inside Plant – Toxic/Hazardous material and volume up to 1 m³ or equivalent vol. of gas emission/discharge of waste > Outside Plant – Causing negligible, reversible environmental impact, requiring very minor or no remediation > Complaints – Local complaints in company office (written or verbal) from external sources > Coverage – Nil
Category 2	Minor	<ul style="list-style-type: none"> > Inside Plant – Toxic/Hazardous material and volume up to 1-10 m³ or equivalent vol. of gas emission/discharge of waste > Outside Plant – Toxic/Hazardous material and volume up to 1 m³ or equivalent vol. of gas emission/discharge of waste causing minor, reversible environmental impact, requiring minor remediation > Complaints – Receiving of multiple complaints on same topics from external sources > Coverage – Minor/adverse local public or media attention
Category 3	Moderate	<ul style="list-style-type: none"> > Inside Plant – Toxic/Hazardous material and volume up to 10-100 m³ or equivalent vol. of gas emission/discharge of waste > Outside Plant – Toxic/Hazardous material and volume up to 1-10 m³ or equivalent vol. of gas emission/discharge of waste causing moderate, reversible environmental impact with short-term effect, requiring moderate remediation > Complaints – Receiving of multiple complaints on same topics from/to Local NGO/Govt. body > Coverage – In Regional media – Newspaper/TV
Category 4	Serious	<ul style="list-style-type: none"> > Inside Plant – Toxic/Hazardous material and volume up to 100-1,000 m³ or equivalent vol. of gas emission/discharge of waste > Outside Plant – Toxic/Hazardous material and volume up to 10-100 m³ or equivalent vol. of gas emission/discharge of waste > Complaints – Receiving of complaints/multiple complaints on same topics from/to National NGO > Coverage – In National media – Newspaper/TV/Internet
Category 5	Disastrous	<ul style="list-style-type: none"> > Inside Plant – Toxic/Hazardous material and volume more than 1,000 m³ or equivalent vol. of gas emission/discharge of waste > Outside Plant – Toxic/Hazardous material and volume up to 100-1,000 m³ or equivalent vol. of gas emission/discharge of waste > Complaints – Receiving of complaints/multiple complaints on same topics from/to International NGO/Central Govt. body > Coverage – In International media – Newspaper/TV/Internet





Building Strong Relationships

Building Strong Relationships is the second pillar of our sustainability model. Our commitment to building strong relationships is based on the understanding that establishing and maintaining close, responsive links with our stakeholders is an essential part of our journey as a sustainable business.

What's in this section	
Stakeholder Engagement	46
Human Rights	50
Community Consultation and Resettlement	52

Stakeholder Engagement

Driving effective communication

Introduction

Stakeholder engagement equips us to proactively build trust in our business, identify opportunities and mitigate risks by understanding and effectively responding to concerns and issues.

We are further developing our stakeholder engagement processes – the evolution of our stakeholder engagement is premised on the notion that those groups who can affect or are affected by our goals and activities should be given the opportunity to be consulted in the development of decisions that affect them, including our employees, the communities surrounding our operations, host governments, our industry, civil society (including NGOs), shareholders and lenders. A participative approach to dialogue and responsiveness strengthens our business and deepens the positive impact of our activities. Further, we have much to learn from those that understand the changing nature of the sustainability of the planet.

Our stakeholder engagement technical standard is part of the sustainability framework and was introduced

in 2011 to help us in undertaking a high quality stakeholder identification analysis by seeking to identify and understand those who might be directly or indirectly affected or interested in Vedanta operations and the future of society and the planet. We aim to achieve a deep understanding of all our stakeholder groups. The standard requires all projects, across their lifecycle, to undertake proactive stakeholder identification, analysis and engagement. We are working to embed the standard across our businesses.

As part of our developing engagement plan we have identified seven key stakeholder groups:

- > Our shareholders.
- > Our lenders (usually commercial banks).
- > Our employees (including contractor employees).
- > Communities (directly impacted by our operations).
- > Our industry (including customers, suppliers, competitors and representative bodies).
- > Host governments, and

- > Civil society (including NGOs, universities and charitable organisations).

This year we undertook close to 3,200 community engagements, which assisted us to identify sustainability priorities and direct our efforts in facilitating a greater degree of sustainability in our programmes. In addition, we have constructive partnerships with 149 NGOs, government bodies, academic institutions and private hospitals.

Considering our need and desire to progress in this area, we have built a robust organisation with over 125 employees and more than 1,100 community field officers who work within the communities neighbouring our plants, and through this process we are able to develop projects in partnership with local governments and NGOs who add tremendous value and leadership to our aspirations to support development. At the local level and on a day-to-day basis, our local community development teams are involved in the lives of our local communities.

Identifying and actively managing a large number of complex relationships must be a planned and ongoing process with constant review as our business grows and changes. This also reflects the reality that the external operating environment is constantly evolving.

How we engage with our stakeholders



The Need

In a continuous effort to drive our sustainability framework in a robust manner, our Vedanta Aluminium Ltd – Lanjigarh site sought to trial a more structured approach to its grievance processes, to enable better resolution of issues in a structured format, with more accurate data gathering.

The Business Solution

A cross-functional team under the leadership of the head of human resources and the head of corporate social responsibility conduct 'grievance open house' each week with anyone that has a suggestion or grievance to discuss.

The process is structured on the following basis:

Any person having an issue or a grievance can come to the regularly scheduled open house and register that grievance. The person is invited to discuss their issue with a team member. The issue or grievance is processed and assessed for appropriate action with the aim to resolve and/or answer the issue within seven days. At the closure of the case, the person is asked to return to register completion. The process is conducted in the local Oriya language.

All issues are tracked and categorised, with the majority falling into four categories:

- > Land acquisition related matters
- > CSR and community development
- > Employment request
- > Environmental related

For issues only solvable by the Resettlement and Periphery Development Advisory Committee or government departments, which have been the majority, a joint meeting is arranged between the person bringing the issue, the district administration and representatives from Vedanta Aluminium.

Way Forward

With the pilot's success, Vedanta intends to use this process as a model for grievance processes across the business by 2013, modified where appropriate for local conditions. Currently all our facilities do have in place community liaison personnel who act as a bridge to local communities over and above the statutory mechanisms available to deal with grievances – however, we believe our trial model will further strengthen our grievance processes.



Piloting our grievance mechanism process at Vedanta Aluminium Ltd

Period : April 2011 – March 2012

	Number of grievances closed	Number of grievances open	Total Number of grievances
Community related development/ infrastructure/livelihood	7	5	12
Human Resource related include Full time and Contractor Employees	6	1	7
Land related (One time settlement)	444	1	445
Total	457	7	464

Evaluating our future performance

As we develop and embed our new stakeholder engagement plan, we will be seeking to confirm within our business that:

- > We have rolled out our grievance redressal standard which is being adopted by all our subsidiaries;
- > Each operation has a Stakeholder Engagement Plan which includes evidence of the Stakeholder Identification and Analysis process;
- > Stakeholder Engagement Plans are updated when there is significant change to the operation, community grievance or incidents;
- > Roles, responsibilities and accountabilities have been clearly defined and documented for Stakeholder Engagement activities;
- > Each operation has evidence that they have sought feedback on Stakeholder Engagement processes to make improvements where possible.

52

52 issues recorded in the Village meeting.

3.1m

3.1 million people benefited through our community engagements programme.

247

247 meetings with Government Officials.

106

106 panchayat meetings attended.

294

294 meetings with NGOs.

2,553

2,553 village meetings conducted.

6

6 Public Hearings conducted.

Stakeholder Engagement continued

We seek to add and share value through everything that we do

Our stakeholder groups



Shareholders

The main channels of communication with the investment community are through the Chairman, Deputy Chairman, Chief Executive Officer, Chief Financial Officer, Senior Vice President, Investor Relations and Chief Sustainability Officer. The Senior Independent Director and other Non-executive Directors are also available as appropriate. The Directors as a whole keep abreast of shareholder sentiment through regular detailed investor relations reports made to the Board. A detailed summary of our methods of engagement is discussed on page 73 of our Annual Report and can also be accessed on our website.



Lenders

We have a Corporate Finance team which works with our lenders and on their requirements and requests, engaging with current and potential lenders around the world. Our Chief Sustainability Officer meets with lenders to discuss sustainability related issues.



Employees and contractors

In line with our Group philosophy to foster and nurture a culture of meritocracy and high performance, regular performance and career development reviews are undertaken. Our Performance Management System is a key tool to measure, reward and improve performance. In addition to annual reviews, forums including Chairman's Workshops, CEO meetings and other direct employee engagement activities – as well as liaising with employee representatives – work to promote a culture of trust between employees and management.



Communities

We operate in many countries that are developing rapidly and have unique requirements around community support. To drive our community relations and programmes we have a substantial team, including 125 community field officers, working in conjunction with around 1,100 field co-ordinators. Our team works to develop meaningful projects in partnership with local governments and local NGOs. To understand and manage site specific issues we have developed grievance procedures where issues of concern can be raised in a non-confrontational environment.

Recruited from leading institutions and organisations, our Community Field Officers engage with our neighbouring communities through regular visits to villages, panchayats (village councils) and public hearings.



Our industry

Understanding the needs and expectations of our customers and suppliers and the evolving trends, opportunities and threats to our business can only be achieved if we work closely with our commercial partners and industry bodies, and engage with our competitors. Our commercial and management team engages in constant dialogue with these groups and we are evolving processes to enable this constant communication to be strategically captured as part of our evolving stakeholder engagement plan.

A number of our subsidiary companies are members of the following trades and industry bodies. They actively participate at these forums:

- > 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.

Our customers

We generally sell to industrial customers with whom we usually engage directly, rather than through brokers and agents. Our customers are often large organisations who use our material to create their end products.

Our customers' satisfaction and relationships are assessed by:

- > Senior executives making frequent visits to customers to get direct feedback on our products and services and other related issues.
- > Customer satisfaction surveys are conducted at periodic intervals using third parties. The feedback is shared in management review meetings to take appropriate corrective actions and to address the requirements of customers.
- > We have a dedicated Technical Services resource for quality assurance and for monitoring of all physical quality parameters. For example, at HZL, we have a monthly scorecard to track quality improvement performance. Technical assistance is provided to customers by both internal and external experts in addition to frequent workshops/seminars on technical issues and product development for first use.

Our Suppliers

Due to the scale of our operations, we create strong requirements for products and services. We actively encourage vendors close to our operations, creating opportunities for local employment and development.

We work closely with our suppliers to ensure the safety of their products and we are aiming to implement a consistent level of supplier standards across the Group, while concurrently working to develop as much local sourcing as possible.



Governments

Our engagement with our host governments is multifaceted and incorporates all aspects of our business, from resource licensing rounds, contributions to debates around the mining and resources industry and development planning.

Vedanta has recently signed the United Nations Global Compact and agrees to abide by and report on all principles of the Global Compact. We have also subscribed to and are participating in WBCSD (World Business Council for Sustainable Development) meetings.

We have not received any direct financial assistance from government, however, as a part of various direct tax holidays and similar exemptions, Vedanta has benefited by US\$416.1 million during last year.



Civil society

Our partnerships with local NGOs, research institutions, and other organisations are a key means of sophisticated engagement and have enabled us to build and deepen community development initiatives, as well as bring high quality expertise and skills in community development to our project areas, for the betterment of our surrounding communities. We have set guidelines in place for the selection of our civil society partners – our partnerships now number 149 with NGOs, government bodies, academic institutions and private hospitals.



Human Rights

We are working hard to grow our business and to support economic development

Introduction

At Vedanta, upholding people's fundamental rights is core to our business. We are committed to using international best practice and our approach is guided by international standards.

We are working hard to grow our business and to support economic development in the countries in which we operate and this cannot come at the expense of the human rights of people. In support of this approach, this year we introduced our Human Rights policy – its implementation and the development of supporting standards will provide us with an overarching approach and structured processes to ensure all our businesses and operations protect and respect human dignity and the culture and heritage of local communities.

The majority of our business is conducted in developing countries. While we are committed and obliged to comply with local regulations around human rights, we are also

committed to aligning our practices with international best practices.

Our Approach

Our Human Rights policy sets out our goals and states that Vedanta will strive to:

- > Be compliant with labour laws of the country we operate in. Uphold human rights aligned with national and international regulations as applicable;
- > Ensure that our employees are fairly and reasonably paid and our remuneration structure is compliant with statutory obligations of the jurisdiction we operate in. Our operations will be based on zero tolerance for any form of forced, compulsory or child labour directly or through contracted labour. We recognise and respect employee rights to associate freely and to collective bargaining. We promote fair working conditions as guided by international conventions wherever applicable;
- > Be an equal opportunity employer and all employees will be treated with respect and dignity and judged solely on their performance irrespective of their race, religion, caste, gender, age, disability, HIV/AIDS status, and any other characteristic;
- > Respect and preserve the culture and heritage of the local communities, including socially vulnerable groups which are impacted by our operations, and work towards developing a constructive relationship with such groups and local communities, seeking broad-based support for our operations;
- > Respect the social, economic, cultural and human rights of communities;
- > Work with government agencies to develop a common understanding and agreement to protect human rights in the event of any unforeseen situations;
- > Ensure protection of our people, equipment and assets.

In our Merger and Acquisition Sustainability Management Standard, we have devised a due diligence screening process incorporating human rights clauses and this will be followed for M&A activity in the future.

We have also developed a supplier and contractor sustainability management policy. All our Group companies are developing their management systems to incorporate these policies to meet our Vedanta Technical Standard. Our contract terms and conditions insist on compliance with respect to Payment of Minimum Wages, Contract Labour (Regulation and Abolition) Act, Workmen's Compensation Act and other relevant acts in the countries in which we operate. A number of our suppliers have endorsed our code of conduct, which includes clauses on human rights. This is now being introduced to all suppliers in a phased manner.

Child Labour

We strictly prohibit the use of child labour among our operations or those of our contractors. Whilst we operate in countries where the risk of child labour may be high, during the past year, no instances of child labour in our operations came to the Group's attention.

Forced Labour

Our Code of Conduct prescribes that we will operate in compliance with all laws and regulations including the protection of fundamental human rights of all employees. All our contracts with contractors and vendors include specific clauses on human rights as prescribed by local law and statutes. No instances of forced labour in our operations came to the Group's attention.

Vulnerable and Indigenous Peoples

We recognise the inherent sensitivity in engaging with Indigenous and Vulnerable Peoples. We respect their rights and endeavour to work with experts, local actors and the government to develop processes to try to enable appropriate engagement to take place.

In India, the law protecting Primitive Tribal Groups is very stringent and broadly covers all underlying aspects of international best practices. Our goal is to continue to manage these engagements in line with local laws and international best practice.

Our Group's historical focus on and experience of social investment was used to launch need-based social development and infrastructure programmes. As an example, in Orissa, under the Supreme Court directive, we have developed the Lanjigarh Project Area Development Foundation which invests in the development of the area, including the primitive tribal groups that reside therein. In 2011-12, we have not recorded any incidents of violation of vulnerable or indigenous people's rights.*

Delivery

In the last financial year, we have rolled out a series of sustainability policies and standards across our Group companies. As noted above, we have also developed a Human Rights policy aligned to our Code of Conduct and international standards including the IFC and UNGC. Training our employees in our Human Rights policy has occurred as a part of the process we have undertaken to embed our sustainability framework into our organisation.

At a Group level we have organised training on Vedanta's sustainability framework, including our human rights policy, where over 3,500 hours of training were imparted by the Vedanta corporate sustainability team in India and Africa.

The training programme trained 67 trainers who have further imparted the training to more than 1,000 employees across the Group companies.

At the unit level, we imparted human rights training to our employees and contractors through our Code of Conduct – over 18,000 hours of training have been undertaken on the Code of Conduct.

All our security guards in India and Zambia received specific training on human rights/security management by in-house trained personnel.

We have also introduced a structured Grievance Mechanism Standard which has been piloted and implemented at our VAL-Lanjigarh operations. Our aim is to roll the mechanism out at all our other operations, with implementation across all Group businesses planned by June 2013.

We have a structured system in place to capture social and labour related incidences. All incidences are categorised – negligible (Category 1), minor (Category 2), moderate (Category 3), serious (Category 4), disastrous (Category 5). No social and labour incidence is recorded lasting more than one week.

* The Indian constitution does not recognise indigenous people; however, it does recognise schedule and primitive tribal groups as vulnerable groups who are given special protection under the law. The Government ensures the protection of these people by managing the process itself. We work within Indian law which leads to project permits. No direct issues pertaining to schedule and primitive tribal groups as a vulnerable group's violation were observed during the reporting period.

Community Consultation and Resettlement

Nurturing sustainable relationships

Introduction

Our efforts are directed at building trust with stakeholders at the earliest possible stage of a project's life. Our ability to operate is dependent upon working collaboratively as we develop and expand. Structured community engagement is a very important factor in the success of our new projects.

Our Role

We believe that the materials we produce bring substantial benefits to people across the world. However, in bringing about those benefits we have to ensure that the impact of our mines, refineries and other plants also brings benefits to the communities in which they operate. Accordingly we must work hard to maximise the positive and minimise any adverse impacts of our operations, including any community displacement. This can only occur through close consultation and collaboration.

Our community engagement programmes are an important factor in our sustainability strategy – they assist us in identifying community needs, and facilitate innovation and effective programme implementation.

Our Approach

Our New Projects, Planning and Site Closure Standard stipulates that companies in our Group will ensure effective consultation programmes are in place to obtain broad community support in relation to any new project and ensure stakeholders understand the risks, impacts and opportunities associated with the proposed project. In addition, operations are required to implement a stakeholder engagement plan in accordance with our Stakeholder Engagement Standard.

Community Consultation is designed to occur at all stages of the project – for example, as part of our process

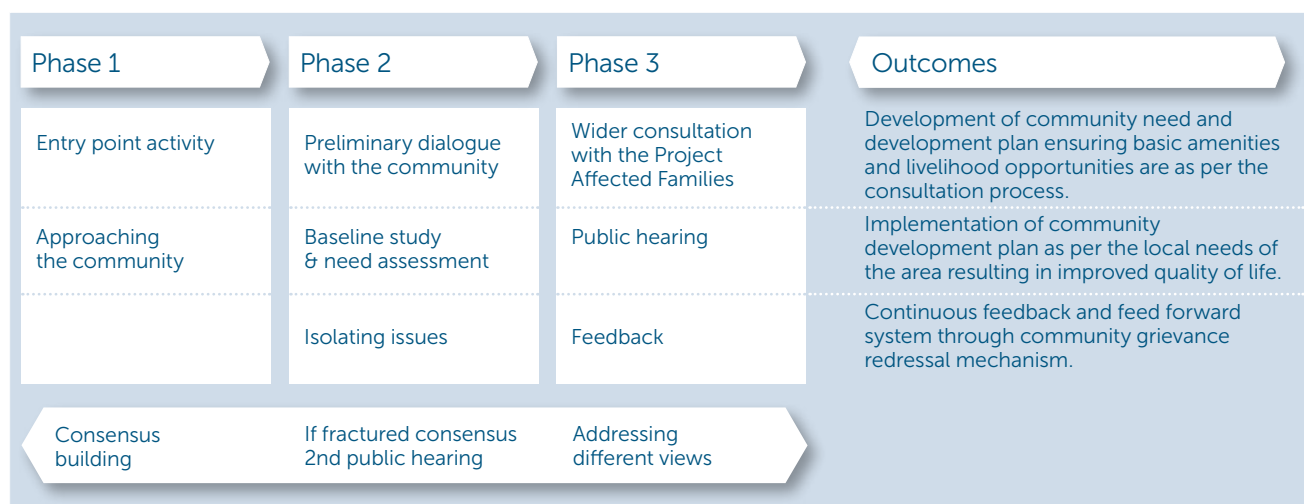
at feasibility, commencing the construction of a new project, operation, before an expansion and prior to closure, and in a continuous, consultative basis throughout the lifetime of a project.

Community Consultation

Major projects

In the feasibility stage, pursuant to our New Projects, Planning Processes and Site Closure Standard, our Group companies are working to ensure effective consultation programmes are in place to obtain broad community support in relation to the new major projects and ensure stakeholders understand the risks, impacts and opportunities associated with the proposed project. Consultation programmes now include, but are not limited to, the dissemination of information through public hearings and community meetings, distribution of Public Consultation

Our consultation approach: building community understanding



and Disclosure Plans and relevant project documentation and establishing and maintaining an effective grievance procedure.

Operating and Ongoing Projects

Most of our operations are very well established and have a consistent and open dialogue process in place through various platforms, and building and nurturing relationships with communities near our ongoing operations will continue. We continue to work to understand the concerns of our neighbouring communities and endeavour to closely manage them. We also work to ensure that all consultations occur in a culturally sensitive manner, in local languages where possible and in a collaborative and open manner. As shown in the diagram on page 52, the process is one of continuous consultation, which is ongoing throughout the life of the project, and its closure.

Resettlement

We firmly believe in avoiding forced evictions or involuntary resettlements whenever possible.

While the planning and implementation of mitigation measures for resettlement and rehabilitation cannot guarantee complete success on each occasion, we are committed to minimising the negative impacts, such as stress generated by the land acquisition and resettlement processes, by adopting such project design and location alternatives that reduce the number of people potentially affected and that minimise the severity of potential impacts.

To guide all future resettlements we have put in place a Land and Resettlement Management Standard, which obliges all our operations to adhere to common processes, including:

- > All operations shall undertake project specific social impact assessment studies and, where appropriate, prepare a Resettlement Action Plan aligned with applicable national regulatory and policy framework as well as international standards.

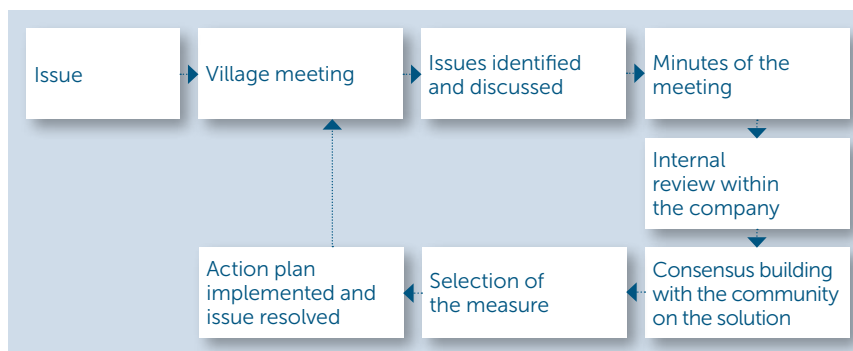


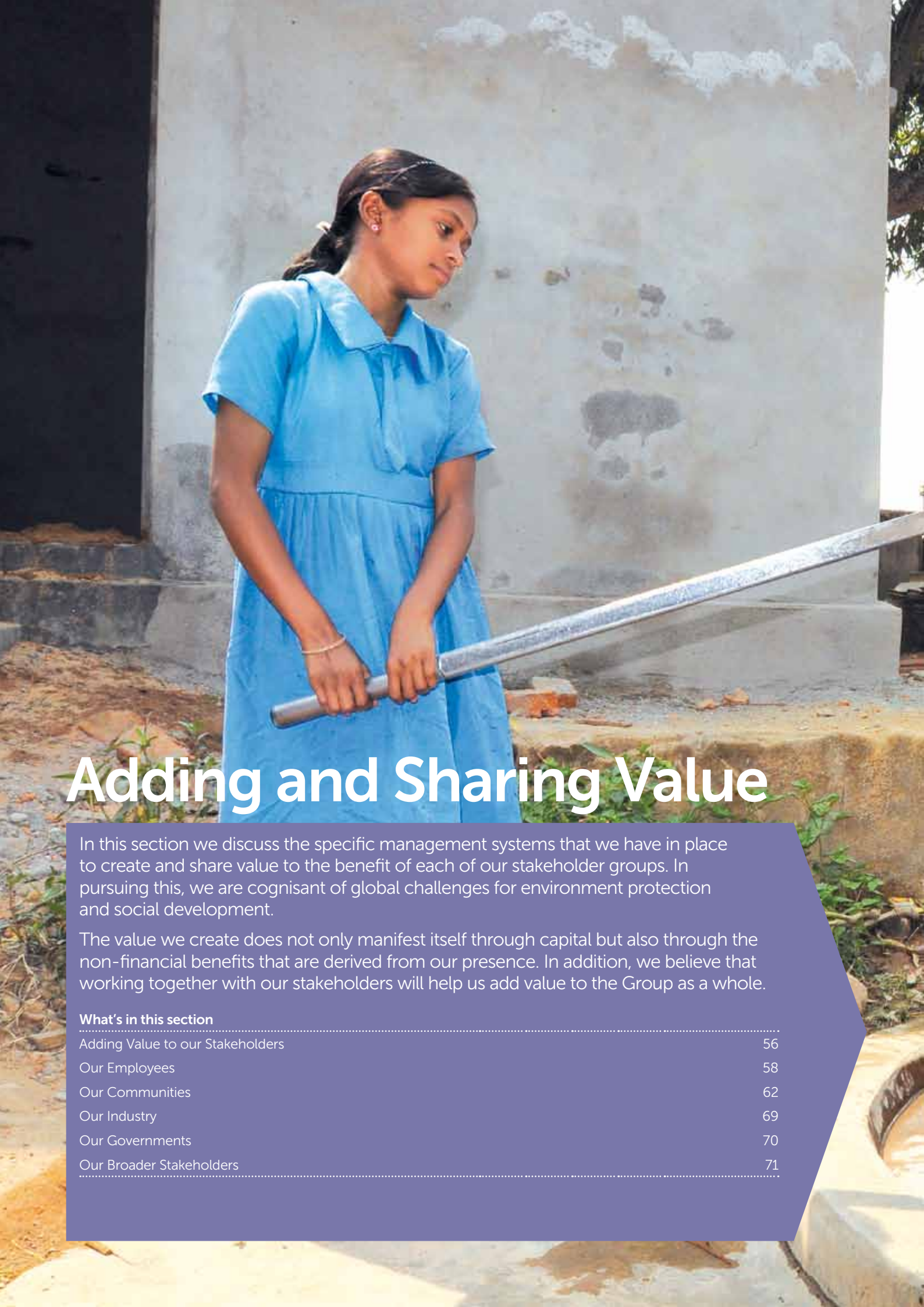
- > Where households need to be physically displaced then we will ensure that such households are provided with alternative housing which is culturally appropriate. We aim to find resettlement sites in suitable locations chosen in consultation with the people to be resettled. Our goal is always to make sure the housing and access to infrastructure and amenities will be of an improved standard compared to that prior to displacement. To the extent possible people will be given options for resettlement.
- > All the people that are within the area of impact of our operations will be assessed for long-term rehabilitation assistance and

programmatic support to help them restore their livelihoods and overall quality of lives to at least pre-project levels and where possible we hope it will be considerably better.

For all our projects, we use public consultation to gauge the needs of the communities and address any concerns. By way of example, at our VAL-Lanjigarh operation, we constructed a resettlement colony for displaced families with supporting physical infrastructure, including roads, drainage, electricity and new water supply, and social infrastructure, including schools, childcare centres, temples and playgrounds. We undertook no resettlement in 2011-12 in any of our Group companies.

How we resolve issues





Adding and Sharing Value

In this section we discuss the specific management systems that we have in place to create and share value to the benefit of each of our stakeholder groups. In pursuing this, we are cognisant of global challenges for environment protection and social development.

The value we create does not only manifest itself through capital but also through the non-financial benefits that are derived from our presence. In addition, we believe that working together with our stakeholders will help us add value to the Group as a whole.

What's in this section

Adding Value to our Stakeholders	56
Our Employees	58
Our Communities	62
Our Industry	69
Our Governments	70
Our Broader Stakeholders	71



Adding Value to our Stakeholders

Introduction and our role

The third pillar in our sustainability model is Adding and Sharing Value – working to enhance the value we can bring to each of our stakeholder groups. All our commodities and our energy generation provide some of the key building blocks in the modern world, however, our production alone is not a complete measure of our success. We aim to add meaningful value to the communities in which we operate, the lives of our employees and to each of our stakeholders. Given that a significant percentage of our business has operations in socio-economically disadvantaged regions, we recognise that real development is needed. Vedanta has a strong Indian heritage, we have the majority of our assets and people based in the developing world and, accordingly, our commitment to being a part of the sustainability solution is even greater.

At the most fundamental level, we add value to the societies in which we operate through the direct economic impact we make – through employing

and contracting approximately 100,000 people, our direct investment in infrastructure to support our operations, the taxes and other payments we make to governments and capital providers and the direct community investments we make. When our activities are carefully linked to our stakeholders' aspirations, the multiplier effect of the economic value we provide is very significant.

In parallel to the value we add in pure economic terms is the social value we can and do add through our targeted engagements. We play a significant role in local skills development and the development of local infrastructure, including roads, sanitation, education and medical facilities. All of our activities stem from our Chairman's passionate commitment to the communities where we operate and our broader stakeholder base – our fundamental goal is to be a true partner by creating genuine, sustainable value.

We have reached out to more than 3.1 million people in our neighbouring communities in 2011-12. A selection of our key initiatives and activities to advance our goal of adding and sharing value with our neighbouring communities in India and Africa includes:

163

163 villages covered under our Integrated Village Development Programme.

+13,900

more than 13,900 acres of land brought under cultivation.

3,558

3,558 youths have vocational training provided.

+27,000

more than 27,000 women benefiting from involvement in over 2,000 self-help groups.

US\$38m

our investment in these projects was US\$38 million in 2011-12.

India

- > Established eight centralised hi-tech mid-day meal kitchens, having capacity to provide nutritious mid-day meals to more than 250,000 students at 2,710 schools on daily basis.
- > 3,000 Vedanta Bal-shakti Anganwadi Centres (pre-schools and early learning centres) benefiting 125,000 children.
- > A Vedanta computer literacy programme in 5,331 schools and 245 vocational education centres providing computer education to more than 71,500 students.
- > Vedanta Cancer Hospital at Raipur, Chhattisgarh.
- > Vedanta Heart Hospital, Udaipur, Rajasthan.
- > Vedanta Therapy & Rehabilitation Centre, Korba, Chhattisgarh.
- > Vocational Training Centre for differently-abled at Bharatpur, Rajasthan.
- > Sesa Technical School, Goa.
- > Vedanta Post-Graduate Girls' College at Ringus, Rajasthan.
- > 27,613 women enrolled in 2,028 self-help groups, with cumulative saving of some US\$280,000.
- > Literacy and education initiatives for more than 26,000 children and adults.
- > 163 villages covered under our Integrated Village Development Programme.
- > Sesa Football Academy (Junior & Senior), Goa.
- > Over 13,900 acres of land brought under cultivation.
- > More than 5 million saplings planted.

- > Over 17,000 students benefited through 14 company-run schools and post-graduate colleges for girls.
- > Healthcare services provided to over 776,000 people.
- > 29 company-run hospitals and health posts.
- > Veterinary services benefiting over 200,000 cattle.

Africa

- > 10 villages provided with safe drinking water projects, benefiting more than 6,000 people.
- > 28 computer education centres and 25 schools benefiting more than 7,000 students.
- > Two company-run schools benefiting more than 1,800 students.
- > Vocational training provided to 138 youths.
- > More than 15,000 farmers benefited through various farm-based activities.
- > Over 1,000 women benefiting from involvement in 82 self-help groups.
- > More than 6,000 saplings planted.

In addition to community development programmes, we also focus on augmenting and upgrading community assets and resources, including constructing community facilities, water tanks, roads and the repair of school buildings in partnership with community and local government bodies. These investments make a lasting contribution across multiple generations. Our investment in these projects was US\$38 million in 2011-12 and the breakdown is detailed below:

Our investment in 2011-12

Country	Amount (US\$)			Total
	CSR expenses (Livelihood, Infrastructure, Community Development etc.)	Spent on Company-run school	Spent on Company-run hospital	
India	14,868,827	1,359,962	2,877,981	19,106,769
Zambia	2,295,750	13,372,173	1,038,981	16,706,904
Namibia	773,868	—	—	773,868
Ireland	290,733	—	—	290,733
Australia	167,438	—	—	167,438
South Africa	1,069,313	—	—	1,069,313
	19,465,929	14,732,135	3,916,962	38,115,025



Our Employees

A high performance work culture

Introduction:

Our employees are our key asset – Vedanta's 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 who run our businesses.

We are committed to providing our employees with a supportive, rewarding and safe work environment with a high degree of engagement and empowerment, enabling them to realise their full potential, creating a high performance work culture. We believe that our success is due to the commitment, passion and contribution of our employees.

Our Approach

Our Group Human Resources philosophy framework supports us in inculcating a culture that promotes a high level of employee engagement and the consistent delivery of high performance. The following are our guiding people philosophies, which apply across all of our Group companies:

- > Ensuring a philosophy of meritocracy;
- > We are committed to ensuring that our work places are free from all forms of discrimination or harassment on the basis of age, caste, sex or religion;
- > Complying with all applicable laws and regulations within our areas of operation;
- > Meeting all our responsibilities and HR obligations as a direct and indirect employer and respecting the human rights of all of our employees and contractors;
- > Have robust processes and systems in place for leadership development, training and growth to deliver value to the organisation and society;

Workforce & Diversity

Region	Male		Female	
	2010-11	2011-12	2010-11	2011-12
India	18,760	18,122	1,558	1,503
Zambia	8,609	7,973	753	716
Australia	84	94	18	9
Ireland, Namibia, South Africa*	NA	1,584	NA	241
Total	27,453	27,773	2,329	2,469

* Our Zinc International operations are based out of Ireland, Namibia & South Africa – consolidated figure has been provided for the same.

	Group turnover and attrition		
	2009-10	2010-11	2011-12
Employee turnover including retirements but excluding VRS	12%	10.6%	10.7%
Attrition	4%	5.4%	5.5%

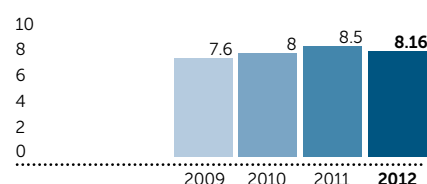
- > Creating a conducive atmosphere where performance is recognised and rewarded in a fair and transparent manner;
- > Strive to drive and achieve industry best practice in our social stewardship;
- > On acquisitions and mergers, uphold and honour all ongoing commitments ensuring smooth integration and the sharing of best practices – with the aim of achieving internal alignment of processes and systems;
- > Engaging with employees to encourage feedback and address concerns;
- > Continuously upgrading our IT framework;
- > Generating local employment and providing support and resources for long-term skill building.

As part of our sustainability journey, Vedanta fosters values such as Trust, Excellence, Growth and Entrepreneurship – common values which bind our Group together.

Workforce & Diversity

We have more than 30,000 direct employees and 69,000 contractor employees across the globe. As an equal opportunity employer, 11.6% of our workforce comprises female employees in management grades.

Women workforce (%)



Attracting & Recruiting the 'Top Talent'

Our recruitment philosophy focuses on inducting the right person for the right job, which has helped us to recruit the best people.

To attract top talent from the best campuses we proactively engage with the premier universities and empanelled colleges. We also visit minority institutes and colleges from remote states and provinces in our campus recruitment programme to ensure that opportunities are provided to deserving candidates from all regions and walks of life. As part of our campus brand building initiatives, we sponsor events and participate in guest lectures as subject matter specialists to share thought leadership.

A high proportion of our workforce joins us immediately after completing their education, making us their first employer. We also focus on recruiting from the communities that surround our operations to encourage local employment generation.

In order to equip new entrants and to make them conversant with Vedanta's values and beliefs, we have a structured orientation and training programme which focuses on policies, benefits, practices and a broad perspective on understanding our businesses and processes along with field visits. Mentoring initiatives help in providing emotional support to trainees as well as ensuring a smooth transition into our processes, systems and culture.

As a large employer, we employ a diverse mix of people, with the majority hired locally, for example as at March 2012, 61% of VAL-Jharsuguda employees are from Orissa, its state of operation.

Nurturing Talent

Our talent engagement process is founded on our belief that every individual joining us has the 'right to grow'. We have robust processes and systems in place to nurture leaders, succession planning and the

development of talented people. In addition, we provide our employees with opportunities to continuously grow through our development and training programmes. The Group has a well demonstrated track record of providing career opportunities from within. 'Providing growth from within' is an important pillar of our people philosophy, helping to nurture our talented employees into the business leaders of tomorrow.

The Group's 'Star of Business' programme is an Accelerated Competency Tracking and Up-gradation programme (ACTUP) which is conducted across the Group to systematically identify high potential talents early in their careers and put them on a fast growth track through enhanced roles and responsibilities. The assessments are performed using the Vedanta competency model which encompasses core attributes, behaviours and leadership styles. Currently we have 800 'Stars of Business', a potential pool of future leaders for the Group. This programme ensures that the identification and grooming of 'Business Leaders of Tomorrow' is an integral and continuous process



I started my career in 2004 with BALCO as an Engineer and later as part of job rotation was moved to Sterlite Copper in 2010. As a Graduate Engineer Trainee, I was given tremendous opportunity to experiment, learn and grow. I got involved in a lot of projects related to Standard operating procedure (SOP) implementation and design modifications. Becoming a 'Star of Business' was a great feeling.

Santosh Ganesan
Head – Precious Metals Business Division
Sterlite Copper – Tuticorin

and provides the necessary platform to create successful managers by empowering them to move beyond their current roles and responsibilities and aim for stretch targets.

Training and Development across levels, for both employees and contractors, is fundamental to our philosophy of 'fostering excellence'. At Vedanta, continuous improvement is a way of life. Our Group companies have adopted various tools including Six Sigma, TQM and TPM, promoting the achievement of operational excellence. This year we have imparted over 1.65 million man-hours of training to our employees.

Global Exposure Initiative

Our Global Exposure Programme has been designed to explore cutting-edge technologies and provide an opportunity to understand and learn about best practices around the world. We initiated this programme at our companies including Hindustan Zinc, Sesa Goa and Sterlite Copper. Since the inception of the programme employees have visited mines and smelters in Japan, Korea, US, Europe, Canada, Australia, Chile and China.

For this programme, employees are selected and a cross-functional team is formed comprising Unit Heads and Plant Operators. On their visits they examine technical aspects as well as best practice. After these visits, the attending teams then share their experience and acquired knowledge with the broader workforce – topics include operations, maintenance, health and safety, and environment. In addition, the teams prioritise and implement improvement projects with specific deliverables to improve operations and productivity. More than 400 employees have undertaken the programme.

Our Employees continued

Our performance management system is based on meritocracy which encourages high performance. It helps us measure, reward and improve performance and synergise employee Key Result Areas (KRAs) and goals with the overall Company's objectives. Performance Management is one of the core areas which directly correlate to business success. We have a robust system in place to monitor and track performance of employees with direct linkages between business goals and KRAs set for individuals at all levels. Health and safety, environment management and corporate social responsibility remain the important KRAs for all employees. The majority of employees undergo a reward-linked annual performance review, involving a five-point scale which provides two-way feedback, opportunities for improvement and career advancement.

Rewards – Fair & Equitable

Our remuneration policy is designed to enable a framework that allows for competitive and fair rewards linked to the achievement of key deliverables as well as aligning with industry best practice. We also continually benchmark our remuneration policies with industry peers.

We provide our employees with an array of employment benefits including long-term/short-term incentive plans (ESOPs), monthly production incentive scheme, performance rewards, milestone-based incentives, retention bonuses and CEO kitty. Periodic surveys are conducted to ensure that incentives are best in class. We ensure that our compensation for our shop-floor employees meets or exceeds legal requirements and complies with all applicable laws.

Our employees can avail themselves of free medical facilities at Company-owned hospitals and are covered for medical and personal accident insurance. We contribute to defined employee benefit plans both through a dedicated fund and from general resources to ensure all our employee benefit obligations are met.

Rewards – Fair & Equitable (US\$m)

Costs incurred during the year in respect of Full Time Employees and Executive Directors	Year ended 31/03/2012
Defined contribution pension scheme costs	23.9
Defined benefit pension scheme costs	24.5
Share-based payments charge	20.2
Total	68.6

Collective Bargaining

S/no	Units	Employees covered under collective bargaining agreements
1	HZL	57.7%
2	SESA GOA (Including SRL)	51.0%
3	BALCO	66.5%
4	KCM	87.4%
5	Zinc International	68.4%

Quality of Life

Our business locations are geographically dispersed and for our employees we have townships with modern amenities including schools, hospitals and recreational centres. In order to ensure a healthy work-life balance, we encourage socio-cultural activities like get-togethers, birthday celebrations, picnics, yoga, meditation, sports competitions and involvement in community programmes. At our operations we have event management committees with cross-functional members who organise these socio-cultural activities. With the active involvement of employees and their families,

festival celebrations are held across our locations.

Equal Opportunities and Labour Rights

Vedanta is an equal opportunity employer and has zero tolerance for practices involving discrimination or violation of any labour right. Our Code of Conduct policy mandates:

- > Protection of human and labour rights.
- > Prohibition of any kind of child labour.
- > Prohibition of any kind of forced labour.

Chairman's Workshops

Chairman's Workshops continue to be our unique initiative ensuring free-flow two-way communication across levels with an 'employee connect' approach. These workshops are conducted periodically with a cross-section of employees from across the group. In this informal setting the participants share their experiences and ideas. In the last year, over 600 employees participated.

All our employees are educated in our Code of Conduct policy with compliance mandatory. Our security staff are especially sensitised to human rights and undergo specific human rights training. Through our whistleblowing policy and its mechanism all our employees can voice their concerns. We also have sexual harassment committees at our business locations which address women employees' grievances.

Collective Bargaining

The Group engages in collective bargaining with unions. Management and union representatives negotiate agreements, which include clauses on productivity, health and safety, working conditions, remuneration, allowances, incentives and bonuses. HZL, Sesa Goa, BALCO, KCM and Zinc International have recognised unions, while the other locations have appropriate systems for employee engagement, development, appraisal and grievances.



The GOLD Programme has developed the skill of understanding self and others. I am able to use feedback constructively from various stakeholders and work towards improvement areas in a positive manner.

Camilo Fernandes
Manager – Logistics
Sesa Goa Limited



Gen-next Operational Leadership Development (GOLD) programme – Sesa Goa

The Need

Our Sesa Goa iron ore business wanted to ensure that succession planning and career development were pro-actively embedded in the business – giving middle-management leaders the opportunity to realise their potential – and two main objectives were identified:

1. To build the capability of middle managers to excel in their roles
2. To shape the mindsets and behaviours of managers to accelerate their development into senior leadership roles.

The Business Solution

The Gen-next Operational Leadership Development (GOLD) programme was developed and introduced on core adult learning and leadership development principles linking leadership to strategy and to build on existing leadership systems. The programme combines fieldwork with reflective sessions that aim to develop leadership on the job.

Sesa Goa determined that its leaders should demonstrate three critical behaviours and mindsets – a drive for results, getting the best out of people and problem solving skills. The programme's design focused on these behavioural skills and helped participants to sharpen them.

Process

- > Developmental feedback is taken from various sources to enable participating employees to gain a deeper understanding of their skills and attributes.

- > Each of the participants selected is assigned a guide and an external coach. Guides provide them with inputs on their developmental needs and coaches, who are behavioural experts, play a critical role in coaching participants on their individual behaviours.
- > Once the participants begin to understand their learning needs, a learning plan is designed in consultation with their coaches and guides. The Development Council (DC) reviews and helps them to finalise their individual plans and assigned projects.
- > Structured interventions are carried out to ensure that participants receive enough inputs on their Break-Through Projects and learning edges.
- > Workshops are conducted to hone soft skills and functional/business skills.
- > Coaching sessions are conducted to shape participants' mindsets and behaviours, and ignite behavioural change where required.
- > The DC reviews the progress of participants at least twice during the duration of the programme and provides appropriate feedback/inputs.

The Outcome

Over the last two years, 67 middle management leaders have participated in the GOLD programme in two waves, each lasting seven months. The programme has been successful, both in accelerating the development of several managers, and in sowing the seeds of a culture of leadership development at Sesa Goa.

Our Communities

Working in partnership with our communities is an integral part of our strategy

Introduction and Our Role

Working in partnership with our local communities is an integral part of our sustainability strategy – we closely consult with them before, during and subsequent to our operations. We plan and implement community development initiatives prioritising local needs and ensuring long-term sustainable benefits – with the majority of our operations in developing countries and communities with limited local infrastructure including health, education and employment opportunities, we believe we can add significant value.

Our Board's vision is to add value and work collaboratively – an important element of our licence to operate and long-term success. It is core to our vision to both enhance the quality of life and the socio-economic well-being of the communities in and around our operations and to contribute to developing empowered and sustainable societies.

We are guided by the aspirations of the Millennium Development Goals and have aligned our areas of social investment with them. Through our efforts in community development this year, projects where we have been involved have reached out and benefited more than 3.1 million people. These projects cover areas of social development such as community health, nutrition, education, water and sanitation, sustainable livelihood, women empowerment and bio-investment. Our community development priorities focus on the following:

Livelihood Projects

	2001-12
Youths provided Vocational Training	3,558
Youths linked to job after training	2,337
Youths engaged under micro-enterprise development for self-employment	443
Youths linked with job/self-employment	2,780
% youths linked with jobs	78%
Total no. of farmers benefiting through improved agriculture projects	27,550
Total no. of cattle benefiting	203,365
Number of Self-Help Groups (SHGs)	2,028
Women members of SHGs	27,613
Average income of Women Entrepreneurs (monthly income in US\$)	73

- > Health, Nutrition and Sanitation.
- > Education.
- > Sustainable Livelihood Programme (Farm & Non-farm).
- > Women's Empowerment.
- > Community Assets Creation (Infrastructure projects).
- > Bio-investment.
- > Integrated Village Development Programme.

Vedanta's direct and indirect economic development impacts on our neighbouring communities include:

- > Increasing the skills capacity of local people resulting in the development of local support services to Vedanta, other private companies and government.
- > The development of the local skills base has resulted in increased purchasing power, growing the overall economic base in local communities.

- > Improved educational facilities, resulting in a more highly educated populace which is therefore able to secure better employment opportunities.
- > Livelihood projects in the farm and non-farm sector, providing sustainable livelihood opportunities to the local community.

Our Strategy

We use the 'Public-Private-People-Partnership' (4P) model. Most projects involve collaborations with elected bodies, government, NGOs and communities.

Monitoring and evaluation tools are integral elements of our project designs. These are reviewed at both business unit and Group level by senior management teams. Periodic internal and external assessment is a key element of our learning and forward-looking process. Social audits also help us understand the impact and outcomes of our initiatives on the lives of the people we work with.

Our Approach

Our approach to community development is holistic, long-term, integrated and sustainable.

We work at two levels to maximise our work and reach. First, we work with the community, employees and partners at a local level to identify and plan projects for a defined area in and around our plants in consultation with the community. We also encourage employees to volunteer for and participate in all projects. Secondly, we work regionally in 149 partnerships with NGOs, governments and universities. We also identify macro level projects to benefit the wider region – these could be within or outside the ambit of our operational focus area. All projects commence with a focus on long-term sustainability.

Community Health

The context/need

Most of our business facilities are located in remote areas where we partner with NGOs and government bodies to bring health services to these regions to provide programmes which will result in better health outcomes than would be available without our engagement.

The business' response

Vedanta recognises the importance of health in socio-economic development. We partner with various government and non-government agencies in implementing health programmes for communicable and non-communicable diseases.

We have continued to develop sustainable models for community health services and initiatives targeted

at addressing specific diseases, such as malaria control, Reproductive Tract Infection (RTI)/Sexually Transmitted Infection (STI) management and HIV/AIDS awareness. The concepts of total sanitation, safe drinking water and immunisation are the key initiatives under our preventative approach. We implement these programmes in close partnership with local health authorities and NGOs.

Process Model



Our key focus areas

- Social Investment: education, health, livelihood & woman empowerment
- Bio-Investment: agriculture, water harvesting & social forestry



Our Communities continued



Raising awareness

In our African operations we have been working to bring about awareness and behavioural change on the issue of HIV/AIDS. As part of this, in Zambia, our company Konkola Copper Mines (KCM) has adopted a non-discriminatory work place and community-based programme on HIV/AIDS control and prevention. Under this programme, intensive awareness drives are conducted at the company's hospitals and clinics for both employees and the community. In 2010 and 2011, KCM also intensified its successful Rollback Malaria Programme, bringing malaria cases down by 80% in its areas of operation and spraying insecticides to help prevent malaria in 40,000 households. Our scheduled mobile health clinics and awareness camps go a long way to prevent the outbreak of diseases in the communities. Our 'health posts' also bring primary health services to remote communities.

-80%

KCM brought malaria cases down by 80% in its areas of operation, and uses insecticides to help prevent malaria in 40,000 households.



Vedanta Medical Research Foundation: Raipur Cancer Hospital

The Need

Cancer is a major public health issue, and in more isolated and rural regions of India access to cancer identification and treatment facilities is limited. The state of Chhattisgarh has one of India's lowest life expectancy rates. It is also primarily a rural state, with approximately 80% of the population residing outside urban areas – accordingly, people have severely limited or non-existent access to cancer treatment.

The Solution

Recognising the poor accessibility of cancer treatment in the region, Vedanta subsidiary BALCO is establishing a 350-bed Cancer Research and Development Hospital at Raipur with an investment of INR3,000 million (US\$61 million), in the state capital of Chhattisgarh.

The hospital is complemented by tertiary centres in three districts and six mobile cancer detection vans to attend six districts of Chhattisgarh State – Korba, Kawardha, Rajnand Gaon, Durg, Sarguja and Raigarh – to provide cancer detection services to communities otherwise unable to access the hospital itself.

By going to the districts to screen suspected cancer sufferers in remote villages a hospital referral process is provided. Depending on the nature of the complaint, suspected cancer cases undergo clinical examinations at routinely organised mobile detection camps. The identified cases are currently referred to the BALCO plant's

hospital (a temporary arrangement until the hospital is established in Raipur) for treatment, including biopsies and surgery. Our field investigators are also able to conduct follow-up treatment.

The hospital is planned to start operation in 2012-13 as an outpatient department and subsequently as a fully fledged hospital.

The objectives of the project are:

- > To provide world-class healthcare in oncology and related fields at an affordable cost.
- > To conduct India-centric research in cancer.
- > To train, develop and induct the best oncology professionals from India by initially bringing skills from abroad.
- > To establish a Nursing Institute to meet demands in the field of oncology nursing.

Cancer education and awareness at the community level is also carried out by trained field investigators across targeted regions through appropriate communication channels in local languages, including village meetings and presentations.

The Outcome

To date, 7,963 suspected patients have been examined, with 359 patients diagnosed with various types of cancer, and 54 patients have undergone successful operations at the BALCO Hospital.

Education

The context/need

Education is indispensable for the development and sustainability of society through broadening life choices and opportunities.

The business' response

At Vedanta, it is embedded in the core values of all our Group companies to make every effort to help all target groups receive a high-quality education. Our basic approach entails partnering with government and non-government agencies to implement initiatives based on community needs.

Our holistic approach to education aims to nurture talent. To convert this vision into action, we implement various tailor-made initiatives that complement formal and informal education systems alike. We have 3,000 Vedanta Balshakti Anganwadi Centres (childcare centres), over 5,000 schools covered under the Vedanta Computer Education programme, 36 bridge schools (bridge schools are non-formal education centres providing tutorial/remedial classes to encourage underperforming children back into mainstream formal education, whilst improving the school academic performance), 13 company-run schools, and other education activities that benefit over 0.8 million children and youths.

All schools have the basic infrastructure facilities that support a congenial learning environment. We are also establishing educational institutions under public-private-partnerships. We are proactively engaged in establishing infrastructure facilities and providing training to support computer literacy among children and teachers. Enabling functional literacy among rural women is another significant area of contribution made via our non-formal education centres.

Sustainable Livelihoods

The context/need

A sustainable livelihood – where an individual or a community can, through its own resources and skills, provide for themselves over the long term – is a challenge not always met in rural and isolated communities.

The business' response

We are committed to raising the quality of life of the communities where we operate through meaningful engagement with them. We aim to empower them economically through various initiatives. We provide sustainable livelihood options in both farm-based as well as non-farm-based sectors.

Our basic approach is to deliver interventions that are technically feasible, financially viable, ecologically sustainable and culturally acceptable.

Our businesses create direct and indirect employment opportunities for the community in both our core operations and expansion projects.

Our Group companies invest in making community-based organisations (CBOs such as self-help groups, co-operatives and more) economically independent, with an emphasis on using local resources for livelihood creation.

We have provided specialised training to unemployed young people and assisted farmers in agriculture techniques. In 2011-12, over 3,000 young people have been vocationally trained to enhance their employability, with 78% of them finding employment with hotels, in retail marketing, small-scale manufacturing industries, computer software and hardware firms and setting up their own enterprises in areas including tailoring, motor winding, mobile repair, electronics and electrical shops.

In agriculture, we have undertaken several initiatives to improve rural management practices – and, as a result, increase household incomes. Over the past year we have worked with over 27,000 farmers with



The Situation

In support to government 'Pulse Polio Programme' and to achieve a 'Polio Free Zone' for children surrounding Vedanta's Tuticorin copper plant in Southern India.

The Solution

Sterlite partnered with four Primary Health Centres (PHCs) and provided logistical help to conduct Pulse Polio Immunisation camps. Over 19,000 children were inoculated under the Pulse Polio programme.

The Outcome

No recorded incident of child polio recorded in the regions covered by the programme. This is in support of the 'No Polio in India' Programme of the Government of India.

Sterlite (Tuticorin) – Polio Eradication Programme

Our Communities continued

collective landholdings of around 14,000 acres, providing assistance and education around issues including:

- > Water conservation.
- > High Yield seed distribution.
- > Promotion of the Drip and Sprinkle irrigation system.
- > Cash Crops.
- > Vermi Compost for organic farming.

In addition, realising the importance of cattle as a key asset, a Livestock Development Programme was undertaken covering over 200,000 heads of cattle. The collective impact of these initiatives has been a 27% increase in agri-output per acre of land and a significant increase in milk productivity of cattle, along with a reduction in cattle mortality rates.

Women's Empowerment:

The context/need

Rural women play a key role in supporting their households and communities in achieving food and nutrition security, generating income, and improving rural livelihoods and overall well-being. They contribute to agriculture and rural enterprises and fuel local and global economies. Improvements in maternal nutrition, access to water and sanitation and health services can also make a significant contribution to child health – increasing rural women's well-being has significant multiplier effects, increasing the impact of appropriately targeted programmes.

The business' response

Socio-economic empowerment of women is one of our major focus areas. Our Vedanta Self-Help Group (SHG) programme aims to achieve an increase in the socio-economic empowerment of women through a holistic capacity building approach. Currently over 27,000 women are enrolled in over 2,000 SHGs. Approximately 40% of these groups are linked to various enterprises like mushroom cultivation, poultry, goat husbandry, puffed rice processing, vermi-composting, leaf plate-making, fish-farming and other initiatives in the non-farm sector.

Community Asset Creation:

The context/need

Many of the villages and communities we work in lack basic infrastructure facilities, including health, sanitation and drinking water.

The business' response

We aim to provide basic infrastructural facilities to the community based on local needs in partnership with community and district administrations. Our work has included:

- > Constructed and renovated community assets including hospitals, schools, roads, community halls, water conservation structures and community centres.
- > Constructed more than 650km of local roads.

Bio-investment:

The context/need

Restoring natural systems and improving natural resource management is central to eliminating rural poverty.

The business' response

Watershed management, vegetable plot development, cattle breed improvement and cash crop farming are some of the key initiatives we have undertaken in the farm sector. Integrating agriculture with land-water management and eco-system conservation is an essential part of our rural livelihood generation schemes, at both a community and an individual level. Bio-mass is – and will continue to be for a long time – a major source of fuel and energy, especially in rural areas. We recognise and support this concept at Vedanta and have integrated it into our sustainable programmes. Specific activities we have undertaken include:

- > Social Forestry: 5.7 million saplings planted in 2011-12.
- > One bio-gas plant installed to recycle cattle waste to generate fuel for cooking and electrification.
- > 163 vermi-compost units established to encourage organic farming.

Safe Drinking Water Project, HZL

Laxmipura is a small village in Bhilwara, India. The village has a population of about 100 households. The only source of drinking water in the village was one well in a nearby village. The villagers were facing water scarcity and women had to walk long distances to fetch water from the well. HZL was asked to construct a water tank to mitigate the lack of local drinking water. The project was completed in a partnership between HZL and Gram panchayat (village elective council) under Panghat Yojna run by the State Government. HZL constructed a 10,000 litre capacity tank and sourced the water through a pipeline from a well 400m away. The effort enabled 500 people to have access to safe drinking water in their own village.



5.7m

5.7 million saplings planted.

+650km

over 650km of constructed local roads.

+0.1m

more than 0.1 million people benefited through safe drinking water programme initiatives.

- > Organic waste converter plant
MDM kitchen – leftover food waste is being converted into organic manure.
- > Sesa Goa distributed biomass cooking stoves to promote clean energy.

Integrated Village Development Programme

The context/need

Isolated, rural villages often lack basic amenities – including education and leisure facilities and basic sanitation infrastructure, severely restricting life outcomes.

The business' response

The Integrated Village Development Programme aims to achieve the holistic development of villages. The plan covers infrastructure support and the health, education, environmental, livelihood, energy and human resources needs of local people. It also encourages local people to participate in the collective management of their resources. It includes:

- > Community mobilisation and engagement for bottom-up planning.
- > An independent survey and inventory by an external agency.
- > Periodic meetings with local government and the community to consider the action plan.
- > Collective action on education, sanitation, gender bias and livelihood.
- > Dissemination of the plan to the ward through Gram panchayat (the village council).
- > Monitoring evaluation and communication on progress.

The villages are identified through indicators such as low literacy rates, a high proportion of families below the poverty line and a lack of assets such as irrigation, healthcare (especially for mothers and children), education, basic infrastructure, and sanitation and government service facilities. We are currently working with 163 villages, reaching out to more than 31,200 people under this programme.

Each project is made up of three phases: Preparatory, Implementation and Handing Over – to progress through all three phases tends to take between three to four years. The process includes: dialogue with the community on the developmental aspects of their village; identification and prioritisation of needs through a baseline survey; joint action plan development and resource identification; a partnership strategy; implementation; monitoring; and, lastly, a full social audit, handover and phasing out.

Over the last three years, we have successfully completed the programme with seven villages, which now independently and sustainably manage their resources.

Developing the next generation

Computer Literacy – Zambia

Our Konkola Copper Mines business in Zambia initiated a computer literacy programme and has installed 300 computers across 19 schools, along with printers, desks and chairs, and has also assisted in training two teachers from each school to conduct the programme.

Computer Literacy – India

The Vedanta Computer Education Programme commenced with the aim to supplement Government efforts under Sarva Siksha Abhiyan through providing rural school students with computer facilities and training school teachers in computer literacy. The programme runs in partnership with Indian State Governments and the Vedanta Foundation and operates at HZL, MALCO, VAL, SIIL, SESA GOA and KCM. It caters to more than 322,000 students across Rajasthan, Goa, Orissa, West Bengal, Karnataka and Tamil Nadu. All the project schools are equipped with computers and trained teachers.

Pre-school Centre – Zambia

Konkola Copper Mines responded to the education needs of young children at Lubengele Market in Chililabombwe, Zambia where the children of market traders would spend most of their time in the market while their parents attended to customers. Many of the parents could not afford to take their children to early childhood education. KCM worked in collaboration with various stakeholders and constructed an early childhood centre – the Nsungeni Centre – targeting the children of market traders.

Vedanta Bal-shakti Anganwadi project (Childcare) (VBCA) – India

Our Vedanta Bal-shakti Anganwadi project is reaching out to more than 125,000 children aged between 0-6 in 3,000 centres.

This public-private partnership complements the Indian Government's Integrated Child Development scheme by providing supplementary nutrition, pre-school education, capacity building of Anganwadi Centre (AWC) functionaries and health check-ups and is customised in different geographies based on the needs of the centres. The project is currently operating at our HZL, BALCO and VAL-Lanjigarh operations.

Our Communities continued



Sesa Technical School

The Need

To promote sustainable livelihoods as part of Vedanta's post-mine closure plans in Goa, India.

The Solution

Vedanta established the Sesa Technical School (STS) in 1994 on an old iron ore mine in Sanquelim, in North Goa.

The prime objective of the school is to impart skill to develop technical knowledge and to provide vocational training for local youths to enhance their opportunities in securing jobs in industry or to help with self-employment. STS students specialise in trade skills, including Machinist, Fitter, Electrician and Instrument Mechanic. All these trades are affiliated with the National Council of Vocational Training, New Delhi through the Directorate General of Employment & Training (DGET).

Over the last few years, STS has maintained a 100% result rate in the Industrial Training Institute (ITI) trade examinations. In 2011, all 52 trainees of the school passed the ITI trade examinations with strong marks.

STS revived the Welder Trade to train 16 trainees, in support of Sesa's community development initiative for Navelim village, where a new expansion project for pig iron and met coke is located. The school obtained affiliation from DGET and provided necessary infrastructure and faculty resources for the course.

With the growing popularity of the STS and increasing demand for admissions among Goan youths, a new Technical School at Panchwadi, South Goa, was opened in August 2011, with 48 students in three trades – Electrician, Fitter and Diesel Mechanic. STS Panchwadi is affiliated with the State Council of Vocational Training from the State Department of Craftsmen Training, Government of Goa.

Selection of students for the school each year is based on merit. All students from Goa are eligible; however, candidates from the areas surrounding our operations are given preference. The students pay a nominal fee of US\$30 per annum. Besides the structured trade curriculum they participate in other extracurricular development activities.

On graduating, the students are usually placed either with the Sesa Group or in the MNCs. The courses are designed to meet the specific job requirements of local industries and the school works to ensure all trainees are with appropriate employers. To date, over 750 students have successfully graduated from STS.

Mr Shirish Kalangutkar graduated from STS Sanquelim in 2000 with an Instrument Mechanic trade. He placed third in the National Level Skill competition of Craftsmen held in Calcutta. Through campus placements he was recruited by Hindustan Unilever Ltd. in Goa as an instrument mechanic technician. Subsequently he has been working as a General Manager in Katomi Kingdom Resort in Uganda.



Over the last few years, STS has maintained a 100% result rate in the Industrial Training Institute (ITI) trade examinations.

The Situation

Some communities surrounding our Konkola Copper Mines operations in Zambia suffer significant social issues – including substance abuse – related to high poverty levels. Due to unemployment, some youths also resort to theft and illegal mining activities.

The Solution

Vedanta Resources partnered with NGO – Development Aid for People to People (DAPP) – to implement a sustainable livelihoods project to assist youths and their family members, as well as provide additional support and education around sanitation and health – the KCM Child Aid Project

The Child Aid Project mobilised 16 youth groups of 20 members each in the Chingola District, neighbouring KCM operations. The groups were engaged in capacity building in entrepreneurship and given access to micro credit to facilitate the commencement of various small business enterprises. In conjunction with this programme, they were provided with training programmes around HIV/AIDS and sanitation, including participating in the installation of Tippy Taps to promote hand washing in their communities.

Success Story – Suzyo Kumwenda

Suzyo is a 22 year old youth living in Chingola who was once an illegal miner. He ventured into illegal mining when he was in grade nine to raise funds to support his education. After he completed his grade 12, he continued illegal mining because of lack of employment.

In 2009, the Area Leader of the KCM Child Aid Project encouraged him to join the Youth Talent Club, comprising 19 boys and girls. When he joined, he was among 20 youths that were provided with psycho-social support and business management skills. The KCM Child Aid Project gave him a micro loan of 300,000 Kwacha (US\$60). He teamed up with nine of his friends with similar loans, making a gross loan of 3 million Kwacha (US\$600) which they used to start up a poultry rearing project in the backyard of Suzyo's parents' home. To date the group has reared five batches totalling 500 chickens.



KCM Child Aid and Youth Empowerment

Our Industry

Introduction

Vedanta is a diversified global resource major. It produces aluminium, copper, zinc, lead, silver, iron ore, power, and oil and gas primarily located in developing countries including India, Zambia, South Africa, Namibia, Liberia and Sri Lanka. These commodities are critical to meeting these countries' growing infrastructure requirements.

We generally sell to industrial customers with whom we usually engage directly, rather than through brokers and agents. Our customers are often large organisations who use our material to create their end products. We are positioned at the very beginning of the product lifecycle and our final products are pure metals that meet the required LME standards for entering the commodity market. The aluminium we produce is used to develop electricity grids and other infrastructure developments, copper is used in electrical appliances, lead is used in battery manufacturing, zinc is used to galvanise iron and steel products around the world and the power we generate is exported to the national grid. Our products benefit millions of people around the world.

We sold US\$14 billion of our products in 2011-12.

Product Stewardship and Customers

Vedanta's primary activities are in the extraction, processing and smelting of various minerals as well as power generation using well-established processes and technologies. Most of our commodities are governed by international standards to which we are certified. Our focus on best available technology helps us to produce these products using efficient energy consumption and maximum ore recovery. We are aware that there are standard recycling processes and although we do not directly recycle we do support recycling. We aim to grow our Reserves and Resources at a faster rate than we deplete them, through active exploration and acquisitions. We also continuously upgrade our technologies to maximise recovery and minimise waste.

All product management activities and customer satisfaction initiatives

are undertaken at subsidiary company level. No cases of non-compliance with product and service information and labelling were brought against the Group during the year, and we received no complaints or penalties regarding the provision and use of our products and services. We also have a Material Safety Data Sheet which is available to customers on request. These documents include information on physical data, health effects, storage and disposal to ensure the safe handling and working with that substance.

We have a dedicated Technical Services Resource for quality assurance and for the monitoring of all physical quality parameters. For example, at HZL, we have a monthly scorecard to track quality improvement performance. Technical assistance is provided to customers both by our internal experts and by international consultant visits, which we arrange, to customer sites. In addition we also arrange frequent workshops and seminars on technical issues and product development for first use. Some of these recent visits included:

- > Regional seminars for Hot Dip Galvanisers highlighting market potential for galvanising and addressing technical issues.
- > Promoting the use of Galvanised/ Galvalume body in Cars, White Goods, Roofing & Construction.

Supply Chain

Due to the scale of our operations, we create a strong requirement for products and services. We encourage vendors to establish themselves close to our operations, creating opportunities for local employment and development – our approach is to source locally whenever possible. We employ directly and through contractors some 100,000 people, while indirectly creating opportunities for more people through our suppliers. If we assume a standard multiplier of 5-6, the number of indirect employment opportunities we create exceeds 500,000.

We undertake structured two-way communication with vendors and try

to align them with our HSE policies, wherever applicable. One approach is always to source locally if a product or service that meets our requirements is available locally. One KCM unit in Zambia has executed 85% of purchase orders from Zambia in the last year. During the year, a number of initiatives were taken by KCM that were targeted at vendor development:

1. MSME Programme:

In partnership with the Zambia Development Agency (ZDA), in its programme for development of Micro, Small and Medium Enterprises, we signed a Business Linkage Agreement. Under this programme KCM jointly identified specific areas with a high possibility of conducting business with local vendors. The ZDA arranged the necessary training from attitude change to finance mobilisation. KCM will place purchase orders with local vendors who were found to be price competitive and capable of providing quality products. The service and performance of these vendors will be measured during the next 2-3 years.

2. ISO 9001 Training:

To improve the quality standards of our vendor base we have undertaken an industry leading vendor training programme in Zambia encompassing quality standards, the first of its kind. We have since selected the Zambia Bureau of Standards to be our partner in this initiative. To date we have provided training to two intakes (37 vendors) at our KCM premises, free of charge to the vendor.

3. Mine Supplier Association & Chamber of Commerce:

The Mine Supplier Association is a national organisation whose primary role is to promote dialogue between mining companies and local vendors. KCM has continued to partner with this organisation through holding monthly liaison meetings at which issues between KCM and its vendors are discussed and resolved in an amicable setting.

We have similar initiatives at other locations in India and Africa where we promote local procurement and endeavour to foster entrepreneurial skills in the local area.

Our Host Governments

Zambia has been one of the pioneering countries embracing the Extractive Industry Transparency Initiative (EITI). This initiative has been championed by international institutions and civic organisations, to bring greater transparency and accountability to the payments made by extractive industries to their host governments.

Zambia joined the EITI in 2009. Since adopting the EITI, the country has successfully completed and issued reconciliation reports for 2008 and 2009. However, the process of collecting and reconciling data has been hampered by an inefficient manual process of collecting and reconciling data relating to the payments made by companies in the extractive industries to the national treasury, quasi-government institutions and municipal councils. The current manually-operated system employed by the Zambia EITI (ZEITI) has led to poor data collection and compilation. Understanding the challenges faced by the ZEITI Secretariat, Konkola Copper Mines (KCM), Vedanta's Zambian subsidiary, offered in 2011 to help the Zambia EITI Council (ZEC) develop a solution to make the process more efficient. Subsequently a special sub-committee was formed including members from key stakeholders of the ZEITI process, including the Secretariat, Ministries of Mines and Lands, Transparency International, the Zambian Revenue Authority and KCM, to look at developing a solution to automate the EITI process in Zambia. KCM has now partnered with Accenture to evaluate the current system and propose an automated system that would ensure the more timely release of reports. ZEC member Dr Sixtus Mulenga, a member of the first EITI International Advisory Group, says "KCM's assistance to the EITI process will ensure the release of accurate data on production figures and mineral sales. It will in turn enable interest groups like the opposition parties, civil society and ordinary citizens to monitor total annual payments by the mines to enhance accountability."

After developing the solution design, KCM will spearhead its implementation with support from other members of the Zambian mining industry.

Extractive Industry Transparency Initiative – Zambia



Governments

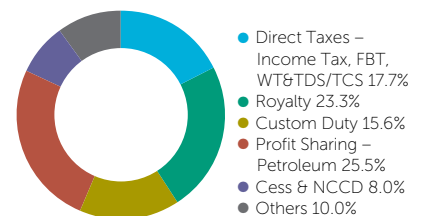
Our operations are predominantly located in developing countries which have different needs from advanced economies. Having our roots in India enables us to understand these requirements, an understanding which is reflected in our activities. For example, our community actions are focused on health, education, sanitation, women's empowerment and infrastructure.

Our commodities meet the significant infrastructure demands of these developing economies; for example, we meet 80% of India's zinc consumption; approximately 40% of its aluminium, copper and lead requirements as well as providing 20% of India's crude oil production – reducing import requirements. We are also a significant contributor to exchequers. In this financial year, we contributed US\$4.4 billion – including US\$2.4 billion as a consequence of our Cairn acquisition – to the Indian exchequer through direct and indirect taxes, royalty and oil tax. We are also a major contributor to Zambian GDP. We employ directly and through contractors a total of about 100,000 people, while creating opportunities for a wide section of people through suppliers while, at a standard multiplier of 5-6, the number exceeds half a million.

Vedanta also participates and partners with local governments through its CSR initiatives and awareness programmes.

It is the Board's policy that neither Vedanta nor any of its subsidiary companies may make donations or contributions to political organisations within the United Kingdom or European Union. Political donations or contributions, if paid or deemed necessary for legitimate business reasons, will not be made without the approval of the Board and the shareholders in a General Meeting. The Group paid a political donation of US\$2.01 million in India. The Board believes that this will encourage and strengthen the democratic process in India. Vedanta currently plays no direct role in developing public policy, however, we have recently signed UNGC and also been accepted as a member of the World Business Council for Sustainable Development, who are engaged in public policy debates.

Exchequer Contribution for FY 2012



Traditionally, the hot dip galvanisers with lead bath bottoms have been using Special High Grade (SHG) zinc for hot-dip galvanising in adherence to the BIS and PGCIL guidelines. SHG is minimum 99.995% purity zinc and therefore is more expensive for galvanising applications. However, recently the BIS and PGCIL revised the reference minimum zinc purity suitable for the galvanising bath to 98.65% and 98.5% respectively. This meant that the galvanisers now had the option to consider other grades of zinc if they were found technically and economical viable.

HZL took the initiative on this issue and involved an international consultant to study which grade would be most beneficial to the galvanisers – both in terms of performance and economy. Once this was established, HZL educated the galvanisers on the best economical and technically appropriate

option available as per the new guideline and addressed any technical queries that the customers had. HZL organised regional seminars chaired by international consultants and respective regional managers for Hot-Dip Galvanisers around India. The agenda of these seminars was to highlight the market potential for galvanising and to address technical issues that the galvanisers may have. We worked with 13 galvanisers, six of which are now using PWG (prime western grade zinc, minimum zinc at 98.65%) in their galvanising bath. Customers were also educated on the benefits of using Jumbo Ingots in reducing dross generation and wastage.

Through this initiative and similar seminars and workshops, we educate our customers in the better use of our products in a responsible and cost effective manner.

Technical Services Provided to Galvanising Customers of Hindustan Zinc Ltd.

Our Broader Stakeholders

Shareholders

The returns that we are able to provide to our investors as we grow our business will always be management's focus.

In 2011-12, we continued to focus on extending our existing resources and growing our assets organically, investing in projects that expand our high-quality asset base and increase our production volumes. During the year, we invested US\$2.4 billion in our organic growth programme, increasing production of Zinc-Lead, Silver, Copper, Aluminium, Power and Oil and Gas.

We have made considerable progress in the execution of our commercial strategy this year, delivering production growth and increasing reserves and resources across the portfolio, completing two acquisitions, and announcing a consolidation and simplification of the Group. Over the years, Vedanta has become a world-class, diversified resources company, and this year we added Oil and Gas to our portfolio.

Our key business highlights for the year include:

- > Group consolidation and simplification announced – on track for completion in FY 2012.
- > Integrated Cairn India – Rajasthan production now at 175,000 barrels of oil per day (kopd) – with a basin potential of some 300kopd.
- > Acquired Liberia Iron Ore assets with some 1 billion tonnes reserves and resources – first shipment expected in FY 2014.
- > Increased reserves and resources in Zinc, Iron Ore and Oil and Gas.
- > Significant production growth in Silver, Alumina, Aluminium, Power and Oil and Gas.
- > Commissioned new Silver Refinery, increasing Silver capacity to 16moz p.a.
- > Three units of 2,400MW Jharsuguda Power Plant operational, fourth unit under trial run.

Our key financial highlights for the past year include:

- > Revenue of US\$14 billion – up 23%.
- > EBITDA of US\$4.0 billion – up 13% with an EBITDA margin of 29% (partially offset by higher operating costs and increased export duty rates on iron ore).
- > Underlying earnings per share of US\$1.42 – down 46%, due to lower attributable profit from subsidiaries.
- > Final dividend of US\$0.35 per share – up 8%.
- > Free cash flow of US\$2.5 billion before growth capex.
- > Invested US\$2.4 billion in organic growth programme during the year.
- > Strong balance sheet with Cash and Liquid Investments of US\$6.9 billion.

Providing assurance of the quality of these earnings and creating additional value through the development of intangible assets such as brand value and sustainable development is important – this report and the actions we describe are a key part of that process. For more details of the returns we provide to our shareholders, please see our Annual Report.

Our Lenders

We work with commercial lenders from around the world, many of whom have signed the Equator Principles. The efforts of the IFC and the Equator Principles banks are well accepted and we realise that their input to our business is more than financial. We have included an update of the work we have done to implement the recommendation of the Scott Wilson report that we commissioned to meet our lenders' requirements in the assurance section of this report.

Civil Society NGOs

We see all feedback to the business as adding to our pool of knowledge and appreciate the effort NGOs (global and local) have made across the world in contributing to the debate around issues of sustainability and the mining and resources industry. Vedanta will continue to proactively engage with NGOs on the concerns they raise. Over the coming years we believe we will find opportunities to work more closely together and to benefit from both the wider viewpoint they offer and their technical expertise. These inputs and guidance allow us to tailor our operation effectively.

Universities

We seek to work closely with some of the best minds in the world to make technical innovations. We value their contribution to the projects we are developing and will report more on this important area in future reports.





Assurance

What's in this section

Scott Wilson Report	74
GRI Index	78
UNGC	83
Millennium Development Goals	84
Assurance Statement by DNV	86
Glossary	88

Scott Wilson Report

Integrating sustainability

We are committed to achieving the highest operating standards and we respect the environment and communities in which we operate. The Company is developing a robust sustainable development framework and has in place a comprehensive community relations programme that positively touches the lives of hundreds of thousands of people every day.

Scott Wilson, on behalf of certain financial institutions, conducted an independent and comprehensive review of our sustainable development policies and procedures in line with international standards and best practices in November 2010.

The review covered our Sustainability practices including; health, safety and environment (HSE) and our social policies and our Business Code of Conduct. It made recommendations towards further aligning our policies and practices to the IFC Performance Standards and IFC EHS Guidelines including those specifically related to mining and thermal power. A summary of the review, including findings and recommended actions, is available via the link <http://www.vedantaresources.com/sustainability/scottwilson.html>.

In line with our commitment to sustainable development and the implementation of the Scott Wilson recommendations, in December, we produced our second six-monthly progress report. The report details the actions we had taken up to 31st December 2011.

A team from Scott Wilson then visited India in February 2012 to undertake their review of our progress against their original recommendations. During the review the team visited our sites at VAL Lanjigarh, BALCO and Sesa Goa and met with our Vedanta Sustainable Development staff at our corporate offices in Delhi.

Their full report is available <http://www.vedantaresources.com/sustainability/scottwilson.html> and in summary it said:

"We are therefore pleased to confirm that overall satisfactory progress has been made and all the remedial actions set at the first review have been duly actioned. As a result, Vedanta is now able to demonstrate solid progress at Group, Subsidiary Company and Lanjigarh project levels, although some elements are still to be fully completed. The Company anticipates that the necessary actions for the outstanding recommendations will be completed by June 2012."

The current situation in regard to the Recommendations is briefly summarised as follows:

Corporate level:

- > Two Recommendations were previously closed out
- > A further five Recommendations are considered as being effectively closed out
- > Four more are on track to achieve closure within six months
- > One, External Audits, is not yet due although we believe that a further extension is needed so that the Sustainability Framework has sufficient time for bedding-in to ensure that the exercise has full value for Vedanta.





Company level:

- > Three Recommendations are now considered as being effectively closed out
- > The remaining four are on track to achieve closure within six months

Lanjigarh:

- > One Recommendation was previously closed out
- > Six Recommendations are considered as being effectively closed out
- > Three are on track to achieve closure within six months
- > One, the Expansion Project, is "pending" (i.e. dependent on the eventual Court decision) although the plant is already committed to developing an integrated Environmental and Social Action Plan which will include new Stakeholder Engagement, Biodiversity and Tribal Development Plans.

Key















-  Recommendation complete/closed
-  In progress/on track
-  Needs higher priority
-  Not due yet/depend upon external factors

Corporate Level Recommendations





Recommendation	URS – SW July 2011 status	URS – SW March 2012 status	URS – SW comments on open recommendations
2.5.2 The preamble to the Code, "How We Do Business", should include reference to local communities as a key element affecting Vedanta's reputation along with customers, shareholders, competitors and suppliers.			
2.5.3 Adopt internal procedures to ensure that all requests for information from stakeholders (including investors, NGOs, international organisations and the press) are dealt within a timely manner. We see this as an important part of a wider programme to inform and communicate with all stakeholders. To assist with transparency Vedanta should maintain a register of enquiries and responses and provide a summary in their Annual Sustainability Report/website.			Sustainability Framework links to other communication channels (press/NGO)
2.5.4 Revise the wording of the Value statement on Sustainability to state: "We aim to contribute to the social and economic welfare of the communities where we work and to protect and conserve the environment."			
2.5.6 Develop a series of policies to realise the aims stated for each of the four sustainability areas (environmental stewardship, nurturing people, health and safety and empowering communities). The policy statements should be succinct, should reflect best international practice and reflect a commitment to continuous improvement. Annual targets for progress and reporting should be considered wherever possible. Noise should be included as a policy issue.			Still to see proposed Guidance documents (especially Human Rights, Biodiversity and IPs)
2.5.7 The title of the HSE Committee should be changed to the Sustainable Development Committee and its terms of reference expanded to reflect the breadth of its role covering all aspects of the environmental and social sustainability of the Group.			
2.5.8 The corporate Sustainability Development Committee should continue to ensure that subsidiary companies take a consistent approach to promoting sustainable development in accord with international best practice by monitoring performance, lesson learning and dissemination of best practice. Appoint an appropriately qualified Chief Sustainability Officer with international experience to direct and coordinate the HSE, CSR and related functions. The CSO will act through single points of contact in each subsidiary company.			Level of fatalities of concern, although implementing a suitable range of actions to address occupational H&S
2.5.9 Keep under review the full range of HSE and CSR competencies required across the business and consider the need for additional training, as appropriate, in relation to the IFC Performance Standards and Guidelines, human rights, vulnerable groups and the GRI Mining and Metals Sector Supplement.			Some practical training still needed on implementing IFC requirements for M&A and new ES&As
2.5.13 Report, where possible, on Group environmental and social performance as a whole and seek to benchmark performance against industry best practice and seek assurance from appropriate bodies with industry and sustainability expertise.			Results of the external benchmarking study
2.5.16 Adopt a specific human rights policy demonstrating its commitment to the UN Declaration of Rights and procedures to ensure its implementation. This should be communicated to all stakeholders via its web site.			Guidance documents being prepared as per 2.5.6 Policies
2.5.24 Undertake an audit of Group and Company environmental and social performance against international standards (IFC, ICMM, OECD) after 12 months of implementing the recommendations in this report (i.e. January 2012). Recommendations which are not implemented will be included in a Remedial Action Plan and their compliance reviewed every 6 months.			Agree suggested extension to deadline needed to ensure exercise has full value. VR to prepare shortlist of potential service providers and consider scope/extent of the audit.

Scott Wilson Report continued























Company Level Recommendations

Recommendation	URS – SW July 2011 status	URS – SW March 2012 status	URS – SW comments on open recommendations
2.5.11 Develop a policy and implementation practices to more proactively manage land in their ownership in order to maximise environmental gains and promote biodiversity. This would include the development of environmental management plans for all non-operational land and the carrying out of habitat surveys for all new sites prior to development.			Still need to check BAPs available/being prepared for the high risk sites
2.5.12 Communicate environmental monitoring regimes at plants and regularly report to stakeholders, including local communities, on their environmental performance, benchmarking this against international standards (e.g. IFC Guidelines) and reporting in their 2012 Sustainability Report.			Available SEPs reviewed and generally acceptable, but will need to see VAL-L example once complete. Routine/annual 'disclosure' to project affected stakeholders still to be widely actioned outside of Sesa Goa.
2.5.15 Produce and test EIAs and EMPs against the IFC Performance Standards and ICMM best practice and define clear links between the EIAs, EMPs and Environmental Management Systems. Specifically EIAs should be expanded in relation to biodiversity and habitat identification, the identification of cultural heritage (scheduled and non-scheduled sites) and social and human rights impacts. Vedanta should commission independent reviews of one or more major EIAs each year in order to ensure compliance with IFC Standards.			VR need a more robust initial screening mechanism in their process. Also will need to check Liberia EIA/BALCO coal block extension EIA against IFC standards as they progress
2.5.17 Develop a standardised approach to community consultation for new developments which responds to IFC guidance and communicate this to all stakeholders via its web site.			VR should consider developing 'Broad Community Support' indicators to determine success of consultations
2.5.20 Adopt a specific policy in relation to engagement with and assistance to social groups that may be vulnerable to change and communicate this to all stakeholders on its web site.			Need for Indigenous Peoples or equivalent guidance and company procedure for dealing with complex issues like 'FPIC Consent'
2.5.22 In developing new sites adopt a standardised approach to the identification of sites of cultural heritage value involving formal documentary sources, site surveys and community consultation.			Covered elsewhere (e.g. screening comments in 2.5.15 above)
2.5.23 Maintain a register of major social and labour incidents at their plants and report to VRL			Notification procedure and corrective/preventive actions fatalities and other significant incidents

Key

-  Recommendation complete/closed
-  In progress/on track
-  Needs higher priority
-  Not due yet/depend upon external factors

Lanjigarh Level Recommendations

Recommendation	URS – SW July 2011 status	URS – SW March 2012 status	URS – SW comments on open recommendations
3.3.20 Undertake a systematic gap analysis of the EMS against the Industry Best practice criteria and update it accordingly.			Will need to check progress on new ESMP/ SEP recommended by ERM
3.3.3 Notwithstanding the current problems arising from equipment storage, VAL seek to improve site housekeeping with particular regard to ensuring the correct segregation, collection and disposal of waste materials and the fitness for purpose of the refinery's storm water drainage systems.			
3.3.32 Develop suitable and sufficient retrenchment plans to mitigate the adverse impacts of future suspension or closure of the refinery on both direct and indirect employees.			Policy and annexure reviewed but could be developed more especially in regard to mitigating local community impacts
3.3.48 Undertake a gap analysis for contractors' labour accommodation against IFC/EBRD guidance and any serious deficiencies addressed. VAL should therefore amend its contractual documentation to specify minimum expectations for contractors in regard to labour accommodation, and then enforce contractors' adherence to its specified requirements.			Existing situation validated and arrangements in hand to apply suitable standards to extension project contractors once given Court go-ahead
3.3.63 Undertake a gap analysis against the occupational and community health and safety requirements set out in the Lender's Industry Best Practice criteria (specifically the IFC's General and applicable sector EHS Guidelines) and take appropriate measures to address any outstanding gaps.			As per 3.3.20 above
3.3.79 Review the draft Disaster Management Plan against recognised industry guidance (such as the ICMM/UNEP publication "Good practice in emergency preparedness and response," 2005) and upgrade its emergency prevention and response arrangements including improved drill and simulation exercises.			Need to check ongoing actions – e.g. public consultation and involvement
3.4.3 If the expansion of the refinery is to proceed, a supplementary report be prepared to augment and update the existing EIA, thus meeting international best practice. This report would be used to guide further development and would be made available to key stakeholders.			May need to review depending upon Court decision
4.5.5 Review the issue of sporadic dust nuisance, seek to reduce such pollution and monitor both dust emissions and incidence of respiratory infections in the immediate locality of the refinery.			Rail freight progressively replacing road transport and reducing dusts
4.5.8 Establish and strengthen a simple and accessible grievance mechanism by which villagers can identify any concerns about the operation of the refinery by using the village coordinators already deployed by VAL.			Subject to CB findings re on-going local opposition etc
4.6.8 Give further consideration to accelerating livelihood training programmes for villagers via self-help and business start-up support, especially in those villages close to the refinery and monitor local employment creation in these villages and the Lanjigarh block.			
4.6.12 Work together with local government to develop and publicise an integrated rural development strategy for the area.			Integrated development plan reviewed and generally acceptable

Global Reporting Initiative (GRI) Index

G3.1 Reference checklist

Vedanta continues to develop its sustainability strategy and reporting in alignment with the guidelines developed by the Global Reporting Initiative (GRI). More information about the GRI framework itself can be found on its website: www.globalreporting.org. This Sustainable Development Report has been prepared according to the GRI G3.1 Sustainability Reporting Guidelines. We have again appointed DNV as our assurance provider to carry out an independent assessment. The detailed GRI G3.1 Content Index (including mining and metal supplement) reference sheet and data sheet is available at <http://www.vedantaresources.com/sustainability/griindex.html>

Standard Disclosures Part I: Profile Disclosures

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
1.1	Statement from the most senior decision-maker of the organization.	Fully	SD Report – Page numbers 6 – 7
1.2	Description of key impacts, risks, and opportunities.	Fully	SD Report – Page numbers 2, 3 & 9
2.1	Name of the organization.	Fully	SD Report – Cover page
2.2	Primary brands, products, and/or services.	Fully	SD Report – Page number 4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Annual Report – Page numbers 21 & 163, SD Report – 4 & 5
2.4	Location of organization's headquarters.	Fully	SD Report – Back Cover page
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	SD Report – Page number 5
2.6	Nature of ownership and legal form.	Fully	Annual Report – Page number 21
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Annual Report – Page number 119
2.8	Scale of the reporting organization.	Fully	SD Report – Page numbers 2 & 5
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	SD Report – Internal Front Cover
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Fully	SD Report – Internal Front Cover
3.3	Reporting cycle (annual, biennial, etc.).	Fully	SD Report – Internal Front Cover
3.4	Contact point for questions regarding the report or its contents.	Fully	SD Report – Internal Back Cover
3.5	Process for defining report content.	Fully	SD Report – Page number 13
3.6	Boundary of the report.	Fully	SD Report – Internal Front Cover
3.7	State any specific limitations on the scope or boundary of the report.	Fully	SD Report – Internal Back Cover
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	SD Report – Internal Front Cover
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Mention along with the indicators
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	Fully	Mention along with the sections
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	SD Report – Internal Front Cover
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	SD Report – Page numbers 78 – 79, Website
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	SD Report – Page numbers 82 – 83

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	SD Report – Page numbers 14 & 22 – 23
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Annual Report – Page number 66
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Annual Report – Page number 64
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Annual Report – Page number 72
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Annual Report – Page number 83
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Annual Report – Page number 68
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Annual Report – Page numbers 69 & 79
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	SD Report – Page number 10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	SD Report – Page number 14
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Annual Report – Page number 72
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Annual Report – Page number 22
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	SD Report – Internal Front Cover
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	SD Report – Page numbers 48 & 70
4.14	List of stakeholder groups engaged by the organization.	Fully	SD Report – Page numbers 10, 12 & 46
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	SD Report – Page numbers 12, 13 & 46
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	SD Report – Page numbers 46, 48 Annual report
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	SD Report – Page numbers 13, 48, 49 and along with the report.

Global Reporting Initiative (GRI) Index continued

Standard Disclosures Part II: Disclosures on Management Approach (DMAs)

G3.1 MMSS DMAs	Description	Reported	Cross-reference/Direct answer
DMA EC	Disclosure on Management Approach EC		
Aspects	Economic performance	Fully	Annual Report – Page numbers 12 & 14
	Market presence	Fully	SD Report – Page number 69
	Indirect economic impacts	Fully	SD Report – Page numbers 64 – 65
DMA EN	Disclosure on Management Approach EN		
Aspects	Materials	Fully	SD Report – Page number 36
	Energy	Fully	SD Report – Page number 35
	Water	Fully	SD Report – Page number 35
	Biodiversity	Fully	SD Report – Page number 35
	Emissions, effluents and waste	Fully	SD Report – Page number 35
	Products and services	Fully	SD Report – Page number 69
	Compliance	Fully	SD Report – Page number 50
	Transport	Fully	SD Report – Page number 35 & 43
	Overall	Fully	SD Report – Page number 35
DMA LA	Disclosure on Management Approach LA		
Aspects	Employment	Fully	SD Report – Page number 58
	Labour/management relations	Fully	SD Report – Page number 58
	Occupational health and safety	Fully	SD Report – Page number 26
	Training and education	Fully	SD Report – Page number 58
	Diversity and equal opportunity	Fully	SD Report – Page number 58
	Equal remuneration for women and men	Fully	SD Report – Page number 58
DMA HR	Disclosure on Management Approach HR		
Aspects	Investment and procurement practices	Fully	SD Report – Page number 50
	Non-discrimination	Fully	SD Report – Page number 50
	Freedom of association and collective bargaining	Fully	SD Report – Page number 58
	Child labour	Fully	SD Report – Page number 50
	Prevention of forced and compulsory labour	Fully	SD Report – Page number 50
	Security practices	Fully	SD Report – Page number 50
	Indigenous rights	Fully	SD Report – Page number 50
	Assessment	Fully	SD Report – Page number 15
	Remediation	Fully	SD Report – Page number 15
DMA SO	Disclosure on Management Approach SO		
Aspects	Local communities	Fully	SD Report – Page number 62
	Artisanal and small-scale mining	Not	Not Applicable
	Resettlement	Fully	SD Report – Page number 52
	Closure planning	Fully	SD Report – Page number 25
	Grievance mechanisms and procedures	Fully	SD Report – Page number 47
	Emergency Preparedness	Fully	SD Report – Page number 24
	Corruption	Fully	SD Report – Page number 22
	Public policy	Fully	SD Report – Page number 22
	Anti-competitive behaviour	Fully	SD Report – Page number 22
	Compliance	Fully	SD Report – Page number 22
DMA PR	Disclosure on Management Approach PR		
Aspects	Materials stewardship	Fully	SD Report – Page number 69
	Customer health and safety	Fully	SD Report – Page number 69
	Product and service labelling	Fully	SD Report – Page number 69
	Marketing communications	Fully	SD Report – Page number 69
	Customer privacy	Fully	SD Report – Page number 69
	Compliance	Fully	SD Report – Page number 69

Standard Disclosures Part III: Performance Indicators

Economic			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	SD Report – Page numbers 18 & 19
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	SD Report – Page numbers 38, Website – GRI Table
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	SD Report – Page number 60, Annual Report – Page numbers 105, 110 & 122
EC4	Significant financial assistance received from government.	Fully	SD Report – Page number 49
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	SD Report – Page number 69
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	SD Report – Page numbers 64 & 65, Website GRI Table
Environmental			
EN1	Materials used by weight or volume.	Fully	SD Report – Page number 36
EN2	Percentage of materials used that are recycled input materials.	Fully	SD Report – Page numbers 16 & 42
EN3	Direct energy consumption by primary energy source.	Fully	SD Report – Page number 41
EN4	Indirect energy consumption by primary source.	Fully	SD Report – Page number 41
EN5	Energy saved due to conservation and efficiency improvements.	Fully	SD Report – Page number 38
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Not	Not Applicable
EN8	Total water withdrawal by source.	Fully	SD Report – Page numbers 36 & 39
EN9	Water sources significantly affected by withdrawal of water.	Fully	SD Report – Page number 38
EN10	Percentage and total volume of water recycled and reused.	Fully	SD Report – Page number 39
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	SD Report – Page number 42
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partially	SD Report – Page number 42
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Partially	SD Report – Page number 42
EN13	Habitats protected or restored.	Partially	SD Report – Page number 42
EN14C	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	SD Report – Page number 42
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	Partially	SD Report – Page number 42
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Partially	SD Report – Page number 42
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	SD Report – Page numbers 38 & 40
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	
EN19	Emissions of ozone-depleting substances by weight.	Not	Not material
EN20	NOx, SOx, and other significant air emissions by type and weight.	Partially	SD Report – Page number 42
EN21	Total water discharge by quality and destination.	Fully	SD Report – Page number 40
EN22	Total weight of waste by type and disposal method.	Fully	SD Report – Page number 41
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Fully	SD Report – Page number 41
EN23	Total number and volume of significant spills.	Fully	SD Report – Page numbers 42 & 43
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	SD Report – Page number 16
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	SD Report – Page number 36
EN30	Total environmental protection expenditures and investments by type.	Fully	SD Report – Page number 34
Social: Labour Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	SD Report – Page number 58
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	SD Report – Page number 58, Website GRI table.

Global Reporting Initiative (GRI) Index continued

Social: Labour Practices and Decent Work continued

LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	SD Report – Page number 59, Website GRI Table.
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	SD Report – Page number 60
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	Fully	SD Report – Page number 46
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	SD Report – Page number 27
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	SD Report – Page number 29
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	SD Report – Page number 59, Website GRI Table.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	SD Report – Page numbers 59 & 60
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	SD Report – Page number 60

Social: Human Rights

HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	SD Report – Page number 51
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	SD Report – Page number 51
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	SD Report – Page number 51
HR5COMM	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	SD Report – Page number 60
HR6	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the effective abolition of child labour.	Fully	SD Report – Page number 51
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of all forms of forced or compulsory labour.	Fully	SD Report – Page number 51
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	SD Report – Page number 51
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	SD Report – Page number 51
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		

Social: Society

MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	Fully	SD Report – Page number 52
MM10	Number and percentage of operations with closure plans.	Fully	SD Report – Page number 25, Website GRI Table
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	SD Report – Page numbers 24 & 25
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	SD Report – Page numbers 24 & 25
SO2	Percentage and total number of business units analysed for risks related to corruption.	Fully	SD Report – Page number 23
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	SD Report – Page number 23
SO4	Actions taken in response to incidents of corruption.	Fully	SD Report – Page number 23
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	SD Report – Page number 70
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	SD Report – Page number 70

Social: Product Responsibility

MM11	Programs and progress relating to materials stewardship.	Fully	SD Report – Page number 69, Website GRI Table
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	SD Report – Page number 69
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Fully	SD Report – Page number 69

UN Global Compact (UNGC)

Communication of progress

This is the first year that Vedanta is reporting against the principles of the UN Global Compact. We are very proud to be the signatories of the UN global compact and here outline where we have reported against the Global Compact themes throughout this report.

Issue area	UNGC principle	Reference	Page number
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Building strong relationships – Human rights	50-51
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Building strong relationships – Human rights	50-51
Labour	Principle 3: Businesses should uphold the freedom of association and the effective negotiation of the right to collective bargaining.	Adding and sharing values – Employees	60-61
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	Building strong relationships – Human rights	51
	Principle 5: Businesses should uphold the effective abolition of child labour.	Adding and sharing value – Employees	51
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Adding and sharing value – Employees	58-61
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Responsible stewardship – Environment	34-35
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Responsible stewardship – Environment	34-43
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Responsible stewardship – Environment	34-43
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Responsible stewardship – Strategy and Management	22-23

Millennium Development Goals (MDGs)

Supporting development

Vedanta is committed to ensuring that our community investment activity has a meaningful impact in the communities and countries in which we operate. We are therefore very mindful of the development imperatives outlined in the Millennium Development Goals. Here we outline how and where our activities are making a contribution to the overall goals outlined by the United Nations.

Millennium Development Goal Number	Description	Progress
MDG#1	Eradicate extreme poverty and hunger	<p>We encourage the socio-economic development of the local community by providing them opportunities for sustainable livelihood in both farm and non-farm sectors.</p> <p>Our approach to sustainable livelihood is based on a three-pronged household strategy:</p> <ul style="list-style-type: none"> • Empowerment of women through self-help groups; • Enhancing the skills of young people; and, • Reviving this traditional vocation through innovations in farm-based sustainability. <p>Our businesses create direct and indirect employment opportunities for the community in both our core operations and expansion projects. We invest in making community-based organisations (CBOs, such as self-help groups, co-operatives and more) economically independent, with an emphasis on using local resources for livelihood creation. At Vedanta, we have always aimed at building skill pools and promoting entrepreneurship for gainful employment. Empowering women through financial independence is what Vedanta's Self-Help Group (SHG) programme aims to achieve which eventually results in overall socio-economic empowerment of women through a holistic capacity building approach. Our women SHG members are now active players in their family decisions, SHG loaning bodies and village institutions are responsible for development of their communities. Currently more than 27,613 women are enrolled in around 2,000 SHGs. Average monthly income of Women Entrepreneurs is US\$73. Approximately 40% of these groups are linked to various enterprises like mushroom cultivation, poultry, goatery, puffed rice processing, vermi-composting, leaf plate-making, fish-farming and other initiatives in the non-farm sector as well as stitching, embroidery, meenakari, etc.</p> <p>We also envisage developing a skill pool by imparting trade-specific trainings to unemployed youths and by helping farmers to make agriculture a viable and preferred vocation. In 2011-12, around 0.7 million vocational training hours were generated for unemployed rural youths. So far 3,558 youths have been vocationally trained in various market driven vocations to enhance their employability, with 78% of them finding placement in jobs with hotels, in retail marketing, small-scale manufacturing industries, computer software and hardware firms and setting up their own enterprises in areas like tailoring, motor winding, mobile repair, electronics and electric shops.</p> <p>We also run focused nutritional programmes in India in collaboration with the Integrated Child Development Scheme (ICDS) for children aged 3-6 years providing supplementary nutrition, pre-school education and facilitation for child immunisation.</p> <p>In addition we have also established eight centralised hi-tech kitchens in India with the capacity to prepare and serve nutritious mid-day meals to more than 25,000 children.</p>
MDG#2	Education for all	<p>Our holistic approach to education aims to nurture talent. To convert this vision into action, we implement various tailor-made initiatives that complement formal and informal education systems alike. We have 83 child care centres, 36 bridge schools (bridge schools are non-formal education centres providing tutorial/remedial classes to encourage underperforming children back into mainstream formal education whilst improving the school academic performance), 13 formal company-run schools and 12 adult education centres. All schools have the basic infrastructure facilities that support a congenial learning environment. We are also establishing educational institutions under public-private-partnerships. We are proactively engaged in establishing infrastructural facilities and providing training to support computer literacy among children and teachers. Enabling functional literacy among rural women is another significant area of contribution made via our non-formal education centres.</p> <p>In Zambia, we are benefiting more than 8,000 students through Computer Training Centres and company-run schools.</p>

Millennium Development Goal Number	Description	Progress
MDG#3	Promote gender equality and empower women	<p>We are recruiting both men and women on an equal salary ratio and attracting the best talents from best campuses. As an equal opportunity employer, 11.6% of our workforce comprises female employees in management grades. We always have a focus on recruiting appropriately qualified women professionals in the group.</p> <p>Socio-economic empowerment of women is one of our major focus areas; it relies on empowerment of women through Self-Help Groups (SHGs), their capacity building and skill enhancement and subsequently linking them with micro-enterprises or Income Generation Activities.</p> <ul style="list-style-type: none"> • More than 27,000 women in around 2,000 SHGs, are covered under women empowerment projects • Around 1,600 SHGs linked to banks and 269 are involved in Income Generation Activities.
MDG#4	Reduce child mortality	Our antenatal and post-natal programmes aim to reduce infant and natural mortality rates by 50%.
MDG#5	Improve child & maternal health	Through Vedanta's integrated projects Vedanta Bal-shakti Anganwadi child care project and Mid-day Meal programme, we provide nutritious food to around 375,000 children and also sensitize their mothers about basic health and hygiene habits.
MDG#6	Combat HIV/AIDS, malaria and other diseases	<p>We have recently framed a global HIV/AIDS policy and are committed to addressing HIV/AIDS through an integrated approach that includes awareness, education and prevention, testing and treatment, and community and partner outreach.</p> <p>In Africa, our HIV/AIDS Programme started in 2001 where the prevalence rate of HIV is 20%. The robust sensitisation programme has yielded positive results with an average of 35,000 people sensitised annually and an annual Voluntary Counselling and Testing average uptake of 19,000 people.</p> <p>In India, our HIV/AIDS policy revolves around awareness building and prevention for the workforce, local community and truck drivers.</p>
MDG#7	Ensure Environmental Sustainability	<p>We are committed to mitigating, where possible, the environmental impact of our activities and will continue to invest to reduce our environmental footprint. In 2011-12, we spent US\$56.93 million on environmental protection.</p> <p>To minimise our impacts and therefore run our business in a sustainable manner, we appropriately manage our processes across our products' lifecycle. We do this through the use of advanced technologies and in accordance with global standards. This includes using efficient technology and processes in their manufacture and concurrently minimising the associated risks. Managing our business sustainably also encompasses an understanding of the outputs generated in production, including greenhouse gases, emissions and other waste products – managing our operations efficiently to appropriately deal with these outputs and keep them to a minimum is important in reducing the risk of harm to people and the environment and makes good business sense.</p>
MDG#8	Develop a global partnership for development	<p>Our partnerships with communities, government and civil society (that we term the Public-Private-People-Partnership [4P] model) are fundamental to our work with communities.</p> <p>Government: we have successfully assisted government in enhancing both their outreach and quality of services, adding value in the education, health, water and sanitation, infrastructure and agriculture sectors.</p> <p>Civil society: our partnerships with NGOs, research institutions and other organisations have enabled us not only to build upon and deepen existing community development initiatives, but also to bring the highest quality of expertise and skills in community development into our project areas. We have a set of guidelines for selecting our civil society partners.</p> <p>We have partnered with more than 149 NGOs and government departments.</p> <p>People: our people are a key driver in our approach to community development. At each business unit, our socially responsible investments in education, health and livelihood are being managed by dedicated teams of 84 employees and 108 field co-ordinators/volunteers.</p> <p>Performance: through our programmes, we reach out to more than 3.1 million people in 1,006 villages across India and Zambia.</p>

Assurance Statement



Introduction

Det Norske Veritas AS ('DNV') has been commissioned by the management of Vedanta Resources Plc, ('Vedanta' or 'the Company') to carry out an independent assurance engagement on the Company's Sustainable Development Report 2011-12 ('the Report') in its printed format and the referenced information in the Report to the Company's website and Annual Report 2012. The engagement was carried out against DNV Protocol for Verification of Sustainability Reporting (VeriSustain) including verification of application level and adherence to principles of the Global Reporting Initiative 2011 Sustainability Reporting Guidelines Version 3.1 (GRI G3.1). The verification was conducted between March – July 2012, for the year of activities covered in the Report i.e. 1 April 2011 to 31 March 2012.

DNV is a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. DNV states its independence and impartiality with regard to this assurance engagement. DNV was not involved in the preparation of any statements or data included in the Report, with the exception of this Assurance Statement. DNV maintains complete impartiality toward any people interviewed.

The intended users of this assurance statement are the management of the Company and readers of this Report. The management of Vedanta is responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting the information. DNV's responsibility regarding this verification is to the Company only and in accordance with the agreed scope of work. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. DNV expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

Scope, boundary and limitations of Assurance

The scope of DNV's assurance engagement, as agreed upon with Vedanta, included the following:

- > Verification of the application of report content principles set out in the GRI 3.1 and quality of information presented in the Report and the referenced information in the Report to the Company's website and Annual Report;
- > Evaluation and confirmation of Vedanta's declared Application Level;
- > Review of the Report against the requirements of VeriSustain with a moderate level of assurance;
- > Review and assessment of the processes and tools for collecting, aggregating and reporting qualitative data inside the Report;
- > Verification of the reliability of GRI G3.1 performance indicators and performance information specifically related to Green house Gas Emissions and Health & Safety;

Our engagement did not include assessment of the adequacy or effectiveness of Vedanta strategy or management of sustainability related issues.

The reporting boundary is as set out on the inside front cover of the Report. As part of our verification we visited the following operations in addition to the Vedanta office at Delhi, India:

- > Vedanta Aluminium Ltd. Jharsuguda and Lanjigarh, India.
- > Sterlite Industries (India) Ltd., Tuticorin, India.
- > Skorpion Zinc, Rosh Pinah, Namibia.
- > Black Mountain Mining, Aggeneys, South Africa.
- > Hindustan Zinc Ltd. Chanderiya and Sindesar Khurd, India.
- > Bharat Aluminium Company Ltd. BALCO nagar and Mainpat, India.
- > Sesa Goa, Panjim, Bicholim, Codli, Sonshi, Sirsai and Amona, India.

Verification Methodology

This assurance engagement was planned and carried out in accordance with the DNV Protocol for Verification of Sustainability Reporting (VeriSustain). The Report has been evaluated against the principles of Materiality, Stakeholder Inclusiveness, Completeness, Responsiveness, Reliability and Neutrality.

During the assurance engagement, DNV has taken a risk-based approach, meaning that we concentrated our verification efforts more on the issues of high material relevance to Vedanta's business and stakeholders. As part of the engagement, DNV has 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 company's approach to stakeholder engagement and its materiality determination process;
- > Verified the robustness of the data management system, information flow and controls;
- > Conducted interviews with the Chief Executive Officer and the Chief Sustainability Officer;
- > Conducted in-person and online interviews with more than 115 senior Vedanta representatives, including data owners and decision-makers from different functions and locations of the Company;
- > Performed sample-based reviews of the mechanisms for implementing the company's sustainability related policies, as described in the Report;
- > Performed sample-based checks of the data management processes for completeness and reliability. This including assessments of methods, practices, tools and competence used in collection, aggregation and reporting of data as it is transferred and managed at different levels of the organisation.



Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported back to the management of Vedanta. However, these do not affect our conclusions on the Report, and they are indeed generally consistent with the management objectives already in place.

- > Implement a continuous and systematic quality assurance procedure for the data management system to further improve the quality of reported sustainability performance data;
- > Monitoring mechanisms to be implemented to evaluate compliance to the policies and standards developed and implemented across Group companies.

Conclusions

In DNV's opinion, based on the work carried out, the Report is a fair representation of the Company's sustainability-related strategies, management systems and performance. The Report, along with the referenced information in the website and annual report and the commitments with timelines to report in full on some of the core indicators, meets the general content and quality requirements of the GRI G3.1, and DNV confirms that the GRI requirements for Application Level 'A+' have been met. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

Stakeholder Inclusiveness:

Needs Improvement. The Company demonstrates engagement with stakeholders through various channels, but the documentation of key topics and concerns that have been raised through stakeholder engagement needs to be strengthened.

Materiality:

Acceptable. The materiality is determined using inputs from senior representatives from various functions of the Company. Although the process does not seem to omit any known material issues, the process will be further strengthened by formally documenting the sustainability expectations expressed by stakeholders and evaluating the materiality that reflect short, medium and long-term impacts.

Responsiveness:

Acceptable. The Company has responded through various policies and standards rolled out during the past year, and this is reflected in the Report. The implementation of these policies and standards is currently in progress at all Group companies.

Completeness:

Acceptable. Within the reporting boundary defined by Vedanta, we do not believe that the Report omits relevant information that would substantively influence stakeholder assessments or decisions. The reporting boundary is clearly stated in the Report. The Report provides commitments with timelines to report in full some of the performance indicators recognising that they represent material issues, for example indicators pertaining to aspects of biodiversity and human rights. It is evident that Vedanta acknowledges the need for continuous improvement and is committed to improving the reporting scope and boundary of the Report.

Reliability:

Acceptable. Using data protocols the Company has been able to improve data consistency and accuracy compared to previous years.

Neutrality:

Good. The information contained in the Report is presented in a neutral tone. The Report is transparent and brings out the road map for improved governance, performance and disclosure.

For Det Norske Veritas AS,

Santhosh Jayaram
Lead Verifier

Head, Sustainability and Business Excellence (South Asia)
Det Norske Veritas AS, India

Antonio Astone
Reviewer

Global Manager, Corporate Responsibility Services,
DNV Business Assurance, Italy.

Bangalore, India, 5 July 2012

Glossary

A. Narraine	Sesa Goa mine in Karnataka, India	FY	Financial Year
AAQM	Ambient Air Quality Monitoring	GDP	Gross Domestic Product
ACTUP	Accelerated Competency Tracking and Up-gradation Programme	GET	Graduate Engineer Trainee
AISD	Asian Institute of Sustainable Development	Gj	Gigajoules
ASHA	Accredited Social Health Activists	GOLD	Gen-next Operational Leadership Development programme
BALCO	Bharat Aluminium Company Limited, a company incorporated in India	GRI/G3	Global Reporting Initiative
BAP	Biodiversity Action Plan	HGP	Hot Gas Precipitator
Bicholim	A mine of Sesa Goa	HIRA	Hazard Identification & Risk Assessment
Black Mountain	Zinc asset (mine) in South Africa	HIV/AIDS	Human Immunodeficiency Virus/Acquired Immuno-Deficiency Syndrome
CAIRN	CAIRN India Ltd., a company incorporated in India	HR	Human Resources
CDM	Clean Development Mechanism	HSE	Health, Safety and Environment
CEO	Chief Executive Officer	IBAT	Integrated Biodiversity Assessment Tool
CER	Certified Emission Reduction	ICDS	Integrated Child Development Scheme: Anganwadi catering to health and educational needs of children in the age group 0–6 years
CFO	Chief Financial Officer	ICMM	International Council of Metal and Mining
Chanderiya	One of the smelter units of HZL	IFC	International Finance Corporation
CII	Confederation of Indian Industry	IMMT	Institute of Minerals and Materials Technology
CLZS	Chanderiya Lead and Zinc Smelter, a unit of HZL	IPP	Independent Power Plant
CMT	Copper Mines of Tasmania Pty Limited, a company incorporated in Australia	IPPCL	Integrated Pollution Prevention Control Licence
CPP	Captive Power Plant	ISO 14001	International Organisation for Standardisation (standards for environmental management systems)
CRO	Chief Risk Officer	IVD	Integrated Village Development. Sustainable development with a holistic investment in all-round development of a village. The nomenclature of this programme differs from company to company within the Group
CSR	Corporate Social Responsibility	IVDP	Integrated Village Development Programme
DNV	Det Norske Veritas AS	KBK	Kalahandi, Bolangir, Koraput
EHS	Environment Health and Social	KCM	Konkola Copper Mines PLC, a company incorporated in Zambia
EIA	Environment Impact Assessment	KPA	Key Performance Areas
EITI	Extractive Industries Transparency Initiative	KRA	Key Result Area
EPA	Environment Protection Agency	LGLC	Lead Silver Low Concentrate
ESC	Ethics Sub-Committee	Lisheen	Zinc asset (mine) in Ireland
ESIA	Environmental and Social Impact Assessments	LME	London Metal Exchange
ExCo	Executive Committee	LPADEF	Lanjigarh Project Area Development Foundation
Farm Initiative	Agriculture and livestock development initiatives		
Fatality	The death of an employee, contract employee, business associate or visitor at our operations and project sites		
FTSE	Financial Times and the London Stock Exchange		

LPG	Liquefied Petroleum Gas	SIA	Social Impact Assessment
LSE	London Stock Exchange	SIIL	Sterlite Industries (India) Limited
LTIFR	Lost Time Injury Frequency Rate: the number of lost time injuries per million man-hours worked by employees and contractors in our operations	SIIL-Copper	Sterlite Industries – Copper
m³	Cubic metres	Skorpion Zinc	Zinc asset (mine) in Namibia
MALCO	The Madras Aluminium Company Limited, a company incorporated in India	SMTTPS	Sarvamangla Taknikee Pratishthan Avam Shisha Sansthan
MAS	Management Assurance Services	SPM	Suspended particulate matter
MDM	Mid-Day Meal	SOP	Standard Operating Procedures
MHU	Mobile Health Unit	STP	Sewage treatment plant
MOEF	Ministry of Environment and Forests	TMF	Tailing Management Facility
MT	Metric tonnes	TPM	Total Product Management
MW	Mega Watt	TQM	Total Quality Management
NABARD	National Bank for Agricultural and Rural Development	TRIFR	Total Recordable Injury frequency rate
NEERI	National Environment Engineering Research Institute	UNFCCC	United Nations Framework Convention on Climate Change
NGO	Non-Governmental Organisation	UNGC	United Nations Global Compact
NIT	National Institute of Technology	VAL	Vedanta Aluminium Ltd, a company incorporated in India
OECD	Organisation for Economic Co-operation and Development	VAL-J	VAL-Jharsuguda
OHSAS 18001	Occupational Health and Safety Assessment Series (standards for occupational health and safety management systems)	VAL-L	VAL-Lanjigarh
OMC	Orissa Mining Company	VBCA	Vedanta Bal Chetna Anganwadi Centres
PAH	Poly Aromatic Hydrocarbons	VCT	Voluntary Counselling and Testing
PCB	Poly-Chlorinated Biphenyls	VER	Voluntary Emission Reduction
PHC	Primary Health Centre	VRS	Voluntary Retirement Scheme
PPE	Personnel Protective Equipment	VZS	Vizag Zinc Smelter, a unit of HZL
PPPP, or 4P	Public-Private-People-Partnership	WBCSD	World Business Council for Sustainable Development
R&R	Rehabilitation and Resettlement	WRI	World Resources Institute
RAM	Rampura Agucha Mines, a unit of HZL	Zinc International (ZI)	Zinc assets in Black Mountain, Namibia and Ireland
RDM	Rajpura Dariba Mines, a unit of HZL	ZM	Zawar Mines, a unit of HZL
RMC	Risk Management Committee	ZSD	Zinc Smelter Debari, a unit of HZL
SEL	Sterlite Energy Ltd., a company incorporated in India		
SEP	Stakeholder Engagement Plan		
Sesa Goa	Sesa Goa Ltd. and its subsidiaries		
SHG	Self-Help Group: group of women engaged in thrift and inter-loaning business, not more than 20		

Further Information

We value your feedback and welcome comments on this report or any aspect of our approach to Sustainability Reporting.

Please e-mail us at:

sustainability@vedanta.co.in

Please write to us at:

Vedanta Resources plc
5th Floor, 16 Berkeley Street
London W1J 3DZ

For more information visit

www.vedantaresources.com



More online

View our Sustainability website

www.vedantaresources.com/sustainability/

View our online Annual Report 2012

www.ar2012.vedantaresources.com



Printed on Satimatt Green FSC Certified Environment Friendly Paper

Design and production by Black Sun Plc (London)
www.blacksunplc.com
+44 (0) 20 7736 0011

Vedanta Resources plc

5th Floor, 16 Berkeley Street
London W1J 3DZ

Tel: +44 (0)20 7499 5900

Fax: +44 (0)20 7491 8440



vedantaresources.com