

Cu – The eternal metal



Sterlite - Eternally committed to Sustainability

Sterlite Copper

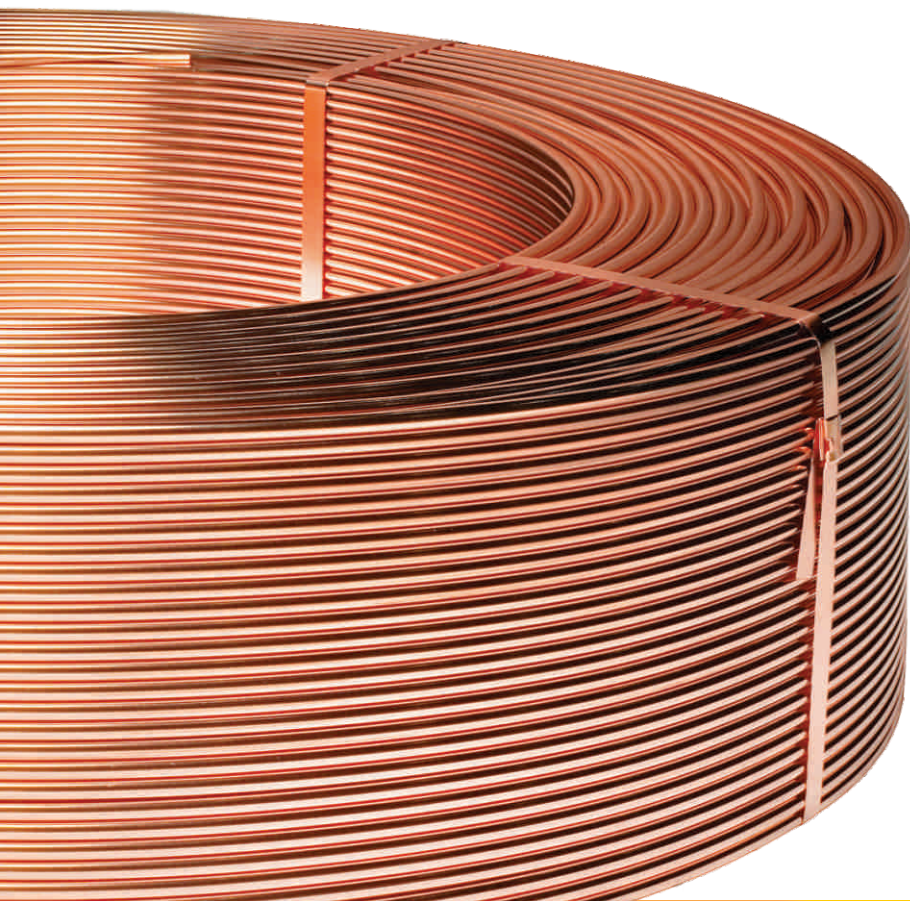
Sustainable Development Report 2011-12

Copper, the oldest metal known to man, as old as 10000 years with characteristics that make it synonymous with sustainability. Indeed, why not after all, it is one of the most reused and recycled metals in the world with an infinite recyclable life. Copper is used anywhere and found everywhere. It is malleable and is one of the most dynamic metal that many alloys consist of – be it brass or bronze.

The uses are far and wide – it's a preferred metal of industries because of its high ductility, malleability, thermal and electrical conductivity and resistance to corrosion.

Even we need copper for our everyday life as it forms an essential nutrient in our daily diet. It has miraculous powers too, because of its antimicrobial properties.

Truly, as the Egyptians called it - copper is the eternal metal. And as the leading copper producer in India, we are committed to preserve the eternity of this wonderful metal as well as the sustainability of our surroundings.



Vision 2015

“ To be the world’s leading copper producer delivering sustainable value to all stakeholders by leveraging technology and best practices. ”

Our Values



Entrepreneurship

We foster an entrepreneurial spirit throughout our businesses and value the ability to foresee business opportunities early in the cycle and act on them swiftly. Whether it is developing organic growth projects, making strategic acquisitions or creating entrepreneurs from within, we ensure an entrepreneurial spirit at the heart of our workplace.

Growth

We continue to deliver growth and generate significant value for our shareholders on a sustainable basis. Moreover, our organic growth pipeline is strong as we seek to continue to deliver significant growth for shareholders in the future. We have pursued growth across all our businesses and into new areas; always on the basis that value must be delivered.



Excellence

Achieving excellence in all that we do is our way of life. We strive to consistently deliver projects ahead of time at industry leading costs of construction and within budget. We are constantly focused on this and aspire to achieve a top decile cost of production in each of our businesses. To achieve this, we follow a culture of best practice benchmarking.

Trust

The trust that our stakeholders place on us is key to our success. We recognise that we must responsibly deliver on the promises we make to earn that trust. We constantly strive to meet stakeholders' expectations of us and deliver ahead of expectations without compromising our other values.



Sustainability

We practice sustainability within the framework of well-defined governance structures and policies and with the demonstrated commitment of our management and employees. We aim not only to minimise damage to the environment from our projects, but also to make a net positive impact on the environment wherever we work.

Contents

CEO Statement	1
Company Profile (who we are, where we operate, etc)	3
Our Sustainability Approach	7
Report Profile and Boundary	8
Our Stakeholders	9
Our Business	
Economic Performance	13
Systems and Processes	15
Risks and Mitigation	18
Governance and Ethics	
Corporate Governance	21
Ethics and Human Rights	25
Vendor Management	27
People	
People Practices	30
Health and Safety	42
Environment	
Resource Efficiency	45
Product Responsibility	52
Community	
Community Development	56
Annexure	
GRI Content Index	65
UNGC Principles	76
NVG-SEE Business Responsibility Report Table	77
Feedback	81

CEO Statement



Dear Stakeholder,

It gives me great pleasure to put forward Sterlite Copper's sustainability report. The theme for this year's report is Copper – The Eternal Metal. FY 2011-12 was a transformational year for us. Through such times of change, it is sobering to look at our products and realize that the copper that goes through our smelters will last for thousands of years. We too would like to build Sterlite Copper into a company that would outlast its competitors and peers. We are hoping that sustainability will be the bedrock upon which our legacy will rest and remain strong eternally.

Our sustainability model comprises three pillars – Responsible Stewardship, Building Strong Relationships and Adding and Sharing value - each designed to support our vision to be the world's leading copper producer delivering sustainable value to all stakeholders.

One of the pillars of our sustainability model is our ability to Add and Share Value. Anyone who distinguishes between economic growth and sustainability offers a false dichotomy. The only true path forward is sustainable economic growth. Meeting the expectations of our shareholders is crucial. We are happy to report that Sterlite Copper had a great year economically. Production of cathodes at our Copper India business was 326 kt in FY 2011-12, by 7.2% year on year. Sulphuric acid sales were up 14.2% over the previous year. Our revenue and income touched Rs. 20,339.74 Crore.

By nurturing our people and keeping them safe, we can both preserve and increase our human capital value. We believe in investing in our employees through training and career development programs. This year, on an average, our employees underwent 40.9 man hours of training in 2011-12 bringing our grand total to 46177.3 hours. The lost time injury frequency rate have improved to 0.26 from 0.86 last year. With great regret, I report the loss of 3 employees. Keeping our employees safe is critical and we are doing all we can to minimize loss of human life.

Inclusive growth is a key outcome of sharing value. Our CSR activities are influenced by the concept of 'Changing Lives': where we constantly endeavor to improve the quality of life of the communities where we operate. We have positively enhanced the quality of life of over two lakh people and this year we spent over Rs.1.42 crores on our community programs. Our community programs are focused on 5 areas – Education, Health, Women's empowerment, Livelihood and Infrastructure Development. The projects are demand driven and are planned

and executed in partnership with the community and government.

Our second pillar is about Building Strong Relationships. We strive to effectively and systematically engage with our stakeholders. To this effect we have released a new standard for stakeholder engagement based on global standards as per IFC guidelines. We regularly interact and consult with the communities we operate in, providing them the support needed both in terms of livelihood development as well as infrastructure. Through our employee satisfaction survey we gauge our employees' connect with business and streamline our internal processes to better satisfy them better. Our customer satisfaction scores are better than those of our competitor's thus making us a preferred supplier. Through vendor meets and a vendor portal we also strengthen our relationships across our value chain.

The final pillar of our sustainability model is Responsible Stewardship. For us this goes beyond adopting a cosmetic approach to environmental change. We invest heavily in our current production processes to mitigate the environmental impact of our activities. In 2011 -12 we spent Rs.89.37 Crores on environmental expenditures including waste disposal, emission treatment, prevention and environmental management costs. We started implementing Energy Management System ISO 50001 certification in Jan 2012 with the goal to complete it by the end of 2012. Our specific energy consumption for FY 2011-12 was 9.31 GJ/MT of output product and has been steadily reducing over the years, It is also the lowest in comparison to Indian copper refineries. Reducing our energy consumption also has the happy side effect of reducing our carbon emissions. During the reporting period 6632.64 TCO₂E of GHG reductions were achieved. These are but outcomes of our long term journey to be a Water and Energy Positive organization.

Being sustainable is a journey in which the goal posts keep moving. It is only through unfazed dedication that we can achieve our goals. To motivate us through this endeavour we take a leaf out of our Eternal Metal's book to strive eternally to achieve sustainable development.

Sd/-

P. Ramnath

Chief Executive Officer

Company Profile



Sterlite Industries (India) Limited (SIIL) was incorporated on September 8, 1975 and is the principal subsidiary of Vedanta Resources plc, a FTSE 100 diversified global natural resources major. This report focuses on the operations of Sterlite Copper in Tuticorin and Silvassa.

Our operations are certified to the International Standards like ISO 9001, ISO 14001 and OHSAS 18001. Sterlite Copper quality control laboratories at Tuticorin and Silvassa have been recognised with ISO 17025:2005 certification from National Accreditation Board for Testing and Calibration Laboratories (NABL). We are a London Metal Exchange (LME) approved copper tester. Our copper products meet the requirement of Restriction of Hazardous Substances (RoHS complied) and certified by Underwriters Laboratories Inc. Also SIIL's Copper Central lab at Silvassa is a GoI approved R&D laboratory.

On February 25, 2012, Sterlite, Sesa Goa and Vedanta announced an all-share merger of the Company and Sesa Goa to create Sesa Sterlite and a consolidation of various subsidiaries held within Vedanta through a Scheme of Arrangement under Indian law. The Scheme of Arrangement is subject to certain regulatory approvals.

Operations

Our copper business is principally one of custom smelting where we smelt and process copper. By-products from this process include acids, copper slag, gypsum and lime grit which has commercial value. Our operations are in Tuticorin and Silvassa. Our Tuticorin smelter is one of the top 15 custom copper smelters in the world and one among the 3 copper smelters in India. It is also the largest in India by production volume in FY 2011-12. It employs the ISA Smelt process which is globally considered an environmentally advanced technology. Our copper operations also include a copper rod plant and precious metal refinery at Fujairah in the UAE. We had a 46.5% primary market share in India in FY 2011-12, according to ICPCI.

Operations at Tuticorin

Tuticorin, has a major harbour in the southern state of Tamil Nadu, Our unit is strategically located at Tuticorin since it involves importing ore through the sea route and also exporting our products to various locations. The Tuticorin copper complex comprises the following facilities:

- Copper Smelter of 1,200 TPD
- Refinery of 875 TPD
- Rod Plant of 410 TPD
- Sulphuric Acid Plant of 4,200 TPD
- Phosphoric Acid Plant of 800 TPD

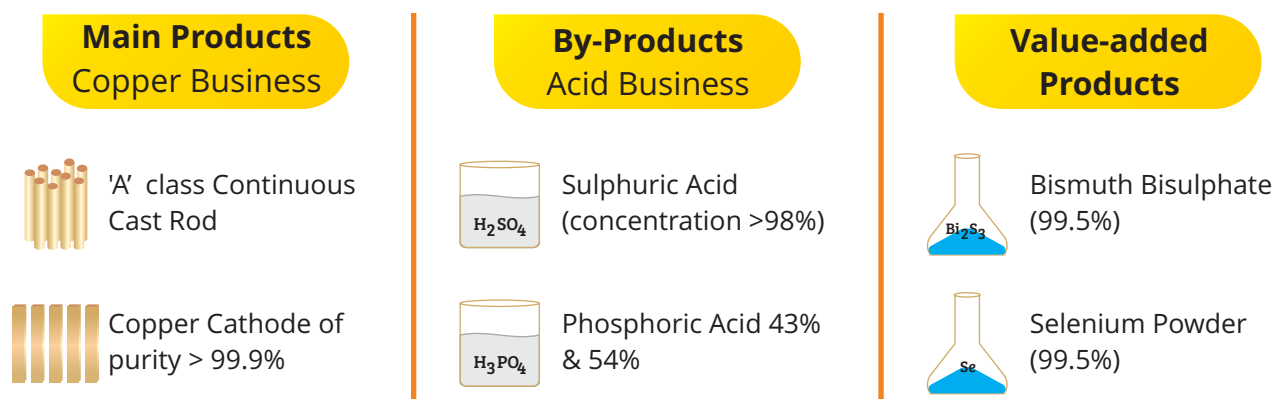
Operations at Silvassa

Silvassa is the capital of the Union Territory of Dadra and Nagar Haveli, located between Maharashtra and Gujarat, and is a large industrial zone. The Silvassa unit comprises of the following

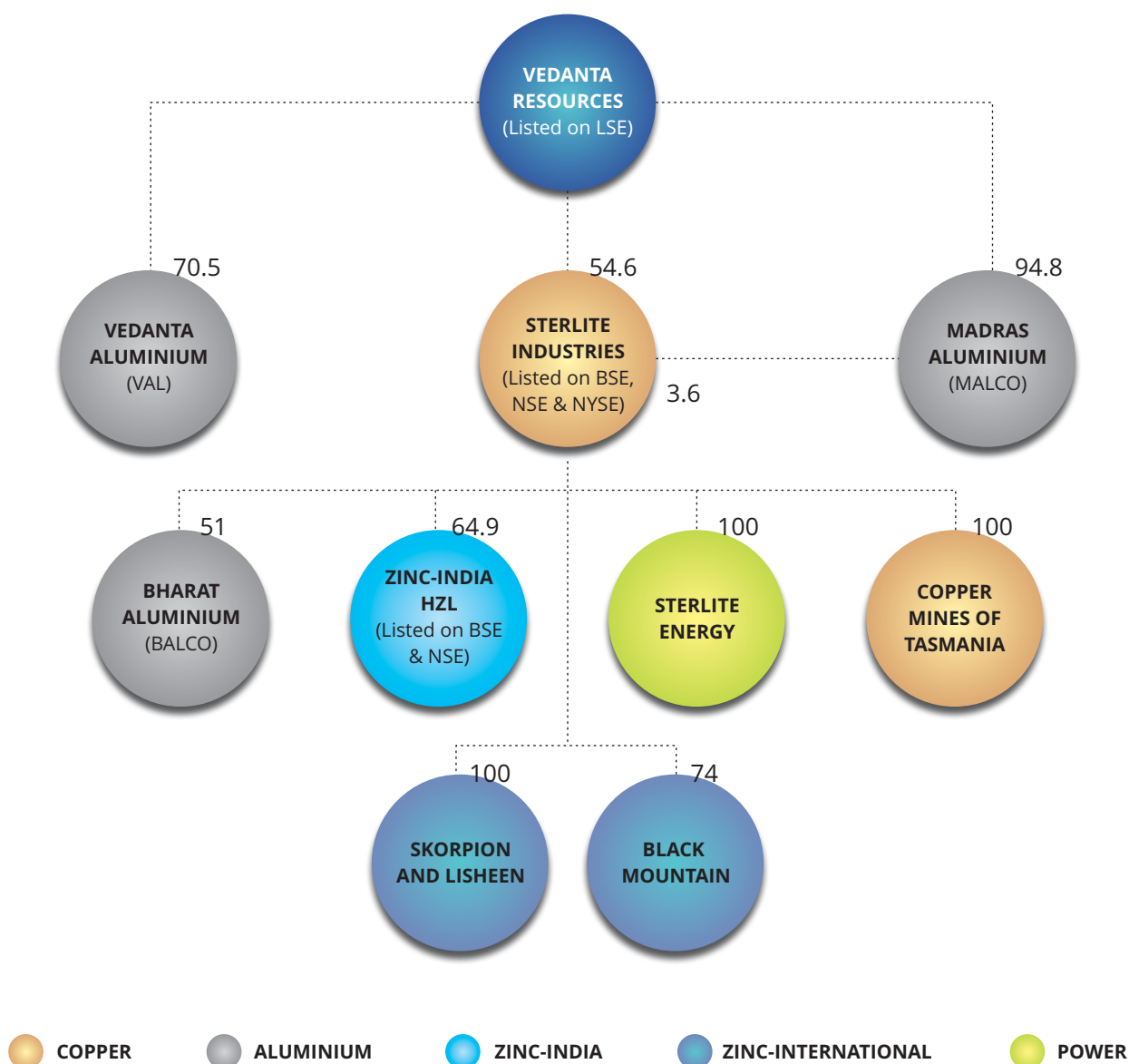
- Refinery: 1, 95,000 TPA
- Rod Mill: 178,000 TPA

Products

Our main products are shown below:



Group Structure



This report only covers the Tuticorin and Silvassa operations of Sterlite Industries.

Shareholding Pattern*

	No. of Equity Shares (Face value of shareholding Re.1/- each)	Shares held (%)
A. PROMOTERS HOLDING		
PROMOTERS		
Indian Promoters	12,07,87,719	3.59
Foreign Promoters	1,67,11,44,924	49.72
Banks, Financial Institutions, Insurance Companies (Central / State Govt Institutions / Non-government, Institutions)	18,98,32,826	5.65
Foreign Institutional Investors (FIIs)	40,07,29,628	11.92
Foreign Direct Investment (FDI)	-	-
Mutual Funds (including UTI)	12,84,69,661	3.82
Private Corporate Bodies	18,92,35,932	5.63
Indian Public	14,65,68,177	4.36
NRIs/OCBs	61,00,332	0.18
Shares held by custodians against which Depository Receipts have been issued	41,84,19,208	12.45
Clearing Member	98,17,956	0.29
Trusts	7,21,35,479	2.15
Foreign Bodies – DR	79,65,692	0.24
Grand Total	3,36,12,07,534	100.00%

*Pattern of shareholding by ownership as on 31st March 2012

Associations and Memberships

SIIL participates in various forums for engagement with companies from the same fraternity and otherwise for overall development of the industry. Sterlite holds memberships across some of the most prestigious institutions such as:

- All India Chamber of Commerce
- Confederation of Indian Industry
- Export Promotion Council for Export Oriented Units
- Indian Chamber of Commerce and Industry
- Indian Institute of Metals
- International Copper Association
- Tuticorin Chamber of Commerce and Industry
- International Copper Promotion Council of India (ICPCI)
- Indian Copper Development Centre (ICDC)
- Federation of Indian Chambers of Commerce and Industry (FICCI)



Awards received in 2011-12



Environment Awards

- CII Excellent Energy Efficient Unit Award in Energy Management Award-2012
- CII Innovative Environmental Project under Environment Best Practices-2012
- FICCI Best Industrial Water Efficient units award-2012
- UNESCO water digest award 2011-12
- CII National Award for Excellence in water management award-2011



Other awards

- 3 Star awards in International level contest- ICQCC (International Convention on QC Circles) 2012
- Sterlite bagged finalist award in QIMPRO CONVENTION-2012
- CII KAIZEN Competition award 2012
- Gold and Silver Awards in CCQC (Chapter Convention for Quality Circles) - 2012
- 3 Par Excellence and 1 Excellence Award in NCQC (National Convention for Quality Circles) – 2011
- Seven merit awards from Indian National Suggestion Scheme Association
- International team excellence award- finalist award from American Society of Quality



As Eternal as Copper - Our Sustainability Approach



We imbibe the core sustainable characteristics of our key product copper and hence believe that sustainability needs to be a part of our core business strategy. Accordingly we have designed our sustainable practices to achieve the goal of a responsible corporate citizen.

We see sustainable development as a core requirement to strategically improve the value of our business - both by managing risk and improving our operating standards. Our approach to sustainability mirrors our prevailing business ethos of achieving excellence through continuous improvement in our processes and outcomes, while also benchmarking ourselves against our global peers.

Sustainability Model



Our sustainability model comprises three pillars – Responsible Stewardship, Building Strong Relationships and Adding and Sharing value - each designed to support our long term sustainability as a world class diversified metal and mining company, providing superior returns to our shareholders. These three pillars capture the processes and activities we undertake to ensure a sustainable future. Within our sustainability framework, Responsible Stewardship defines how we operate. It is how we manage risk and demonstrate compliance to legal requirements and best practice. It is a vital part of all phases of our project lifecycle - from the way we conduct environmental and social impact assessments, the operation of our health, safety and environmental management systems including the way we manage water and energy use, our carbon footprint and our work on biodiversity management.

Embedding Sustainability into Our Business

The Vedanta Sustainability Committee drives the Sterlite's sustainability programme and approach. Over the last twelve months, the Committee has approved the Sustainability Framework and Sustainable Development Business Model as well as a suite of new policies and standards which all Sterlite Group companies have rolled out and are adhering to. The committee meets quarterly and is chaired by Vedanta Board senior non-executive director Mr. N Chandra and is composed of the CEO Mr. MS Mehta and Mr. J Janakaraj, CEO of KCM. It advises on the expected international standards of governance and outlines initiatives required to institutionalize a sustainability culture through the involvement of employees at every level of the business, as well as reviewing sustainability targets and assess progress made against them. The committee also approves medium term sustainability targets based on current performance, international standards of best practice and industry benchmarks.

In November 2011, Vedanta's Executive Committee formed a Sustainability Subcommittee of CEOs and Sustainability specialists to meet monthly to review in detail the sustainability performance across all Vedanta Group's companies. It provides leadership to group wide initiatives such as our current focus on the elimination of unsafe conditions from all our sites.

This year, under the guidance and leadership of the Vedanta Sustainability Committee, we have taken further steps to embed sustainability in all we do by improving our processes to implement new technical standards aligned to international standards developed by the International Finance Corporation (IFC) performance standards on social and environment, the ICMM guidelines and the principles of United Nations Global Compact. We have mapped the Sterlite framework against these principles and are satisfied that we have reflected them in our internal organisation. To embed our sustainability policies and supporting technical standards in the business Vedanta Corporate Sustainability team developed a training programme for all CEOs of the Group companies along with operations and project managers attending a three day course. These attendees are responsible for championing the sustainability strategy and policies throughout the business.

Report Profile and Boundary

This report describes the Sustainability performance of Sterlite Copper during FY 2011-12. The data points in the report cover major economic, environmental and social performance indicators as per the GRI G3.1 Guidelines (GRI Content Index available in the Annexure). In addition to this, the report also follows UNGC principles and the National Voluntary Guidelines by the Ministry of Corporate Affairs in India.

The units covered include our Silvassa and Tuticorin plants in India. This differs from our sustainability report released last year which covered the entire Sterlite Group including subsidiary companies like HZL, BALCO and CMT for the period 2010-11. Despite the change, we have maintained 3 year trend data where applicable. The data published in the report is as per GRI protocol. Data assumptions are clarified whenever required throughout the report.

The underlying data of this report has been published in our parent company Vedanta's report. The same has been assured by DNV and hence we have decided not to have separate assurance for this report.

Feedback on this report can be provided by using the contact information provided at the back of the report.

Eternally with our Stakeholders



The second pillar of our sustainability model embeds our commitment to build strong relationships through effective stakeholder engagement. We strive to effectively and systematically engage with our stakeholders - including our employees and contractors, our neighboring communities, Government & State owned enterprises, Students, Elites, Media and Industrial Bodies, and NGOs - enabling us to understand their key concerns, their opinion of our business and practices, and their future aspirations. This equips us to proactively build trust in our business, identify opportunities and mitigate risks by understanding and responding to concerns and issues.

Our stakeholder engagements assist us to identify sustainability priorities and direct our efforts in facilitating a greater degree of sustainability in our programs.

Our Stakeholder Engagement Model

We strive to effectively and systematically engage with our stakeholders -



We aim to achieve a better understanding of all our stakeholder groups. We introduced a stakeholder engagement technical standard (based on global standards) in 2011. It helped us undertake stakeholder identification analysis by seeking to identify and understand those who might be directly or indirectly affected or interested in Sterlite operations. The Standard requires all projects, across their lifecycle, to undertake proactive stakeholder identification, analysis and engagement in a manner commensurate with their potential and relevant impacts. We are working to embed the standard across the business.

No significant disputes relating to land use, customary rights of local communities have occurred during the reporting period.

Stakeholder Engagement Mechanisms

Stakeholders	Engagement Mechanism	Initiatives
Communities & NGOs	<ul style="list-style-type: none"> • Written Communication/ Need based discussions /meeting with community representatives • Open dialogue • Survey & PRA's 	<ul style="list-style-type: none"> • Educational support • Sterlite Women's Empowerment Program • Coastal Livelihood Program • Model village • Rural Infrastructure development • Health camps, etc • Sponsoring events in villages like temple festivals, sports tournaments etc • Identifying the grievances of the community and report to the management for further action
Government & Regulators	<ul style="list-style-type: none"> • Monthly reports • Monthly inspections • Public Private Partnership • Written Communication • Need based discussions 	<ul style="list-style-type: none"> • Regular compliance with rules, regulations & stipulations • Submission of monthly reports • Immediate response by way of corrective action on issues raised by the Government authorities • Partnership with Government to carry out welfare activities for public • Facilitating regular compliance with rules, regulations & stipulations • Sponsorship of events organised by Government
Employees	<ul style="list-style-type: none"> • Intranet facilities • Newsletters • Monthly and quarterly Training programmes • Employee suggestion scheme • Communication meeting • Cultural programmes 	<ul style="list-style-type: none"> • Employee Connect • Employee suggestion scheme • Employee retention bonus • Event management team • Team of the month • Mentor-Mentee • Employee of the month & year • Family get-together
Customers	<ul style="list-style-type: none"> • Discussions/ personal interactions on a daily basis • Plant Visit 	<ul style="list-style-type: none"> • Customer satisfaction survey • Online access through E-Salesmate • Faster response for customer complaints • Arranging for plant visit
Suppliers/ Transporters	<ul style="list-style-type: none"> • Discussions/ personal interactions on a daily basis • Plant Visit 	<ul style="list-style-type: none"> • Vendor meets • Vendor portal and email id • Drivers' training programme for safety • Vendor Satisfaction Survey • Evaluation of Vendor Sites
Contract Labourers	<ul style="list-style-type: none"> • Induction programme • Training programme • Rewarding schemes 	<ul style="list-style-type: none"> • Rewards & Recognition • Welfare facilities for Contractors as a part of HR initiatives • Contractor Safety Management Cell • myideas@sterlite • Safety Performance Bonus

Stakeholder Engagement Mechanisms

Stakeholders	Engagement Mechanism	Initiatives
Educational Institutions	<ul style="list-style-type: none"> • Management Development programmes • Academic interactions • Plant Visits • Interaction in various forums for students • Students internships/apprenticeship • Sponsoring events 	<ul style="list-style-type: none"> • Employees conduct guest lectures at leading institutions • Employees are sent for Management Development programmes • Alumnus interaction with students during recruitment • Sponsoring / organising events for students
Investors/ Shareholders	<ul style="list-style-type: none"> • Redressal of investor grievances • Quarterly/half-yearly results • Website, Newspaper ads 	<ul style="list-style-type: none"> • Annual reports • Annual Shareholders' meet
Media	<ul style="list-style-type: none"> • Written and Mail Communication • One- on-One meeting • Plant Visits 	<ul style="list-style-type: none"> • Regular publication of news and advertisements • Plant visits for journalists • Sponsorship of events organised by media • Creating Happiness Campaign: short film competition
Industrial Bodies	<ul style="list-style-type: none"> • Written and Mail Communication • Sponsoring events 	<ul style="list-style-type: none"> • Sponsoring events organised by CII, AICCI etc

Case Study: Social Media Engagement

With the considerable growth in social media users it is necessary to realise the importance of being present in the social media at a higher level. One such initiative to make Sterlite's presence felt in the social media was 'Creating Happiness Campaign' where college students from various film institutes were invited to compete in a short film competition. The campaign was launched across the Vedanta Group and film students from various places of the country were called to make a short film on community welfare programmes carried out by the Group. 4 short films were made with Sterlite's CSR initiatives as a theme and were uploaded in Youtube as well as in the other social networking sites like Facebook, Twitter etc. The social media was used as a mode of voting to judge the best short films of the competition. Videos on several programmes on Sterlite were also uploaded in Youtube to make people aware of various activities being carried out by Sterlite.



Community Consultation Approach

Community Consultation is embedded in the way we do business - in its broadest sense it occurs at project 'gateways' – We have decided to adopt the new requirements for all future projects commencing after Dec-2011 and community consultation would be part of our process at prefeasibility, 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.

New Projects: Our New Projects, Planning and Site Closure Standard stipulates that our companies shall 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.

In the pre-feasibility stage, in accordance with the standard, we strive to ensure effective consultation programmes are in place to obtain broad community support in relation to the new project and ensure stakeholders understand the risks, impacts and opportunities associated with the proposed project. Consultation programmes shall include, but not be limited to, the dissemination of information through public hearings and community meetings, distribution of Public Consultation and Disclosure Plans and relevant project documentation and establishing and maintaining an effective grievance procedure.

Operating and Ongoing Projects: Our commitment to human rights and promotion of local heritage is embedded in our community consultation process. Consistent, open dialogue through various platforms, and building and nurturing relationships with communities near our ongoing operations so that we can understand their concerns and recommendations, and is closely managed by our dedicated employees working in conjunction with community volunteers and representatives. We also work to ensure that all consultations occur in a culturally sensitive manner, in local languages and in a collaborative and open manner.



Eternally creating value – Our Business



Economic Performance

Production and Market Outlook

Production

Production of cathodes at our Copper India business was 326 kt in FY 2011-12, up 7.2% year on year due to improved operational performance.

Benefiting from improved by-product sales of sulphuric acid and improved operational performance, Copper business performed well delivering a reduction in unit conversion cost. Sulphuric acid sales were up 14.2% over the previous year. In reference to the Special Leave Petition filed by us in the Honourable Supreme Court, we are in the process of progressively complying with all the improvement measures suggested by the Tamil Nadu Pollution Control Board. The smelter continues to operate at its rated capacity. The matter is being heard by the Supreme Court.

The Vedanta Owned Mt. Lyell copper mine in Tasmania, Australia, provided approximately 8.0% of the company's copper concentrate requirements in FY 2011-12.

Outlook

Global refined copper production in 2011 was reported as 19.6 mt, an increase of about 3% over the 2010 figure of 19 mt despite uncertain macroeconomic conditions in 2011. Global refined consumption exceeded supply by about 93,000 tonnes. Global mine production growth slowed to 0.6% in 2011, hampered by falling copper grades and labour disputes. Global copper consumption is estimated to increase by about 4% during 2012.

China, the biggest consumption of copper in the world (with 40% consumption of total copper produced), remains the preferred destination for the exports. Similar to the previous year, overall Indian copper consumption grew by 6% in FY 2011-12, constrained by increased imports of finished electrical machinery. We sold 61% of production in the Indian local market and the remaining 39% was exported to China and South East

Asia. Growth in the power sector in India, and increased spending on infrastructure including housing, continued to drive the growth of copper consumption. Over the medium- to long-term it is expected to grow at about 7–8% per annum.

The 160 MW coal based thermal captive power plant is underway. The first 80 MW unit of the captive power plant at Tuticorin is mechanically completed and commissioning is expected by Q1 FY 2012-13. The second unit is expected to be commissioned during the fourth quarter of FY 2012-13. Once the power plant at Tuticorin is commissioned, it is expected that the cost of power incurred in smelting and refining will come down substantially and will reduce the gross cost of production. Another expansion plan launched is the capacity increase of copper smelter to 800000 tpa. We have received Ministry of Environment and Forests (MoEF) clearance for the 400 ktpa copper smelter expansion project at Tuticorin. A Writ Petition challenging the clearance issued by MoEF is being heard at Madras High Court. Activities have been put on hold. The copper smelter expansion project is being rescheduled while we await the decision of the High Court and consent from the State Pollution Control Board.

Financial Performance

	(Rs. in Crores)		
Direct Economic Value Generated (A)	2011-12	2010-11	2009-10
Revenue (through core business segments)	18,092.06	15,307.14	13,114.28
Other Income (through other sources)	2,247.68	1,628.92	1,135.58
Total	20,339.74	16,936.06	14,249.86
Economic Value Distributed			
Operating cost	17,219.03	14,656.86	15,118.13
Personnel expenses (wages+benefits)	92.09	88.05	77.28
Interest Charges	597.46	317.02	263.25
Taxes and royalties (given to various govt. wherever business units are located)	350.36	454.42	257.38
Dividends (payments to capital providers)	(686.27)	(429.71)	(421.03)
Donations (political parties/politicians)	5.00	0.10	-

Indirect Economic Impact

Our motive is to go beyond financial performance to seek inclusive growth. Our community programs focus on empowering women and youth of the areas where we operate. The impact of these programs is discussed in the Community Section of this report.

Defined Benefit Plans

Contribution to Benefit Plan (In crore)	2011-12	2010-11	2009-10
Contributions to Provident and Other Funds	5.48	5.34	5.78
Staff Welfare Expenses	9.37	10.55	7.34
Total	14.85	15.89	13.12

Systems and Processes

Our growth depends on our ability to leverage technology. We constantly try to improve our existing systems and processes by using the best available technology or practices.

Business Excellence

In our journey towards realising our vision, business excellence plays a major role in connecting and putting the best practices in place to get the desired results. Some of our key initiatives in this area are described below.

CIP

Continuous Improvement Projects (CIP) were launched to create a competitive work environment among department employees. The projects covered all key work processes and aim is to achieve breakthroughs in performance by using six sigma approach for problem solving in a detailed manner. 27 CIP projects were launched on 27th Jan'2012. 16 projects were taken for final review based upon the implementation & holding the gains.

Energy Management System (EnMS) – ISO 50001: 2011

As a responsible corporate, Sterlite Copper initiated ISO 50001:2011, the Energy Management System (EnMS) to achieve continual improvement of energy performance, energy efficiency and energy conservation. The benefits of ISO 50001:2011 include minimizing waste energy and energy bills and reduce GHG emissions.

5S

5S is the foundation for any improvement initiative. Workplace organisation by structured proven 5S approach finally leads to higher productivity and safe healthy work environment. In Sterlite, we have 43 zones spread across the plant managed by 5S team at each zone. Well documented 5S manual, a structured training to these coordinators, robust internal and Business Excellence steering committee audits ensures robustness of this system. Periodic audit by external bodies enables introspection with external perspective.

A new initiative “the rising sun” was launched at the contractor shed area with the objective to internalise 5S habits among the contract workmen who are the backbone of the organization. A well planned approach to deploy this concept at their shelter area enables us to get buy-in from them after seeing a visible improvement at their own shelter area.

Information Technology

The IT team's purview is wide and covers everything from Green IT initiatives like virtualisation, data center consolidation, to productivity initiatives like automated weigh bridge, business continuity planning, corporate governance, as well as IT security. Here are some of the initiatives implemented during the reporting period.

Manufacturing, Integration and Intelligence (MII)

MII has been implemented in Sterlite Copper to centralise the various control systems data by interfacing with SAP to monitor the critical process parameters on a real time basis and to bring intelligence to the system. This provides better visibility of process control parameters to key decision makers. MII has Integration with systems in MES layers like DCS, SCADA, PLC, Energy Monitoring system, Condition based monitoring. MII has been interfaced with SAP MM & PM. This has helped in effective dissemination of plant information across the locations i.e. Silvassa, Tuticorin through web services Integration of DCS and non DCS systems to a common platform to have better visibility of information across Smelter, Refinery, CCR and Acid plants.

SAP GRC 5.3

To deploy a strong on-line User Access Management System in line with Segregation of Duty as per SOX / SEBI Clause 49 Provisions SAP GRC 5.3 has been implemented. SAP GRC 5.3 protects information and minimise fraud by enforcing SoD rules in real time and preventing improper access. It also optimises operations and

increases process efficiencies by automating access management, minimises audit time and audit-related costs with automated audit trails, automatically eliminates access and authorization risks and leverages real-time reporting for greater transparency.

Semi Automated Weighbridge

Semi automated weigh bridge has enabled end-to-end integration and automation of in-bound & out-bound logistics movements in SAP with Weigh Bridge Interface. All security related transactions are integrated in SAP by integration of all 40-60MT weighbridges. This has enabled automation in GRN and Invoicing in SAP. Also this has enabled outbound Automation for Finished Goods, Acid movement, Gypsum and Slag movement and SAP / Weigh Bridge Interface. Truck turn around reporting & alert mechanism has been initiated which has helped reduce turnaround time of trucks. Barcode generation at Security and retrieval through scanning, auto invoice creation linked with outbound automation is some of the added advantages.

Flow Meter based Sulphuric Acid Dispatches

Integration of flow meters with SAP R/3 for Auto capture of weighments and auto invoicing enables easier dispatch of sulphuric acid. This has supported safety practices at work.

ISO27001 Recertification

Repeating its accomplishment from 2009, SIIL has achieved ISO 27001:2005 recertification for all the locations under the scope of ISO audit. Three years before, Sterlite was the first company in Vedanta to attain its international certification, attesting that its procedure is according to the best Information security practices. This confirms that all information handling, processing and storage by Sterlite Industries (I) Ltd., is aligned with ISO 27001 standards, ensuring security and consistency.

Being recertified is an important achievement. Since the last certification in 2009, we further invested and developed different methods for managing risks tailored to the needs of business. ISO: 27001 is a strong endorsement of our commitment to taking a protective stance against security threats and breaches.

Funds Management (FM) Module in SAP R/3

The FM Module in SAP was enhanced to incorporate GL based controls. The functions in this component supports in creating budgets. The main task is to budget all revenues and expenditures for all business areas and prevent budget over runs. Funds Management is fully integrated with other components of the SAP System.

Case Study: Barcode based SAP linked Unmanned Weighbridge Operation

Conventional truck tracking system which was an isolated system from SAP R/3 has been replaced by Automated Weighbridge System – which is an intelligent solution that turns our weighbridge to a simple unattended terminal, eliminating the need of weighbridge operators. The system is customized with cameras for vehicle Number capturing & material capturing, photo Sensors and traffic lights. This innovative weighing application was implemented for all byproducts sales, as a pilot project.



The image shows the kiosk wherein barcode scanner, ticket printer and the weigh indicator are located. It has a voice assisted guidance system for truck drivers and a button system available to cancel / accept the weights, based Remote LED display. The display system inside the kiosk helps the instrumentation person carry out calibration.

Benefits of this automation system are many fold. It eliminates the driver's movement from vehicle to weigh cabin for collecting the weigh slip and hence ensures safety of drivers at weighbridge. There has been a 66% reduction in vehicle handling time at the weighbridge. Being an unmanned system, manpower is optimised for a better productive job. Interviews with drivers have shown positive feedback. They are very happy to work with this weigh bridge as they need not have to get down from vehicle for getting weigh slip. Vehicle fuel consumption has reduced and the number of trips has increased because of reduced weighing time. We understand from the suppliers that this is the first system in India where Barcode based SAP linked Unmanned Automation system is introduced.

Risks and Mitigation

Sterlite Copper has adopted the Turnbull Risk Matrix framework for risk management. The matrix identifies all the major risk on stand alone basis that is applicable to the copper business and is reviewed by our Board. During the year, the updated risk matrix was presented to the Audit Committee and Board members along with the enterprise-wide risk management. We follow a very structured approach for the identification and quantification of each risk and have a comprehensive risk management framework. Risks are identified through a formal risk management programme with the active involvement of business managers, senior management both at the entity level and corporate level. We maintain a risk register and matrix which is regularly reviewed. The overall risk management programme is reviewed by the Audit committee on behalf of the Board.

Risk	Impact	Mitigation Measure
Commodity Prices may be volatile, which may have a material adverse effect on our revenue and operating results.	Our custom smelting operations of copper at Tuticorin enjoys a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of copper concentrate and the sale of finished copper.	Our policy is to sell our products at prevailing market prices and not to enter into price hedging arrangements other than for businesses which are not fully integrated where back to back hedging is used to mitigate pricing risks.
Regulatory, economic, social and political uncertainty in any of the countries and jurisdictions in which we operate including changes to fiscal regimes or other regulatory regimes	The majority of our revenues and profits are derived from commodities sold to customers in India. Any downturn in overall health of the Indian economy, any political or regional instability may impact revenue margins arising out of import tariffs prevailing in India.	We perform thorough risk assessment on a country by country basis to review the risks and to ensure that risks have been properly identified and managed.
Currency fluctuations may negatively affect our financial results	For the financial year 2011-12 there was volatility in the Indian currency vis a vis the US Dollars and the Indian Rupee depreciated significantly, which increased our mark-to-market losses on US dollar loans. Our attributable profit is also impacted significantly where our companies which have higher attributable shares.	We seek to mitigate the impact of short-term movements in currency on our businesses by hedging our short-term exposures progressively based on their maturity.
Health and safety risks and related regulations which can adversely affect our operations and reputation	Potential health and safety risks like escape of polluting substances and longer-term health impacts due to unanticipated workplace exposures may have a material adverse impact on our operations.	We place great emphasis on health and safety programs. Our locations are ISO 14001 & OHSAS 18001 certified.
Managing community expectations	Failure to engage with the community adequately may result in loss of licence to operate	We have a structured programme of proactive engagement with our stakeholders on sustainability related matters.

Risk	Impact	Mitigation Measure
Environment and biodiversity risks	Failing to adhere to regulations or not being proactive about managing these risks may impede our expansion plans or cause delays and stop our existing operations	We take utmost care in ensuring compliance with related regulations. We also adhere to regulations stipulated by the Pollution Control Board
Human rights risks	We deal with contract labourers as well as vendors and suppliers and any human rights violations seen in our premises or at our suppliers end may reflect poorly on our human rights screening processes	Though there is no complete control on our suppliers' work environments, the documents used during the screening process such as our vendor questionnaires and contracts require the vendors to commit to human rights practices. We also have practices to ensure that child labour and forced labour do not occur at our sites.
Operational risks	These conditions and events include disruptions in production due to equipment failures, unexpected maintenance problems and other interruptions, non-availability of raw materials of appropriate quantity and quality for our energy requirements, non availability of water for plant used, disruptions to or increased cost of transport services or transport labour strikes and industrial actions or disputes.	While many of these risks are beyond our control, we have adequate and competent experience in these areas and have consistently demonstrated our ability to manage these problems proactively.
If our planned expansions and new projects are delayed, this could have a material adverse effect on our businesses, operating results, financial condition and/or prospects.	The timing, implementation and cost of these expansion projects are subject to a number of risks, including the failure to obtain necessary licenses, permits, consents and approvals, or funding for the projects. Any failure to obtain the requisite regulatory approvals may delay or prevent us from commencing commercial operations.	Project team has been strengthened with key personnel who were part of earlier project. Milestone based incentivisation of contractors involved in key projects to control delay in completion.
Financial risks and Sensitivities	Within the areas of financial risk, we have approved policies which embrace liquidity, currency, interest rate, counterparty and commodity risks which are strictly monitored at the meeting of the Board of Directors.	Treasury policies are approved by the Board and adherence to these policies is strictly monitored at Executive Committee meetings. The conservative financial policies have enabled us to minimise, where possible, the negative impact of the recent global recession.

Risk	Impact	Mitigation Measure
Liquidity Risks in terms of being able to fund operations and growth	If we are unable to obtain sufficient credit due to capital market conditions, we may not be able to raise sufficient funds to develop new projects, fund acquisitions or meet our ongoing financing needs. As a result, revenues, operating results, cash flows or financial position may get adversely affected.	We generally maintain a healthy net debt-equity ratio and retain flexibility in the financing structure to alter the ratio when the need arises.
Counterparty Risks	We are exposed to counterparty credit risks on our investments and receivables.	We have clearly defined policies to mitigate these risks.
Human Capital Risks	We are dependent to a large degree on the continued service and performance of the executive management team of Sterlite and other key team members in our business units. These key personnel possess technical and business capabilities that are difficult to replace.	We depend on our ability to maintain the necessary management resources and to attract, train and retain personnel with the skills that enable us to keep pace with growing demands and evolving industry standards.
Absence of Internal Controls on systems and processes	We have effective and adequate internal audit and control systems, commensurate with the size of our business.	Regular internal audit visits to the operations are undertaken to ensure that high standards of internal control measures are maintained at each level.
Taxation	Changes to tax legislation and regulation or their interpretation may adversely affect the value of an investment in securities and may affect Shareholders differently.	Policy advocacy team and taxation planning are already in place

Opportunities

The medium to long term outlook in the metal sector remains positive. With the robust demand from emerging economies, we believe that the drivers for growth will continue in spite of uncertainties in the European economies. With our strategic acquisitions, sustained volume growth across our operations and expansionary growth projects in pipeline, we are confident of delivering excellent performance and added value to all our stakeholders.

To generate awareness on copper's use and its wide scale applications we have partnered with International Copper Promotion Council of India (ICPCI) for promoting our copper based products. The planned initiatives and activities with ICPCI have helped in awareness, brand building and enhancing our market base.

Eternally and Ethically – Our Governance Systems



Corporate Governance

Sterlite believes in conducting its affairs in a fair and transparent manner and maintaining highest ethical standards in our dealings with all our stakeholders which is the key factor in ensuring business success. We aim at achieving transparency, accountability and equity across all facets of operation and in all interactions with stakeholders. Our mission is to constantly review our systems and procedures to achieve the highest level of corporate governance in the overall interest of all the stakeholders.

Our Board of Directors continue to be committed to the highest standards of corporate governance and accountability to our shareholders. The Board believes that sound corporate governance is essential to achieving our strategy to create a world class metals and mining Group and generate strong financial returns. The Board is especially aware of the need for a strong corporate governance framework in the current climate and the need is felt not only due to changing nature of our businesses but also the environment in which it operates. We have, therefore, adopted practices mandated in Clause 49 and established procedures and systems to be fully compliant with it.

Our Corporate Governance structure is based on the following principles:

- **Trusteeship:** A transparent and independent Board with a balanced composition and size which can provide effective leadership to our Company. The Board is the trustee for all the stakeholders
- **Aim:** Accountability, independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures
- **Entrepreneurship:** Empowering the management and employees, especially women, to showcase strength, ownership, innovation and passion to excel and lead
- **Creating value:** Efficient resource management to enhance enterprise value and return on investment
- **Concern and respect for people and environment:** Working for the society and community

The above principles are reflected in our Company's day-to-day initiatives and policies. The Board of Directors remain at the helm of affairs, guiding our Company by approving the broad framework and policies, the annual operation plans, budgets and expansion plans. The day-to-day management is managed by the Copper

Management Committee (CMC) comprising of the CEO, CFO and all SBU Heads which acts as the bridge between the Board and the Management.

Governance Policies and Codes

Code of Business Ethics and Conduct

We have a well defined and approved 'Code of Business Ethics and Conduct' (in short called as 'Code of Conduct' or 'COC') applicable to all Board members, Senior Management and employees of the Company. The code of business ethics and conduct is available on our website, (www.sterlite-industries.com). All Board members and Senior Management personnel have affirmed compliance with the code of business ethics and conduct.

Code of Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, we have instituted a comprehensive code of conduct for its Directors, management and officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with shares of company and cautioning them of the consequences of violations. A yearly disclosure is taken from all the Directors and Designated employees of the Company. The Company Secretary is the Compliance Officer.

Whistle-blower Policy

As part of Code of Conduct, we have a Whistle Blower Policy, where any instance of non-adherence to the Policy or any unethical behaviour is observed, it needs to be brought to the attention of the Head of Management Assurance Services. During the year, the concerns reported under this mechanism have been scrutinised and appropriate actions taken. It is also confirmed that no personnel has been denied access to the Audit Committee.

Governance Committees

Board of Directors

The Board reviews, approves our strategic, operational and financial plans, guides corporate strategy, takes key strategic decisions, reviews the major plans of action, i.e. decisions concerning the capital of the Company, including capital restructure, capital returns and security issue and buy backs etc., risk policy, reviews, approve annual budgets and business plans and monitor performance against corporate strategy.

Our Board comprises of seven Directors. Mr. Anil Agarwal, Chairman (non-Executive) and Mr. Navin Agarwal, Executive Vice-Chairman are the two promoter Directors and Mr. D. D. Jalan is the whole-time Director. In addition to the promoter directors, there are four Non-Executive Independent Directors, viz., Mr. Gautam Doshi, Mr. A. R. Narayanaswamy, Mr. Berjis Desai and Mr. Sandeep Junnarkar. All the Independent Directors meet the independence criteria as required under Clause 49 of the listing Agreement. Our Board's profile is present on page 54 and 55 of our Annual Report.



Committees of the Board

The Board Committees focus on specific areas and make informed / appropriate decisions within the authority delegated to each Committee guided by its charter, which defines the composition, scope, responsibilities and powers of the Committee. The Committee shall also make specific recommendations to the Board on various matters from time to time. All observations, recommendations and decisions are placed before the Board for information and their approval / consent.

Audit Committee

As on March 31, 2012, Sterlite's Audit Committee consisted of Mr. Gautam Doshi, Chairman and Independent Director, Mr. A.R.Narayanaswamy Independent Director, Mr. Sandeep Junnarkar, Independent Director, and Mr. Berjis Desai, Independent Director. Mr. Gautam Doshi and Mr. A.R.Narayanaswamy are the financial experts in the Audit Committee and all members of the Audit Committee have accounting and financial management knowledge and expertise. The committee met six (6) times during the year on April 25, 2011, July 25, 2011, September 22, 2011, October 24, 2011, January 23, 2012 and March 28, 2012.

The functions of the Audit Committee among other things include overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible. No Indian subsidiary of Sterlite Copper falls under the term 'material non-listed Indian subsidiary' as defined under Clause 49 of the Listing Agreement.

Shareholder's/Investor's Grievances Redressal Committee

The Shareholder's/Investor's Grievance Redressal Committee reviews matters related to grievances of shareholders and investors. The Committee primarily focuses on review of investor complaints and its redressal, queries received from investors which includes transfer of shares, issue of share certificates, non-receipt of Annual Report, non-receipt of declared dividends etc and reviews the report presented by Share Transfer Agent of the Company. The Committee comprises of three members: Mr. Sandeep Junnarkar who is Chairman of the Committee, Mr. Berjis Desai and Mr.D.D.Jalan, Whole-Time Director being the other members. The Committee met four (4) times during the year on April 25, 2011, July 25, 2011, October 24, 2011 and January 23, 2012.

We have appointed M/s. Karvy Computershare Private Limited, as its Registrar and Share Transfer Agent, who are fully equipped to carry out share transfer activities and redress investor complaints. The Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

Nominations Governance and Remuneration Committee

The Remuneration Committee is responsible for recommending the fixation and periodic revision of remunerations (including commissions and/or incentives, etc) of Whole-Time Directors/Executive Directors. This is done after reviewing their performance based on pre-determined evaluation parameters and our policy of rewarding achievements and performance.

Payment of remuneration to the Executive Vice-Chairman, Managing Director and Whole-time Director is governed by the respective agreements executed between them and the Company and are governed by Board and shareholders' resolutions. The remuneration structure comprises of salary, commission linked to profits, perquisites and allowances and retirement benefits (pension, superannuation and gratuity).

Share / Debenture Transfer Committee

The Board of Directors have delegated the power to approve share/debenture transfers, transmission and consider split / consolidation requests to the Share / Debenture Transfer Committee. The Share / Debenture Transfer Committee was reconstituted with new members which included Mr. P.Ramnath, CEO, Sterlite Copper, Mr. Sridhar Narasimhan, Associate Vice President – Finance and Mr. Rajiv Choubey, Company Secretary and Head Legal. The Share /Debenture Transfer Committee met Twelve times during the year.

Finance Standing Committee

The Finance Standing Committee consisted of Directors and Officials of the Company, namely Mr. Navin Agarwal, Mr. D.D. Jalan, Mr. M.S. Mehta, Mr.Tarun Jain and Mr. C. Prabhakaran. The Charter of the Committee authorises on behalf of the Company, any changes in authorised signatories for banking operations, delegation of powers for day to day excise and sales tax matters, authorisation to specific employees for certain contractual obligations and such other delegations as may be required. The Committee met once during the year and other items were approved through circulation.

Compliance

We are fully compliant with the applicable mandatory requirements of Clause 49.

Legal Compliance Management System

Sterlite has a comprehensive automated legal compliance system for monitoring the compliances. The system is capable of monitoring compliance at units located at Tuticorin and Silvassa.

The Legal Compliance Management System is user friendly which explains compliance requirements handles FAQs, provides supportive documents like specific forms which needs to be filed with regard to particular legal compliances. The forms being filed by the various departments/ processes can be uploaded on to the online system which makes the audit of the compliances simpler. The system is a server-based scheme and hence the compliance data is completely secure.

This system encompasses compliance checklists and compliance definition assigns compliances and responsibilities to user, collates data with regard to compliances and presents exceptional non-compliance. The compliance reports are reviewed by the respective departments on a monthly basis and the non-compliances (if any) are recorded with reasons. These exceptional non-compliances are circulated to the Copper Management Committee and the Audit Committee by the legal department.

The Compliance system is controlled by users at three tiers, implementer; monitor and reviewer for each department/process. The implementers have the responsibility of confirming that the legal compliance checklists for their respective function are followed. The monitors are accountable for ensuring that the steps taken for the implementation of the compliance are in order and finally at the third level the reviewers who hold an overall responsibility of reviewing the compliances. These implementers/ monitors/ reviewers are also given training and hand holding support to ensure smooth functioning of the compliance management.

Disclosures

Investor Complaints

The investor complaints are monitored on quarterly basis by Investor Grievance Committee. The complaints are handled by Karvy Computershare Private Ltd. During the reporting period 3784 complaints were received and all of them were replied to. Further details can be found on page 99 of our annual report.

Disclosure on Material Financial and Commercial Transactions with Senior Management

None of the materially significant related party transactions i.e., transactions of the Company of material nature, with its Promoters, the Directors or the management, their relatives, or subsidiaries, etc., that may have potential conflict with our interests at large were carried out.

Contributions to Political Parties

During the Reporting Period, donations aggregating to Rs. 5.00 Crore (Previous Year Rs. 0.10 Crore) were made to Public Political Awareness Trust, an indirect contribution to political party.

Financial Assistance

We have received the following as financial assistance from the Government of India.

Financial assistance received in Crores	2011-12	2010-11	2009-10
Custom, excise duties waived(MLFPS & Duty draw back)	97.90	6.17	69.34

Ethics and Human Rights

Upholding people's fundamental rights is a central tenant of our business. Across our global operations we recognise fundamental human rights in the jurisdictions in which we operate, adhering to all relevant legal standards and are against child labour, force labour in any form both in our own operations as well as at our suppliers. We are committed to adopt international best practices in this regard.

Human Rights Assessment

We have a formal policy on human rights and the Staff Handbook given out during the induction programme clearly defines the respect for human rights and that there should be no discrimination between persons on any grounds. Our Human Resources teams at Tuticorin and Silvassa ensure implementation of the policy as laid down in the Staff Handbook. Contract services require adherence to all labour laws. The contract binds them to our standards and ethical practices as well. There have been no incidents reported on violations of human rights in the company so far. As of now we do not conduct any human rights assessment. Our investment decisions are made using standard due diligence processes, however human rights screening is not done explicitly.

Most of the security personnel appointed by Sterlite comprise of ex-servicemen with adequate training and experience in defence and security tactics.

Description	Number
Total number of security persons	
Employee	8
Contract employee	18
Total	26
Number of security personnel having received training in the organization's policies for human rights and their application to security	26
Percentage	100

Mitigating Corruption Risks

Sterlite follows a zero tolerance policy towards cases of frauds, corruption and other unethical behaviour. Our Code of Conduct contains general guidelines to adhere to the highest standards of business ethics. Strict adherence to the provisions of this CoC is a condition of employment. The CoC guides employee's behaviour and helps to promote:

- Honest and ethical conduct, the ethical handling of conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with or submits to relevant authorities and in other public communications;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting to an appropriate person or persons identified in this Code; and
- Accountability for adherence to this Code.

Accordingly, the Code of Conduct covers

- Compliance with laws and regulations on Bribery and Corruption, Fraud and Money Laundering, Political Donations and Fraud
- Health, Safety and Environment
- Compliance with Insider Trading Laws
- Whistle Blowing Policy
- Competition and Fair Dealing
- Conflicts of Interest
- Gifts and Entertainment
- Protection and Use of Company Assets

- Confidential Information
- Disclosure and Company Records

Every employee including a Director at the time of joining is given compulsory training/ awareness session on Code of Conduct as part of induction programme, which spells out our policies with regard to unethical behaviour. Induction is followed by sign off of the Code of Conduct at the time of joining.

In order to manage and mitigate corruption risks while dealing with suppliers and other third parties, we have a Supplier's Code of Conduct in place under which the supplier shall ensure compliance of Code of Conduct while dealing with us. Our General Terms & Conditions in all contracts stipulate compliances of all applicable labour and other relevant laws & regulations.

SIIL is listed on NSE, BSE and also on NYSE and is subject to main anti-corruption law in India, the Prevention of Corruption Act of 1988 and the US legislation namely, Foreign Corrupt Practices Act of 1977 (FCPA) and the UK Bribery Act of 2010 (UKBA). Declaration on UKBA was taken in July 2011 from M-4 and above designated employees. In addition, periodic training and awareness sessions were also conducted for employees to assure adherence to international norms in its operations and enhance the knowledge of anti-corruption laws. The essence of Whistle Blower Policy is communicated to the employees at the time of induction, apart from disseminating information in this regard through hoardings at factory premises and screen savers. Whistle Blower Policy serves as a platform where any instance of non-adherence to the Policy or any unethical behaviour observed is brought to the attention of the Head of Management Assurance Services (MAS) Team. Complaints regarding such unethical behaviour are taken up seriously and may result in disciplinary action against the concerned person.

Disclosures

The Code of Conduct is mandatorily signed by every employee and Director at the time of joining. The Company's Management Assurance Services (MAS) Team monitors anti-corruption cases.

Employee Category	Total No. of Employees received anti-corruption training
Associates (M7-M9)	89
Middle Management (M3-M6)	53
Senior Management (M1-M2)	4
Top Management (Board Members)	1

Actions Taken In Response to Incidents of Corruption

On complaints of incidents of corruption submitted by employees through Whistle Blower mechanism or otherwise, we protect the confidentiality and anonymity of the complainant to the fullest extent possible with an objective to conduct an adequate review. The Management Assurance Service (MAS) team reviews the complaints submitted and conducts investigation of the same. Post review, if the complaint is found to be true, stringent disciplinary actions are taken against the concerned person. The MAS team submits to the Audit Committee on a half yearly basis: (a) the complainant (unless anonymous, in which case the report will so indicate), (b) a description of the substance of the 'Complaint', (c) the status of the investigation, (d) any conclusions reached by the investigator, and (e) findings and recommendations.

During the year, 4 complaints were received and in one incident employees were dismissed. It is also confirmed that no personnel has been denied access to the Audit Committee. Whistle Blower Policy is advocated through screen savers, posters and hoardings.

Grievances Related to Human Rights

Employee connect is a monthly programme which is organised with a cross functional team and the senior management of the organization. This programme is chaired by the Chief Executive Officer, Head – Operations and Head HR. It includes participation from other heads of various Strategic Business Units and departments. It gives a platform to the employee to share their feelings with the top management. Monthly contractor meeting is another forum to listen to the grievances from the contract work force.

Complaint Redressal Committee for sexual harassment has been formed so as to address issues affecting female employees. There have been no any instances of grievances related to human rights during the reporting period.

Employee Representation

The employees working at our sites are not covered under collective bargaining agreements as there are no trade union representations. However, we have several engagement processes, where grievances are captured. There have been no incidents of strikes and lock-outs during the reporting period. As per standard regulations we provide a minimum notice period of 21 days regarding significant operational changes. We have not observed any significant change with respect to collective bargaining from our suppliers or contractors side.

Public Policy Participation

We are members of the national and local industry bodies. Our involvement is largely focused on Tuticorin where we operate. We interact with district officials, NGOs and the community to bring about lasting change. Further details are present in the Community section of this report. Apart from this we are not involved in public policy or lobbying.

Vendor Management



Our vendors and suppliers play a huge role in achieving our business deliverables and they are notably our most valued business partners. They are well informed of our vision and mission and are regularly updated through forums such as vendor meet which was held in February 2011 at Chennai.

Suppliers	2011-12	2010-11	2009-10
Cost of Material, Goods and Services (Rs. Cr)	12,640.81	13,959.50	16,094.40

Vendor Management Practices

The commercial department at Sterlite comprising of Logistics, Purchase and Stores looks into the entire supply chain operation while procuring nearly 20,000 different materials for our various processes. Our procurement policy is fair and we give preference to vendors and suppliers that conform to our requirements and parameters as set within our HSE & Human Resources policies. We have made sure that material human rights issues are a part of supplier contract conditions. We continue to focus on leveraging technology and adopting best practices.

We have implemented SAP SRM-7.0 and 97% of our vendors are covered under the system. The benefits from this include greater transparency, since the entire ordering process occurs online seamlessly. This has resulted in a drastic reduction in paper used since all our Purchase Orders are online. To ensure that our suppliers are onboard, we conducted training programs and have instituted a web portal in September 2011 that provides additional support. The benefits are shown below:

Efforts and Time

- Single integrated platform of SAP for all activities in the sourcing cycle
- Reduce manual effort & duplication for buyers.
- Bring entire supplier eco-system on single platform

Transparency & Decision support system

- Central repository of all communications & sourcing transactions - updated & accessible
- Increases transparency & better knowledge transfer

Central repository of commercial knowledge

- Reduced lead-time for knowledge transfer as data is readily available

Optimization purchasing resource

- Increases transparency & better knowledge transfer
- Smart sourcing tools like 2 envelope bidding, Automated bid compilation, & live auctions will be at the buyer's disposal

Vendor Selection

We now have a standardised process of supplier registration, classification and elimination. Our selection process is transparent. Our prequalification process requires registered companies to fill up a detailed questionnaire. In addition to statutory data requirements, the questionnaire collects information on Quality Assurance, Safety practices, Customer support, Sub-contractors, clients, environment clearances, Green supply chain management, and resource efficiency initiatives like effluent, emissions, water, and energy data. Depending on the responses, we ask for additional documents or conduct site visits. All our contractors undergo

medical check ups and screening before entering our premises. Our purchase policy clearly outlines that contractors must fulfil minimum wage and safety requirements. Our Vedanta Group policy clearly mandates sourcing from local suppliers.

Vendor Evaluation

The vendors, who regularly supply us material, are periodically evaluated to ensure that they continuously meet the capability of supplying the material. For this purpose, we follow a Vendor Evaluation Sheet to evaluate their performance. This evaluation is normally done on the basis of three criteria:

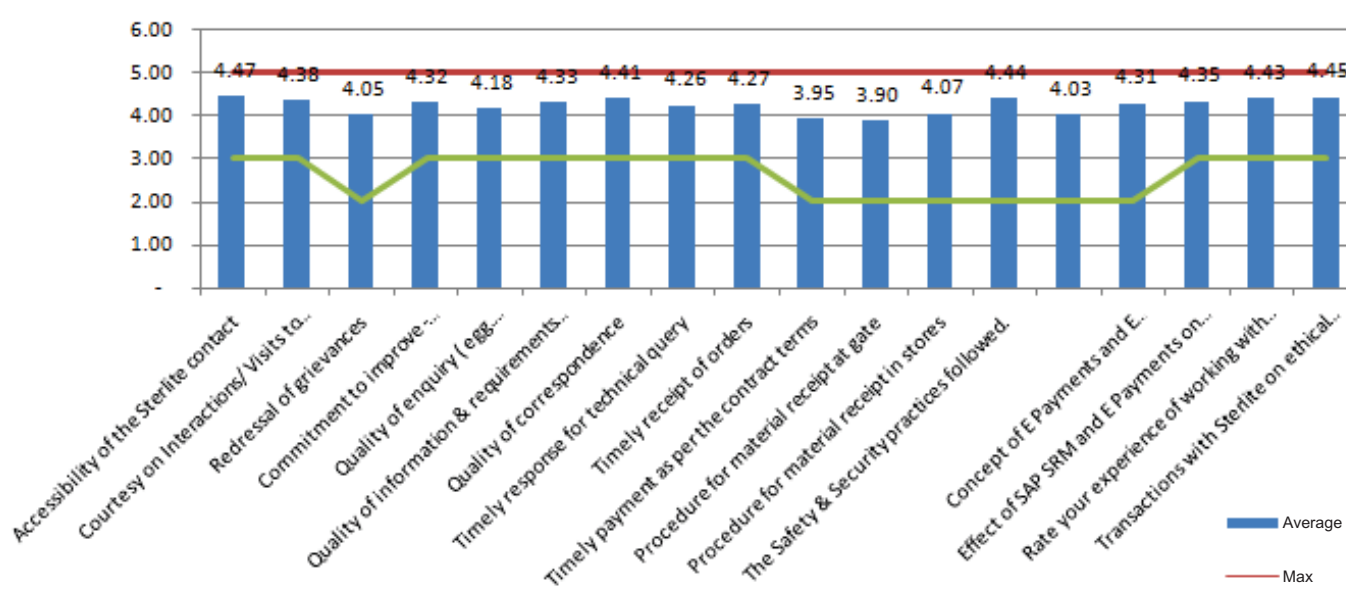
- Quality Criteria
- Delivery schedule
- Service level

Based on the above, each vendor is being graded as A, B, C or D. Vendor evaluation is usually done for all the vendors dealt during that period. They include the following category of vendors

- Vendors supplying Engineering spares and Capital Expenditure items
- Vendors supplying A-class RC items
- Vendor supplying Critical item
- Vendor evaluation is done once in every year i.e. month of April and is sent to the vendor by Email/post before end of May. If vendor gets D grade, a warning letter is issued and if no improvement is seen during next year also (during the next consecutive year), his/her name will be deleted from approved contractors list.

Vendor Satisfaction

The Vendor Meet held in Feb 2011 witnessed participation of about 228 vendors from across India. This occasion was a platform to honour vendor performance. Sterlite also collected feedback and suggestions for improvements from the vendors present at the meet. The next vendor meet will be held in February 2013. To ensure that our vendors are satisfied with our processes, we have put in place several feedback mechanisms like whistleblower hotlines, a vendor helpdesk, etc. Vendors can send their complaints to wehelp@vedanta.co.in which goes directly to Vedanta Corporate. During the reporting period we received 10 complaints, 8 of which were resolved and 2 are under progress.



Our eternal asset – Our People



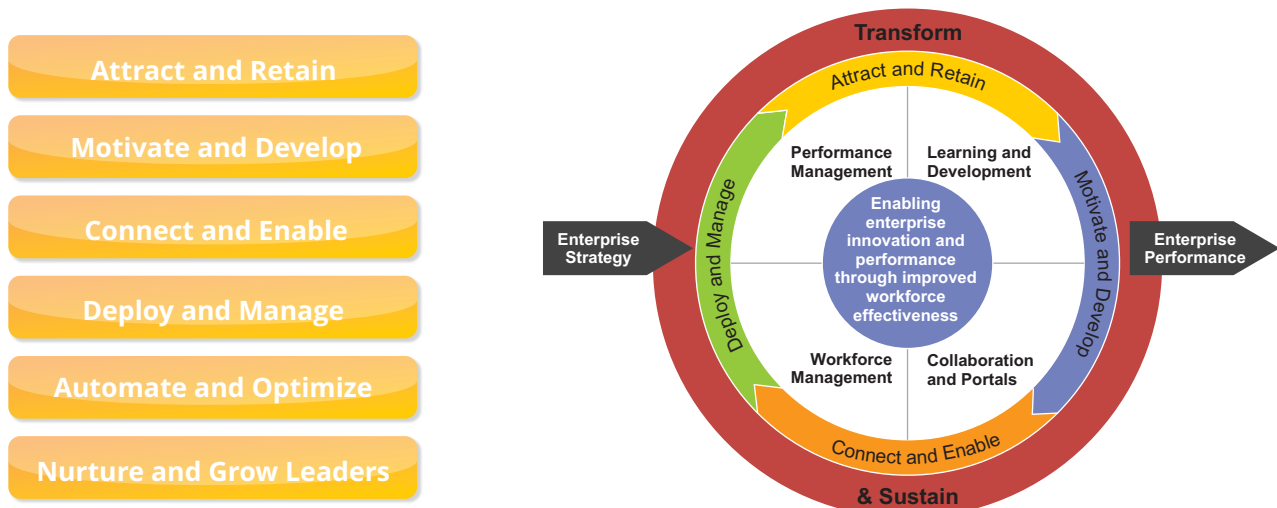
People Practices

At Sterlite, our people are our greatest asset. We aim to recruit, develop and retain the talented workforce that runs our businesses. The Human Resources department at Sterlite plays a key role in assembling the best talent on board and also in nurturing them by enhancing their skill sets for their overall growth.



Our main focus is to transform and sustain our workforce with continued learning and development through skill enhancement training programmes, employee engagement activities and employee benefits as well. The ultimate goal remains to retain the best talent and function the way to support our strategy and performance.





Human Resources Strategy

We currently have 1366 permanent employees. Our HR strategy is to become a learning organization that employees are proud to associate with by developing and sustaining best HR processes for building skills and competencies for growth. HR Philosophy is to “Get, Nurture and Grow”.

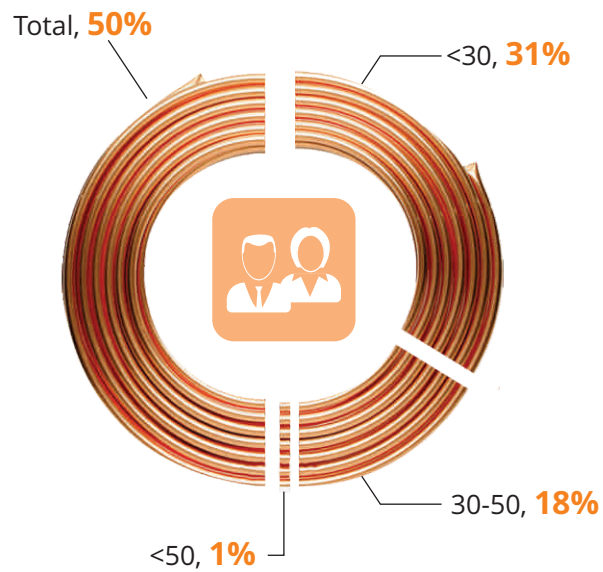


Workforce Data

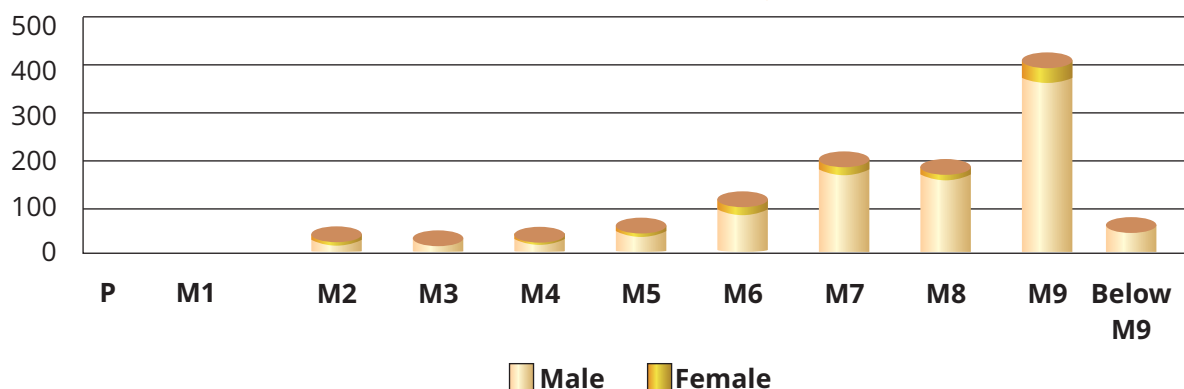
Category	Total Number of Permanent Employees	
		
Junior Management	1100	118
Middle Management	121	9
Senior Management	17	1
Total	1238	128
	1366	

Category	Total Number of Employees of the same state where plant is located		Total Number of Employees from different states	
				
Junior Management	723	98	377	20
Middle Management	67	2	54	7
Senior Management	6	1	11	0
Total	796	101	442	27
	897		469	

Employee Age-wise Breakup



Distribution by Employee Category and Gender



Recruitment

The recruitment section focuses on recruiting fresh engineering and management graduates through campus recruitment process. The parent company Vedanta Resources Plc has empanelled a few universities and colleges which are identified based on the overall performance of the academic institute's and also our company's job profile requirements. Recruitment of trainees is usually done in a centralised manner by the parent company in coordination with each of the group companies. During the campus recruitment, the HR team involves members of the respective departments which require fresh man power for the presentation and brand building purposes. The alumni working with us are also involved in attracting prospective talent from their institutes. Senior management from Sterlite is also invited during the campus recruitment process to address student candidates.

To attract the best talent pool from prospective colleges and institutes we have implemented a few brand building initiatives like visits by the HR Head to management training colleges for creating awareness on the opportunities within the company, funding college festivals, guest lectures by alumnus in their respective colleges and participating in job fairs. We have signed a Memorandum of Understanding with VOC College to conduct specialised programs for the B Sc/B Com students.

Local Hiring

Wherever possible, we favor utilizing local manpower resources and give preference to the local community while hiring fresh graduates. We focus mainly on internal recruitment drive for filling the senior positions. Lateral hiring although a very rare practice, takes place only when the candidate is from one of the Best practices Companies.

Region	No. of Senior Management Employees as of 31st March 2012		
	Local Hires	Total Number	% of Locals
Tuticorin and Silvassa*	7	18	39%

Category	New Employees during the Reporting Period						
	Age Group			Gender		Employee from same state	Employee from outside state
	less than 30 years	Between 30-50 years	Above 50 Years	Male	Female		
Junior Management	66	10	0	66	10	40	36
Middle Management	1	3	0	4	0	1	3
Senior Management	0	0	1	1	0	0	1
Total	67	13	1	71	10	41	40
		81		81		81	

* For Tuticorin, employees from Tamilnadu are considered local. For Silvassa, employees from Silvassa, Maharashtra and Gujarat are considered local.

Induction & Orientation

At Sterlite, we follow a well-structured Induction & Orientation Module. The objective of this module is to welcome new employees into the company and give them a formalized orientation to our processes and policies. The process equips them with an Induction Manual, an HR Mentor during the induction period, DuPont E - Learning Module Chairman's video and Company overview is presented to the new comers.

The Induction process comprises of a Test of 100 questions for which the cutoff score is 70%. Each Head of the Department (HoD) is required to be a part of this Induction process. The faculty is rated by the trainees and there is a standard presentation given by each department HoD.

Orientation process introduces the new employees to our processes and policies. It is meant to strengthen the effectiveness of the Induction programme. The orientation offered to GETs comprises of visit to different plants for a total 15 days and understand on ground the functioning of the Department. Trainees are meant to learn through observation, department manuals and detailed interactions with people. Trainees are also given a mentor to smoothen the transition from college to corporate world.

“ The 3 months work exposure in Sterlite is equivalent to 3 years working elsewhere-in another company. Sterlite gives on the job training. ”

- Amit Gulati, Acid Marketing team, Tuticorin, SILL

Employee Retention and Engagement

To keep our employees productive and happy we have a range of employee engagement programs.

Employee Engagement Programs

Employee Connect

Understanding and Connecting to the employee is the first and foremost task of any organization. Employee Connect is a monthly programme which is organized with a cross functional team and the senior management of the organization. This programme is chaired by the Chief Executive Officer, Head – Operations, Head - Finance and Head HR. It includes participation from other heads of various Strategic Business Units and departments. These are informal gatherings which are arranged with drinks and dine. It gives a platform to the employee to share their feelings with the top management. This forum is also utilized by the management to inspire the employees about their career and dedication towards work. This programme helps build a strong bond between the management and the employees by way of sharing and caring.

Communication Meet

Communication meet is conducted quarterly. Employees across the grade are encouraged to participate. It is a platform where the Operation Head and Finance Head apprise the employees on the performance of the plant with respect to various parameters. They also communicate important messages from Chairman or Vedanta Group CEO. This forum is also used to distribute various awards for the employees. At the end there is a questionnaire session where the employees are free to ask any question related to any area to the Senior Management. This provides the opportunity for the employees to express their opinion and clarify their doubts.

Ideas @ Sterlite (Currently known as Kaizen)

An idea is a thought formed by consciousness (including mind) through the process of ideation. Human capability to contemplate ideas is associated with the ability of reasoning, self-reflection, and of the ability to acquire and apply intellect, intuition and inspiration. Ideas@sterlite is initiated for all the employees of Sterlite Industries including the contract workmen who can contribute ideas relating to their workstation for the benefit of the organization through an online portal. It was initiated with three objectives namely:

Ideas@sterlite was initiated for all the employees of Sterlite Industries including the contract workmen who can give an ideas relating to their work for the benefit of the organization through an online portal. It was initiated with three objectives namely:

- To facilitate the employees to participate in suggestion scheme for the benefit of organization
- To capture creative and innovative ideas from employees in a structured manner
- Increase the morale and ownership of employees leading to healthy environment

This concept has been renamed as '**Copper Kaizen**' which in addition to the above has two objectives:

- Employee can submit KAIZEN from their own area on consultation with Kaizen Management Committee.
- KAIZEN owner owes the responsibility to implement his KAIZEN

This was done to ensure that the idea that has sprouted should also be implemented and fruits to be reaped by the organization.

Contract Employee Engagement

Contract employees are an important part of Sterlite and we do our best to provide them the benefits befitting them. Sterlite takes great care of their health including annual medical checkups, mandatory safety training and a cash incentive of Rs. 1000 for Safe Annual Shutdown. They also take part in festival celebrations as well as competitions like Safety Week, Environment Week, Ideas@Sterlite etc. We engage with contractors regularly. Before every major shutdown we have a contractor buy in meeting. We also have monthly meetings with contractors to address their grievances. An E Sat survey is conducted annually. We also have a scorecard for all contractors based on which the best performing contractor is selected every month.

Our Security personnel are outsourced from a third party, most of these personnel are trained and sent to our

locations of operation from their organisation itself. Sterlite offered its entire security personnel training on 'How to deal with employees and visitors'. 11 security personnel were offered training in communication skills, team dynamics and Ignite programmes.

Contractor Compliance & Management

The HR department outsourced the entire Factory compliance and Contract Labour Regulation Services to Aparajitha Corporate Services (P) Limited across Tuticorin, Chinchpada and Piparia Units. Aparajitha helps Sterlite comply with the Factories Act by undertaking registration, amendment, renewal, factory inspections etc. Aparajitha also helps in contract labour regulation services like monitoring their working hours and conditions, processing their payroll, taking their attendance etc.

Employee Turnover

Category	Number of Employees Exited the Organisation During the Reporting Period						
	Age Group			Gender		Employee from same state	Employee from outside state
	less than 30 years	Between 30-50 years	Above 50 Years	Male	Female		
Junior Management	146	18	3	126	41	106	61
Middle Management	8	5	0	12	1	4	9
Senior Management	0	4	1	5	0	1	4
Total	154	27	4	143	42	111	74
		185		185		185	

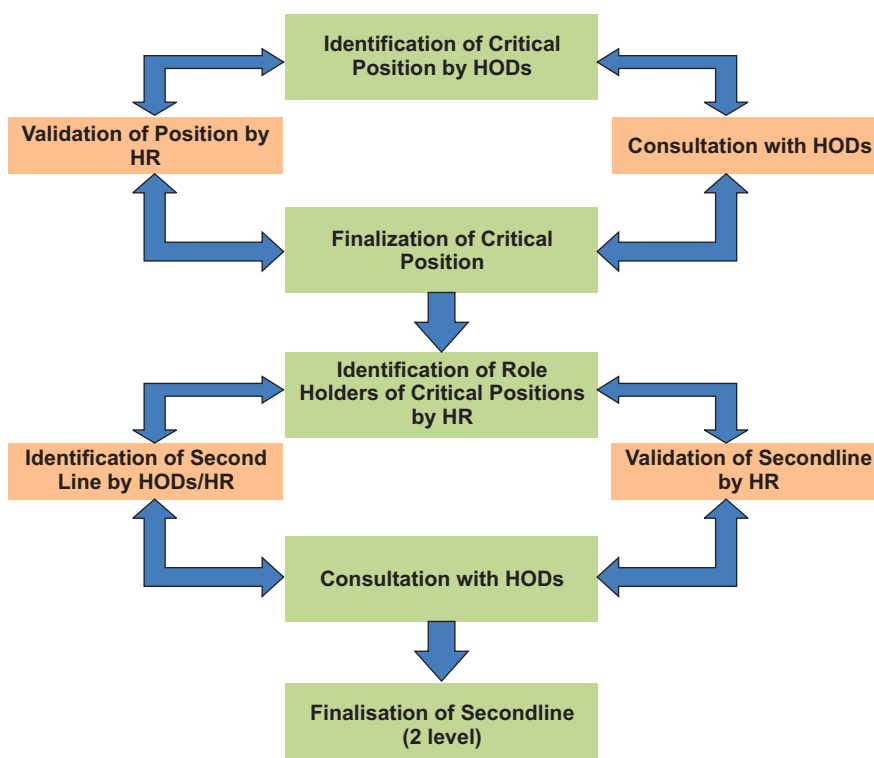
Category	Number of New Hires Exited the Organisation During the Reporting Period						
	Age Group			Gender		Employee from same state	Employee from outside state
	less than 30 years	Between 30-50 years	Above 50 Years	Male	Female		
Junior Management	50	6	0	46	10	42	14
Middle Management	0	1	0	1	0	1	0
Senior Management	0	0	0	0	0	0	0
Total	50	7	0	47	10	43	14
		57		57		57	

Performance Appraisals and Career Planning

The appraisal and the review process are mapped online. It is initiated by fixing of KRAs followed by a mid year review and finally the annual appraisal. The trainees are not part of the appraisal process however their performance is reviewed every six months.

Performance Reviews for the year 2011-12			
	Male	Female	Total
Total Number of Employees	972	107	1079
Total Number of Employees receiving regular performance appraisals	909	94	1003
Percentage	93.52%	87.85%	92.96%

Succession Planning is taken seriously within Sterlite. One of the key risks in HR is the ability to retain talent. Good Succession Planning not only plans for sudden eventualities but also helps identify promising talent from within the organization. Our Employee Succession identification process is outlined in the picture.



Employee Welfare and Benefits

We provide our employees several benefits like Paternity /Maternity Leave, Gratuity & Annuity Fund, Provident Fund, Employee Counseling, Employee Help desk, etc. The table shows the benefits that are offered to the permanent employees of the company.

Our full time employees receive benefits like life and health insurance, disability and invalidity coverage, and retirement provision. They also receive maternity leave of upto three months and paternity leave of upto seven days. Stock ownership is provided as per Vedanta policy.

Sterlite has formulated a help desk to assist all the employees with a plethora of activities as shown below:





Parental leave

This is a unique practice that is rolled out in Sterlite. Maternity Leave being a statutory requirement is common in all companies. Paternity leave on the other hand is a special leave that can be availed by the male employees in the company. As per our policy, male employees can avail 7 days of paternity before or after the child birth and female employees can avail 3 months of maternity leave.

Category	No. of Employees who have taken Parental Leaves	No. of Employees who returned back to work after Parental Leaves ended	No. of employees who returned to work after parental leave ended who were still employed six months after their return to work
Men (TTK)	35	35	35
Men (SVS)	9	9	9
Women (TTK)	8	6	6
Women (SVS)	0	0	0
Total	52	50	50

Learning and Development

Learning and Development is an integral part of employee's satisfaction on company growth. Internal Training sessions are conducted by employees covering technical / behavioral aspects. Employees are regularly sent to workshops and training sessions offsite to hone their technical / functional skills. In some cases, employees are also sent for Sabbatical courses like Safety course in RLI, AFIH course in BHEL which not only enhances the knowledge in the core area, but also supports the organization in terms of retaining the professional talents. During the reporting period, our employees underwent 46,177.3 hours of training which averages to 40.9 hours per employee.

Category	No. of Hours of Training	
		
Junior Management	36995.4	5054.6
Middle Management	3656	121.5
Senior Management	335.3	14.5
Total	40986.7	5190.6
	46177.3	

We assess training needs based on OHS, HRD Audit, Other Surveys, Performance Appraisal, 360 Degree Feedback, Internal Customer Satisfaction Survey, Exit Analysis, Succession & Career Planning, Business Training Need, Talent Management and Skill Matrix.

360 degree feedback: This is a feedback tool for assessing strengths and areas of improvement. It enables in giving feedback on individual's strength, weakness, leadership roles, styles and delegation ability. It will eventually help people improve on leadership skills for developmental purposes and not for any assessment. The feedback process entails assessment by the boss, subordinates, customers, peers and the employee themselves. This process is targeted mainly for M4 level and above employees at Sterlite.

Cognize: In an endeavor to explore the hidden potential of employees as trainers and to leverage the experience of the seniors who are experts in their field, the concept of Cognize was launched which helped budding trainer a practicing forum and to put their knowledge to use for the novice employees who are fresh in the system. This has helped in inculcating the values of Vedanta and also in developing them for their future roles and responsibilities.

Since the inception of the concept of Cognize we had completed 11 sessions ranging from behavioral to technical topics which include Statistical Process Control, General Shipping Practices, and Impact of Taxation on Indian Economy and Communication skills. Over 300 employees have attended the internal training session that have been organised through Cognize.

IGNITE: Keeping in view the rapid expansion of our business and the increasing opportunities of growth, a need was felt to enhance the awareness of all the employees in basics of operations, business process as well as provide vital inputs on the soft skills.

Being a single status organization, not only did we require employees to understand the basics but it was essential for all employees across grades and across functions to have a common understanding of the business being the operations or human management.

This business requirement gave birth to the concept named IGNITE. IGNITE is a training programme that comprised of three days of Technical and three days of Behavioral modules, thus giving an insight of the basics to all employees from M3 & below.

The modules were customized for three levels and covered both behavioral and technical topics. A selection of the topics is given below

- Senior Management (M3 & M4): Creative Problem Solving, Condition Monitoring, Art of managing self, Team building, etc
- Middle Management (M5, M6, M7): Benchmarking, Quality and Customer, Delegation, Decision Taking, etc
- Junior Management (M8, M9): Equipment health, Quality and Customer, Time Management, Motivation, etc

Over 800 employees underwent the Behavioral Module and over 450 employees underwent the Technical Module. Not only did this result in standardization of understanding but the technical module also encouraged employees taking up projects on completion of the programme. The projects were taken up after discussion with the participants' HODs and were reviewed by the HR and the HODs on completion.

Find below a snapshot of the projects that were taken up as part of the technical modules and benefits from the complete implementation of the projects:

	DESIGNATION	DEPARTMENT	PROJECT	BENEFIT
Mathew K. John	Process Controller	PMB	Extracting copper from used cupels, crucibels and slag	Savings in the cost up to 12 L in a year
N.Senthil Kumar	Senior Process Controller	PMB	Extracting copper from slag	Savings in the cost up to 12 L in a year
Himmat Hadiya	Associate Manager	REFINERY & CCR LAB	Reduction of Thiourea consumption from 130gms/MT to 90 Gms/T	Savings of Rs. 10.2 Lakh /year
D Dinesh	Process Controller	SAP	Reducing raw material (soda ash)	Savings of Rs 2.75 L every month
Aditya Parihar	Associate Manager	ACIDS - MARKETING	Exploring possibility of exporting new markets by using ISO tankers	Additional 500 T/month of sales; profit of 5-7 lakh increase
Sreenath Sundaram	Associate Manager	SAP	Increasing Tellurium recovery	Expected benefit Rs 3.24 Crores / year

Diversity and Equal Opportunity

Mr. Anil Agarwal, Chairman of Vedanta Group has set a target of 20% women employment across all its Group companies. This is taken up as the focal point of our recruitment procedure besides the 5% targeted search of Ex. Service Men. We are an equal opportunity employer and believe in diversity of workforce. Our remuneration policy does not differentiate on the basis of gender, caste, religion, race or political opinion. Our ratio of basic salary of women to men is 1:1. Our operations make use of contractor laborers and they are paid as per the Minimum Wages Act, and hence there are no grounds for discrimination. We have several contractor benefit programs. No instances of discrimination were recorded during the reporting period.

Grade	Male	Female
Salary at Standard Entry Level	150376	150376
Local minimum wage	34845	34845
Ratio of Standard Entry Level Wage to Minimum Wage	4	4
Gender Ratio of Wages	1	1

Composition of Governance bodies					
List different type of Board	Age group			Gender	
List different type of Board	less than 30 years	Between 30-50 years	Above 50 Years	Male	Female
Board of Directors			7	7	



Safety

At Sterlite, safety is given a lot of importance as it ensures a better work environment to everyone concerned. All the employees both permanent and contract staff receive safety training before they are entrusted with any responsibility within our premises. We are committed to create a safer workplace and to achieve zero accidents for the employees and contract workforce.

To ensure continual improvement in safety standards we emphasise on the implementation of 5S for housekeeping and benchmarking Sterlite's Safety practices with other companies in the sector.

During 2011, a comprehensive programme of safety compliance was driven from our parent company's corporate sustainability team. As part of our goal for constant improvement, the corporate team has introduced new and updated management and technical standards related to Health & Safety requirements.

Occupational Safety

The company has a Unit Safety Committee comprising of 50% management and 50% work force category of employees that help monitor and advise on occupational health and safety programs. The company follows a four step system to ensure safety at the plant

- Preventive system
- Educational system
- Motivational system
- Evaluation and Implementation system

Preventive Systems

We issue work permits class I & II which is depending on the nature of work. We conduct periodic inspections, walk through survey and HAZOP studies before we initiate any project. We follow Safety Protocol and critical task observation for critical jobs. These are some of the preventive systems in place to streamline our activities and to identify any possible risk or hazard associated with any process. We also have the department level safety committee to review the safety performance at the department level.

HSE Steward System

The whole plant is divided into 33 zones of equal area and each is owned by "HSE STEWARDS". Seven representatives nominated from HSE department are designated as "HSE ZONE REPS". For identification, they have been provided with RED COLOR HELMET. The HSE Steward has to perform monthly audits, night patrolling and enforcement of safety behavior among employees.

Educational System

This system deals with identification of training needs and development of safety modules accordingly to conduct formal and informal & job specific safety training for employees. During this year 39,983 man hours of safety training were delivered.

Publications such as Safety, Health, Quality & Environment news letter (THE QUEST), Do's & Don't for specific job activities, Hand books on Safety & Fire, Safety Instruction Cards, SOPs, Standard Maintenance Procedures, HSE code of conduct, PEP Talk book. Besides this, Transport Emergency (TREM) card, Material Safety Data Sheet (MSDS), Display Boards (Hoardings & Safety Slogans), Display of Mandatory Signs, Display of Caution Boards and Safety Information for Visitors are all part of the educational safety systems followed at Sterlite.

Evaluation & Implementation Systems

Conducting Safety Audits, Risk Assessment through external agency, Group Risk Assessment (Risk Register), Housekeeping/Safety Tour are some of the systems followed at Sterlite to evaluate the safety standards. Organisation level safety review, safety steward meetings and accident investigation support the evaluation system for improving safe work conditions taken place under this system for improving safe work conditions.

Motivational Systems

We issue a Green slip – for extraordinary contribution towards safety, Spot prize for excellence in Safety to encourage proactive participation from the entire workforce. PEP talk, House Keeping Contest among departments, conducting various competitions (Safety Quiz, Poster, Cross-word, Debate, Elocution, Essay & Slogan) for SILL & Contractor employees, Sit & Draw competition for children, Safety Quiz competition for House wives are few other activities through which we motivate our stakeholders to take safety and precaution seriously while at work.

Despite the best measures in place to ensure safety, accidents seldom happen and the LTIFR for 2011-12 is 0.26 which is lower than 0.86 reported last year despite our efforts, it is with deep regret that we submit that there were 3 fatalities this year which includes one at Thermal Power Plant project site.

	2009-10	2010-11	2011-12
LTIFR	0.62	0.86	0.26

Emergency Preparedness

The Emergency Preparedness and Response Plan (EPRP) are in place to tackle on site and off site emergencies. There are 4 types of emergency teams such as fire fighting, rescue, medical and communication teams for handling any emergencies inside plant

There are four full time medical officers available at the Occupational Health Centre fully equipped with hi-tech ambulance to operate round the clock.

Health

We are committed to providing a healthy workplace for our employees and contract workers. In addition, we strongly believe that we should contribute to creating positive health outcomes in the communities in which we operate - both through our own activities and in partnership with NGO's, government bodies and health professionals. We have the following focus areas:

- Malaria prevention
- Water borne disease prevention
- Hearing conservation
- Respiratory Disease prevention
- Sickle Cell Anaemia prevention
- HIV/AIDS counselling and testing
- General Health and Sanitation, especially hand hygiene
- Work-Life Balance
- Reproductive and Child Health

We have in-house medical facilities and carry out pre employment and periodic medical checkups and assessments regularly across our business operations -In 2011-12, 25,795 medical tests were conducted for our employees and contractors. No incidents of occupational illnesses were recorded during the reporting period. During the year we had also conducted many medical 'camps', where specific illnesses or health issues were addressed. We conducted disability detection camps to identify the issues related to physical disabilities, cerebral palsy, burn contraction, and post polio symptoms, etc. To enhance our ability to provide medical and health support we have a number of partnerships in place with NGO's and Government agencies such as the Red Ribbon Club.

As part of our health initiative, we conduct preventive screening for all our contractors. In one such instance an employee exhibited signs of vision impairment which on further examination revealed the existence of a brain tumor. The employee underwent treatment successfully because of the early detection.

Eternally protecting the Environment

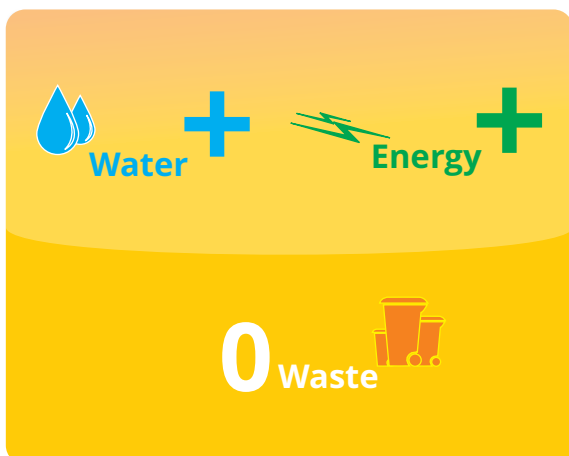


Resource Efficiency

Smelting operations by its very nature has environmental challenges but when handled responsibly turns to be an environment friendly process. At Sterlite, we are committed to mitigating the environmental impact of our activities and will continue to invest to reduce our environmental footprint. In 2011 -12 we spent Rs.89.37 Crores on environmental protection.

Environment Expenditures in Rupees	FY 2011-12
Category 1: Waste disposal, emission treatment & remediation costs	85,15,42,849.62
Category 2: Prevention and Environmental management costs	4,21,30,769.52
Total	89,36,73,619.14

Environmental Strategy



Our long term goal is to be a Water and Energy Positive organization with Zero Waste. As environmental standards get more stringent and stakeholders more active, it behooves us to hold ourselves to a higher standard. We believe we have taken steps in the right direction to achieve this. There is a company-wide push towards transparency. To this effect we are in the process of implementing IFC guidelines.

We are currently a zero discharge facility, with a closed loop system where water in our operations is treated and reused. We operate in areas where water availability is often a challenge. To achieve our objective of being water positive we have embarked on a desalination project.

Although we hold no carbon liabilities across our operations under the Kyoto Protocol, we nonetheless take the threat of climate change seriously. Managing greenhouse gas emissions is also one of our focus areas. We monitor our air emissions closely and to reinforce our commitment to maintaining air quality, we have linked our emission data to the Tamil Nadu, Pollution Control Board, Chennai. Alerts will be sent by the regulator whenever standard exceeds. We have also undertaken to intensify green belts wherever possible.

In addition to the captive plants that power our operations, we have commissioned a 2X80MW power project which will be operational in the near future. We started the implementation process for ISO50001 certification in January 2012.

In response to the various writ petitions filed in the year 1996-1998 challenging the environment clearances for setting up of the copper smelter at Tuticorin, the Madras High Court by its order dated September 28, 2010 ordered the closure of the smelter at Tuticorin. We had filed Special Leave Petition (SLP) in the Supreme Court of India against the impugned order of Madras High Court and the Supreme Court stayed the order of the High Court. The Supreme Court in subsequent hearings directed Tamil Nadu Pollution Control Board (TNPCB) to issue directions to implement the improvement measures suggested by National Environmental Engineering Research Institute (NEERI), Central Pollution Control Board (CPCB) and them.

These improvement measures are well aligned with our environmental goals as some of them overlap with our existing short term improvement plans. Some of these measures have been implemented and others are in various stages of completion. In September–October 2012, these were inspected by TNPCB & CPCB jointly. The Interim stay order granted by the Supreme Court continues and the unit continues to operate at rated capacity. Apart from this, there were no incidents of, fines or non-monetary sanctions for, non-compliance with applicable environmental regulations in the reporting period.

Energy

The Copper smelting process is an energy intensive one. We are committed to managing energy requirements wisely. To implement an energy management system, we started the ISO 50001 certification in Jan 2012. We have appointed dedicated Energy Managers at our units in Tuticorin and Silvassa to implement energy efficient and conservation projects.

Energy Consumption

Energy Consumption (GJ)	2009-10	2010-11	2011-12
Direct energy	47,01,758	38,06,725	19,62,923
Indirect energy	7,78,343	10,91,859	17,08,117

The energy consumption of the smelter at Tuticorin is on par with the copper smelters across world. According to Brook Hunt 2011 data, we stand in 5th position in the energy consumption across world copper refineries and are the lowest in comparison to Indian copper refineries. Our specific energy consumption for FY 2011-12 was 9.12 GJ/MT of product and has been continuously reduced through various energy conservation measures in the past years. We have a plan to reduce the energy consumption by 1.3 GJ/MT of Cathode to reach the second position in the world.

In our endeavour to improve the energy efficiency of our processes, we have implemented a few projects which have helped us in accruing the following energy savings:

Energy saved due to conservation and efficiency improvements

Sources of Energy Savings	Total Energy Saved (GJ)
Use of steam from WHRB (Waste Heat Recovery Boiler) of SAP in Refinery	53,111
Use of steam from WHRB (Waste Heat Recovery Boiler) of SAP in CPP	19,672
Reduction of steam consumption in Refinery by increasing the efficiency of air drier	12,693
Reduction of LPG consumption in CCR by launder height reduction	388
Total energy saved due to conservation and efficiency	32,753

Apart from these, initiatives to reduce indirect energy consumption included improvement in captive power utilisation across units, which in turn, due to their proximity to our plant, minimised transmission losses, promotion of local procurement to reduce energy used for transportation of materials, the use and promotion of car pooling, encouraging our employees to extensively use the bus services offered to all our employees to commute to & fro factory an increase in conducting meetings through video/ tele presence (TP) facilities-reducing airline travel. 617 hours of tele-presence use was recorded during the reporting period.

Water

Balancing the water requirements for business and for the communities living around us so that they have access to safe and clean water is a core aim driving our environmental policies and procedures. We strive to minimise the amount of freshwater we consume by reusing and recycling as much water as possible in our processes and encouraging rain water harvesting wherever we can. In addition, effluent treatment plants are installed at where effluents are treated and the resulting water is re-used within the plant process.

Our units at Tuticorin and Silvassa largely depend on surface water sources for the total water requirement of our processes with some of our demand being met through rainwater and ground water available in open mines. To reduce our water consumption, we have been recycling and reusing 16.45% of the total water requirements. In the reporting year, we have recycled a total of 4,89,111 m3 of water from Tuticorin and Silvassa Units. No water sources are significantly affected by our water withdrawal process.

Total Water Withdrawn (m³)

Unit	2010-11	2011-12
Tuticorin	28,43,662	32,22,303
Silvassa	1,32,548	1,33,506

Sp. Water cons m ³ /MT of Cathode		
2009-10	2010-11	2011-12
6.3	9.185	6.85

Water Pollution Control Measures

Ours is a zero discharge plant and our waste water is treated and recycled back in the process to slag granulation, lime preparation and in gas cleaning plant. The remaining blow down and wash water is recycled to the process without any treatment. There is no impact on the biodiversity value of water bodies. Our water management processes have won many awards including the UNESCO Water Digest Award and the Excellent Water Efficient Unit Award from CII-GBC. Following are the measures implemented to control water pollution.

Control Measures	
Project	Significance
Zero discharge plant right from inception of the plant.	To completely avoid marine pollution
Six Effluent treatment Plants with state of art technology.	To completely recycle the effluent water
Sodium Sulphide based treatment system	For reduced solid waste generation
300 m ³ /day of Reverse Osmosis plant with Multi effect evaporator	To treat utility waste water.
1600 m ³ /day of Reverse Osmosis plant with Multi effect evaporator	For polishing the treated water from ETPs.
Dedicated Storm water drainage network for collecting rain water. Periodical de-siltation of all drain networks with dedicated agency.	To reuse the rain water
3 rain water harvesting lined ponds with the capacity of 100000 m ³ capacity.	To reuse the rain water

Case Study: Provision of Electromagnetic flow meter for water consumption

Objective: To track the consumption of water and effluent generation online to have better control.

- Electro Magnetic flow meters have been provided across 12 locations and connected with DCS (Distributed Control System) to track the water consumption across plant. These Electro Magnetic flow meters have been an online effective tracker for the 12 locations for the following purposes: Water consumption
- Wastewater generation and reuse
- Rain water consumption

This project has helped in Water consumption monitoring at every stage and in ensuring effective water balancing.

Biodiversity

Our biodiversity policy commits us to minimise and mitigate biodiversity risks throughout our business. We believe that it is imperative for our business to look into the impact of our operations on our immediate environment and its long term effects on the biodiversity. The Tuticorin unit of Sterlite is located at a distance of 20 kms from Gulf of Mannar, which has a protected area status.

To determine whether our operations have a significant impact on biodiversity, we commissioned Forest Research Institute, Dehradun to study a 10 km radius of the company. As per the FRI report, there are no IUCN red list species in the study area which may be affected by our operations. The study also showed that there was no significant impact of our operations on the flora and fauna in the area.

Our surrounding communities also need to be aware of the biodiversity in which exists around us. As part of awareness, we initiated a bio diversity conservation project in nearby five villages (Melavittan, South Veerapandiyapuram, Pandarampatti, Saminatham, Vadakusilikanpatti) to conserve endangered and rich medicinal plants. An NGO, Arumbugal Trust, has been appointed to carry out the same. 25 farmers from these villages have been selected for medicinal plant development.

Afforestation is a key focus area for us. We had initiated projects to intensify the greenbelt inside the plant near the Gypsum pond, Secured Landfill facility and slag yard. The District Forest Officer was consulted in deciding the plant species and a professional horticulture agency was engaged for the development and maintenance of Green Belt. Around 20,000 plants were planted during the reporting year in a total area of 43.07 Ha. The project has helped to control dust emission and has resulted in a lush green belt in and around the periphery of the plant.



Waste Management

We are committed to minimising the impact of waste from our operations, using water and energy more efficiently and recycling wherever possible. Our long term goal is to achieve a zero waste status for the organization. Wastes generated from our processes are categorised into hazardous or non-hazardous wastes depending upon their characteristics. Hazardous wastes primarily generated from our site include ESP Dust, Spent Catalyst, ETP Cake, Scrubber Cake, D O Powder, Nickel sludge, Heavy metal sludge, Oil sludge and Used Oil, while non-hazardous wastes include copper slag and gypsum and the lime grit.

The table below gives us the breakup of type and quantity of waste generated along with their mode of disposal.

Waste Generated and Disposed in 2011-12	
Type of Waste	Waste Generation and Disposal
Hazardous waste	43505.86 MT of ETP cake is sent to Secured Land Fill
	9152.294 MT of ESP dust and DO powder is recycled in the process
	2930.764 MT of used oil, waste oil, nickel sludge is sold to Authorised Recyclers
Non Hazardous Solid Waste	
Copper Slag	656283.75 MT to Slag yard
Gypsum	766215.88 MT to Gypsum Pond
Lime Grit	2732 MT to Lime yard

In the reporting period, waste deemed hazardous under the Basel Convention has neither been imported nor exported internationally. All the hazardous wastes are disposed off in secured landfill designed based on Central Pollution Control Board guidelines. The non-hazardous wastes namely, copper slag, gypsum and lime grit have commercial value and we sell them as byproducts.

Spills

As part of our manufacturing processes, despite controls in place, in a few rare cases spillage of acids (sulphuric and phosphoric acid) has occurred during the reporting period 2011-12. We have a process in place to document the nature and cause of the spill as well as its impact to identify the potential cause leading to the environmental incident and to take necessary precautions to avoid in future.

In 2011-12, 11 category-1 and 4 category-2 spills have been documented. The impact of some spills included soil contamination. In such cases the acid was neutralized, the soil was taken for secured landfill and remedial actions were taken to ensure that they do not recur. Each spill is analysed and remedial actions taken to prevent it from recurring.

Emissions

Reducing GHG emissions is a material issue for us. We have been tracking our carbon emission data since several years and have focused on continually reducing our emissions.

Direct and Indirect GHG emissions in TCO2E for 2011-12	
Scope - 1 Direct and Process Emission	1,80,359
Scope - 2 Indirect Emission	1,13,068

During the reporting period 6632.64 TCO2E of GHG reductions were achieved through the following initiatives:

- Use of steam from WHRB of SAP in Refinery
- Use of steam from WHRB of SAP in CPP
- Reduction of steam consumption in Refinery by increasing the efficiency of air drier
- Reduction of LPG Consumption in CCR by launder height reduction

Ozone Depleting Substances (ODS)

The air conditioners in the office areas release approximately 0.54 tonnes of ODS which comprise of Freon M-22 and Freon R-124. All other equipment used in the company have phased out usage of ODS containing or emitting substances. We are in the process to slowly replace them with alternative cooling solutions.

Ozone depleting substance	Quantity in MT	Ozone Depleting Potential**	CFC Equivalent for the year
Freon R-22	0.42	0.05	0.021
R-124	0.12	0.04	0.0048

Air Emissions

All manufacturing units across the globe face a challenge of controlling their airborne emissions. With constant monitoring, we have been able to maintain the air emissions within the standard limits set by regulatory bodies. The suspended particulate matter (SPM) measured is 70MT for the reporting period as compared to 121.77 MT in the previous year. We have linked our stack emission data to the Pollution Control Board office in Chennai, through the CARE Air Centre Any fluctuation from permissible levels will generate an alert.

Substance	2009-10	2010-11	2011-12
Sox (MT)	733	1139.526	438
Nox (MT)	653	564.81	51

The decrease in SO₂ and NO_x is due to environmental measures already in place undertaken to ensure that pollution levels are controlled.

Existing Air Pollution Control Measure	Significance
Hygienic ventilation system in the primary smelter	To treat the secondary gases from ISA & RHF furnaces
Secondary Gas Scrubbing system for Converter Furnaces, Anode furnaces Slag Cleaning Furnace.	To treat the secondary gases from Converter, Slag Cleaning furnaces and Anode furnaces.
Tail Gas Scrubbing System for Sulphuric acid Plants	To reduce emission levels less than 1 kg/ T of acid produced
5 stage scrubber implementation in Phosphoric Acid Plant	To scrub the fluorine emissions from the reactors.
Stack emissions are directly linked with TNPCB CARE Air care centre at Chennai	Monitoring of the emissions by TNPCB
Continuous Ambient Air Quality Monitoring stations at 7 locations in and around the plant	To monitor SO ₂ , SPM and NO _x in the atmosphere
6 Ambient Air Quality Monitoring stations inside the plant	To monitor SO ₂ , SPM and NO _x in the atmosphere
Online analysers for all process stacks and work places with trip and interlock system.	To monitor SO ₂ , SPM and NO _x emission at the stack level

To control dust emissions we have undertaken the following initiatives:

- Electro Static precipitators with pneumatic conveyance system for the primary and secondary smelters
- 4 Dry dust collection systems for the Rock phosphate handling area.
- Dry Gypsum handling process through tube conveyor
- Pipe conveyance system for handling copper concentrate, Rock phosphate and Gypsum.
- Permanent water Sprinklers around the gypsum pond.
- Mobile Hoppers at Port to unload & load copper concentrate for mechanised handling
- Mechanised road sweeping machines and water spraying
- 100 % paved roads inside the plant and predominantly concrete roads.

Case Study: Flue Gas Desulphurization System (FGDS) with Bag filter

Fugitive gas emissions were observed in lance floor and tapping floor during metal transfer from ISA furnace to RHF and RHF to converter. The fugitive gases from the lance port, feed port of the primary smelter process were being handled currently with the existing hygiene ventilation system equipped with a scrubber. In order to enhance the fugitive gases capture and to reduce the dust load in the downstream scrubbers thereby to produce clean gypsum from the scrubbers have made us to look for an additional flue gas desulphurization system equipped with bag filter.

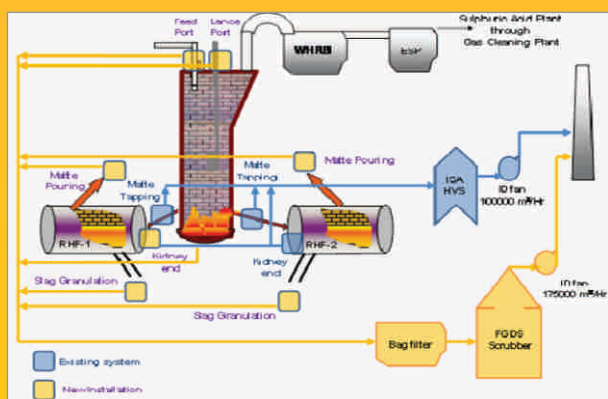
Flue Gas Desulphurization System (FGDS) is being installed at a cost of Rs/- 45 Crores to capture fugitive gases from lance port, feed port and tapping floor of primary Smelter process. FGDS is comprising of a bag filter with dry lime injection system for dust removal and followed by two stage scrubber for Sulphur dioxide removal. A separate Milk of lime preparation plant of 70 MT/Day capacity is installed to supply milk of lime of quantity varying between 25 to 28 m³/hr, with 120gpl of CaO quality to the FGDS system for scrubbing.

Continuous Emission Monitoring System (CEMS)

The scrubber unit has inlet and outlet SO₂ monitoring system. The scrubbing efficiency of absorber is calculated from the reading of both inlet and outlet SO₂ analyzers.

Results Achieved

- Improved workplace hygiene.
- Separation of heavy metals from secondary scrubber sludge
- Production of saleable gypsum and hence reduction of hazardous waste load to secured landfill



Product Responsibility

Material Consumption

Sterlite's primary products copper cathodes and copper rods are in pure form with traces of precious metals such as gold, silver, platinum, palladium etc., and hence have no impact on environment during handling operations. However, there are certain by-products such as sulphuric acid, phosphoric acid and hydrofluorosilicic acid which are also produced and sold for outside applications. We do not use recycled materials as inputs for any of our processes. However waste from our processes (fly ash, slag, etc) are used as inputs in other industries.

The Test Certificates given to our customers comprises of information on physical dimensions and chemical compositions of the products being sold to them.

Material Consumption Data	Unit	FY 2011-12 TOTAL
Raw Materials		
Copper Concentrate	MT	10,98,847.17
Rock Phosphate	MT	5,11,198.11
Associated Materials		
Limestone	MT	15,404
Quartz fines	MT	1,04,16
Quartz Chips	MT	36,069
Pig Iron	MT	4,285.36
Purchased Oxygen	MT	11,339
Packaging Materials*		
Strap steel zinc coated 32mm (w)	MT	89.14
Strap steel zinc coated 19mm (w)	MT	32.86

* Packaging material such as Strap steel zinc coated (32mm) and (19 mm) are used in CCR & Refinery but no reclamation of the same in the reporting year.

Case Study: Copper Slag- A Business Opportunity

Copper slag also known as Ferro sand is generated during production of copper from copper concentrate using pyro- metallurgical route for every ton of metal production approximately 1.8-2.2 tons of slag is generated. This material is completely inert, non-toxic and non-leachable in nature. The same has been confirmed through various technical studies carried out by reputed CSIR labs in India. Studies and international practices reveals that material possess several properties which can enable its gainful utilization in various construction related activities. The material possesses properties very similar to river sand and therefore can be utilised as a replacement of sand in concrete application. This in turn will result in a sustainable model, as natural resources like sand are under tremendous supply pressure due to over exploitation, thereby resulting in environmental damages.

Copper slag is being utilised for cement manufacturing, road construction, paver blocks manufacturing, abrasive and land filling applications. A 0.8 KM road has been constructed in NH 45B by using copper slag in various layers of the road. A policy letter issued by M/s NHAI on utilization of copper slag as road construction material holds testimony of slag utility in various road applications. We obtained an accreditation for copper slag from Indian Roads Congress following successful trials.

An entire walkway has been constructed inside the plant using paver blocks made out of copper slag covering an area 2464 Sq mts made from copper slag. Their abrasion resistance property of copper slag is, due to presence of iron as a key component, gives it an advantage over other materials. We are in the process of identifying paver manufacturers for promoting its pavers application. In a nut shell, this material has all the potential of turning waste into wealth.

Customer Satisfaction

We ensure that all the customer related interaction, data and sensitive information is secured. During the reporting period, there have been no incidents reported on loss or breach of customer data and its privacy.

We conduct a customer satisfaction survey annually. The survey was conducted by a third party and 130 of our customers participated in it. The results of the survey are shown below. On the whole, the customer satisfaction levels with Sterlite Copper was better than those of the competitors. We will continue to improve our customer satisfaction levels to maintain our status as a preferred supplier.

Parameters	Sterlite	Competitor
Order execution	7.53	7.40
Presales phase	7.66	7.48
Product performance	7.90	7.70
Delivery	7.18	7.30
Personnel related	7.75	7.31
Billing & accounts related	7.11	7.18
Packaging	7.60	7.46
Problem resolution	7.26	7.05
Commercial terms	7.24	7.31

Since our products do not require any advertising and marketing promotions there is no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. All the market development activities have been initiated along with ICPCI. There have been no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling.

There are no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices in the reporting period, no fines or monetary sanctions paid by us for non-compliance with laws and regulations.

Transport

The logistics department handles the transport of bulk inputs to the Tuticorin plant and outflow of byproducts from it.

- Inflows (Copper Concentrate and Rock Phosphate)
- Outflows (Finished and semi finished goods to Silvassa, Byproducts like acid gypsum, copper slag to outside customers)

Road Tippers make a 20km trip from the plant to and from Tuticorin port. Most of the transport is done by road, except the gypsum is transported through rail as well. Sulphuric acid is transported by road and ship.

Copper Concentrate, the main raw material to the smelter, is handled with great care to prevent spillages. It is transferred from hoppers to tippers directly without coming in contact with the land or people on the wharf. To prevent spillage into the sea, a polythene net is spread between the vessel and the wharf. We are also exploring the feasibility of using a mechanically operated thin metallic sheet. Once the cargo is unloaded from the ship, the entire port area is cleaned to remove dust and debris. At our plant, the tippers are directly unloaded to hoppers and conveyer belts. Rock phosphate is a substance found in nature and hence is less harmful. Tippers transporting Rock Phosphate need to be covered. M/s SGS, our service partner, ensure that the tippers are in good condition with no holes and that they are covered with tarpaulin. These requirements are built into our contracts and scope of work.

To transport our byproducts like acids we have a dedicated pool of tankers. These tankers are checked and certified by an external agency once in every 6 months for a new vehicle and once in every 3 months for old ones.

Also during the transportation of such acids, care is taken to educate the drivers/transporters on the emergency instructions to be followed in line with the Transport Emergency (TREM) card issued to all of them. We also have a thorough system of checks of tankers through competent persons to avoid any spillages/leakage during transportation. This helped us to prevent any major spillages or leakages in the reporting period. For other products like Gypsum and slag, the buyers send the trucks. Sterlite is responsible for loading and covering the trucks properly.

We transport 500MT of Anode from Tuticorin to Silvassa and about 250MT of this is done by trucks. These vehicles travel 1700km over a 5 day period. The trucks are vulnerable to hijacking and several such cases have been reported. We have implemented a GPS based tracking system and checkpoints at strategic places to prevent this from happening. We conduct medical camps and HIV-AIDS awareness programs for truck drivers and cleaners as well as port staff at the port premises. They are also given safety training.

In future we plan to expand usage of rail way siding for transportation. A new rail way siding is ready while the material handling system is to be put in place. We anticipate that 30-40% of bulk inputs shall come by rail thus avoiding any increase in road traffic. We currently do not face any road congestion during transport.

Eternally Caring – Our Community



Community Development – Changing Lives

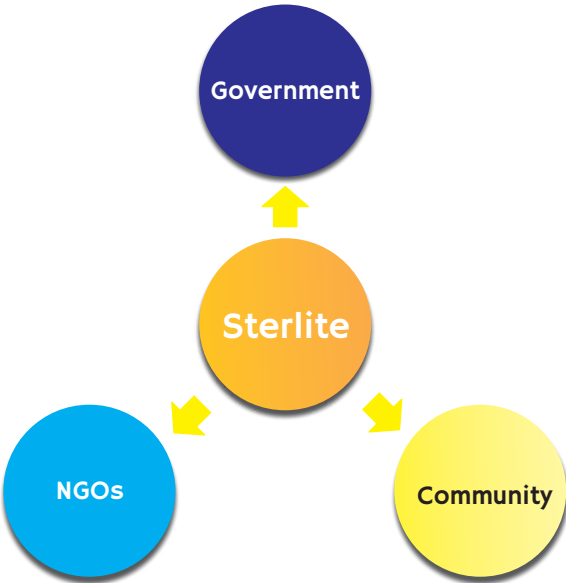
As an involved and concerned corporate, Sterlite believes that corporate social responsibility (CSR) initiatives are a way to pay back societal debts and obligations. Sterlite does not see CSR as charity nor even as a responsibility but as an opportunity to drive change. Our CSR activities are influenced by the concept of 'Changing Lives'- where we constantly endeavor to improve the quality of life of the communities where we operate.

Our CSR activities are mainly carried in 25 villages in the Tuticorin district where our operations are located and we have positively enhanced the quality of life of over two Lakh people.

Community Investment (In Rs. lakhs)	
CSR Areas	2011-12
Education	13.75
Health	1.5
Agriculture & Animal Husbandry	5
Stakeholder Relations	3
Coastal Livelihood Projects	11.31
Coastal Livelihood Projects	14
Women Empowerment Projects	3
New Initiatives	20
Hi-Impact Projects	50
Key –Projects	20.5
Total (in Rs)	142.06

immunization camps and support old age widows. Overall we conducted 13 activities and touched the lives of 2602 beneficiaries.

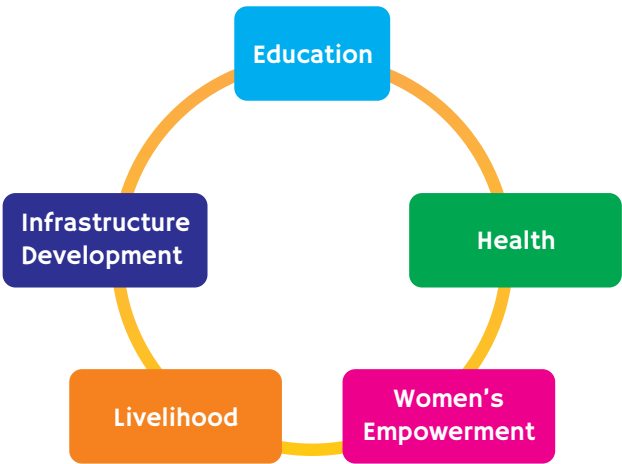
CSR Approach



Our CSR initiatives began twelve years ago. Over time, we have evolved a tripartite approach where we, as catalysts, bring together government resources, the field expertise of NGOs and our vision of a growing community. Our CSR objective is to uplift the quality of life of women, children and youth.

We follow a bottom up process, where people are involved right from planning to implementation of projects. Sterlite strongly feels that community ownership is essential for the success of projects and encourages community participation and contribution in all our activities. We play the role of a catalyst in taking the benefits of government schemes to the rural poor.

CSR Programs



Our social programs focus on 5 areas – Education, Health, Women's empowerment, Livelihood and Infrastructure Development. The projects are demand driven and are planned and executed in partnership with the community and government.



Education

Sterlite's education programs aim to prepare students to face the future competitive world in the future. Our programs reduce the number of school dropouts in rural and coastal communities, provide career guidance and increase the literacy level in these areas.

Initiative	Summary	Benefits
Evening Study Centre	Study centers to reduce school drop outs enabling rural children to compete with their counterparts in the schools.	21 evening study centers serving 1325 students on a daily basis
Scholastic Excellence Awards	Sterlite awards 'Scholastic Excellence Awards' to the 8 District toppers in SSLC and HSC in the presence of parents and Higher authorities from Education department every year to recognise educational excellence in Tuticorin district and to motivate students for a better performance. Cash awards are also extended to rural students securing more than 80% in the public exams	Award was presented to 30 evening study center students
Educational Scholarships	Extended financial assistance to deserving students with excellent academic records from poor socio economic background	7 students have enrolled in engineering colleges and they will be sponsored for the complete four years of study
Free Note Books Distribution	Note books supplied to the evening study centre students and to poor students in an around Thoothukud	1500 students benefited

Our CSR activities at Silvassa are carried out in Chinchpada village. In 2011-12, we have conducted a range of activities which include celebrations of Environment Day, Independence Day, Republic Day, Sala Pravesh Mahotsav and academic topper awards, donation of food grains for Anganwadis etc. We had also installed 2 borewells. We had conducted blood donation camps, pulse polio, immunization camps and support old age windows. Overall we had conducted 13 activities and touched the lives of 2602 beneficiaries

Our future projects include a literacy project in partnership with Nandi Foundation to increase the literacy rate in Thoothukudi district targeting 5000 girl children in the Primary school. The expected category outcomes are to increase the learning levels of children and an increase in the overall literacy rate in the district.



Case Study: Evening Study Centers

Sterlite runs 21 evening study centers in the economically backward areas of Tuticorin town and in rural areas as part of our education promotion initiatives. These centers serve 1325 students on a daily basis. The main focus of this program is to improve school's final year results and reduce school drop outs thus enabling rural children to compete with their counterparts in the schools.

The following programs were conducted for the improvement of student's overall personality.

- 1 'Parent -Teachers meets' periodically are conducted to encourage parent's participation in promoting education.
- 2 One day exam guidance session organised for the students of Standard X and XII to boost their confidence and around 125 students benefited.
- 3 Science exhibitions are organised in all the centres which enable the students to showcase their talents and create an interest in science.
- 4 53 Students from 2 centres were benefited from a visit to a District Science Centre in Tirunelveli.

These activities have shown great results. A comparison of marks between quarterly and half yearly exams prove that the pass percentage increased from 55% to 89%.



Health

A healthy community is a happy community. Sterlite follows a holistic approach in health care services offered to the rural communities in the neighborhood. The strategy lays emphasis on preventive, curative and rehabilitative aspects of health. Our health care programs include supporting Government hospitals, conducting need based health camps, awareness programs in HIV-AIDS, blood donation camps and to bring about behavioral change in rural communities.

Initiative	Summary	Benefits
Support to Government hospital	Donated bed materials worth Rs/- 50 lakhs to Government hospital, Tuticorin in the month of Jan 2012.	75,000 beneficiaries in the 500 bed hospital block
Rural Health Clinics	Sterlite operates four rural health clinics in the neighborhood thus providing health services to two panchayats on a weekly basis. These centers offer the patients free health screening, free medicines and referral services as follow up.	Covers a population of 6270, benefitting 1250 -1500 people

Initiative	Summary	Benefits
Polio Eradication Project	Sterlite extended support to four Primary Health Centers in three panchayats to enhance the quality of health care services of PHCs. Besides, extending support to the PHCs, Sterlite supports PHCs in Pulse Polio Immunization camps through publicity initiatives and transportation facilities camps for smooth conduct of camps	Around 22,000 children have been covered by these centers under pulse polio immunization program.
Project Clean Hand	The objective is to bring hand washing a behaviour change among the rural communities especially in the 9 villages. Demonstration on hand washing carried out for all the schools on monthly basis bathing soaps distributed to all children. Awareness programme conducted for the general public and women self help groups and pamphlets distributed.	Around 481 children are benefitting out of this program. The overall impact of the programme is felt by increase in overall school attendance rate by 4%
Industrial Intervention on HIV –AIDS	Observed World AIDS day on 1st December 2011	All employees wore red ribbons and spread the awareness on the deadly disease
Blood Donation Camp	Sterlite Industries Red Ribbon Club in association with Government Blood bank organised a blood donation Camp. The camp aimed to create awareness on the importance of Blood donation to the community at large.	Totally 68 employees donated blood in the camp held at Government hospital campus, Tuticorin.



Case Study: Child Friendly Village

One of the major interventions in the model village concept is the launch of child friendly village. The main objectives of this programme are to ensure that all school age children are in school, that all children are immunised and possess a valid birth certificate, to eliminate child labour in the village and to ensure nutritional security of the households.

As part of the program, the first birthday of all babies in the project villages are celebrated and the event is used as a platform for creating awareness on the concept of child friendly villages. This has resulted in stopping school drop outs in the village. Around 68 first birthdays have been celebrated during the year. Many of our employees participate in the birthday celebration at the village level and all these birthday celebrations are sponsored by our employees.

With the objective of improving the nutritional security of the household, vegetable seed kits were distributed to 2000 families covering six villages. The rural families were motivated and encouraged to raise backyard vegetable gardens. Around seven varieties of seeds were distributed to the families. The community members were given information about how to sow the seeds and apply manure. Each family had harvested 600-750 grams of vegetables per day continuously for 60 days in a year. This activity has improved the household food security and thereby improved the nutritional status of the children.

Sterlite Women Empowerment Project (SWEP)

Empowering women is a key focus area of our CSR programs. Women in rural areas are paid lower, usually unorganised, informal sector of most economies and are relatively more financially disadvantaged than men. Keeping this in mind, Sterlite prioritises on increasing women's access to financial services. Our objective is to help generate supplementary income for women Self Help Groups through skills upgradation training and to create market linkages for their economic activities. We also acts as a catalyst in linking resources from Government, NGOs, Banks and Corporate for the success of these SHGs.

The Sterlite Women Empowerment Project (SWEP) was launched on March 5th 2005, for empowering rural and coastal women. The project has achieved formation of 1074 Self-Help Groups (SHG) covering 15,324 rural women from marginalised sections of society. During the reporting period, focus was on initiating new income generation activities for the existing women groups. As on date, 86 families were covered.

The income generation activities vary from prawn pickle processing to dry flower making, household provision supply, candle making, milk vending, birds rearing, mushroom cultivation, and petty shops. SHGs have displayed their products in District level Exhibitions held in Tuticorin and they have also put up stalls in our company campus. This has helped them understand customer perception and to modify products according to market demand.

International Women's Day Celebrations

Sterlite celebrates International Women's day for SHG women members under the Sterlite Women Empowerment Project on March 8th of every year, since 2006. The programme served to create awareness about International Women's day and to encourage and inspire more SHG women under SWEP to undertake Income Generation Projects. Awards for excellence in Income Generation Projects for the 13 Entrepreneurs, and for four NGOs were also distributed on the occasion. A variety of folk dances like Karagaatam, Oyilattam, Kolaattam, OyilKummi, and Villupattu were performed by the SHGs. Various sports events were conducted and prizes distributed.



Case Study: Setting up a Snacks Center

In partnership with M/s Bell Society, an NGO, SWEP empowered Ms. Shanthi decided to set up a snacks center. As a resident of Tuticorin, Shanthi came to know about the opportunity to set up a snacks center at a lorry shed. With an alcohol addicted husband at home, this initiative would be a key to support her 3 children. Garnering support from her brother and other family members she decided to set up the hotel but was unable to cope with the financial investment requested for the project. That's where M/s Bell Society stepped in.

Learning about Self Help Groups from her neighbours, Shanthi became a member of Group Rathinam of M/s Bell society, In the group, the members decided to lend her Rs.15,000/ as a loan and had offered her a period of 15 months time to repay it. With this loan, Shanthi started the centre by purchasing provisions worth Rs/- 10,000.

The snacks center caters to drivers and cleaners who rest at the lorry shed and functions from 8 am to 8 pm. Items for sale include beverages like tea, coffee, breakfast items like idlis, and meals during lunch time. Overall, she is now able to generate a profit of about Rs. 400-450 per day.

During the visit of Sterlite CSR personnel to her snacks center the conversation centered on increasing her daily income. Some of the recommendations included prolonging the timings to include dinner, increasing the quantity of fruits like bananas for sale, maintaining cleanliness and providing clean drinking water to the customers. Taking this feedback, Shanthi decided to start keeping water in a container to supply to her customers.

"With my known skill, the Women Entrepreneur Project team, encouraged and empowered me economically" says Shanthi.



Case Study: Textile Sales

Ms. Dhanalakshmi, a resident of Tuticorin– Muthiyapuram, and a member of SHG Brahma, felt the need to augment her income. Unable to manage the needs of 3 school-going children with her husband's income, she decided to start the business of textile sales. Purchasing textiles worth Rs.10,000 through a loan from the SHG, Dhanalakshmi started her enterprise but struggled without proper facilities to store them.

During Sterlite CSR personnel's visit to her house, the microenterprise details were shared. The house was a typical hut, and the new textiles were spread on a broken cot which had the risk of being ruined by the rats that populated the house. The intervention involved discussing measures to prevent this from happening. Dhanalakshmi shared her desperate need for bags to preserve the textiles from rats, and also to carry the same for sales. After the intervention, Dhanalakshmi has experienced an increase in profit by about Rs. 1000 per month from her sales.

Thanks to Sterlite, for helping me in my microenterprise and enabling me to draw Rs.1000/ more from my business. - Dhanalakshmi



Coastal Livelihood Project (CLP)

Sterlite launched the 'Coastal Livelihood Project' to promote technical skills among coastal youth in Tuticorin. During the year 2011-2012, Rs.11 lakh was spent on the project. In conjunction with NGOs, eight courses were offered under the initiative including fashion designing, desktop publishing, shipping management, nurse assistant training, garment manufacturing, JCB and Crane operator training, etc.

Around 160 students were trained during the reporting year. These trainings have helped the young men and women of coastal areas find jobs in Tuticorin town. On an average they earn INR 3000 to 4000 per month. During the reporting year we have achieved an employability rate of 83%.

Rural Infrastructure

Sterlite's Rural Infrastructure initiatives aim at improving basic amenities in the surrounding villages. Sterlite supports Government Rural Infrastructure Development initiatives by making monetary contributions. The initiative also encourages community participation.

Initiative	Summary	Benefits
Village Sufficiency Project	With the objective of improving the nutritional security of the household, rural families were motivated and encouraged to raise backyard vegetable gardens	Vegetable seed kits were distributed to 2000 families covering six villages.
Drinking water sump in Vadakusilukanpatty	In partnership with District Administration initiated drinking water project at a cost of Rs 8.10 lakhs under self-sufficiency scheme. Company contributed Rs 2.7 lakhs as public contribution	Work in progress
Drinking water sump in Milavittan	Construction of underground drinking water sump is completed in Milavittan village. This project was taken up under Nammaku Name Thittam at a cost of Rs 6.5 lakhs and Sterlite contributed 50% of the project cost that is Rs 3.25 lakhs.	The water holding capacity is 1,50,000 litres. This project is highly beneficial for the community in the Milavittan village
Community hall at SV Puram	In partnership with District Administration construction of community hall was taken up at a cost of Rs.10 lakhs under Nammaku Name Thittam. Company contributed Rs 5 lakhs towards this project.	Highly beneficial to the community of the SV Puram for accommodating social gatherings
Total sanitation	To achieve Total Sanitation status in the model villages by constructing household toilets. Sterlite spent Rs.34,000 per unit and the work was implemented by Sulabh International, an NGO specialised in environmental sanitation.	60 household toilets were constructed in Milavittan village at a cost of Rs 20 lakhs.

GRI Content Index

Application Level: A				
STANDARD DISCLOSURES PART I: Profile Disclosures				
1. Strategy and Analysis				
Profile Disclosure	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
1.1	Statement from the most senior decision-maker of the organization.	Fully	1,2	
1.2	Description of key impacts, risks, and opportunities.	Fully	18 to 20	
2. Organizational Profile				
2.1	Name of the organization.	Fully	3	
2.2	Primary brands, products, and/or services.	Fully	4	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	4	
2.4	Location of organization's headquarters.	Fully	Feedback 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	13,14	
2.6	Nature of ownership and legal form.	Fully	3	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	13,14	
2.8	Scale of the reporting organization.	Fully	5	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	1,2	
2.10	Awards received in the reporting period.	Fully	6	
3. Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	8	
3.2	Date of most recent previous report (if any).	Fully	8	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	8	
3.4	Contact point for questions regarding the report or its contents.	Fully	Feedback Page	
3.5	Process for defining report content.	Fully	8	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	8	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	8	
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	8	

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	8	
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	8	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	8	
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	63	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	8	
4. Governance, Commitments, and Engagement				
Profile Disclosure	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	22,23	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	22	
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	22	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	24	
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	21	
4.6	Processes in place for the highest governance body to ensure that conflicts of interest are avoided.	Fully	24	
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	22	
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	22	

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	7,8	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	23	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	7,8	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	8	
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	5	
4.14	List of stakeholder groups engaged by the organization.	Fully	9 to 12	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	9 to 12	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	9 to 12	
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	9 to 12	

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
DMA EC	Disclosure on Management Approach EC	Fully	13,14	
Aspects	Economic performance	Fully	13	
	Market presence	Fully	13	
	Indirect economic impacts	Fully	54-61	
DMA EN	Disclosure on Management Approach EN	Fully	43,44	
Aspects	Materials	Fully	50,51	
	Energy	Fully	45	
	Water	Fully	45,46	
	Biodiversity	Fully	47	
	Emissions, effluents and waste	Fully	48,49	
	Products and services	Fully	50,51	
	Compliance	Fully	43,44	
	Transport	Fully	54-55	
	Overall	Fully	45,46	
DMA LA	Disclosure on Management Approach LA	Fully	30-42	

Aspects	Employment	Fully	31-35	
	Labor/management relations	Fully	27	
	Occupational health and safety	Fully	40-42	
	Training and education	Fully	37-39	
	Diversity and equal opportunity	Fully	39	
	Equal remuneration for women and men	Fully	39	
DMA HR	Disclosure on Management Approach HR	Fully	25-29	
Aspects	Investment and procurement practices	Fully	25,28,29	
	Non-discrimination	Fully	25	
	Freedom of association and collective bargaining	Fully	27,28	
	Child labor	Fully	25,28	
	Prevention of forced and compulsory labor	Fully	25,28	
	Security practices	Fully	25	
	Indigenous rights	Not	Not	
	Assessment	Fully	25	
	Remediation	Fully	25,27	
DMA SO	Disclosure on Management Approach SO	Fully	14,24-27, 54-61	
Aspects	Local communities	Fully	54	
	Artisanal and Small- scale Mining	Not	Not	
	Resettlement	Not	Not	
	Closure Planning	Fully	54-61	
	Corruption	Fully	25,26	
	Public policy	Fully	14,24,27	
	Anti-competitive behaviour	Fully	52,52	
	Compliance	Fully	50-52	
DMA PR	Disclosure on Management Approach PR	Fully	50-51	
Aspects	Material Stewardship	Fully	52,53	
	Customer health and safety	Not	Not	Our products our used as raw materials and we do not sell to retail consumers
	Product and service labelling	Fully	52	
	Marketing communications	Fully	52	
	Customer privacy	Fully	52	
	Compliance	Fully	52	
STANDARD DISCLOSURES PART III: Performance Indicators				
Economic				
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
Economic Performance				
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	14	

EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	19	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	14	
EC4	Significant financial assistance received from government.	Fully	24	
Market Presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	39	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	28,19	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	32	
Indirect Economic Impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	54-61	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	54-61	
Environmental				
Performance Indicator	Description	Reported	Page No.	If applicable, indicate the part not reported
Materials				
EN1	Materials used by weight or volume.	Fully	50-51	
EN2	Percentage of materials used that are recycled input materials.	Fully	50-51	
Energy				
EN3	Direct energy consumption by primary energy source.	Fully	45	
EN4	Indirect energy consumption by primary source.	Fully	45	
EN5	Energy saved due to conservation and efficiency improvements.	Fully	45	
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 Applicable	Not	Our products are raw materials to other industries
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	45	
Water				
EN8	Total water withdrawal by source.	Fully	45-46	
EN9	Water sources significantly affected by withdrawal of water.	Fully	45-46	
EN10	Percentage and total volume of water recycled and reused.	Fully	45-46	
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	47	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	47	

MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Not Applicable	Not	We are in copper smelting business which happens in company owned land and mining does not fall under our purview
EN13	Habitats protected or restored.	Fully	47	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	47	
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.	Fully	47	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	47	
Emissions, Effluents and Waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	48	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	48	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	48	
EN19	Emissions of ozone-depleting substances by weight.	Partially	49	
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	49	
EN21	Total water discharge by quality and destination.	Fully	46	
EN22	Total weight of waste by type and disposal method.	Fully	48	
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Not Applicable	Not	No mining operations
EN23	Total number and volume of significant spills.	Fully	48	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	48	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	46	
Products and Services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	50-51	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	51	
Performance Indicator	Description	Reported	Page No.	If applicable, indicate the part not reported
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	44	

Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	52,53	
Overall				
EN30	Total environmental protection expenditures and investments by type.	Fully	43	
Social: Labor Practices and Decent Work				
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partial	31,32	Employment contract
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	33,35	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	36,37	
LA15	Return to work and retention rates after parental leave, by gender.	Fully	37	
Labor/Management Relations				
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	27	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	27	
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	Fully	27	
Occupational Health and Safety				
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	40	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	41	
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	42	
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	40	
Training and Education				
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	38	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	37-39	

LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	36	
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
Diversity and Equal Opportunity				
LA 13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	39	
Equal Remuneration for Women and Men				
LA 14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	39	
Social: Human Rights				
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
Investment and Procurement Practices				
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.	Partially	25	% of investment agreements
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	28,29	
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	25	
Non-Discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	25	
Freedom of Association and Collective Bargaining				
HR5	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	27, 28	
Child Labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	25, 28	
Forced and Compulsory Labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	25, 28	

Security Practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	25	
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	Not		Our operations are not located near indigenous communities
Indigenous Rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not		Our operations are not located near indigenous communities
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Partially	25	No. of operations
Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	25, 27	
Social: Society				
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
Local Communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	56	
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	Not		No disputes
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.	Not		No disputes
Artisanal and Small- scale Mining				
MM8	Number (and percentage) or company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	Not		No mining operations
Resettlement				
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	Not		No mining operations
Closure Planning				
MM10	Number and percentage of operations with closure plans.	Not		No mining operations
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	54	

SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	54-61	
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	25,26	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	25,26	
SO4	Actions taken in response to incidents of corruption.	Fully	25,26	
Public Policy				
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	27	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	14, 24	
Anti-Competitive Behaviour				
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Fully	52	
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	52	
Social: Product Responsibility				
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
Material Stewardship				
MM11	Programs and progress relating to material stewardship	Partially	50,51	
Customer Health and Safety				
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.	Not		Our products our used as raw materials and we do not sell to retail consumers
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not		Our products our used as raw materials and we do not sell to retail consumers
Product and Service Labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not		Our products our used as raw materials and we do not sell to retail consumers
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	52	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	52	

Marketing Communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	52	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	52	
Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	52	
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	52	

The Ten Principles - United Nations Global Compact

Principles	Statement	Page No.
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	25-28
Principle 2	Make sure that they are not complicit in human rights abuses.	25-28
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	27
Principle 4	The elimination of all forms of forced and compulsory labour;	25-28
Principle 5	The effective abolition of child labour; and	25-28
Principle 6	The elimination of discrimination in respect of employment and occupation.	25
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	43-51
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	43-51
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	43-51
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	25

NVG - SEE Business Responsibility Report Table

NVG Report Application Table

A	Part A of the report includes basic information and data about the operations of the business entity so that the reading of the report becomes more contextual and comparable with other similarly placed businesses. It may be written in a free format incorporating at least the following:		
Sub Part	Aspects		Page No.
A-1	Basic information about the business	Name Nature of ownership Details of the people in top management Location of its operations - National and International Products and services offered Markets served	3-4, 13-14
	Economic and Financial Data	Sales Net profit Tax paid Total assets Market capitalisation Number of employees	13-14, 31
A-2	Management's Commitment Statement to the ESG Guidelines		1,2
	Priorities in terms of Principle and Core Elements		1,2
	Reporting Period/Cycle		8
	Whether the report is based on this framework or any other framework		8
	Any Significant Risk that the business would like its stakeholders to know		18-20
	Any Goals and Targets that were set by the top management for improving their performance during the Reporting Period		None
B	Part B of the report incorporates the basic parameters on which the business may report their performance. Efforts have been made to keep the reporting simple keeping in view the fact that this framework is equally applicable to the small businesses as well. The report may be prepared in a free format with the basic performance indicators being included in the same. In case the business entity has chosen not to adopt or report on any of the Principles, the same may be stated along with, if possible, the reasons for not doing so.		
Sub Part	Principle	Core elements	Page No.
B-1	Principle 1 – Ethics, Transparency and Accountability	Governance structure of the business, including committees under the Board responsible for organizational oversight. In case no committee is constituted, then the details of the individual responsible for the oversight	21-24

Sub Part	Principle	Core elements	Page No.
B-1	Principle 1 – Ethics, Transparency and Accountability	Mandate and composition (including number of independent members and/or non-executive members) of such committee with the number of oversight review meetings held.	22
		State whether the person/committee head responsible for review is independent from the executive authority or not. If yes, how.	22
		Mechanisms for shareholders and employees to provide recommendations or direction to the Board/ Chief Executive.	22,23
		Processes in place for the Board/ Chief Executive to ensure conflicts of interest are avoided.	24
		Internally developed statement on Ethics, Codes of Conduct and details of the process followed to ensure that the same are followed	22
		Frequency with which the Board/ Chief Executive assess BR performance.	21
	Principle 2 – Products Life Cycle Sustainability	Statement on the use of recyclable raw materials used	50,51
		Statement on use of energy-efficient technologies, designs and manufacturing/ service-delivery processes	45
		Statement on copyrights issues in case of the products that involve use of traditional knowledge and geographical indicators	Not applicable
		Statement on use of sustainable practices in the value chain	28
	Principle 3 – Employees' well-being	Total number of employees with percentage of employees that are engaged through contractors	31
		Statement on non-discriminatory employment policy of the business entity	39
		Percentage of employees who are women	31
		Number of persons with disabilities hired	None
		Amount of the least monthly wage paid to any skilled and unskilled employee	39
		Number of training and skill up-gradation programmes organized during the reporting period for skilled and unskilled employees	38

Sub Part	Principle	Core elements	Page No.
B-1	Principle 3 – Employees' well-being	Number of incidents of delay in payment of wages during the reporting period	No Delays
		Number of grievances submitted by the employees	25,27
	Principle 4 – Stakeholder Engagement	Statement on the process of identification of stakeholders and engaging with them	9-12
		Statement on significant issues on which formal dialogue has been undertaken with any of the stakeholder groups	9,12
	Principle 5 – Human Rights	Statement on the policy of the business entity on observance of human rights in their operation	25,28
		Statement on complaints of human rights violations filed during the reporting period	27
	Principle 6 – Environment	Percentage of materials used that are recycled input materials	50,51
		Total energy consumed by the business entity for its operations	45
		Statement on use of energy saving processes and the total energy saved due to use of such processes	45
		Use of renewable energy as percentage of total energy consumption	45
		Total water consumed and the percentage of water that is recycled and reused	45,46
		Statement on quantum of emissions of greenhouse gases and efforts made to reduce the same	48
		Statement on discharge of water and effluents indicating the treatment done before discharge and the destination of disposal	46
		Details of efforts made for reconstruction of bio-diversity	47
	Principle 7 – Policy Advocacy	Statement on significant policy advocacy efforts undertaken with details of the platforms used	27
	Principle 8 – Inclusive Growth	Details of community investment and development work undertaken indicating the financial resources deployed and the impact of this work with a longer term perspective	54-61

Sub Part	Principle	Core elements	Page No.
B-1	Principle 8 – Inclusive Growth	Details of innovative practices, products and services that particularly enhance access and allocation of resources to the poor and the marginalized groups of the society	54-61
	Principle 9 – Customer Value	Statement on whether the labelling of their products has adequate information regarding product-related customer health and safety, method of use and disposal, product and process standards observed	52
		Details of the customer complaints on safety, labelling and safe disposal of the products received during the reporting period	52
C	Part C of the report includes basic information and data about the operations of the business entity so that the reading of the report becomes more contextual and comparable with other similarly placed businesses. It may be written in a free format incorporating at least the following:		
Sub Part	Aspects		Page No.
C- 1	Brief Report on any material/significant negative consequences of the operations of the business entity		43,44
C- 2	Brief on Goals and Targets in the area of social, environmental and economic responsibilities that the business entity has set for itself for the next Reporting Period	Social Environmental Economic	1,2

Feedback

We welcome feedback on any aspect of our performance or sustainability reporting. You can send in your feedback, by way of general comments to the undersigned.

Company address:

Sterlite Industries (India) Limited

SIPCOT Industries Complex

Madurai By Pass Road, TV Puram P.O.

Tuticorin - 628002, Tamil Nadu, India

Tel. +91 461 424 2591

<http://www.sterlite-industries.com/>

Ms. A. Sumathi

General Manager – Health, Safety & Environment

Tel. +91 461 424 2183

a.sumathi@vedanta.co.in

Mr. P. Subbiah

Manager – Environment

Tel. +91 461 424 2045

p.subbiah@vedanta.co.in