

# Value Beyond **Business**

Sustainability Report 2012-13





## Our Vision

To be one of the top four iron ore mining companies in the world

## Our Mission

- To maximise stakeholder wealth by exploiting core skills of iron ore mining, coke and iron making
- To constantly seek high levels of productivity and technical efficiency; to maintain technological superiority over competitors
- To aggressively seek additional resources
- To maintain costs in the lowest quartile globally
- To be an organisation with best-in-class people and a performance driven culture by attracting and retaining quality manpower
- To continue to maintain a pre-eminent position in safety, environment and quality control management in the respective industry sectors
- To contribute to the development of the communities that the Company operates in or has influence on its business activities
- To uphold human rights in the workplace and communities surrounding our operating areas

## 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.



### 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.



### 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.



### 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.



### TRUST

The trust that our stakeholders place in 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.



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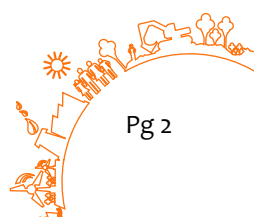


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## ABOUT SESA



### SESA GOA LIMITED

Sesa Goa Limited (Sesa) is India's leading producer and exporter of iron ore in the private sector with operations in the states of Goa and Karnataka in India and a project site in Liberia, West Africa. Founded in 1954, it has about six decades of expertise in the exploration, mining and processing of iron ore.

Sesa is a part of Vedanta Resources Plc., the London-listed FTSE 100 diversified global metals and mining group with operations in the core business sectors of zinc-lead-silver, copper, aluminium, iron ore, oil and gas, across India, Australia, UAE, Zambia, Liberia, South Africa, Namibia and Ireland.

Sesa also produces pig iron and metallurgical coke and provides proprietary environment-friendly met coke making technology, along with power. The Power Plant, Met Coke Division and Pig Iron Division operate as independent business divisions.

Sesa has acquired the remaining 49% stake from Western Cluster Limited taking its total holding to 100%. Sesa also holds 20% interest in Cairn India Limited, India's second-largest private sector upstream oil company (by reserves).

Sesa is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

With a commitment to create a world-class enterprise through high quality assets and competitive costs of production, Sesa is pursuing a consistent strategy of owning and operating low-cost, expandable, upstream assets and delivering more predictable business performance over time which, in turn, underpins the creation of value for our shareholders, customers, employees and, importantly, the communities in which it operates.

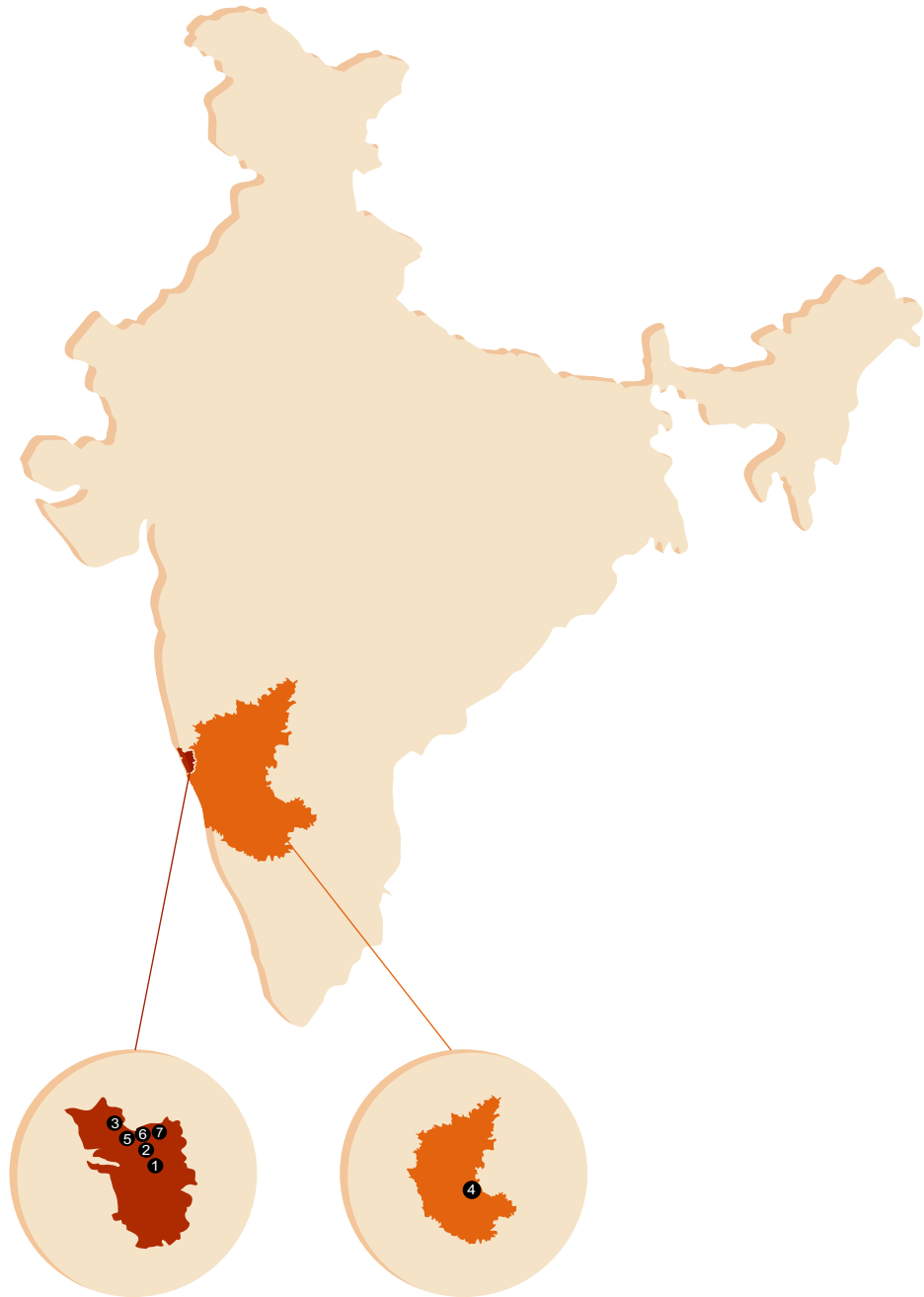


# OVERVIEW

## OPERATIONS

Map showing Sesa's operations in India.

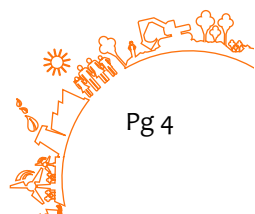
Operations in Liberia are not depicted in the map since they are not in the boundary of the report.



### India

Iron Ore Operations	Pig Iron and Met Coke Operations
1. South Cluster, Goa	5. Pig Iron Complex, Goa
2. Central Cluster, Goa	6. Met Coke Plants, Goa
3. North Cluster, Goa	7. Power Plants, Goa
4. Chitradurga Mine, Karnataka	

Map not to scale



# OVERVIEW

Table 1 indicates Sesa's major divisions and operations covered in the report and their certification details. The table also indicates which operations or projects are outside the boundary of this report, and the certifications to each unit / operations.

Table 1: Certifications by operations

Company	SD Report	ISO 9001	ISO 14001	OHSAS 18001	SA 8000
SGL					
Iron Ore Operations, Goa <sup>#</sup>					
Codli Group of Mines	P	P	P	P	P
Gaval Sonshi Mine*	P	P	P	P	P
Bicholim Group of Mines	P	P	P	P	-
Surla Sonshi Mines	P	P	P	P	-
Iron Ore Operations, Karnataka <sup>#</sup>					
Sesa Goa Mine, Chitradurga	P	P	P	P	P
Pig Iron, Met Coke & Power Operations, Goa					
Pig Iron Plant, Amona	P	P	P	P	P
Pig Iron Expansion, Navelim	-	-	-	-	-
Met Coke Plant, Amona	P	P	P	P	P
Met Coke Expansion, Navelim	P	-	-	-	-
Power Plant Expansion, Navelim	-	P	P	P	P
GEL Power Plant, Amona	-	P	P	P	-

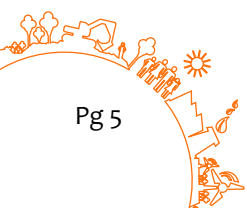
P- Certified - Not Certified

\*\* SGL is a raising contractor at Gaval Sonshi Mine (Cosme Costa and Sons)

#The certification also includes the support services and ancillary activities like beneficiation, logistics, etc."

The operations that are not covered, as above, in the current SD Report, are either recent acquisitions made by the Company during the reporting period, or are projects that have been commissioned / undergoing commissioning during the reporting period. These projects and units will be covered, from the reporting period, when they start operations during subsequent years.

Note: No artisanal and small-scale mining (ASM) operations take place either on or adjacent to any of our Company's mining sites. All mining operations present adjacent to our mines in Goa and Karnataka are run by major mining companies.





## OVERVIEW

## SHAREHOLDING PATTERN

Table 2: Shareholding Pattern of Sesa Goa Limited as on March 31, 2013

Sr. No.	Category	March 31, 2013	
		No. of shares held	Percentage of shareholding
		Face value ₹1/-	
a.	Promoter's holding	479,113,619	55.13
b.	Banks, Mutual funds, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions)	36,885,170	4.24
c.	FII's / Foreign Corporate Bodies	236,632,096	27.23
d.	Private Corporate Bodies	11,966,235	1.38
e.	Indian Public	99,700,705	11.47
f.	NRIs / OCBs	1,975,576	0.23
g.	Trust	628,431	0.07
h.	HUF	1,505,213	0.17
i.	Clearing Members	694,378	0.08
	Grand Total	869,101,423	100

Paid-up capital as on March 31, 2012 and March 31, 2013 was ₹869,101,423





## AWARDS



Sesa was awarded with the following prestigious awards during the year 2012-13:

- ★ “Commendation Certificate” in IMC Ramkrishna Bajaj National Quality assessment in the Manufacturing Category for the year 2012. Sesa is the first and only mining company to get this recognition since the award's inception in 1996.
- ★ Sesa Goa Limited ranked among the Top 30 Best Practices in Corporate Governance by 2012 IR Global Rankings.
- ★ Sesa Goa Limited, has been conferred the Diamond Edge Award 2012, for its RFID Based Logistics System at the EDGE (Enterprises Driving Growth and Excellence through IT) Awards 2012 in Mumbai on 10 October 2012.
- ★ Sesa was declared the winner of “Manufacturing Supply Chain Awards” in the category of “Supply Chain Technology Advancement” for its RFID implementation across Goa and Karnataka iron ore operations. These awards were given as a part of the 2nd Asia Manufacturing Supply Chain Summit (AMSCS).
- ★ Sesa Goa Limited was awarded the Best Custom Solution Award in SAP Logistics category for Customisation of Ore Trucking Logistics at the SAP Localisation Forum India 2013.
- ★ “CSR Initiative of the Year” award at Business Goa Corporate Excellence Awards given by Business Goa, a business magazine in March 2013.
- ★ First place for the Best Practices adopted and implemented in Environment Technology for initiatives on “Energy Conservation” given by the Goa State Pollution Control Board (GSPCB) on the occasion of World Environment Day.
- ★ Sesa's Pig Iron Division was the winner in the “Manufacturing process Metallurgical - Medium Scale Industry” category and Met Coke Division was the runners up in the “Manufacturing process Non Metallurgical - Medium Scale Industry” category. These awards, given at the national level, have been instituted by Srishti Publications.
- ★ Silver Award in the category of Best Strategy at the 3rd Annual Greentech HR Excellence Awards, 2013, given by the Greentech Foundation, which presents these HR Excellence Awards to companies that demonstrate the highest level of commitment to HR practices.
- ★ Sesa's Met Coke division won two prestigious National Safety Awards in New Delhi in September 2012.
- ★ Achieving maximum man-hours without any fatal / non-fatal / PTD accident in the performance year 2010 for factories working less than one million man-hours but more than half million man hours per year.
- ★ Sesa Mining Corporation Limited (SMCL) was awarded the CR Excellence Gold Award in the Education Category by the Green Triangle Society on 21 December 2012.

## OVERVIEW

### MANAGING DIRECTOR'S MESSAGE



“It is more important than ever before for mining companies to focus on sustainable mining practices for their long-term success and for the benefit of their stakeholders.”

It is a pleasure to present Sesa's eighth Sustainability Report. Being India's largest, and most credible, mining company in the private sector, the concept of sustainability has been embedded in our systems, processes and activities.

In light of the developments that have impaired the functioning of the mining sector, I believe it is more important than ever before for mining companies to focus on sustainable practices for their long-term success and for the benefit of all their stakeholders, including the community at large. It is imperative for mining companies and regulatory authorities, to work together, with sustainable mining practices, to restore the confidence of all stakeholders. That is the only way out of the current impasse.

Our iron ore operations in both Goa as well as Karnataka have been at a standstill for several months now and during this period we have been engaging closely with our stakeholders to dispel myths about mining and to reiterate our deep and abiding commitment to responsible—and sustainable—mining practices. In the spirit of transparency we have in this report described the measures taken by us to minimise the effect of the suspension of mining on our stakeholders. Notwithstanding the various challenges confronting us, we have made significant progress towards becoming a diversified global resource champion.

The proposed merger of Sterlite Industries (India) Limited with Sesa Goa Limited, along with associated companies will make the new entity one of the world's largest diversified natural resources company with a world-class, low-cost asset base in close proximity to high growth markets. The proposed new entity will have exposure to aluminum, copper, iron ore, oil & gas, zinc-lead-silver, and commercial power with assets located in India, Australia, Liberia, South Africa, Namibia, Ireland, UAE and Sri Lanka.

We increased our equity in WCL Liberia to 100% by acquiring the remaining 49% stake. These moves help us diversify both geographically as well as resource-wise making Sesa Sterlite one of the largest diversified resource majors in the world.

[www.sesagoa.com](http://www.sesagoa.com)

The Value Addition Business achieved a new landmark in August 2012 when the new 450m<sup>3</sup> blast furnace was commissioned, enhancing pig iron production from 0.25 to 0.625 mtpa, making us the largest low phosphorous pig iron facility in India. A 0.28 mtpa metallurgical coke plant, a 0.8 mtpa sinter plant and a 30 MW power plant were also commissioned as part of the project.

### ECONOMIC PERFORMANCE

Faced with extraordinary challenges in the form of suspension of mining operations in Goa since September, 2012 (in any case the business is always at very low level during June to September, being monsoon months) and continued suspension in Karnataka for the full year, volumes declined significantly during the year. Iron ore production and sales were 3.7 and 3.1 mt respectively in 2012-13 compared to 13.8 and 16.0 mt respectively in the previous year. Gross sales revenue from iron ore decreased by 77%, from ₹ 7,516 crore in 2011-12 to ₹ 1,697 crore in 2012-13.

Pig iron and met coke production increased by 24% and 29% to 307,775 and 331,000 tonnes respectively due to new capacities commissioned during FY2013. Sales volume for the pig iron business increased by 10% from 250,571 tonnes in 2011-12 to 275,119 tonnes in 2012-13, while sales revenue grew by 7% to ₹ 784 crore in 2012-13 from ₹ 730 crore in 2011-12. Sales volume for met coke also went up by 20% to 301,889 tonnes in 2012-13 from 251,264 tonnes in 2011-12. Gross sales revenue remained even at ₹ 558 crore in 2012-13, as against ₹ 551 crore in 2011-12.

Sesa's net income from operations fell by 69% from Rs. 8,310 crore in 2011-12 to ₹ 2,554 crore in 2012-13. Operating cash profit (PBDT) declined by 99% to ₹ 23 crore from ₹ 3,235 crore in 2011-12. PAT (including associate income) decreased 15% from ₹ 2,696 crore in 2011-12 to ₹ 2,280 crore in 2012-13, and diluted earnings per share were ₹ 26.24 in 2012-13.



## ENVIRONMENTAL PERFORMANCE

Even though operations remain suspended, we have continued to implement environmental measures, which include rehabilitation of overburden dumps and treating run-off water before discharging outside the premises. To minimise the effect of iron ore stockpiles on the environment they are covered with tarpaulin/silpaulin during monsoons. We have been ranked on the Carbon Disclosure Leadership Index (CDLI) for the past three years consecutively.

A notable feature of our performance this year has been the completion of the International Finance Corporation (IFC) documentation (policies and procedures). We have integrated these guidelines with our existing Integrated Management Systems of ISO 14001 - EMS, ISO 9001 - QMS and OHSAS 18001 - Safety and Occupational Health and implementation is in process. Sesa has also adopted international best practices by conducting an Environmental and Social Impact Assessment (ESIA) for WCL, Liberia, based on IFC guidelines.

## SOCIAL PERFORMANCE

The prolonged suspension of mining operations has had an impact on the entire eco-system in which a mining company like ours operates. It has especially hurt those involved in allied mining activities like transportation, including trucks and barges, automobile repairers, and small restaurant owners. On our part, we have kept our high impact community relations projects going in the important areas of health, livelihood and education.

The Sesa Community Development Foundation (SCDF) projects like the two technical schools and residential football academies have not been allowed to be impacted. Our approach to Community Relations (CR) has had to change because of the difficult circumstances in which we are operating. We have deferred infrastructure jobs under CR in the community like community halls, gardens, etc. The focus now is on employee volunteerism and engaging with the community.

Sesa has completed construction of a building of Department of Mining at the Goa College of Engineering. The state-of-the-art mining department has been set up by us in collaboration with the state government. Not only have we created the infrastructure but we have also committed to meeting operational expenses for the department for five years. This initiative provides Goan students an opportunity to take up

mining engineering in Goa, something that was hitherto unavailable in the state. The course has been accredited by the Goa University as well as the All India Council for Technical Education (AICTE).

## EMPLOYEE WELL-BEING

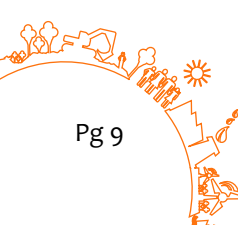
We have been transparent in our interactions with employees about the challenges facing the business and they have been extremely understanding. All of our unions have been cooperative and have understood the initiatives we have taken during this tough period. Senior employees have agreed to take a pay cut. The management has kept employees and unions regularly informed and updated on the current situation.

To engage with our employees we have conducted various internal training programmes, motivational workshops and quality improvement projects. On an average, our employees received 11.08 hours of training during the reporting period. We have also outlined a detailed restart strategy across both operational and enabling functions. This will help us rapidly get operations restarted once the judicial and regulatory hurdles are overcome and mining operations resume. It is also a matter of pride that women currently constitute 17% of the executive category, up from 14% over the last three years.

Health and safety is a top priority for us. In 2012-13, our overall Lost Time Injury Frequency Rate (LTIFR) reduced from 0.81 in 2011-12 to 0.54 per million man-hours worked. I am also happy to report that, during the year, the shipbuilding, met coke, pig iron and energy divisions achieved a zero-accident record.

I would like to thank our stakeholders especially our employees and shareholders for reposing their faith in us and standing by us during these tough times. We hope that this Sustainability Report will underline our focus on building value beyond business. In this report we have showcased our efforts, learnings, failures and successes in an effort to communicate openly and transparently with all our stakeholders. Should you have comments on this report, please write to: [sesa.corporatecommunications@vedanta.co.in](mailto:sesa.corporatecommunications@vedanta.co.in)

**Prasun K. Mukherjee**  
Managing Director



# OVERVIEW

## YEAR IN REVIEW



Table 3: Performance Parameters 2012-13

Parameter	Units	Performance	Target	Performance
Economic		11-12	12-13	12-13
Production (Iron Ore)	million tonnes	13.8	19.78	3.73
<b>Safety</b>				
LTIFR	Per million man-hours worked	0.81	0.54	0.44
<b>Environment</b>				
<b>Specific Water Consumption</b>				
SGL Mining	kL / Ton	1.348	5-10% reduction on previous year's achieved targets	1.082
SGL PID		2.038		2.237
SGL MCD		0.799		0.883
<b>Specific Energy Consumption</b>				
SGL Mining	GJ / Ton	0.150	3-5% reduction on previous year's achieved targets	0.172
SGL PID		0.666		0.664
SGL MCD		0.144		0.104
LCA studies for all the products				
<b>Social</b>				
High Impact Projects		2 completed 11 on-going	8 to completed	7 completed 5 ongoing
Workplace Betterment		Completed & Certificate obtained from Bureau Veritas	SA 8000 Surveillance audit to be completed	SA 8000 Surveillance Audit Completed successfully





## ABOUT THIS REPORT



This is the eighth sustainability report of Sesa Goa Limited (Sesa), an organisational report that discloses our economic, environmental and social performance. This has been a challenging year for Sesa and we hope to outline the steps taken to endure adversity throughout our operations while minimising the impact on our stakeholders. Our sustainability reports are published annually and this report covers the fiscal year 2012-2013. Sesa published its first sustainability report in the year 2005-06.

This report covers all our Indian operations, including Goa and Karnataka, where we have 100% operational control. The table in the previous chapter on “About Sesa” indicates the units and divisions that are covered in this report. It covers the following companies, including subsidiaries and their units.

- **Sesa Goa Limited**
  - Iron Ore Division, Goa
  - Iron Ore Division, Karnataka
  - River Fleet and Shipping Office, Goa
  - Shipbuilding Division, Goa
  - Pig Iron Division, Amona, Goa
  - Metallurgical Coke Division, Navelim, Goa
- **Sesa Resources Limited**
- **Sesa Mining Corporation Limited**

The report does not cover the iron ore projects in Liberia, which are in the project stage. It also does not cover the power business, Goa Energy Limited, (GEL) and expansion project of pig iron complex in Goa. We will endeavor to include reporting on these entities in future reports.

The data presented has been recorded and reported by various departments within the organisation for the period between 1 April 2012 and 31 March 2013. The data and figures in the report are actual numbers based on the methodology and standard management systems followed by our Health, Safety, Environment & Community Relations (HSEC) and other departments, in line with industry practices. Our performance is reported on a year-on-year basis (YoY), comparing the current year's performance against the previous year, and therefore, targets are not reported where they are not specified. There has been no significant change from previous reporting periods in the scope, boundary or measurement methods applied in the report.

The report is based on the GRI G 3.1 Guidelines and GRI's Metals and Mining Sector Supplement, and we report/respond against all applicable core and additional indicators. The data points reported cover economic, environmental and social performance indicators as per the GRI G3.1 Guidelines. In addition to this, the report also include responses aligned to United Nations Global Compact (UNGC) principles. Specific reference to each indicator is indexed in the GRI Content Index which is located at the end of the current report. Scope 1, 2 and 3 GHG emissions are addressed in this report and also in disclosures to the CDP. Sesa has also responded to CDP Water.

The report is organised into broad dimensions of the Company's sustainability performance and the content is based on the concerns voiced by our stakeholders, both internal and external. We follow a structured process to collect inputs for our report. Our stakeholder and materiality sections outline critical issues, as well as our focus areas for the following years.

In continuation of our previous reports, this year too, we have subjected our report to an independent, third party verification, ensuring credibility and improving acceptance. We have engaged Det Norske Veritas AS (DNV) to independently verify and assure the report. The scope of DNV's assurance engagement includes the verification of the content, focus, and quality of the information presented in the report, covering the Economic, Environmental and Social information for the period of April 2012 to March 2013 including GHG emissions. The engagement process also includes review of stakeholder engagement and materiality determination process.

Sesa has prepared this report in line with the GRI G3.1 guidelines for meeting requirements for Application level A+. For the convenience of the readers of this report, we have provided the GRI Content Index mapping GRI G3.1 indicators including MMSS indicators and the ten principles of the UNGC at the end of the report. Sesa has already published the Business Responsibility Report as required by SEBI on page 50 of the Annual Report 2012-13



# STRATEGY and GOVERNANCE

## OUR SUSTAINABILITY APPROACH



Sesa's vision is to be one of the top four iron ore mining companies in the world, by volume, with impeccable safety practices and low cost operations

In its approach to sustainable mining, Sesa has been focusing on four core areas:

### ENVIRONMENTAL STEWARDSHIP



With the help of our dedicated HSEC team, we have been trying to minimise the impact our operations have on the environment. From energy efficiency initiatives, reducing our carbon footprint, to the latest land reclamation technologies, etc., we continuously strive to champion best practices in all our environmental initiatives.

In consideration of the precautionary principle, we are developing a more robust risk assessment and sustainability development framework by incorporating issues relevant to all stakeholders and the business. We recognise the importance of such a framework towards our approach to sustainable mining. As a step towards achieving a robust framework, we have developed policies and procedures in line with IFC guidelines aligned with Vedanta Sustainability Governance System to address overall sustainability issues.

*Read more details about our environmental management plan and mitigation initiatives in our Environment section of this report.*

### NURTURING PEOPLE



Our employees are our most valued assets and we constantly strive to provide all of them a challenging and rewarding work environment. From creating avenues to sustain and enhance performance, to providing continuous learning opportunities, and empowering and engaging employees, our HR teams at units put practices and procedures in place for a happy workforce.

### OCCUPATIONAL HEALTH AND SAFETY



The health and safety of our people is of utmost priority for Sesa. The Company continues to take a proactive role in providing employees a safe working environment, providing training, and implementing and monitoring the best safety and environmental practices across all locations.



## EMPOWERING COMMUNITIES



Sesa firmly believes that sustainability of its operations is only possible in tandem with the development of the communities in and around which it operates. The Company, through its Community Relations (CR) team, interacts with the community on a continuous basis, engaging stakeholders to understand their needs, identifying solutions, formulating plans, and implementing community development initiatives. Sesa also has embarked on evaluating the impact of these community initiatives, which will further reinforce its commitment to the development of these communities.

## STANDARDS AND MANAGEMENT SYSTEMS



We translate our commitment towards sustainable mining into action by adhering to the highest standards and setting-up robust systems in each of the above focus areas. We were the first iron ore Company in the world to be certified for ISO 14001 in 1996, and we are the first iron ore company in the world to be certified for SA 8000 in 2011.

### Environment Management System

Sesa has a well-developed Environmental Management System (EMS), which helps manage operations' compliance requirements, control environmental issues and identify mitigation strategies. Sesa provides greater emphasis on implementation and certifications of EMS, the details of its Sesa units which are compliant and certified with the EMS management are detailed in Table 1

### Occupational Health and Safety Management System

All our units, excepting, the expansion projects in Amona/Navelim, the project site in Liberia, have been certified for OHSAS 18001, an international occupational health and safety management system specification. The system has helped us in managing and mitigating risks related to occupational health and safety, thus ensuring a safer workplace for our employees.

### Workplace Standards

In line with Company's philosophy and policy on workplace improvement, Company has implemented and has been certified for SA8000 during 2011. SA 8000 is an international social accountability standard for management and improving workplace standards. The standard is based on a number of existing international human rights' standards including the United Nation's Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. The parameters of the standard include practices related to child labour, forced labour, health and safety, discrimination, remuneration, working hours, etc. The certification has been awarded to the units of Sesa Goa Ltd, including the mining divisions of Goa and Karnataka, the Corporate Office in Goa, the Pig Iron Division, Met Coke Division and Shipbuilding Division. Units which are currently not covered as indicated in Table 1, are proposed to include in a phased manner





## OUR STAKEHOLDERS

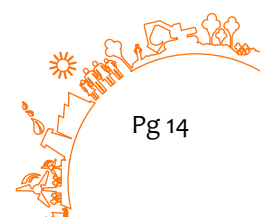


In line with Company's philosophy and policies Sesa carries out the stakeholder analysis every year to capture the emerging stakeholders and issues. Accordingly, during the beginning of this year the stakeholder mapping and identification exercise was carried out taking into consideration the risks and opportunities and stakeholder influence on the business decisions. Based on the this, the key stakeholders, the issues and the engagement mechanism / process has been identified and implemented and detailed as under;

## STAKEHOLDER ENGAGEMENT

Table 4: Stakeholder Engagement Modes

Stakeholder and Significance	Frequency	Mode	Key Sustainability Concerns	Initiatives by the Company
Shareholders: Owners, Providers of Capital	Statutory Need Based	AGM	Profitability and growth	Announcing and publishing quarterly results of the company through websites and newspapers (mainlines & regionals)  Posting information related to shareholding pattern, compliance with corporate governance norms, etc., on the company's website
	Quarterly Need Based	Communication	Governance for sustainability	Sesa Goa's website is a comprehensive source of information on our portfolio of business, social responsibility activities and environment, occupational health and safety performance: a. The entire Report and Accounts, as well as quarterly and half-yearly financial results, are now available in downloadable formats under the section 'Investors Relations'; b. The 'News & Media' section provides press releases from the company c. Clarifications as and when provided to institutional investors and analysts, including presentations (if any), are also posted on the company's website



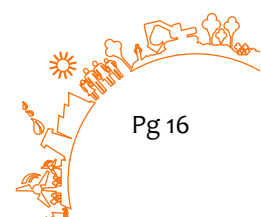
# STRATEGY and GOVERNANCE

Stakeholder and Significance	Frequency	Mode	Key Sustainability Concerns	Initiatives by the Company
Shareholders: Owners, Providers of capital	Need Based	Shareholders/ Investor Grievance Committee	Dividend, Results and any other issues	The committee reviews investor-related issues and recommends measures to improve investor services.
Government: Regulatory Bodies and Policy Makers	As and when required	Regular meetings and structured communication on key parameters	Regulatory Compliances and community interest, Environmental pollution	1. Proactively and periodically fulfilling all formalities and procedures.
		a. economic;		2. Compliance with applicable laws, conditions of clearance/ consents/ licence/ permits etc.
		b. environment, health and safety;	Clean technology	Technologies implemented to reduce GHG emissions and CERs accrued
		c. social issues; and		Participation in emissions trade in domestic market
d. regulatory trends				
Employees: Main resource to undertake sustainable development initiatives	Regularly	Communication, Workshops and Training	Health and safety	1. Organising EHS, behavioural and technical training programmes.
				2. Periodic health check-ups
			Union and workmen	1. Conducting awareness
				2. Navjyoti for workmen wellness also extended to their family
			Employee grooming and development	GOLD initiative helps in creating a talent pool of successors to operational leadership positions through multiple interventions
			Guidance to fresh recruits	Mentorship programme guides new recruits to ensure their smooth on-boarding and acclimatisation to our organisation culture
			Employment opportunities to Locals	1. Sesa Technical School (STS) pass outs are employed.
	2. Sesa partnered with the Government of Goa to start a Degree course in Mining Engineering			
Maintaining morale during Suspension of operations	1. Sesa partnered with the Government of Goa to start a Degree course in Mining Engineering			



# STRATEGY and GOVERNANCE

Stakeholder and Significance	Frequency	Mode	Key Sustainability Concerns	Initiatives by the Company
Employees: Main resource to undertake sustainable development initiatives	Regularly	Idea Mela	Employee participation in improving business operations	Implemented 302 ideas of the 600 feasible ideas, which collected in Idea Mela. Cost savings amount to ₹ 2.5 crore after implementing these ideas.
		Surveys	Attracting and retaining talent	Connect'- an employee engagement survey measures employee satisfaction across diverse parameters
		Participation in external studies	Benchmarking & Improvisation	Participation in global employee engagement study- Hewitt Best Companies to Work and Great Places to Work, to receive unbiased independent feedback, which helps formulate action plans for further improvement
		Grievance Redressal Committee	Employee Rights	1. Established a Code of Conduct 2. Publishing Staff Handbook 3. Grievance Redressal Policy
		Trade Union		1. 57.4% of employees are covered under collective bargaining. 2. Periodic meetings have ensured smooth functioning and zero incidences of strikes & lock-outs
Community	Regularly	Surveys through our CR Team, NGOs	Community Welfare & Relations	1. Need based interventions in the areas of Education, Health, Infrastructure development, women and youth empowerment through livelihood projects. 2. Sesa Technical School for employability of local youth in mining sector. 3. Contribution to Mineral Foundation of Goa (MGF)
		Meetings with community representatives through BDC & FGDs	Community Engagement & Communication	1. Conducting public awareness programmes on EHS for communities. 2. Periodic engagement with village panchayats



# STRATEGY and GOVERNANCE

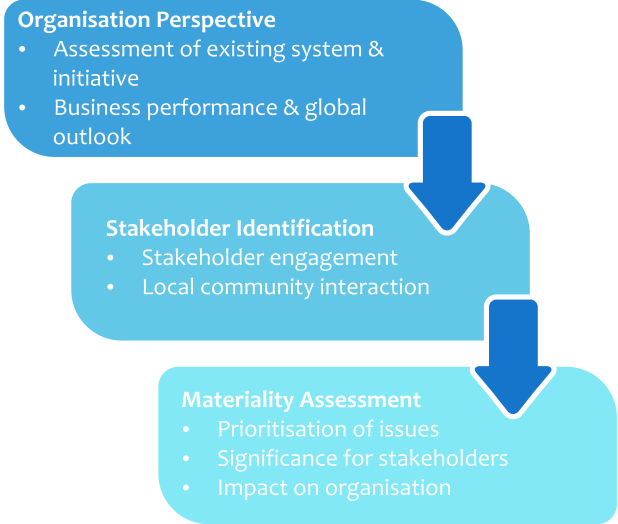
Stakeholder and Significance	Frequency	Mode	Key Sustainability Concerns	Initiatives by the Company
Community	Regularly	Need-based discussions/written communications;	Land availability and Management	<ol style="list-style-type: none"> <li>1. Reclamation of mined out lands, e.g.; Sanquelim.</li> <li>2. Planning &amp; seeking approval for all other Biodiversity Management plans for other mines.</li> <li>3. Obtaining necessary clearances.</li> </ol>
			Transportation of iron ore by road	<ol style="list-style-type: none"> <li>1. Widening of roads.</li> <li>2. Cleaning of roads to reduce dust pollution from ore transport.</li> <li>3. Supporting government initiatives- railway corridor, studies to understand impacts of mining</li> </ol>
			Mine Closure and Exit Plan	<ol style="list-style-type: none"> <li>1. Creating livelihood opportunities - training SHG women in income generation activities, Back to Farming, Gerbera Cultivation.</li> <li>2. Systematic land reclamation</li> </ol>
Suppliers: Providers of contract labour, machinery, and consumables	Regularly	Formal communication through letters and online web updates on policies and practices	Policies and Practices related to Suppliers	<ol style="list-style-type: none"> <li>1. Supplier's code of conduct.</li> <li>2. Issuance of letters as a formal communication emphasising on human rights following SA 8000 certification.</li> <li>3. e-Procurement</li> </ol>
Customers: Source of revenues and future growth	Regularly	Survey	Customer satisfaction, product quality	<ol style="list-style-type: none"> <li>1. Customer Satisfaction Surveys.</li> <li>2. Test Certificates issued to customers for each product consignment delivered.</li> <li>3. Monthly operational review meetings and management</li> </ol>



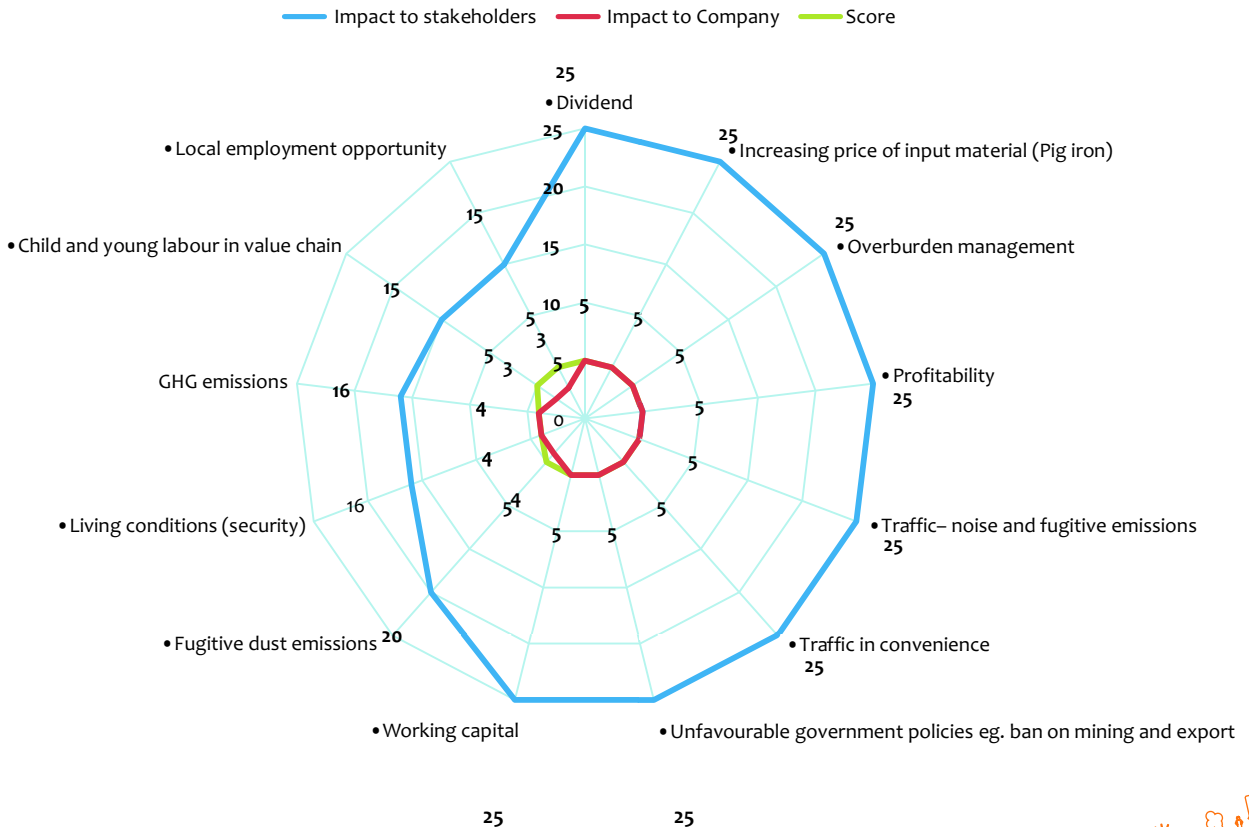
## MATERIALITY

A materiality determination exercise was conducted to identify the most material issues to Sesa, in line with the Company's Vision, Mission and Values, National and International standards, IFC Guidelines, ICMM Principles, GRI Guidelines, etc. The aspects/issues were identified by following these steps:

1. **Organisational Perspective:** Assessment of the Company's existing policies and systems, business performance – global industry outlook and challenges, examining the Company's initiatives in sustainability aspects as defined by GRI namely the economic, environmental, social, labour and people practices. Mining sector related benchmarks and frameworks like International Council on Mining and Metals (ICMM) were also taken into consideration.
2. **Stakeholder Engagement:** An independent study with multiple levels of interactions was conducted with key stakeholder groups to gain their perspective on sustainability related issues. It included interviews with senior leaders of the company, discussions with internal employees, union representatives, and interactions with external stakeholders including local community groups, NGOs, and other partners of the company. Perspectives were also gauged from existing internal stakeholder feedback processes like customer satisfaction surveys, vendor meets, and employee engagement mechanisms as well as the Carbon Disclosure Report.



**Chart 1: SIGNIFICANT MATERIAL ISSUES**



## ECONOMIC PERFORMANCE



The biggest impact on our economic performance this year is the cessation of mining operations in Goa and Karnataka. This has undoubtedly affected our performance but we are using this time to strengthen the Company's plans and strategies for future growth. This also solidifies our vision to be a global diversified mining major. We are pursuing three-dimensional growth – across scale, diversity, and operational efficiency. Our acquisition of the remaining stake in WCL is a step towards diversifying geographically. The proposed merger of Sterlite and associated companies will help us diversify commodity-wise while also increasing our scale. We are targeting operational efficiency through technological improvements in internal processes.

### Enduring in challenging times

In August 2011, the Supreme Court ordered a ban on mining and exports from Karnataka, which impacted Sesa's operations there. In September 2012, the State Government of Goa placed a ban on mining operations in Goa, followed by a Supreme Court order, which brought Sesa's India operations to a grinding halt. These challenges were unprecedented and unforeseen in the six decades of its operations. Despite the long-term irreversible impact on current operations, future markets and the Indian iron industry's global presence, Sesa continued to invest in various measures aimed at improving operational efficiencies. Keen to utilise such an opportunity, various teams have worked towards strengthening internal systems, as one more step towards overall business excellence.

In its endeavour to streamline logistics value chain, Sesa completed the rollout of its unique RFID based logistics tracking system, which seamlessly integrates vehicle movement across its operations, reconciles transactions, interfaces with the enterprise databases, but also interfaces with regulatory and government systems, which are essential. Sesa is the first mining company in India to implement automation using RFID technology to streamline its supply chain.

The system, which improves productivity by reducing transaction time and human errors, identifies the vehicle through RFID; links all touch points (security gates and weighbridges) across the Goa and Karnataka operations,

consolidates information, reconciles large transaction volumes and interfaces with SAP. Further, interface with the National Informatics Centre (NIC) and (n)-code websites ensures linking to forest passes and department of mines and geology. Sesa also customised existing SAP modules to incorporate unique procurement practices in iron ore mining, enabling handling of large number of trucks and trips.

This is one such initiative among many taken by the Company during this period to strengthen its internal systems and processes, which will enable it to resume its operations with greater efficiency and effectiveness.

## PRODUCTS AND BUSINESS SEGMENTS

Chart 2: Share of Sesa's Consolidated Segment Profits by%

Share of Sesa's Consolidated Segment Profits

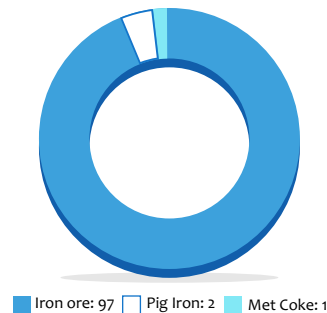
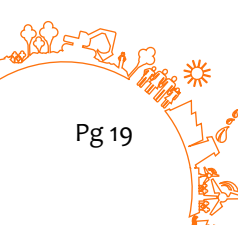
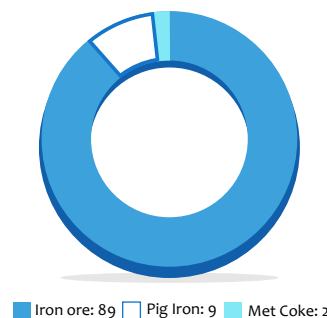


Chart 3: Share of Sesa's Consolidated External Revenues by%

Share of Sesa's Consolidated External Revenues





## Iron Ore

This is Sesa's core business segment and contributed to 62.3% of consolidated external revenues in 2012-13. The Company has a niche positioning with cost competitive iron ore mines that are relatively nearer to ports with part of the distance covered by waterways, to support the global seaborne iron ore trade. The Company produced 3.7 mt of iron ore, 73% lower than 13.8 mt last year.

Sesa's Indian iron ore operations continue to be curtailed by regulatory restrictions. While the Karnataka operations have been stopped since August 2011, the Goa mining operations were stopped in September 2012, by the orders of State Government of Goa, followed by order from Supreme Court of India. While this has led to curtailment in exploratory drilling in India, the Company's strong focus on exploration, and its activities in Goa during the period prior to September 2012 and those at the Liberia project, has yielded significant positive results.

Sesa's focus on exploration has yielded another year of significant reserves and resources accretion in Goa and Karnataka, with a net addition of 59 mt of reserves and resources during the year. Driven by the strong focus on resource addition over the last 5 years, the total reserves and resources in Goa and Karnataka have been increased by 3.6 times, net of depletion. Total reserves and resources in India as on March 31, 2013 stands at 433 mt as compared to 374 mt as on March 31, 2012, implying +20 years of mine life.

## Pig Iron

The Company's Pig Iron Division (PID) commenced its operations in 1992, and was the first to introduce low phosphorous foundry grade pig iron in India. The PID's facility consists of two blast furnaces; each having a working volume of 173m<sup>3</sup>.

PID contributed 30.6% to total external revenues in 2012-13. The business focuses mainly on the domestic Indian market, especially foundries and steel mills in western and southern India. It has also extended its reach in the exports market to the Middle East and South East Asia.

With the commissioning of its third blast furnace of 450 m<sup>3</sup> capacity, Sesa's PID has become the largest producer of low phosphorous pig iron in India with an installed capacity of 0.625 mtpa. PID produces several grades of pig iron, including basic, foundry and spheroidal (nodular) grades that cater to steel mills and foundries in India and abroad. PID also produces slag as a by-product, which is sold to the cement industry.

PID adheres to the best standards of quality, environment, health and safety, with an exemplary record of two-years of zero-accident operations. It is certified to ISO 9001, ISO 14001 and OHSAS 18001 systems for quality, environment and safety respectively, through a third party certification agency, Bureau Veritas Certification (India) Pvt. Ltd.

The pig iron market was adversely affected during the year due to increased supply of pig iron by major steel mills in India due to depressed steel demand. Further, the PID was impacted by the scarcity (and irregular supply and resultant high prices) of high-grade iron ore from Karnataka, due to the Karnataka mining ban since August 2011 and suspension of Goan iron ore operations.

The PID's R&D activities have resulted in reduction in operating costs, improvement of product quality and development of new products for downstream industries. It has developed special grades of pig iron to cater to the fast growing niche market of ductile iron castings in India.

Driven by the commissioning of new capacities, the Pig Iron production increased by 24% from 2,48,729 tonnes in 2011-12 to 3,07,775 tonnes in 2012-13. The pig iron sales volume increased by 10% from 2,50,571 tonnes in 2011-12 to 2,75,119 tonnes in 2012-13, while sales revenue grew by 7.4% to ₹ 784 crore in 2012-13 from 730 crore in 2011-12.

## Met Coke

Sesa's Met Coke Division (MCD) is operated as an independent business unit. The MCD at Amona produces a range of coke fractions from over 70 mm for foundries, 20 mm to 60 mm for blast furnaces, and 6 mm to 25 mm for the ferrous alloy industries. The product is mainly low-ash coke. The principal input, low-ash coking coal – both hard and semi soft coking coals – is imported and to ensure stable raw material supply, Sesa enters into long-term procurement contracts. Coking coals of different types are carefully blended with precision controls to produce the desired high-quality low-ash met coke, using the cost-effective, eco-friendly proprietary Sesa Energy Recovery Coke Making Technology. This process produces high quality met coke, and has the lowest pollution levels among comparable technologies.

MCD is primarily a backward integration initiative to support the pig iron business, with 70% of its sales to the Pig Iron Division, and the balance is sold externally. During The metallurgical coke production increased by 29% to 3,31,000 tonnes in 2012-13 due to new capacities commissioned in Q2 FY2013. Sales volume of metallurgical (met) coke increased by 20% to 3,01,889 tonnes in 2012-13 from 2,51,264 tonnes in 2011-12. External sales revenue increased by 1.4% to ₹ 558 crore in 2012-13 from ₹ 550 crore in





2011-12. During the year 2012-13, MCD contributed 6.5% to total external revenues.

Sesa has developed a technology for non-recovery coke making, which is environment-friendly, characterised by low capital and operating costs, high levels of energy recovery, and has the capability to produce high quality metallurgical coke. We have received a European and an Indian patent for this technology. In addition, we have introduced a German technology for densification of coal charge, employing vibro-compaction for producing stable coal cake with bulk density. MCD has also set up a state-of-the-art coal carbonisation laboratory for coal characterisation and evaluation of coke quality.

## MARKET OUTLOOK



### Global Scenario

The global economic activity continued to remain soft in 2012. Fiscal consolidation and a still-weak financial system continue to weigh on the growth prospects in the advanced economies, balanced to some extent by an accommodative monetary policy. Low growth and uncertainty in advanced economies are percolating to the emerging market and developing economies, through both trade and financial channels, adding to home grown weaknesses. IMF projects global growth to increase during 2013, as the factors underlying the soft global activity are expected to subside. As per IMF estimates, the global economy is expected to grow at 3.5% in 2012 primarily driven by growth in the emerging market economies, mainly China. The economic recovery, however, remains fragile.

World crude steel production reached 1,548 mt in the year 2012, up by 1.2% over to 2011. This is another record for global crude steel production. The growth came mainly from Asia and North America while crude steel production in the EU (27) and South America decreased in 2012 compared to 2011.

Asia's annual crude steel production was 1,012.7 mt in 2012, an increase of 2.6% over 2011. China's crude steel production in 2012 reached 716.5 mt, an increase of 3.1% on 2011. China's share of world crude steel production increased from 45.4% in 2011 to 46.3% in 2012. Japan produced 107.2 mt in 2012, a decrease of 0.3% from 2011. In 2012, South Korea's crude steel production was 69.3 mt, a 1.2% increase compared to 2011.

In 2013, China's crude steel output is expected to be roughly 745-755 mt, or 5-6% higher over 2012. While this represents a considerable deceleration from the previous decade, where

growth rates averaged around 17% (CAGR), this is still an absolute increase of about 40 mt, or over 50% of India's steel production. Chinese iron ore import growth has accelerated since 2001 and then averaged an impressive 24% for 10 years.

The acceleration in Chinese demand resulted in a considerable degree of tightness in the seaborne iron ore market, as suppliers struggled to raise output growth to match that of demand leading to a 10-fold price increase between the late 90's and the 2011 high. However, the expected fall in steel production growth rates is expected to lead to a deceleration in iron ore imports, a fall in pricing, and a contraction in margins partially mitigated by the exit of marginal capacity.

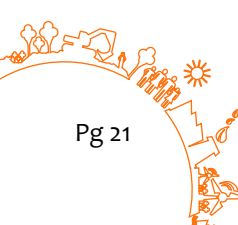
Over the next decade, Chinese economy is expected to evolve from one driven by Fixed Asset Investment (FAI) and exports to one supported by domestic / consumer spending, with a long term crude steel demand at approximately 800 mt/annum. As China's requirements for further infrastructure, manufacturing capacity and real estate begin to moderate, the Fixed Asset Investment (FAI) will decelerate, which will negatively impact the growth in steel demand, in particular the long-products steel market (re-bar, beams, etc.), though the demand for flat products might still be moderate.

The iron ore price forecasts continue to be pressured by two challenges; firstly, the demand supply situation as the demand moderates and supply accelerates, and secondly, the evolution of the Chinese steel scrap market and Electric Arc Furnace (EAF) capacity in steel production eroding demand for iron ore.



### Indian Context

The decline in iron ore exports from India has been driven by a simultaneous implementation of regulatory restrictions on key iron ore producing regions, Karnataka, Goa and Orissa, which together contributed approximately 80% of India's iron ore production before regulatory restraints. Indian iron ore exports have declined to a 15-year low. Indian iron ore exports declined by 73% during April 2012 - March 2013. The outlook of Indian iron ore exports remains clouded under regulatory uncertainty. When it emerges out of the current quagmire, through a process of weeding, the Indian iron ore mining industry is expected to emerge stronger and more robust with better environmental and stakeholder management practices and streamlined regulatory environment. However, in the medium term, its role in the seaborne iron ore market has dwindled. Moreover, Indian iron ore is also faced with possible additional regulatory cost pressure from royalty increase and provisions in the new enactment on the anvil.



# STRATEGY and GOVERNANCE

## FINANCIAL PERFORMANCE

In 2012-13, Sesa's operating profit was ₹ 465 crore. Amidst the tough operating conditions significantly impacting the iron ore business, Sesa delivered a PAT of ₹ 2,280 crore mainly accrued from income from Cairn India Limited.

During the year, Sesa made strategic investments into acquisition of 49% stake in Western Cluster Limited at an acquisition cost of ₹ 184 crore. As on March 31, 2013, Sesa's balance sheet has a net debt of ₹ 4,299 crore and cash / cash equivalent of ₹ 203 crore.

## Economic Value Added

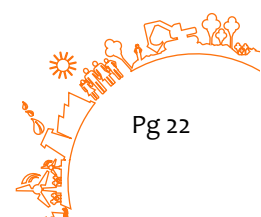
Table 5: Economic Value Generated & Distributed

₹ in Crore, except as mentioned			
Direct Economic Value Generated (A)	2010-11	2011-12	2012-13
Net turnover (net of ocean freight)			
Iron Ore	8,384.23	7,380.26	1,602.07
Metallurgical coke *	154.99	210.31	175.09
Pig Iron *	736.89	799.81	873.50
Energy	-	1.82	15.86
Other Income **	532.55	231.34	42.43
<b>Total</b>	<b>9,808.68</b>	<b>8,623.53</b>	<b>2,708.95</b>
Economic Value Distributed			
Cost of materials, goods and services	2,772.80	2,187.22	705.82
Personnel expenses	207.08	268.43	249.52
Interest Charges	86.90	433.26	474.65
Taxes and royalties	2,447.63	3,517.92	1,187.54
Dividends	304.18	173.82	8.69
Community Contributions	24.77	30.99	26.47
<b>Total</b>	<b>5,843.36</b>	<b>6,611.64</b>	<b>2,652.69</b>
Economic value added (A-B)	3965.30	2,011.89	56.26
Production by principal commodities			
Iron ore (million tonnes) #	18.8	13.77	3.73
Metallurgical coke (tonnes)	2,63,269	2,56,574	3,31,000
Pig iron (tonnes)	2,76,117	2,48,729	3,07,775
Sesa Community Development Foundation (Donation)	3.29	5.29	3.94

\* Includes amount of excise duty

\*\* Includes income from investment and profit / loss on sales of investment

2011-12 figures have been restated in line with financial statement in Annual Report 2012-13.



## INDIRECT ECONOMIC IMPACT

The mining industry has played an important role in the economic development of the state of Goa. It has created employment opportunities for many qualified individuals directly, and also other avenues for employment in logistics and ore transportation for both skilled and unskilled labour. As the predominant market for our products is exports, our operations generate valuable foreign exchange for the country. Sesa is one of the largest taxpayers in the country. In this process, Sesa indirectly contributes to the overall socio-economic development of the country.

Sesa has a long-term comprehensive approach to community relations. This is achieved through stakeholder engagement and consultation, socio-economic baseline studies and need assessments, and partnering with like-minded organisations, including government agencies, NGOs, local communities and panchayat bodies in the implementation of developmental projects.

Initiatives nurturing community development continue to be implemented through Sesa Community Development Foundation (SCDF), which runs the Sesa Technical School (STS) and Sesa Football Academy (SFA). STS has become a leading vocational training institute in Goa and has a reputation of identifying and nurturing potential excellence of young Goans. Growth is something which we aim in everything we do; with

this same philosophy our technical school started the second STS in South Goa at Panchwadi during the reporting period, to meet the growing needs of the communities around our operations. Even our SFA has two campuses: the Sanquelim Academy continues to deliver high quality young footballers and the Sirsaim Academy is focused on developing a team of young senior players.

Sesa has partnered with the Government of Goa and the Goa Engineering College at Farmagudi, Goa to start a graduate programme in mining engineering (BE), targeted to meet the critical need for mining engineers in the country.

To further gauge the impact of our activities, an impact assessment was conducted. The community section of this report provides additional information about specific programmes and the number of beneficiaries.

## Mining Closure Provisions

Sesa is committed to the systematic rehabilitation and restoration of the environment and land, both during the life of the mine and after the closure of the mines. All its operations have a plan that takes into account various reclamation and rehabilitation activities such as land backfill, afforestation, and specific biodiversity plantations.

Table 6: Mining closure provisions

in ₹ Crore

Nature of obligation	2010-11	2011-12	2012-13
Opening carrying amount	2.7	3.5	3.5
Additional provisions made during the year	0.8	-	0.1
Amount used during the year	-	-	-
Unused amounts reversed during the year	-	-	-
Closing carrying amount	3.5	3.5	3.6





## RISKS AND MITIGATION



### REGULATORY CONCERNS

The iron ore mining industry continued to face increasing challenges with social licensing, as a result of the competition for resources, especially land. Moreover, as mentioned above, the actions to tackle illegal mining and an overhaul of regulatory regimes for mining, environment and forests in response to increased activism continue to throw up new and unprecedented challenges. Further, the high mineral prices continue to exacerbate social pressure on the extractive industries to share more and more benefits with the society for earning and retaining their “Social License to Operate.”

#### Karnataka Operations

On August 26, 2011, the Honourable Supreme Court of India ordered a ban on iron ore mining operations in Chitradurga and Tumkur in Karnataka. The Court also ordered the sale of existing inventory by e-auction through Government appointed agency. As a consequence of this ban, the mining operations of Sesa's unit in Karnataka were suspended. Following the submission of the Central Empowered Committee report to the Supreme Court in February 2012 and subsequent court orders, the Company has implemented the CEC approved rehabilitation and Resettlement (R&R) plan on a fast-track, which has been completed. A revised capacity of 2.29 mtpa has been approved by CEC for Sesa's mine in Karnataka. In April 2013, the Supreme Court allowed Sesa's mine to resume operations subject to the grant of statutory clearances. The Company is in the process of securing appropriate approvals to resume the operations at the earliest.

#### Goa Operations

The Company's Goa operations operated only for about 2 full months during the year, with 3-month restrictions on monsoon transportation being imposed from June 2012, which reduced further the volume during monsoon months. The monsoon restrictions were followed by a complete suspension of operations in Goa through State Government and Supreme

Court orders.

The Ministry of Mines, Government of India, had constituted the Shah Commission for inquiry into aspects of compliances for iron ore mining across India in FY2011. Post the submission of Shah Commission report, in September 2012, the State Government of Goa, temporarily suspended the mining and transportation of iron ore across the State of Goa. This was followed by an order from the Ministry of Environment and Forest (MoEF) putting into abeyance the environmental clearances for iron ore mines in Goa. Subsequently, a review by a High Powered Committee appointed by the State government was also ordered. In October 2012, the Honourable Supreme Court suspended mining and transportation of iron ore across the State of Goa and ordered a review by the Centrally Empowered Committee (CEC). In view of the foregoing, operations at the Company's mines in Goa have remained suspended. The Company has filed an application before the Supreme Court seeking modification or vacation of the aforesaid order. The hearing in the Court is yet to commence effectively.

#### Stamp Duty

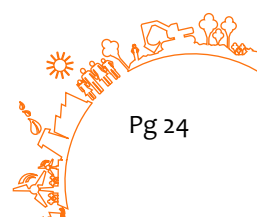
The State government of Goa has imposed a stamp duty on the renewal of mining leases (due since 2007) in the State of Goa equivalent to ₹ 10 per tonne per year at approved capacity of environmental clearance for the period of the lease. The estimated impact of the stamp duty which needs to be paid upfront is about ₹ 300 crore.

#### Export Duty

Export duty had been increased in the previous year to 30% effective from December 30, 2011. The duty continued to remain at this historical high level.

#### Mines and Minerals Development Regulations Act

The Mines and Minerals Development and Regulation Bill has been proposed to replace the existing Mines and Minerals



number of changes to mining regulations, including the introduction of auction for allocation of leases, and a proposed imposition of additional cost in terms of social contribution equivalent to the royalty (currently 10% ad valorem). Levies on export duties, social contribution levies, royalties, etc., continue to pose significant cost challenges to the iron ore mining industry, affecting its competitiveness on the global front.

## DEMYSTIFYING RISKS

As with any enterprise, Sesa too faces several risks. Our risk mitigation process constitutes a formal process of identification of inherent risks and root causes related to various aspects of our Company (its processes and the environment) and identifying actions to reduce these risks. A thorough and intensive enterprise risk management process involves identification and monitoring of mitigating factors and evaluating the residual risk after action plans are implemented. The senior management and the Board of Directors are involved in monitoring the progress on these action plans. Further, audits, incident investigations, and routine reporting provide management with information to monitor performance on risk mitigation. Some broad risks are detailed below.

### Market Risks

Sesa exports over 81% of its iron ore production. Being a player in the global seaborne iron ore market, our business is exposed to adversities in demand and supply. Moreover, with 81% (as against 67% in the previous year) of sales being exported to China, any slowdown in that economy can affect the Company's business. There are two mitigating factors. First, Sesa's share of total Chinese iron ore imports is small and there continues to be various opportunities in China for Sesa to increase its market presence. Second, Sesa's low operations cost also acts as a significant assurance of its ability to ride out short-term adverse market conditions.

Sesa continues to work towards diversifying its customer mix. In terms of our geographic market spread, in the past few years, we have been continuously reducing our exports to China (excepting in 2012-13, due to low volume which was caused by mining ban).

### Commodity Price Risks

Sesa's revenue and earnings are dependent on prevailing iron ore and pig iron prices, which are determined by the

supply-demand scenario and raw materials prices. Commodity prices may fluctuate widely for all products affecting revenue and earnings. We strive to maintain our operational costs at globally competitive levels in order to sustain through the commodity price cycles.

### Regulatory Risks

Sesa has exposure to the regulatory uncertainties facing the mining sector in India. In the last few years, the Company has been exposed to several changes in the regulatory environment including increase in export duty on iron ore to 30% for iron ore lumps and fines. Periodically, non-tariff restrictions such as export bans, mining ban are applied to various ores, such as the one in vogue in 2012-13 in the State of Karnataka and since September 2012 in Goa. Environmental regulation policies also remain unclear and prone to change / change of interpretation, and case-to-case administration of such regulations leads to uncertainty and risk in mining activities.

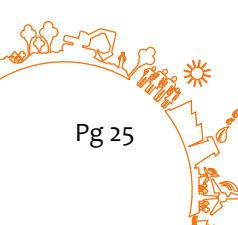
The Company's Liberia operations are exposed to the regulatory regime in Liberia. While the execution of Mineral Development Agreement with the Government of Liberia provides stability especially with respect to fiscal regime, the Company remains exposed to the regulatory changes in Liberia and to delays in requisite approvals for the project.

### Operational Risks

Our Company is exposed to the risks of delays in obtaining final government clearances for increasing our current production capacities. Besides, delays in allocation of new mineral leases or changes in the policy on allocation of such leases in favour of captive steel companies could affect our future plans. Our operations are also exposed to a number of factors which are outside our control, such as unusual or unexpected geological features, ground conditions, climatic conditions such as flooding, interruptions to power supplies, congestion at logistics facilities, industrial action or disputes, environmental hazards, technical failures, fires, explosions and other incidents at a mine, processing plant, or related facility.

### Project Execution Risks

Our aggressive growth plan is contingent upon the successful completion of investments in several developmental projects, including investments in the underlying infrastructure to support the logistics of ore extraction. These new investments require project management skills, and have exposure to project execution risks. Our projects are exposed to technical



# STRATEGY and GOVERNANCE

delays in erection and construction, delays in acquisition of land, escalations in costs, etc. We rely on our strong project execution and extensive mining experience to assess and mitigate identified project risks.

## Health and Safety Risks

We place special focus on EHS-related risks and managing them because of the industry in which we operate. In an extractive industry, health and safety are of paramount importance, and our safety and health programmes focus on reducing this risk.

## Environment and Biodiversity Risks

Mining is a process of extracting and processing mineral resources and by its very nature, has an impact on the environment. We take utmost care in ensuring compliance with related regulations. We also adhere to regulations stipulated by the Pollution Control Board and have measures in place to prevent pollution due to spillages, overburdens and runoffs. Further, we also invest in a long-tenure restoration programme to restore land to pre-mining levels. In order to protect biodiversity, we have in place many biodiversity plans.

## Transport and Logistics Risks

Dust, noise and congestion are some of the concerns arising out of ore transportation by trucks carrying ore from the mines out to the jetties. They cause discomfort to the community, and also affect the efficiency of our operations. Congestion on roads and restrictions on timings for movement of trucks cause delays in transportation of the ore. This also leads to storage of ore in the mine, which creates a bottleneck for production. We are working with the Government of Goa to mitigate these risks through the construction of mining corridors. For additional details, please see the brief on Transportation in the ensuing sections of the report.

## Currency Risks

With a majority of its iron ore being exported, Sesa's revenues are primarily quoted in US dollars. This exposes us to foreign exchange fluctuation risks, particularly in relation to the US dollar.

## Climate Change Risks

Global warming is an increasing risk for us since a large part of our operations are concentrated in Goa, which is located on the western coast of India, and, as such, are vulnerable to rising sea levels and adverse weather. Our management committee assesses physical risks to our various facilities and develops detailed plans for minimising impact of such risks. Emergency preparedness training has been provided to employees to deal with such extreme physical calamities.

## MANAGING COMMUNITY EXPECTATIONS

The sustainability of an organisation is not possible without the in-tandem progress of the community and this is a firm belief at Sesa. Our dedicated community relations department continuously engages with our stakeholders, assesses needs comprehensively and focuses on initiatives that benefit the community. We undertake various interventions related to healthcare, education & training, livelihood, agriculture and infrastructure development. We continue to proactively address the concerns of the community and also respond transparently to all agencies that seek to know more about our Company, its activities or their impact on society. We also endeavour proactively to address issues such as emissions, etc. We are focused on reducing our emissions by using waste heat for energy, and planting trees in the mining area.





## CORPORATE GOVERNANCE



Sesa is committed to executing sustainable business practices and creating long-term value for all its stakeholders. To pursue this objective, we remain steadfast in our value systems that incorporate integrity, transparency and fairness across all our business activities.

Sesa has a robust governance framework. Our approach is to entrust authority and accountability to business managers, who have the optimal skills and information to respond to business challenges and opportunities. Our business strategy, policy and performance standards are set by the Board and Executive Committee, and are aligned with international best practices and standards.

Our auditing and assurance processes ensure that our business principles and standards are being upheld at each operational level and project. We also aim to facilitate the sharing of good practices across the Vedanta group companies and provide examples of best practices from outside our organisation.

We continue to focus on our commitments towards the development of the community where we operate. We have adopted best practices towards preserving the environment and adherence to the highest safety standards remains a focus area across all operations. Our value systems are based on the foundation of fair and ethical practices in all our dealings with stakeholders, including customers, vendors, contractors, suppliers and all others who are part of our business value chain.

The Board is responsible for Sesa's stand on public policy lobbying and donations to political parties. Our senior management team looks after the business operations and we have a structured process in place to evaluate their performance. All senior members have performance scorecards in place at the beginning of the year. Scorecards focus on financial as well as customer and sustainability perspectives. Performance is reviewed half-yearly on these parameters.

## CODE OF CONDUCT

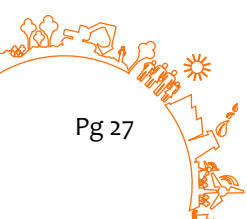
Sesa has adopted the Sesa Goa Code of Conduct for Executive and Non-Executive Directors, Senior Management Personnel and other executives of the Company. The Code of Conduct covers aspects like conflict of interest, human rights, bribery, insider trading, whistle-blowing, gifts, confidentiality, etc. All our employees are required to reiterate their adherence to the Company's Code of Conduct annually. We have received confirmations from the executive and non-executive directors, as well as senior management personnel, regarding compliance of the code during the year under review. We target 100% employee awareness on our Code of Conduct through classroom-based training. Regular communication from senior management is also sent to all employees, informing them about our Code of Conduct and the implications of having any vested interest in Company operations.

All Directors and senior management are committed to the Company's Code of Conduct, compliance to which is periodically reviewed. Additional information can be found in our Annual Report, which is also available on our Company website at [http://www.sesagoa.com/attachments/article/115/sesa\\_goa\\_ar\\_2012\\_web.pdf](http://www.sesagoa.com/attachments/article/115/sesa_goa_ar_2012_web.pdf). The Code of Conduct is also posted on our Company website at <http://www.sesagoa.com/images/stories/sesagoa/pdf/codeofbusinessconductandethics.pdf>.

## BOARD OF DIRECTORS

As on March 31, 2013, the Company had six Directors on its Board, of which two are Executive Directors and four are Non-Executive Directors. All four Non-Executive Directors are independent. Four Board meetings were held during 2012-13 and the gap between two meetings did not exceed four months.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any. During 2012-13, Sesa did not have any material pecuniary relationship or transactions with Non-Executive Directors.





## DIRECTORS' PROFILE



Mr. Kuldip K. Kaura is a Non-Executive Director of Sesa. Mr. Kaura retired as the Chief Executive Officer of Vedanta in September 2008 and was appointed as Director of Sesa on 30 October, 2007. He holds a Bachelor of Engineering (Hons) in Mechanical Engineering from Birla Institute of Technology & Science, Pilani in 1968. Prior

to his appointment as Director and Chief Executive Officer of Vedanta in March 2005, Mr. Kaura was Chief Operating Officer of Vedanta Resources plc. and Managing Director of Sterlite Industries (I) Ltd. During his tenure with the Vedanta Group, Mr. Kaura was also the Managing Director of Hindustan Zinc Limited from April 2002 to March 2004. Mr. Kaura is currently Chief Executive Officer and Managing Director of ACC Limited. Before joining the Vedanta group, Mr. Kaura served at ABB India for 18 years and was the Managing Director and Country Manager from 1998 to 2001. He has served as a member of the National Council of Confederation of Indian Industries and is office bearer of such professional bodies.



Mr. Gurudas D. Kamat is a Non-Executive independent Director of Sesa. Mr. Kamat retired as Chief Justice of the Gujarat High Court in January 1997. He is engaged in judicial work relating to arbitration and conciliation. Mr. Kamat was appointed as Director of Sesa on 23 December, 2005. He has over 47 years of experience in the field

of legal practice and judiciary, having practiced in Mumbai as well as in Goa in various branches of law. Mr. Kamat was prosecutor for the Government of Goa from 1967 to 1969. From 1980 onwards, Mr. Kamat was an advocate for the Customs and Central Excise Departments of the Government of India. He was a member of the senate and faculty of law of Mumbai University from 1978 to 1980. Mr. Kamat was appointed as a judge of the Bombay High Court on 29 November, 1983.



Mr. Jagdish P. Singh is a distinguished civil servant with over 38 years of executive experience in key positions in the Union and State Government. He is an alumnus of Harvard University, where he attended the Kennedy School of Government as a Mason Fellow. He also holds a Masters degree from

the University of Allahabad. Mr. Singh has occupied varied positions in his career, such as district and divisional administrator, later working as Chief Executive and Chairman of the Board of numerous corporate bodies. He was responsible for turning around several State and Central corporations

engaged in Industrial and Services activities such as Tourism, Infrastructure, Cooperative Finance, Mining and Minerals Exploration. He initiated measures in amendments in Labour Laws. He shaped the new National Mineral Policy in 2008 and piloted its passage. He is widely travelled internationally, having led delegations to multilateral bodies and conventions to participate in global conferences, workshops, seminars and conventions. He has conducted bilateral and country-specific discussions to further joint economic activities with South Africa, Australia and Indonesia.



Mr. Ashok Kini is a Non-Executive independent Director of Sesa. He holds a Postgraduate from Madras Christian College, Chennai. He retired as MD of State Bank of India in December 2005, after serving the Bank for 38 years. He was responsible for the Bank's IT plans, from

concept and RFP to execution and vendor management, domestic distribution, retail business, consumer banking, marketing/brand management, etc. He is currently on the Board of IndusInd Bank Limited, Gulf Oil Corporation Limited, UTI Asset Management Company and Financial Inclusion Network & Operations Limited.



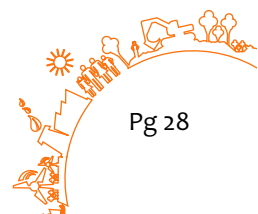
Mr. Amit Pradhan is a Whole Time Director of Sesa, currently responsible for the Group's value addition business including Steel, Pig Iron, Met Coke and Power. Mr. Pradhan joined Sesa in January 1990 as Manager - Purchase. He holds a Postgraduate in M.Sc. (Physics) from the

Indian Institute of Technology, Delhi. Mr. Pradhan was appointed as Director of Sesa on 01 July, 2000. He has 35 years of experience in materials/project management with a stint in Business Development. Mr. Pradhan was appointed as Whole Time Director of the Company effective from 01 May, 2006. He was also distinguished and listed by the International Who's Who Professionals in 2007.



Mr. Prasun K. Mukherjee is the Managing Director of Sesa since April 2006. Mr. Mukherjee holds a Bachelor of Commerce (Hons) degree from Kolkata University. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost

and Works Accountants of India. He has around 34 years of experience in finance, accounts, costing & taxation, legal and general management. Mr. Mukherjee was rated as one of India's Best Chief Financial Officers (CFOs) in the year 2005 by Business Today magazine and in 2009, Business World magazine declared Mr. Mukherjee as India's most 'Value'able CEO.



# STRATEGY and GOVERNANCE

Table 7: Board of Directors

Name of the Director	Category
Mr. Kuldip K Kaura	Independent Non-Executive
Mr. Gurudas D Kamat	Independent Non-Executive
Mr. Jagdish P Singh	Independent Non-Executive
Mr. Ashok Kini	Independent Non-Executive
Mr. Amit Pradhan (Whole-time Director)	Executive
Mr. Prasun K Mukherjee (Managing Director)	Executive

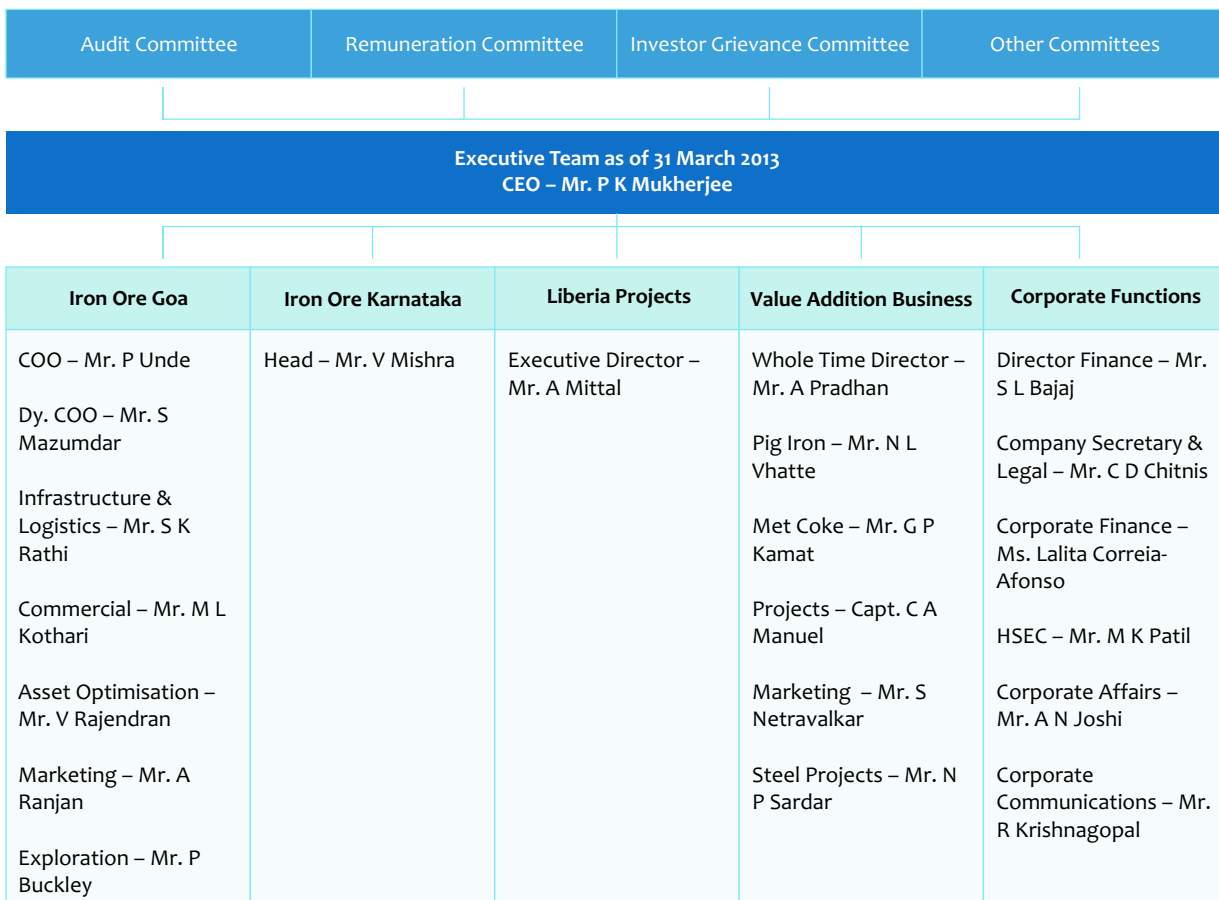
## GOVERNANCE STRUCTURE

The organisational structure and governance framework ensure a strong system of authority and accountability to operational management, within the purview of the business strategy, policy guidelines and standards laid down by the Board of Directors. The executive team constituting the operational (divisions and units) management and other corporate functions ensures that Company's sustainability development standards are maintained and operations are aligned to these standards.

Structured multi-tier internal business reviews along with our Management Assurance Systems (MAS) function, which oversees the internal audit process carried out by reputed third-party auditors, ensure that business performance is assessed, monitored for improvement and our business and sustainable development policies and guidelines are followed across the organisation. The structured internal review process consists of the following committees, other than the statutory committees for works, safety and welfare.

- Executive Committee (at the Vedanta group level)
- Business Management Group
- Operations Review Committee
- Compliance Committee
- Sustainability Core Committee

The Company also endeavours to constantly upgrade its own knowledge and processes in reference to the best-in-class practices around the world.



## Remuneration

At Sesa, remuneration is linked to sustainability performance. The Remuneration Committee of the Board of Directors reviews the performance of the Company and all its operations on the dimensions of safety, business, financial and other sustainable development parameters. This is used as the basis for setting the annual performance payments and incentives for the senior management. The variable performance system for executives is linked to company and unit performance on profits, safety performance and other key drivers of performance. Safety performance also is a factor applied to individual performance in the evaluation and reward of final incentive.

## GOVERNANCE COMMITTEES

The details of various committees constituted at the level of the Board of Directors of the Company, for various aspects of governance of the Company are listed in the corporate governance section of the Company's Annual Report for the year 2012-13.

## DISCLOSURES

### Subsidiary Companies

The revised Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

### Materially Significant Related Party Transactions

The Board has received disclosures from key managerial personnel relating to material financial and commercial transactions where they and/or their relatives have personal interests.

Transactions with related parties are disclosed in note no. 45 of the Financial Statements in the Annual Report. In the opinion of the Board, the transactions during 2012-13 between Sesa Goa Limited and its subsidiaries, Sesa Resources Limited, Sesa Mining Corporation Limited and Goa Energy Limited, have been done at arm's length.

As per this definition, none of the subsidiaries of Sesa, viz. Sesa Resources Limited, Sesa Mining Corporation Limited, and Goa Energy Limited are material non-listed Indian subsidiaries., are material non-listed Indian subsidiaries.

## Compliance

Sesa has complied with all the requirements of regulatory authorities. No penalties or strictures were imposed on it by the stock exchanges or SEBI or any statutory authority on any matter related to the capital market during the last three years.

### Contributions to Political Parties

During the reporting period, Sesa has made contribution of ₹ 0.3 crore to the Bharatiya Janata Party. The details of the same are reported transparently in the Annual Report of the Company. The donations made by Sesa to political parties for the past two years are detailed on page 90 in our Annual Report 2012-13.

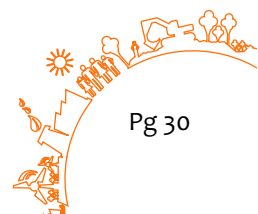
### Financial Assistance

The company availed a custom duty saving of ₹ 1.28 crore on import of capital goods under the Export Promotion Capital Goods Scheme, a custom duty saving of ₹ 1.10 crore on import of capital goods and spares under the Duty Entitlement Pass Book Scheme and duty drawback of ₹ 0.37 crore has been availed during the year 2012-13. Besides the above, the company has not received any other government subsidy, tax break, government benefits, etc, during the reporting period.

### Means of Communication

All financial disclosures are available on the Company's website [www.sesagoa.com](http://www.sesagoa.com). Sesa has formal and informal meetings with media and institutional investors. Authorised persons of Sesa also respond to queries telephonically and by letters. A Management Discussion and Analysis statement is a part of the Company's Annual Report. Sesa has a common grievance cell for all shareholder grievances. For each of its policies Sesa has put a grievance redressal in place including supplier code of conduct and human rights. Each of the policies and its grievance redressal address can be viewed in our website [www.sesagoa.com](http://www.sesagoa.com).

The quarterly, half-yearly and annual results are published in the national and regional dailies. The results, along with official news releases, are also posted on the Company's website.



## ETHICS



For any business, it only makes sound business sense to ensure that its conduct is right and is cognisant of the rights of the others. Our conduct, integrity and behaviour, in all interactions with our stakeholders, enhance and strengthen our relationships and our respect for the interests of these stakeholders, ensures sustainability of relations over a longer period.

Sesa is focussed on operating with utmost transparency in all dealings, as possible, which is also reflected in all its reporting. Sesa continues to lay emphasis on improving its performance on human rights, reflected in this year's endeavour to achieve and standardise workplace conditions through certification of SA 8000.

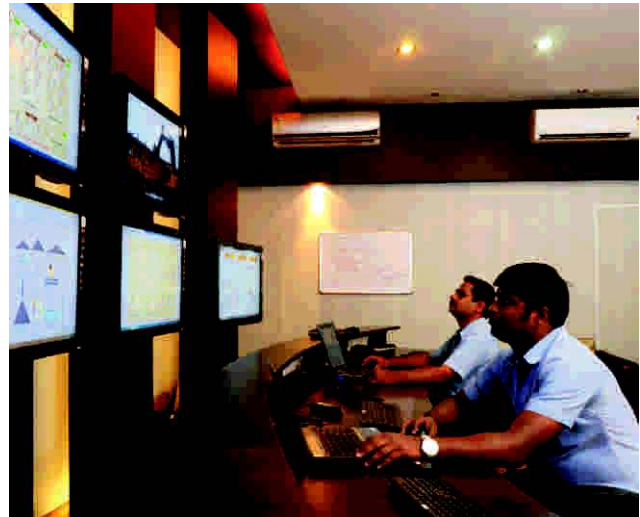
### BUSINESS CONDUCT

The Code of Business Conduct and Ethics govern all employees of Sesa. This code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. As stated in the policy, the code requires a higher standard than what is required as per commercial practice or applicable laws, rules or regulations. The code adheres to the following guidelines:

- Zero tolerance in ensuring strict adherence to local and international laws and regulations, also including the Company's ethical standards
- Ensuring all business transactions of the Company are fully and fairly recorded
- Regular monitoring of ethical conduct and ensuring that systems are in place and accessible to all employees and others to report potential violations

In addition to the regular conduct and misconduct rules, the code also covers other aspects of business performance and individual behaviour, including compliance with the law of the land, human rights and work environment, bribery and corruption, conflicts of interests, disclosures, and other related aspects. An effective compliance system is in place to ensure and monitor the maintenance of these standards. The Company also has a formal Compliance Committee and designated Compliance Officer to ensure monitoring of the same.

All employees are trained on the Code of Conduct and ethics policies. All new employees, as a part of the induction process need to be aware, read, appraise themselves and formally acknowledge that they will adhere to these policies when they join us. Significant contractors and workmen are also included in anti-corruption training.





# ETHICS and HUMAN RIGHTS

## BRIBERY AND CORRUPTION

As an emergent global company it behoves us to have strong anti-corruption policies in place. As a part of the Vedanta group, the UK Bribery Act of 2010 is applicable to us. All our business units were taken into consideration for assessing risks related to corruption. All executives of the Company have been briefed on the Company guidelines against bribery and corruption and all executives are signatories to these guidelines, having read and understood them as a part of their conduct rules. During the reporting period, no substantiated incidents of corruption have been reported.

Table 8: Percentage of employees trained in organisation's anti-corruption policies and procedures

Employee Category	Employees	Percentage Trained
Board / Senior Management*	50	100
Executive	1,120	100
Non-executives	2,654	Not Covered Presently
Trainees	33	100

*\*Board members and senior management include whole-time directors and executives with general managerial responsibilities in the organisation.*

1 Note: In data tables across this report, wherever it is mentioned as Board / Senior Management, it refers to whole-time directors of the Company and executives who have general managerial responsibilities in the organisation.

## WHISTLEBLOWER POLICY

Amongst the other components of the code, we also have a formal Whistleblower and Anti-corruption policy. The Company's Whistleblower policy outlines procedures and policies to deal with any complaint relating to fraud and other financial irregularities.

## INSIDER TRADING POLICY

As per the SEBI (Prevention of Insider Trading) Regulation Act, 1992 Sesa has an Insider Trading Policy, which all the designated employees are required to abide by. Any designated employee who trades in securities or communicates any information for trading in securities, in contravention of this code of conduct may be penalised and appropriate action taken by the Company which may include termination of services, suspension, ineligibility for future participation in employee stock option plans, or other such appropriate action.



## HUMAN RIGHTS



Ensuring basic human rights is the duty of any enlightened organisation. As a signatory to the United Nations Global Compact, Sesa has voluntarily made a commitment to guarantee basic human rights according to the UN Universal Declaration of Human Rights. Recognising the significance of management of Human Rights and its impacts on the stakeholders, Sesa has developed a formal Human Rights policy and procedure in line with the Vedanta Sustainability Governance system and the same is under implementation.

In accordance with the provisions of the policy, we ensure that our employees receive fair and reasonable remuneration and fair working conditions. The Company neither employs nor encourages forced, bonded or child labour and conducts proper checks and audits to ensure that our contractors follow our example. In the course of the SA 8000 audits conducted, no operations have been identified as a source of significant risk for child labour or forced labour. None of our operations are adjacent to areas inhabited by indigenous people and as such, no violations have been reported.

Currently, there is no process to either include human rights screening or a mandatory human rights clause in significant contracts agreements and investments. Having just incorporated a formal policy on Human Rights, we are working on a process and plan to translate the policy into an effective action plan that will cover significant aspects of human rights in the day-to-day operations including major investments and our stakeholders. As per the Liberian legal requirements, we included a mandatory human rights clause in our investment agreement on the purchase of our 51% stake in Western Cluster Limited.

### HUMAN RIGHTS TRAINING

Employees are provided training on significant aspects of human rights as a part of the overall training plan of the Company. SA 8000 awareness training has been conducted throughout the Company and plans are underway to conduct training sessions for contractor workers also.

Security is an important requirement at our sites and we have outsourced our security personnel to a third party vendor. Of our 980 security personnel, only 7 are on our rolls and they have all been trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations. These security personnel support us on a daily basis to ensure the smooth flow of operations in the mines and production units. Sesa will continue to train its own and contractual security personnel on organisation's policies and procedures, and training on human rights aspects concerning its operations will be a focus area.

Table 9: Formal Training to Employees on Organisation's Policies & Procedures Related to Human Rights Issues

Category	Employees	Employees Trained	% Trained
Board / Senior Management*	50	16	32%
Executive	1,120	61	5%
Non-executives	2,654	132	5%
Trainees	33	0	0%
Total	3,857	209	5%

### GRIEVANCE REDRESSAL

We have an official Grievance Redressal Policy to expedite the resolution of grievances of employees. The policy covers all employees and staff (executives) working at various units. As per the policy, grievances must be reported within a month orally to the aggrieved person's superior. If unresolved within a week, the issue gets escalated to the Department head or Unit HR head. If still unresolved, the issue is escalated to the Grievance Redressal Committee. During the reporting period, no incidences on grievances related to Human Rights have been reported.





# ETHICS and HUMAN RIGHTS

## EMPLOYEE REPRESENTATION

57.4% (2,215 out of 3,857 employees) of our employees are covered by collective bargaining agreements. All the non-executive employees of Sesa are represented by independent trade unions. The Company does not prevent any employee from exercising the right to freedom of association or collective bargaining. Sesa abides by Section 9A of the Industrial Disputes

Act, 1947, wherein a minimum notice period of 21 days is required before any operational change is effected by the Company. Health and safety policies are also covered under the collective bargaining contracts. There have been no lockouts/strikes exceeding a week during the reporting period.





## SUSTAINABLE SUPPLIER RELATIONS



We at Sesa believe that our suppliers are an integral part of our success. Our requirements are met through OCMs, OEMs, transporters, maintenance contractors and general traders – a diverse group of people that constitute our supplier base. All raw materials, equipment and spares are procured from indigenous manufacturers; metallurgical coal (with low ash content) and specialised machinery are imported from offshore suppliers. Competent Indian contractors carry out construction and other services for upgrades. Besides our own iron ore mines in Goa and Karnataka, we also operate mines in Goa, which are third party leases, and ore produced in these third party mines is purchased. Payments to suppliers for iron ore, goods and services are made as per agreed terms and conditions. The value of imports on CIF basis is given in the adjacent table.

Management (SRM) system, which will provide an interface to our Enterprise Resource Planning (ERP) and totally automated transactions i.e., PR to pay. All the vendors shall be on board by September 30, 2013. Vendors have started registering themselves in the SRM platform which will help them update their systems and in turn their business with other customers.

### DRIVING SUSTAINABILITY THROUGHOUT OUR SUPPLY CHAIN

Our focus on human rights encompasses our suppliers as well. Our procurement processes also reinforce our commitment to human rights, related to minimum wages and child / forced labour, ethical behaviour to mention a few. We have a formal Supplier Code of Conduct that requires suppliers to stringently follow norms on child labour and forced labour, amongst other norms. We conducted an awareness session to update suppliers about our Supplier's Code of Conduct the signing of which is mandatory before any purchase order is issued.

All the new vendors are scrutinised against a check list to ensure that no human right violations occur at our business partner's premises or during the work executed by a third party at our premises. We ensure good and safe working conditions by incorporating relevant terms and conditions in our purchase/service orders. Our employees are sensitised to report any human rights violation when visiting supplier locations. We have also started the practice of asking for written undertakings from suppliers on various clauses of SA 8000. So far, there have been no cases of discontinuation of contracts.

Contractors who have deployed workmen at our sites have been audited under SA 8000 certification. We ensure that our contract labourers do not face any violation of human rights. Contractual labour age is verified and documents maintained to prevent employment of child labour. We have not noticed any curtailment of freedom of collective bargaining at our suppliers.

Table 10: Value of Imports on CIF Basis

in ₹ Crore

Particulars	2010-11	2011-12	2012-13
Raw Materials	509.7	697.22	351.84
Components and Spare Parts	20.84	17.49	21.03
Capital Goods	154.57	84.67	112.93
Total	685.11	799.38	485.80

The mining ban has had an adverse effect on our Suppliers and Vendors because we found honouring our commitments difficult due to the ban and force majeure conditions. However we have strived to continuously dialogue with our suppliers to help them understand current realities and understand our struggle. To ascertain the concern our suppliers have for their future because of the mining ban a signature campaign was undertaken. Senior Management meetings were also arranged with key partners to explain our strategy and current business scenario.

Last year we introduced the Emptoris E-auction tool for reverse auctions which greatly increased transparency in awarding contracts and enhanced our image. However, for an integrated approach we have implemented a Supplier Relationship



## ETHICS and HUMAN RIGHTS

As per company policy, we promote local sourcing. For material handling jobs within the plant, normally locals are awarded the contracts. Further, all major community relations (CR) projects are executed in close coordination with local communities involving local vendors / service providers from the local area. Our local service sourcing is close to 40%. As an ethical practice, we do encourage the fact that all segments of society have the opportunity to participate by demonstrating support for small, disadvantaged and minority-owned businesses.

Sesa has recently joined hands with Hewlett Packard Company for a green project. The HP Planet Partners Rewards (PPR) is a programme designed to encourage and reward the environmentally and socially responsible recycling of used original HP Inkjet and LaserJet Print Cartridges. To reduce the consumption of Lubricants, an initiative has been taken with Shell to study current usage so as to reduce the consumption particularly at Transhippers/HEMM.



## OUR PEOPLE



While tough times may come and go, our commitment towards our people remains steadfast. While other mining operations in Goa have laid off employees we have strived to minimise this. Our people are our key assets and we hope to show that this thinking is deeply embedded in our philosophy by standing by them in the current situation. Sesa's employee strength in FY2013 was 3,857 as against 4,696 in the previous year. With the Company's emphasis on improving diversity, the gender ratio in the executive category increased from 14% to 17% over the last 3 years. The Company had offered a voluntary retirement scheme during the year, and 214 employees availed the scheme. Due to mining suspension, 103 employees have been temporarily seconded to other group companies.

Health and safety continues to be a focus area as we take measures to eliminate hazards at the workplace. Through regular training and interaction between managers, workers and supervisors, we hope to limit accidents from taking place.

### ENGAGING PEOPLE DURING TOUGH TIMES

We have been transparent in our interactions with employees about the challenges faced due to the mining ban. Our employees have responded by being very understanding. All of our Unions were very cooperative and clearly understood the initiatives of the company during this tough time. Management has kept employees and unions regularly informed and updated on the current situation.

To engage with our employees we have conducted various internal training programme, motivational workshops, quality improvement projects etc. We have also outlined a detailed restart strategy across both operational and enabling functions. This will help us rapidly deploy post resumption of mining operations. The strategy draws upon nearly 400 ideas across 13 themes like short term and long term mine planning, operations discipline, process improvements, technology, governance and compliance, cost planning and control and others.

### HUMAN RESOURCE MANAGEMENT

The Company's Human Resources department is entrusted with the implementation of HR policies and achieving business objectives. The core team operates from the Corporate Office in Goa, while unit HR Teams handle the responsibilities at the respective operational units.

Table 11: Breakup of Employees

Category	2010-11		2011-12		2012-13	
	Male	Female	Male	Female	Male	Female
Board / Senior Management	32	1	45	1	49	1
Executive	1,129	186	1,096	212	950	203
Non-executives	3,390	23	3,318	24	2,642	12
Total	4,551	210	4,459	237	3,641	216
	4,761		4,696		3,857	

As on March 31, 2013, the workforce at Sesa, in all its units and operations, constituted of 3,857 permanent employees, 38 part time employees and 2,154 contractual workforce (Male 2,040; Female: 114). (The contractual figure is a simple average of monthly contract workmen attendance in all units.)

As we continue to grow, we continue to infuse young talent into the organisation and assimilating this talent into the organisation becomes an imperative. New recruits undergo a structured induction programme followed by an orientation specific to the units where they are posted. To improve the engagement of our young trainees (Graduate Engineer Trainees and Management Trainees), we are reinventing our induction process to incorporate a good mix of classroom and field training. Further, special initiatives, like interaction with the MD, named Coffee and Conversations with MD, and a modified mentoring scheme, have been introduced to foster interaction between senior management and new trainees.



# NURTURING PEOPLE

Continuous learning is an integral part of the development process at Sesa. During 2012-13, a total of 42,757 -hours of training were provided to employees, from senior management to non-executives. In addition Company has also imparted 14,443 hours of training to contract employees.

The Gen-next Operational Leadership Development (GOLD) programme, launched in 2009-10 to develop operational leaders, continued to be in focus during the year. The programme has been successful, both in identifying successors for critical operational leadership positions and also accelerating the development of several managers. ACT UP (Acceleration Competency Tracking and Up gradation), a structured process to identify and nurture high potential employees (designated as “Stars of Business”), was introduced this year.

## Recruitment

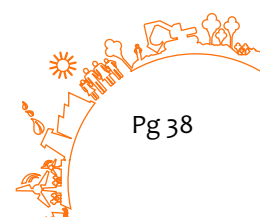
Sesa's mission is to be an organisation with best-in-class people and a performance-driven culture by attracting and retaining quality manpower. A strong recruitment philosophy and on-

boarding process is crucial for attracting and retaining the best talent from across the world. At Sesa, this objective is achieved with a fair and transparent recruitment process, supported by a focussed induction programme, followed by a continuous learning and development process

Sesa encourages diversity in its people profile, while being focussed on hiring local talent. Our management team is a diverse group of people with differing cultural affiliations, qualifications and backgrounds. While we recruit our management and graduate engineer trainees from across the best institutes in the country, all other officer trainees and operational trainees (ITI graduates) are recruited from within Goa. We visit all reputed educational institutes within Goa to source this fresh talent. During the year, we have also participated in job fairs. Also, in order to enhance the competence of local talent and thereby improve their suitability to meet industry manpower needs, Sesa engages with the community to conduct various skill development activities. This year, we welcomed 264 new employees into our organisation.

Table 12: Number of Employees joining and Turnover in 2012-13

Grade	New joining in the current Financial Year					Turnover				
	Age Group			Gender		Age Group			Gender	
	less than 30 years	Between 30-50 years	Above 50 Years	Male	Female	less than 30 years	Between 30-50 years	Above 50 Years	Male	Female
BSc / JSO Trainees	51			36	15	3			1	2
Below M9 Grade	50	63	1	113	1	7	2		8	1
M9										
M8	3			3						
GETs	76			56	20	12			9	3
MTs	10			7	3					
M7										
M6		1		1		1				1
M5		1		1						
M4		4		4			1		1	
M3		1			1					
M2		3		3						
M1										
P										
Total	190	73	1	224	40	23	3	0	19	7
			264		264			26		26





## Local Hiring

Sesa's recruitment policy ensures attraction of the right mix of attitude, aptitude, knowledge and skills, experience and demographics. For this, the policy lays down specific guidelines on qualifications, academic performance, background, job specifications, etc. Selection processes and procedures ensure fairness in the recruitment process, equal opportunity to all aspirants and the selection of meritorious and deserving candidates.

Sesa operates in more than one geographical location and the management team comprises individuals from different backgrounds, cultures and regions, ensuring the right mix of strategic talent, operational leadership and requisite experience. The Company adopts a clear and unambiguous policy of meritocracy, which provides equal opportunities to people from all backgrounds and capabilities.

Sesa focuses on hiring capable, qualified, and meritorious candidates from local and surrounding areas. Our senior management hiring policy is based on merit and often encourages transfers from within Vedanta group companies. During the reporting period, the total number of senior management personnel hired was 3 (non-local). To aid local hiring, we focus on ensuring that talent in the local area is equipped with the requisite skills and knowledge through various community development efforts. Sesa, along with Government of Goa, has started a degree course of Mining Engineering at the existing campus of Goa College of Engineering.

## Women Employees

Sesa has a target to achieve 20% women employees in the organisation, and the HR team is working towards achieving this goal. Women currently constitute 17% of the executive category, up from 14% over the last three years. We offer equal roles and responsibilities to our women employees and do not discriminate on the basis of gender. The ratio of basic salary of men to women in all staff categories across all locations is 1:1.

Table 13: Breakup of Employees by Age Group and Gender in 2012-13

Age Group	Male	Female	Overall
<30	915	166	1,081
30-50	2,110	43	2,153
>50	616	7	623
Total	3,641	216	3,857

## Diversity and Equal Opportunity

Diversity is the lynchpin of innovation. To achieve our goal of being the fourth largest iron ore mining company in the world, and to be a world-class enterprise with a high performance culture, it is important to have a workforce that is diverse in its skills, outlook and backgrounds. Our HR Policy clearly states that the Company is an equal opportunity employer and all employees will be treated with respect and dignity, and judged solely on their performance irrespective of their race, religion, caste, gender, age, disability, HIV/AIDS status or any other characteristic.

Table 14: Composition of Governance Bodies

Composition of Governance bodies (As on 31 March, 2012)							
Governance Bodies	Age group			From Minority Group		From Non-Minority Group	
	<30 years	30-50 years	>50 years	Male	Female	Male	Female
Board of Directors	0	0	6	0	0	6	0

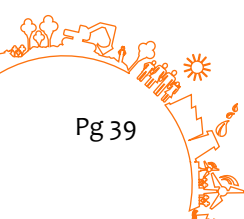
In addition to the above, Sesa has various governance bodies such as Business Management Group, Compliance Committee, Operations Review Committee, Management Review Committee (for IMS), Sustainability Core Group, Sexual Harassment Complaints Committee, etc., which look into various specific aspects of business and governance performance. Composition of these governance bodies and breakdown of employees will be reported in subsequent reporting periods.

No incidence of discrimination has occurred during the reporting period. As of now, Sesa does not have a specific policy in place to hire people with disabilities, due to the nature of the industry in which it operates. We do not discriminate on pay, and our minimum wages either meet, or are higher than, the statutory requirements. During the reporting year, 5 cases of sexual harassment of female employees were reported and were substantiated. The Company has taken appropriate action and all the cases have been resolved.

## Employee Turnover

At Sesa, we track our employee turnover in the following ways:

- Total Attrition: all separations, which includes separations due to resignations, terminations or retirements.
- Voluntary Attrition: all separations by employee choice, such as resignations
- Forced Attrition: all separations for reasons of non-compliance, disciplinary action or terminations.



# NURTURING PEOPLE

During the year 2012-13, a total of 522 employees (16%) left the organisation, by resignation, termination or retirement.

Table 15: Employee Attrition for Executives in 2012-13

Year	Attrition Nos.	Attrition %	Male	Female	< 30 yrs	30- 50 yrs	>50 yrs
2010-11	106	7.8%	96	10	59	36	11
2011-12	207	15.2%	183	24	154	30	23
2012-13	192	16%	151	41	152	28	12

## Training

Regular, relevant and timely training is essential for employees to exercise their skills and perform efficiently. We have a systematic approach to training, with the annual training plan based on training needs identified in the various appraisal and assessment processes. The annual training calendar ensures employees get an opportunity to plan and undergo necessary training. Enhancing the skillsets and knowledge of our employees is important to ensure that the performance of the company keeps pace with the exponential growth of Sesa. On an average, our employees received 11.08 hours of training during the reporting period. The reduction in training hours as compared to the previous year's figure of 20.76 hours is due to mining ban.

We have introduced an improved mentorship programme to guide new recruits and ensure their smooth on-boarding and acclimatisation to our organisation culture. Our GOLD initiative helps identify and create a talent pool of successors to operational leadership positions and ensures planned development of star performers through multiple interventions, including challenging projects and assignments.

Table 16: Training Data for 2012-13

Particulars	No. of Personnel		No. of Hours of Training	
	Male	Female	Male	Female
Board / Senior Management	49	1	312	0
Executives	950	203	17,103	3,151
Non Executives	2,642	12	22,191	14
Total	3,641	216	39,606	3,151
		3,857		42,757

To help our employees use this downtime productively we have conducted various internal training programs, motivational workshops, various quality improvement projects like 5S, TPM, TQM etc. 28 projects were implemented during this phase focusing on areas like:

- Process mapping and SOP's and aligning with IMS
- Voluntary involvement in CR
- TQM projects
- Knowledge management
- Vendor directory and vendor rating system

- Compliance framework
- Compliance to audit reports

The ban has helped to identify a number of Internal Trainers, who have volunteered for the training programme. We have conducted various training programme across levels on various topics such as skill building, behavioural, team work, communication, interpersonal development etc.

## Employee Retention and Engagement

High employee turnover is costly for any organisation both in terms of time and loss of productivity. Hence it is important to retain talented employees by motivating them and providing them a challenging job environment.

In order to improve employee engagement at Sesa this year also, we conducted a survey called 'Connect', at our value addition business. The survey measures employee engagement across many facets including, and not limited to, training, growth opportunities, facilities, benefits, etc. Our goal is to improve our satisfaction score year on year through a number of measures, small and big. In order to validate these assessments, Sesa also participates regularly in global employee engagement studies, such as Hewitt's Best Companies to Work and Great Places to Work, to receive independent feedback, which helps formulate action plans for further improvement.

To further enhance engagement and interaction of younger employees with senior management, we have started events like Coffee and Conversation with MD, where young trainees and engineers get an opportunity to interact with the MD and understand the organisational context from a direct perspective. During the year, we also launched a series of personality-based training programmes, such as self-awareness psychometric toll based workshops (MBTI).

In order to maintain a cohesive culture in the organisation, in line with the growing organisation strength, Sesa has sponsored and supported the formation of Sesa Sports Club, a forum managed and sustained voluntarily by employees, which conducts various sports and other co-curricular activities. Sports tournaments offer an excellent opportunity to encourage and engage employees. During the year, events conducted, such as the Women's Cricket Championship, garnered great participation and appreciation from employees. They also partake in social and cultural events and celebrations with fervour. To promote a culture of employees wishing each other on joyous occasions, we have introduced birthday reminders.

Equity-based award plans, called Long Term Incentive Plans (LTIP) of the parent group, Vedanta, are also offered by the Company to recognise key, high-performing employees.



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## ACTUP

ACT UP (Accelerated Competency Tracking and Upgradation Program) is a structured process to identify and nurture top talent across the Vedanta Group. The employees identified through this process are termed as 'Stars of Business' and are put on Fast Track Growth. They are groomed to take up higher responsibilities and eventually key positions across the Group. The process consists of an aptitude test followed by an assessment programme conducted by an empanelled consultant agency. Participants are provided qualitative feedback on their performance and potential. The Vedanta Competency Framework is the underlying basis of the employees' assessment and ensures uniformity across the Group. The Framework assesses whether employees have business acumen, think strategically, and have a drive to achieve. The competency framework also covers core Vedanta attributes such as humility, commitment to Vedanta, cultural fit and integrity. Employees are informed of their selection either in the feedback session or subsequently.

## ABCDi

ABCDi is Sesa's way of avoiding disengagement of employees. Criticism from a supervisor or being disregarded or ignored leads to an employee feeling disengaged. To eliminate this we have introduced ABCDi dialogues. The objective is to focus on establishing periodic work dialogues between employees and supervisors. ABCDi stands for Achievement (A) of the employee in the recent past, Benefits (B) for the organisation and team, Constraints (C) and hurdles being faced, Do Next (D) for the period – what the employee needs to do in the near future, i is the employees ideas to bring work effectiveness. These dialogues improve employee engagement, build work relationships, help to resolve employee concerns and bring focus on productivity. ABCDi is a monthly dialogue process that helps monitor the ongoing work discussion and infuses required inputs and support in a timely manner. It builds a cooperative work atmosphere.

## Performance Appraisals

Appraisals are a great tool to appreciate employees' performance, address their concerns and provide them with the required support to improve performance. Sesa strives to ensure a high performance work culture and all employees of

the executive category undergo a formal, open and transparent appraisal process, which includes self-appraisal and employee feedback as a critical component. Employees undergoing training and probation are also appraised to assess their level of performance during these stages. Currently, non-executives (workmen) of the Company are not assessed through a formal open performance review mechanism.

Table 17: Performance Feedback for Executives in 2012-13

Performance Feedback – Executives 2012-13			
	Male	Female	Total
Total Number of Executives	999	204	1,203
Total Number of Executives receiving regular performance appraisals	924	175	1,099
Percentage	92.49%	86%	91.35%

## Employee Benefits

A comprehensive employee benefits package plays an important role in the recruitment and retention of the best talent. Over the past few years, we have endeavoured to streamline and ensure uniformity in benefits to our full-time employees across various units and subsidiaries.

Apart from regular benefits, Sesa provides retirement schemes to support the future of its retiring employees. The Company administers these funds through duly constituted and approved trusts, except the Family Pension Fund, to which contributions are made through the Employees' Provident Fund Organisation. Full-time employees of the Company are a part of benefit plans, where the contributions fall under certain statutory / fiduciary arrangements, such as the Provident Fund, Family Pension Fund and Superannuation Fund, in the case of executives. Employees also contribute to their provident and pension fund, equal to the contribution made by the Company, while annuity fund contributions are made only by the Company. The coverage of the organisation's defined benefit plan obligations is detailed and reported in the Annual Report 2012-13 on page 90.

Table 18 indicates the coverage of organisation's defined benefit plan and obligations, and shows the contributions made by the Company towards various funds and the expenses made by the Company towards welfare expenses of the employees.

*Note: As opposed to the previous years' reports, the table indicates all employees on its roll and not just workmen.*





## NURTURING PEOPLE

Table 18: Payroll and Contribution to Benefit Plan

Payroll and Contribution to Benefit Plan	2010-2011	2011-2012	2012-2013
Number of Employees (Self)	4,761	4,696	3,857
<b>(in ₹ crore)</b>			
Salaries, Wages, Bonus and Allowances	171.88	219.33	208.60
Contributions to Funds (Provident Fund, Gratuity and Annuity)	17.93	27.41	24.89
Staff Welfare Expenses	17.27	21.69	16.03
<b>Total</b>	<b>207.08</b>	<b>268.43</b>	<b>249.52</b>

Sesa has a comprehensive medical benefits programme, in which the Company reimburses all medical expenses, including hospitalisation, to full-time employees. In some cases, Sesa insures the employees and families for their medical and hospitalisation requirements. Moreover, an employee is also eligible to avail requisite paid leave for recuperation and recovery. All permanent employees are covered under Personal Accident Insurance for a minimum ₹ 7.5 lakh. These benefits do not accrue to contract employees.

Women employees have a provision to avail maternity leave of three months, as per law, which can be further extended on medical grounds, if needed, for a short period. As with any other paid leave, availing this leave does not impact position or

work role of the employee. In 2012-13, 9 women employees availed maternity leave, and all 9 have resumed at the same position. As a part of its medical benefits policy, Sesa reimburses/covers the expenses of hospitalisation and expenses incurred for the birth of the first two children.

As part of the contractual obligations of any work order, it is mandatory for contractors to comply, in all respects, with the provisions of all statutes, rules and regulations applicable to the contractor and /or to the contractor's employees, including but not limited to, Minimum Wages Act, ESI Act, PF Act, Bonus Act and, in particular, the Contract Labour (Regulation & Abolition) Act, 1970 and the Rules made thereunder, Factories Act, Workmen's Compensation Act, Payment of Wages Act and Contract Labour (Regulation) Act. As per labour welfare legislations, the contractor/tenderer should have a separate code number under the Provident Fund and ESI schemes and such number should be furnished within seven days from the date of awarding the contract. The contractor should also comply with the Contract Labour (R&A) Act and must be eligible to obtain a license from the authority. The minimum wages paid by the Company are at par with the industry and are higher than those prescribed by the Government. There were no incidents of delay in payment of wages during the reporting period. The current salary at entry level is ₹ 211.54 per day, for unskilled labour in Goa as per Government. of Goa Minimum Wages, Act.





## HEALTH AND SAFETY



We are committed to providing an accident-free and safe working environment to our employees, contractors and the communities in which we operate. This is an integral part of our business philosophy and is laid down in our health and safety policies, standards and working procedures. We have a well-established and comprehensive Safety, Health, Environment and Quality Policy that underlines our commitment to create a healthy, hygienic and injury-free workplace. All our operations have achieved the OHSAS 18001 certification (except the smaller operations in Colomba and Curpem mines and Amona Power Plant, where the process is underway).

Safety is a collectively achieved state of well-being and we encourage participation of every individual employee in contributing to ideation, implementation and monitoring of safe and healthy practices at the workplace. Safety is a core value at Sesa and safety training is a primary and integral part of our operations. Our entire workforce is represented in formal joint management-worker health and safety committees that help monitor safety at the work place. Emphasis on safe production processes is laid down in our formal agreements with employee unions. These formal agreements also include provisions for proactive and remedial care, including benefits such medical and accident cover.

### UNSAFE CONDITION ELIMINATION PROGRAMME

Our aim is to achieve zero fatalities and to do so we have undertaken various initiatives to improve workplace safety. The 'Unsafe Condition Elimination Programme' was started to identify, report and reduce unsafe conditions by taking corrective actions and ultimately reduce accidents. Areas/elements such as Conveyor Safety, Ladders, Machine Guarding, PTW, Pressure Vessels, Gas cylinders, Welding Machines, Lifting tools and Tackles, Electrical Safety Audit, Lock Out Tag Out, Lighting levels and Working Platforms, PPE, Fire Fighting, Emergency Response Plans, Scaffolding, Traffic control mechanism and machineries are inspected and actions are taken for further improvement.

In 2012-13, Sesa's overall Lost Time Injury Frequency Rate (LTIFR) reduced significantly from 0.81 in 2011-12 to 0.54 per million man hours worked.

Table 19: Safety Performance

Area	Frequency Severity Index (FSI)			Lost Time Injury Frequency Rate (LTIFR)			Number of Lost Time Injury Accidents (LTIA)		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Mining	0.594	0.477	0.076	1.02	0.79	0.38	19	19	6
PID	0	0	0.29	0	0	1	0	0	3
MCD	0	0.243	0	0	1.64	0	0	2	0

Note: From 2011-12, LTIFR & FSI is calculated as per ICMM definitions



## NURTURING PEOPLE

No injuries related to the women workforce were reported during the reporting period.

Despite our best efforts, we suffered one fatality this year. There was a fatal accident at Amona jetty when a truck reversed onto an employee who was working on unloading stacks. Stringent measures were taken to avoid the recurrence of this sad situation. A detailed standard operating procedures (SOP) was made for the Ore Unloading activity and all labourers were trained on it. The number of trucks coming in to Amona bunder has been restricted. CCTV & PS System monitoring was restarted. We also initiated an unmanned ore unloading system at Amona and other jetties.

### Suraksha Chetana Saptah

Suraksha Chetana Saptah was celebrated at all the units of Sesa from 13th-18th August to reaffirm the company's commitment to safety. It was started with safety pledge taken by all employees and led by top management at the units. Training programmes as well as competitions were organised to create awareness on safety among employees. 467 employees participated in a training programme on PPE (Personal Protective Equipment). 241 employees were trained on fire Safety and life saving techniques. 171 employees attended a training on Hazard identification and Risk assessment (HIRA) with an objective to understand and carry out the HIRA of various activities. 116 drivers participated in a Defensive Driving programme. Poster, poem and slogan competitions were also organised to improve the enthusiasm among the employees about safety.

### OCCUPATIONAL HEALTH

For us, sustainability implies ensuring employees follow sustainable practices in their personal lives too. This means taking care of their health, practicing safety, and maintaining a healthy work-life balance. At Sesa, we have introduced several initiatives that help employees achieve this balance. To improve awareness on stress and health, we have initiated programmes like the Employee Assistance Programme that provides counselling for employees and their immediate families to resolve interpersonal issues; employee counselling for mental well-being; and yoga and meditation sessions to help employees de-stress.

All our units are equipped to provide medical consultation and examination facilities. Well-equipped consultation rooms are located at each of our units, with basic facilities such as examination table, weighing scale, height chart, apparatus to check blood pressure, glucometers for random sugar tests, and employees' health records are maintained at the unit. Doctors' visits are scheduled to ensure employees across all locations and shifts get an opportunity to consult these doctors for their issues. Sesa also provides cashless hospitalisation facility to all its employees and families. Health weeks are observed during which health check-ups and quizzes are conducted, along with talks by eminent doctors on ailments such as diabetes, computer vision syndrome, awareness campaign on the dangers of drinking and driving, etc.

To encourage employees to maintain a healthy lifestyle, some sports facilities (badminton courts & table tennis tables) and gymnasiums are provided at various accommodations. Senior management employees are also provided with a benefit to enrol in health clubs to keep healthy and fit. Various sports events like Sesa Kreedha and other sports tournaments are regularly organised.

Over the course of the reporting period, we conducted several education and training, counselling and prevention/risk control sessions to assist workforce members, their families and community members regarding serious diseases. These sessions covered diseases and issues such as AIDS / HIV, diabetes, hypertension, vector-borne diseases like malaria and dengue, tuberculosis, substance abuse, waterborne diseases, respiratory diseases, infectious diseases, etc. Apart from these, awareness sessions on nutrition and anaemia, hygiene, RCH camps, tobacco usage, quality of life, ergonomics, stress management and health & fitness for women employees were also conducted.

Since most of the units of Sesa are OHSAS 18001 certified, we have adopted a reporting system based on OHSAS 18001, for recording and reporting all occupational accidents and diseases in the Units as per the provisions of The Factories Act, 1948, The Mines Act, 1952, and Goa Factory Rules. All injuries are also reported in the prescribed format with information on department, section, nature of injury, time and date of accident, probable cause and unfit period. During the reporting period, no cases of occupational diseases were detected.

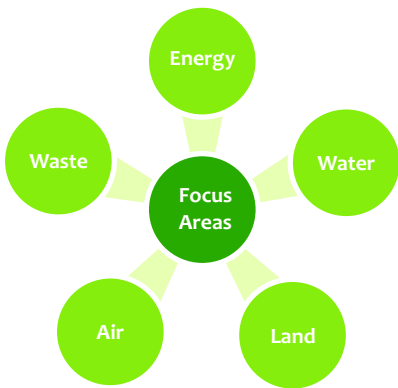


## REGENERATING RESOURCES



The focus of the environment management team is to put in place an effective system that ensures the regeneration of the mined resources, by implementing the best practices for mines closure and environmental rehabilitation. We have 5 focus areas for environmental management – Energy, Water, Land, Air and Waste.

Sesa's corporate Health, Safety, Environment and Community Relations (HSEC) department & the Management Review Committee frame the policy and guidelines on HSE; they also review the effectiveness of the system periodically. Today, we have a well-defined policy in Safety, Health, Environment & Quality ("SHEQ") for all our operating units. The committee guides our sustainable development endeavour, sets annual targets and monitors progress in line with our HSE and social policies with a clear focus on integrating HSE aspects in the decision-making process.



Even though there is ban on operations, the Company has continued to implement environmental measures like rehabilitation of overburden dumps, treating runoff water before discharging outside the premises, etc. To minimise the effect of iron ore stockpiles on the environment they are covered with tarpaulin/silpaulin during monsoons. This also prevents wastage of resources due to run-off water carrying the mineral non mineral particles along with it. Sesa has submitted the response to Carbon Disclosure Project (CDP) where we have been ranked on Climate Disclosure Leadership Index (CDLI) index consecutively for past 3 years. No new initiatives have been started during the reporting period due to the closure of operations.

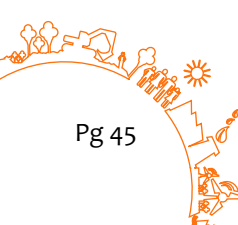
A notable feature of our performance this year has been the completion of the IFC documentation (policies and procedures). We have integrated these guidelines with our existing IMS systems (Integrated Management Systems of ISO 14001 –EMS, ISO 9001 – QMS and OHSAS 18001 – Safety and Occupational health) and implementation is in process.

Land reclamation and rehabilitation of mined-out areas is a large part of our environmental efforts. Through the constant integration of new technologies, like the use of geo-textiles and nutrient-inducing plants, we aim to revitalise soil before planting trees that are indigent to the region. Water conservation, biodiversity, making land cultivable, reducing waste and emissions, and optimising energy consumption are just some of our other initiatives to minimise our impact on the environment and the community.

Sesa's Karnataka operations have been stopped as per a Supreme Court directive for closure of all iron ore mining operations in the state of Karnataka. Mining operations have been banned in Goa. We received a contempt notice sent by the High Court for allegedly violating court orders on transporting iron ore. We replied to the show cause notice stating that we have not violated any court orders. Subsequently the petition was withdrawn by the complainant since there was no substance in it. No fines have been paid during the reporting period.

### ENERGY

Sesa Goa has a policy in place for energy and carbon management from FY 2012-13 developed in line with the IFC principles/policy is available on our website <http://www.sesagoa.com/images/stories/sesagoa/pdf/hseq%20policy.pdf>. As we expand we seek to do so while minimising the resources that we consume and by steadily decreasing our carbon footprint. We have established and implemented clear objectives under environment management systems for energy conservation. The set energy conservation targets are 3% to 5% at all locations. This year our overall energy consumption decreased due to the temporary closure of our mines in Karnataka and Goa.



# ENVIRONMENTAL STEWARDSHIP

Table 20: Direct and Indirect Energy Consumption in GJ

Consumption	Mining			PID			MCD		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Direct Energy (GJ )	21,05,254	19,33,460	6,51,229	23,012	30,298	25,673	17,894	19,511	14,754
Direct Sp. Energy (GJ/T)	0.1	0.140	0.158	0.083	0.122	0.115	0.069	0.076	0.045
Indirect Energy (GJ)	1,21,332	1,36,785	61,054	1,33,855	1,35,207	1,22,505	17,580	17,523	19,408
Indirect Sp. Energy (GJ/T)	0.006	0.01	0.015	0.485	0.544	0.549	0.067	0.068	0.059

Note: Sp. Energy is the energy consumed per unit of product

In our Pig Iron Division we saved 412GJ of energy by fitting a return water pump for recirculation and replacing existing lights with LEDs. In our Met Coke Division, retrofitting our premises with energy efficient lighting saved 27GJ of energy. We have also reduced our travel emissions by using TelePresence and video calling instead of in-person meetings. Over the reporting period these technologies were used for 676.25 hours.

## WATER

Mining is a water-intensive activity and we recognise the social, economical and environmental impact of water. To combat the growing global scarcity of water, Sesa has developed a water management policy and procedure in line with the Vedanta Sustainability Governance system and the same is under implementation. Aiming to become more efficient in water usage and conservation, we have carried out assessment of our water footprint across all our operations and reported in CDP Water.

After the ore is extracted, some of it needs to be washed with water to remove impurities and increase iron ore concentration. This process is called beneficiation. Care needs to be taken that this water is not released without being

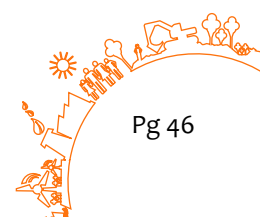
treated. As part of our focus on sustainable mining, we make sure that we keep a check on our water consumption, and at Sesa, we achieve this by harvesting rainwater in mine pits. This water is then used for beneficiation, spraying on the roads for dust suppression, watering plants that are growing on reclaimed land, etc. Water after beneficiation is sent to settling ponds and is used again. On an average, our mining division, uses 19 million m<sup>3</sup> of water in a year. At our major operations of Codli, Bicholim and Surla we have beneficiation plants that recycle and reuse water. The water recycled or reused at these three mines combined amounts to 21,57,525 cubic metres (48% of total water used).

In Karnataka, ground water is used to meet partial requirements. We have tried to supplement this by collecting rainwater in ponds during the monsoon. Since no water bodies near our operations have been impacted, no significant effect of withdrawal of ground water is seen.

We have a zero-discharge policy and there is no discharge outside our operations, except during the monsoon. We are trying to limit this further, with pipes to re-route rain water and boulder walls to prevent run-offs. By employing these practices, we maintain a balance between what is needed for our business and what is good for the environment.

Table 21: Water Consumption in kL

Water Consumption Unit	Total Withdrawn & Consumed (kL)			Specific Consumption (kL/MT)		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Mining	1,54,31,417	1,85,56,795	44,71,854	0.732	1.348	1.082
PID	5,52,974	5,06,875	4,99,600	2.002	2.038	2.237
MCD	2,03,268	2,04,937	2,91,317	0.779	0.799	0.883





## Effluent Discharge

While we try to maintain a zero discharge policy, during the monsoons, effluents, mostly suspended solids from the mining operations, are generated due to dump run-off. Before this run-off water joins any water bodies, we ensure that norms are met as per statutory and regulatory requirements. The run-off water / effluents are monitored regularly and are well within the prescribed limits of Fe (0.1-0.39 mg/L) and TSS (3-44 mg/L), as per statutory conditions.

## LAND AND BIO-DIVERSITY

At Sesa, we try our best to set an example of maintaining biodiversity. Our reclaimed mine at Sanquelim is an example of our ongoing effort to recreate the biodiversity of the area to the extent possible. We believe in systematically reclaiming mined-out areas. At all our mines, reclamation efforts happen concurrently with mining activities. There has not been any new resettlement activity in the reporting period.

Our mines in Goa are not located in any ecologically sensitive areas, and our PID and MCD facilities are situated in an industrial belt. All necessary forest clearances / permissions have been obtained to continue with operations and there is no significant impact on biodiversity. No species, listed in the IUCN Red List species or national conservation list species, are found in and around our areas of operation. A list of flora and fauna around mining operations / buffer zones is obtained from the local forest department and necessary measures implemented, as required.

Sesa has developed a biodiversity policy and procedure in line with the Vedanta Sustainability Governance system and the same is under implementation. For new projects, it is being implemented from the beginning and for existing projects, its applicability is being reviewed. At the Sanquelim group of mines, a Biodiversity Management Plan has been approved and implemented. At Codli, Mareta Sodo and Botvadeacho Dongor mines, the biodiversity management plans are awaiting forest department approval.

Table 22: Mining areas rehabilitated during the reporting period.

Name of Operating Sites	Operating Site Size (Ha)	Area Rehabilitated (Ha)	Trees Planted (Nos)	Area Rehabilitated (Ha)	Trees Planted (Nos)	Area Rehabilitated (Ha)	Trees Planted (Nos)
<b>Sesa Goa Limited</b>		2010-11		2011-12		2012-13	
Codli mines consisting of 3 contiguous leases	299	5.2	8,272	6.4	15,866	6.54	15,030
Sanquelim mines consisting of 3 contiguous leases	203	0.3	500	6.1	15,331	0.56	2,800
Mareta Sodo mine	26	-	-	1.6	4,050	2.00	5,000
Gawal Sonshi mine*	62	3.3	5,331	2.0	5,050	8.90	22,400
Botvadeacho Dongor	24	-	-	-	-	0.22	560
Orasso Dongor mine	99	2.2	5,500	0.6	1,500	0.60	1,500
A. Narrain mine, Karnataka	163	3.5	100,000	7.5	225,000	21.13	2,14,992
<b>Sesa Resources Limited</b>							
Surla Sonshi mine	253	4.2	42,000	3.6	35,570	7	49,800
Curpem mine	148	1.0	2,200	-	-	2.3	10,150
Colomba mine	98	1.8	6,829	-	-	2.5	20,000
<b>Sesa Mining Corporation Limited</b>							
Bicholim mine consisting of 5 contiguous leases	479	8.0	65,544	3.7	34,329	16.8	48,993

# ENVIRONMENTAL STEWARDSHIP

Biodiversity offsets have been used for habitat protection and restoration. For Karnataka, in consultation with forest department, a wildlife protection area of 19 Ha has been created to compensate forest area used for mining. In Sanquelim, working with a forest consultant and local forest department, 105 Ha of mined area has been reclaimed.

Table 23: Amount of Land Disturbed or Rehabilitated in FY 2012-13

	Amount of Land Disturbed or Rehabilitated FY 2012-13	Ha
A	Disturbed and not yet rehabilitated (opening balance)	994
B	Newly disturbed within the reporting period	0
C	Newly rehabilitated within the reporting period to the agreed end use	24.81
D	Disturbed and not yet rehabilitated (closing balance) (D=A+B-C)	969

## AIR

We take the threat of climate change seriously. All business units are responsible for identifying potential GHG mitigation options both at the operational phase as well as right at the design stage for expansion/modification projects. The performance is monitored through the monthly review meetings at different levels such as unit level, business management group level and executive committee of all groups and HSE committee level. Operations review is headed by director, business managers group where in Managing

Director with all group directors and business managers reviews the environmental performance more specifically with energy efficiency, status of CDM projects and water conservation. The Environment cell of the company is responsible for monitoring and tracking of GHG performance of the operational units and year on year GHG inventorisation through external assistance wherever necessary.

As part of the carbon strategy organisation has long term vision of reducing its GHG footprint and of identification, development and monetization of GHG abatement projects and energy efficiency improvement projects. Moreover the company is also looking forward to utilise the domestic schemes like PAT (Perform. Achieve and Trade) or energy benchmarks currently under development by the BEE (Bureau of Energy Efficiency).

## CO<sub>2</sub> Emissions and Reduction Initiatives

We have been participating regularly in the Carbon Disclosure Project. (Our report is accessible online through [www.cdproject.net](http://www.cdproject.net)). Climate change can have a severe and direct impact on our operations. We undertake various initiatives to reduce our carbon footprint, which are spread across various functions and activities of the organisation; our tele-presence described before, is one such initiative. In the past, we were successful in achieving this through our 'waste heat recovery based power plant project' with UNFCCC.

Table 24: Greenhouse Gas Emissions in TCO<sub>2</sub>E

GHG Emissions (TCO <sub>2</sub> E)	Mining			PID			MCD		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Scope 1	73,566	77,060	31,238	3,94,088	3,62,330	3,07,561	2,46,015	2,32,139	2,49,725
Scope 2	36,135	34,572	16,421	27,244	30,227	29,424	3,577	3,920	3,863
Scope 3	74,500	59,302	18,133	1,405	1,903	1,472	965	1,130	1,004

Table 25: Specific GHG Emissions

Co <sub>2</sub> Emissions	Mining			PID			MCD		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Scope 1 / Direct	0.004	0.006	0.008	1.427	1.457	1.377	0.943	0.905	1.055
Scope 2 / Indirect	0.002	0.003	0.004	0.099	0.122	0.132	0.014	0.015	0.016
Scope 3 / Other Indirect	0.004	0.004	0.004	0.005	0.008	0.007	0.004	0.004	0.004



Table 26: Annual Carbon Dioxide Equivalent Savings

Activity type	Description of activity	Estimated Annual CO <sub>2</sub> e Savings (tonnes CO <sub>2</sub> e)
Process emissions reductions	Waste Heat Recovery based Power plant which is registered with UNFCCC as a CDM project	90,004
Energy efficiency: Processes	Return Water Pump Recirculation for blast furnace 1	89.03
	CB 1 Star Delta	4.27
	LED light replacement	1.34
	Installation of Timer for Mancooler	1.45
	Installation of voltage transformer for high mast tower	6.33

## Air Emissions and Ambient Air Quality

Maintaining good ambient air quality is as important as conserving water. Our mines, unlike manufacturing units, are not a significant source of SO<sub>x</sub> and NO<sub>x</sub>, and these levels are well within the limits. (The SO<sub>x</sub> and NO<sub>x</sub> emissions from HEMM source has not been calculated.) Our Pig Iron and Met Coke divisions in Amona monitor these levels and they have been found to be within the prescribed limits, and are reported to the State Pollution Control Board. Annual average figures of Suspended Particulate Matter (SPM) are well within the prescribed National Ambient Air Quality standards, with PID reporting 0.921 tonnes and MCD levels being 6.777. Ambient Air Quality for our mines, in terms of RSPM, at Karnataka and Goa states has been well within the prescribed limits.

Air pollution from mining usually is in the form of dust. We try hard to minimise this through various dust suppression mechanisms like regularly wetting the roads within and

surrounding the mines, washing the wheel base of trucks carrying ore, preventing overburden and covering the ore with tarpaulin during transport, using truck mounted sweeping machines to clear dust from the roads and covering our dumps. We also use fuel efficient machinery and schedule regular maintenance for them.

## Ozone Depleting Substance

As part of its process to manage ozone-depleting substances, Sesa adopted a policy on ODS which entails purchasing equipment free from CFCs, halons and MCFs.

Table 27: Ozone Depleting Substances Emitted in 2012-13

Unit	Ozone depleting substance	Quantity in MT	Ozone Depleting Potential	CFC equivalent for the year 2011-12	Sources of emission / area of usage
MCD	R 22	0.04	0.05	0.00201	Mobile car ACs & office installation ACs
PID	R 22	0.020	0.05	0.001003	ACs
Mining Division	R 22	0.008	0.05	0.0004	Office installation ACs



## WASTE

Waste generation is an unavoidable part of mining operations and we endeavour to minimise its impact on our surroundings. As part of our regular operations, we produce mainly non-hazardous wastes. Wastes like overburden, tailings, slag and other waste from plants are collected, stored and disposed off appropriately. None of the hazardous waste falling under the terms of the Basel Convention Annex I, II, III and VIII is transported, imported, exported or treated at any of Sesa's operations.

At each stage of operation like mining, beneficiation, metal extraction and coke making, we try to follow the '4R' waste strategy model: reduce, recycle, reuse and reclaim. As part of

our focus on sustainable mining, we use exploration software to arrive at the most economical scale, to extract maximum resources while reducing waste. To minimise tailing pond volumes, we have added Wet High Intensity Magnetic Separation (WHIMS) units to the beneficiation plant. Rainwater is harvested in mining pits and used for beneficiation. This water is then collected in settling ponds and reused. Once the ore is mined, we reclaim the land by covering dumps with geo-textiles to reduce soil erosion and grow plants to increase enrichment.

The following table reports on waste generated during the reporting period. Generated waste gets disposed in a sequential manner, in batches, whenever a substantial quantity of waste is accumulated, ensuring all regulatory requirements are met.

Table 28: Wastes Generated in 2012-13 in Mining Division

Wastes Generated in 2012-13 in Mining Division					
Type of Waste	Unit	2010-11	2011-12	2012-13	Disposal Method
Hazardous Waste					
Used Oil	kL	308	319	152	Sold to authorised recyclers
Oil soaked cotton waste	MT	NR	7.877	1.669	Incinerated in Met Coke ovens
Paint tins	Nos.	NR	2550	1081	Sold to authorised vendors
Non Hazardous Solid Waste					
Overburden	MT	5,09,04,760	4,72,56,913	0	Back filling and step dumping
Tailings	MT	42,62,204	1,08,36,311	0	Tailing ponds
Rubbish Scrap	MT	4,607.3	47.16	473.81	Sold to Vendors
MS Scrap	MT	1,823	1,473	1,574	Sold to Vendors
Canteen waste	MT	51	22	0	Vermicomposting; generated compost is utilised

Table 29: Wastes Generated in 2012-13 in Met Coke Division

Wastes Generated in 2012-13 in Met Coke Division					
Type of Waste	Unit	2010-11	2011-12	2012-13	Disposal Method
Hazardous Waste					
Used / spent oil	Litres	1,290	1290	3180	Sold to authorised recyclers
Oil soaked cotton waste	Kg	NR	350	600	Incinerated in Coke Ovens
Used / discarded paint tins	Nos.	NR	216	756	Sold to authorised recyclers
Non Hazardous Solid Waste					
Rubbish Scrap	MT	NR	33	0	Municipal solid waste
Metallic Scrap	MT	200	242	100	Sold to scrap vendors
Canteen Waste	Kg	NR	3600	2.5	Disposed in pits
Wood Scrap	MT	NR	65	0	Municipal solid waste

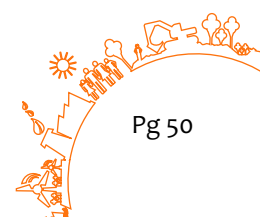




Table 30: Wastes Generated in 2011-12 in Pig Iron Division

Wastes Generated in 2011-12 in Pig Iron Division					
Type of Waste	Unit	2010-11	2011-12	2012-13	Disposal Method
Hazardous Waste					
Used / spent oil	Litres	1935	2958	4695	Sold to authorised recyclers
Oil soaked cotton waste	Kg	NR	725	780	Incinerated in Coke Ovens of MCD
Used / discarded paint tins	Nos.	NR	497	0	Sold to authorised recyclers
Non Hazardous Solid Waste					
Rubbish Scrap	MT	NR	10.28	8.791	Sold to scrap vendors
Metallic Scrap	MT	1016.7	413.697	544.738	Sold to scrap vendors
Canteen waste	Kg	NR	3003	3000	Disposed in the vermicomposting unit

NR: Not reported

## E-Waste

A key part of our waste management practices was putting a process in place to deal with the e-waste regulations. E-waste regulations in India started during 2009-10 when the Government published guidelines for handling and management of e-waste. The writing was on the wall that in the future the same would fall under the regulatory requirements and companies, users and manufacturers would need to gear up accordingly to deal with them appropriately. Then during 2011 under the provisions of Environment (Protection) Act, 1986 the E-waste (Management & Handling) Rules, 2011 was published making it effective from May 01, 2012. This provided an effective period of one year for meeting the requirements of the law.

At Sesa we believe in staying ahead of the curve when it comes to compliance. In 2011-12 we carried out inventurisation of e-waste and identified an authorized agency, recycler, and dismantler approved by the Government to dispose of the accumulated e-waste. This process has been implemented from the time law has come into force. E-waste being hazardous and carcinogenic, managing it is equally important in the interest of everyone and the country.

## Spillage

Toxic oil spills can cause grave damage to the environment. To prevent this, Sesa has adopted measures like impervious flooring and dyke walls while constructing storage facilities for hazardous substances. Our environment management team conducts periodic audits to ensure that all precautionary measures are being followed. During the last year, no serious leakages occurred of oil or any other hazardous substance. However, there were 15 spillages of oil, of which 2 were minor instances, i.e., 1 to 10m<sup>3</sup> of spillage and 13 were negligible.

Table 31: Oil Spills

Spillage	2010-11	2011-12	2012-13
Instances (nos.)	118	43	15
Oil spilled (m <sup>3</sup> )	6.120	14.665	3.62
(1 litre = 0.001 m <sup>3</sup> )			

## ENVIRONMENTAL INVESTMENTS

₹ 12.79 crore was spent on various environmental initiatives during the reporting period. The investments would include prevention and control measures like dust suppression, water/waste water management and dump management.



## PRODUCT RESPONSIBILITY



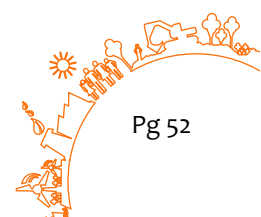
For our mining division, materials used are lubricants for heavy earth moving machinery (HEMM) operations, steel for structural fabrication, paints and explosives for breaking hard strata. Our shipbuilding unit uses steel and paint. Our pig iron division uses iron ore, met coke and fluxes as raw materials. This iron ore is supplied partly from the mining division and the balance is purchased from the open market. Sesa's met coke division supplies coke. Fluxes are purchased from outside sources. The Company makes continuous efforts to bring down specific coke consumption. The met coke division uses imported low ash coal as the major raw material.

### MATERIAL STEWARDSHIP

As a mining company, our products are seldom used as they are, and they usually form the basic raw materials or intermediates for the manufacture of other products. Our principal products are iron ore, pig iron and metallurgical coke. Some of our products form raw materials for other divisions of the Company. All our products are 100% recyclable and reusable. We do not have processes to reuse industrial waste as raw material, but we do have processes in place to use tailings as a source of iron ore in some cases.

Table 32: Production and Specific Material Consumption by Division

Production – MT / Year	2010-11*	2011-12**	2012-13
Mining Production – MT	1,64,31,626	1,37,64,000	41,32,113
Pig Iron Production – MT	2,76,259	2,48,729	2,23,306
Met coke Production MT	2,60,995	2,56,577	3,29,733
<b>Material Consumption – Mining</b>			
Steel – MT	3,829	51,805	10,481
Explosives – MT	171	349	175
Lubricants – MT	400	2132	90.47
Paint (Mining + SBD) – MT	68	77	37333.10
<b>Specific consumption (per Ton) – Mining</b>			
Steel – MT/Ton	0.000233	0.003764	0.002536
Explosives – MT/Ton	0.00001	0.000025	0.000042
Lubricants – MT/Ton	0.000024	0.000155	0.000022
Paint – MT/Ton	0.0000041	0.0000056	0.009035



Production – MT / Year	2010-11*	2011-12**	2012-13
<b>Material Consumption – Pig Iron</b>			
Coke	1,72,382	1,59,938	1,40,152
Cinter	0	0	69,932
Iron ore + Pellets	4,18,520	3,89,087	2,88,091
Limestone	33,545	37,625	25,370
Dolomite	24,663	26,361	17,533
Fe. Mn.	600	206	410
Coke rate	0.624	0.643	
<b>Specific consumption (per Ton) – Pig Iron</b>			
Coke	0.62	0.64	0.63
Cinter	0	0	0.3
Iron ore + Pellets	1.51	1.56	1.29
Limestone	0.12	0.15	0.11
Dolomite	0.089	0.106	0.079
Fe. Mn.	0.002171	0.000828	0.001836
<b>Material Consumption – Met Coke</b>			
Coal	339,683,	335,554	433,748
Coke breeze	8,056	5,251	2,626
Fuel used in oven + CGDP (KL)	0	0	0
Coal Tar Pitch in MT	0	0	0
<b>Specific consumption (per Ton) – Met Coke</b>			
Coal	1.3	1.31	1.315
Coke breeze	0.030866	0.020467	0.00796
Fuel (KL)	0	0	0
Coal Tar Pitch in MT	0	0	0

\*Data figures only for Sesa Mining Division. Do not include SRL and SMCL.

\*\* Data figures for Sesa Mining Division including SRL and SMCL.

Since consumers never directly use our products, it is difficult to predict their direct impact on the environment or on customers' health. To better understand the impact of our products on the environment, we have initiated a life cycle assessment (LCA), which is currently underway. Based on the outcome of the assessment, Sesa will embark on a materials stewardship programme to improve the processes and products.

The nature of our products obviates the need for packaging materials. The Test Certificates given to our customers

comprise information on physical dimensions and chemical compositions of the products being sold to them. We adhere to all applicable laws for all our exported goods, while catering to our overseas customer base. We have not encountered any copyrights issues. Our products do not require advertising on the scale required by other consumer goods, as we do not manufacture products that would require such levels of marketing or advertising exposure. Our operations are such





# ENVIRONMENTAL STEWARDSHIP

that we do not need to collect any data from customers that may have privacy considerations.

During the reporting year, Sesa was not subjected to any legal actions for anti-competitive behaviour, anti-trust, or monopoly practices. There have been no instances of non-compliance with laws related to the use of the Company's products and services, and there were no monetary or any other penalties levied upon us during the reporting period.

## PROMOTION AND MARKETING COMMUNICATION

Sesa's products do not require any form of advertising unlike consumer goods. However, the Company follows all applicable laws for exporting its product (iron ore) to external customers. Sesa, through traffic signages, media coverage of its activities and advertisements on important environment days, message boards, etc., maintains brand visibility across its facilities.

## CUSTOMER SATISFACTION

Periodic customer satisfaction surveys are conducted every year with the focus on product, services and customers. Efforts are made to capture customer perception on what they liked and disliked about our contract performance. Feedback received on a scale of 1 to 10 points is evaluated vis-à-vis the intensity percentage, to calculate the customer satisfaction index. Minimum acceptable percentage to be achieved for any customer satisfaction index is 80%. This year we have not conducted a survey because of mining ban.

## TRANSPORT

Iron ore is transported from the mines to loading points by trucks covered with tarpaulins to ensure there is no spillage or dust generation. In case of pig iron and met coke, by the nature of the product, there is no significant generation of dust from the product during transportation. Transportation emerged as a material issue during our discussions with stakeholders; specifically the dust, noise and congestion caused by the trucks. Increased constraints on transportation have affected our operations as well. To combat these, Sesa is in the process of working with the government on a dedicated transport corridor that bypasses residential locations and eases congestion. Further, the Company has, by its own initiative and in partnership with other like-minded mining companies, conducted a widening and de-bottlenecking exercise of certain routes. This is in addition to the Goa Government's initiative to create a dedicated mining corridor accessible to all mining companies. Dust suppression mechanisms have been employed wherever possible.

The Ministry of Environment and Forests, in association with the Government of Goa, has commissioned the Indian School of Mines, Dhanbad, to carry out a carrying capacity study to understand the overall impact of mining on existing infrastructure. This study will also include transportation-related issues. The study is currently in progress. Once the report is submitted, Sesa will strive to implement recommendations relevant to its operations.





## REACHING OUT TO COMMUNITY



Sesa believes that community relations (CR) is a long-term involvement of the Company in the socio-economic development of mining areas. The community is one of Sesa's key stakeholders and hence, its participation in the lives of the people who are impacted by its presence and operations is of paramount importance. Most of Sesa's CR activities are focussed around its operations in Goa and Karnataka.

Sesa's dedicated CR team plans and budgets its annual activities based on continuous engagement and consultation with community members, socio-economic baseline studies and need-assessments. Sesa has, over the years, partnered with other like-minded agencies, such as government bodies, NGOs, local communities and representative bodies (village panchayats), to implement its community development projects.

Table 33: Community Investment\* (in ₹ crore)

CR Areas	2010-11	2011-12	2012-13
Sustainable Livelihood	2.158	3.829	1.11
Donation	4.046	0.628	2.40
Education	1.668	1.65	11.67
Health	1.69	2.437	1.09
Infrastructure	4.764	8.598	2.16
SCDF	3.29	5.29	3.94
MFG	6.248	5.733	1.19
Other socio-economic works	0.908	2.831	2.61
Total (in ₹)	24.772	30.996	26.17

\*Does not include donations to political parties.

Sesa aspires to see sustainable growth of the community Sesa aspires to see sustainable growth of the community through its initiatives and this is primarily achieved through targeted and need-based interventions. In order to gauge the impact of its CR activities of the past 5 years, Sesa has conducted an impact assessment study with TNS. The results of the study were reviewed and action plans were defined for each of the fourteen recommendations. The recommendations spanned from setting up health interventions to providing infrastructural support for drinking water. These have been studied thoroughly and the action plans are currently being

implemented. For example we have partnered with the Naandi foundation to provide safe drinking water in three villages. Apart from this Sesa's CR initiatives are implemented through the following three channels:

- Sesa Community Development Foundation (SCDF)
- Need-based interventions
- Mineral Foundation of Goa (MFG)

## IMPACT OF THE MINING BAN ON THE COMMUNITY AND CR

The mining ban has had an impact on the immediate community. The ban has been especially bad for those involved in allied mining activities like hotels, automobile repairs, truck owners etc. Overall the impact can be seen in the villages as many contract workers and temporary mine workers have been retrenched. While we cannot control the impact that the ban has on the community we are making it a point to continue with high impact projects in the field of health, livelihood, and education. Programmes like the running of Community Medical Centres in the mining belt, farm based livelihoods and entrepreneurship development, school bus transports, book distribution, Sesa scholarship programmes, and evening study centres are continued. Women empowerment and Kishori groups that involve adolescent girls are also continued. The Sesa Community foundation projects such as two technical schools and a residential football academy is fully operational.

Our approach to CR has changed because of the circumstances. The focus is more on stakeholder engagement including employees. Employee volunteerism program in community development initiated at larger scale. Our employees along with the community participated in different activities like cleanliness drives at various religious places, crematoriums, awareness campaigns on various topics like – women health issues at home, safety tips on home electrical appliances/ fire safety, career guidance in the schools, visits to old age home and the cancer care centre, motivating the Self Help Groups (SHG) for kitchen gardens, beautification of the traffic island in and around the mines etc. We also engage with the youth from community through sporting events such as football tournament. Sesa's present spend is close to around 2% of its profits. We believe in inclusive growth and the CR cost is part of the project cost.



## EMPOWERING COMMUNITIES

### SESA COMMUNITY DEVELOPMENT FOUNDATION (SCDF)

SCDF is a Company established in 1998 under Section 21 of the Companies Act to focus on specific interventions of community development. Its main focus is to empower youth through vocational technical education and sports. Under SCDF, Sesa runs the following two institutes:

#### Sesa Technical Schools (STS)

STS was established in 1994 on an old iron ore reclaimed mine in Sanquelim and provides youth, in and around Sesa's mining operations, with technical skills and knowledge in the vocational trades of Machinist, Fitter, Electrician and Instrument Mechanic and helps them secure employment in various industries. Since inception, STS has produced almost 100% passing results. Until 2012, 869 students have passed out from STS. All students are placed in various MNCs through campus interviews. STS is affiliated to National Council of Vocational Training through the Directorate General of Employment & Training (DGET), Government of India (GoI) in the Ministry of Labour, New Delhi.

In 2011, Sesa started a second technical school in Panchwadi, to cater to growing needs of youth in South Goa. In addition to other trades, Panchwadi STS also offers diesel mechanic trade. Panchwadi STS is affiliated to State Council of Vocational Training through the State Department of Craftsmen Training, Government of Goa (GoG).

#### Sesa Football Academy (SFA)

SFA started at Sanquelim in 1999 to nurture the talent of Goa's young footballers. A further senior-level academy started functioning from June 2008 at Sirsaim, Goa.

Sanquelim Academy: It houses 36 boys. Once in two years, boys in the ages of 14 to 16 years are selected on merit and are provided with professional football training as well as a formal education. The team has won many championships and graduates play for top teams of our country. Till date, 93 trainees have passed out from this academy.

Sirsaim Academy: To further nurture young talent along with rigorous football training within a disciplined regime, new infrastructure at Sirsaim was inaugurated on 14 February 2010

and has 30 trainees in its four-year residential programme, with a batch of 15 trainees admitted every two years. It has a football turf maintained round the year by a professional agency, hostel facilities, in-house gymnasium, indoor sports hall, audio visual room and sauna bath facilities.

Sesa Football School (SFS): SFS is a unique young talent development programme launched by SFA in 2012, in line with its objective of identifying and promoting young talent under the age of 14, from nearby schools. SFS provides non-residential football training to 28 boys, who have been selected.



**Quote from Mr. Rowilson Rodrigues (Alumni of SFA – 2001 batch):**

*I come from a poor family at Madgaon. Since my childhood I have been playing football. I remember when I was 12 years old one of my neighbours suggested me to join SFA. It was in then I joined in 2001 and passed in 2005. After graduating I joined Churchill Brothers in 2006 and from 2011-12 and 2012-13 I played for Dempo Sports Club. I am extremely thankful to the coaches who have been always encouraging, supportive. I would like to thank specially Mr. Anthony D'souza, Assistant Coach and Mr. Vishwas Goankar, Head Coach of Sesa Football Academy.*

### NEED-BASED INTERVENTIONS

Sesa's various interventions, in the areas of health, education, agriculture, livelihood and infrastructure, are undertaken in a highly structured and process-driven approach. These programmes are evolved based on the community's needs identified through consultative and intense stakeholder engagement and as revealed in baseline studies. In the implementation of these initiatives, Sesa has not received any complaints relating to land use or customary rights of local communities.

#### Education

Sesa continues to focus on the overall development of students for their brighter future. In the implementation of education projects, students, teachers and parents are involved. Wherever required, and possible, Parent Teacher Associations (PTA), Village Panchayats, Government Education Departments and NGOs are engaged for effective implementation and ownership.





# EMPOWERING COMMUNITIES

Table 34: Education Initiatives in 2012-13

Activity	Summary of the Activity	Result/Outcome
Department of Mining Engineering at Goa Engineering College, Farmagudi	Sesa partnered with the Government of Goa (GoG) to start a Degree course in Mining Engineering at the existing campus of Goa Engineering College.	Every year, 40 students will be enrolled and will avail an opportunity to graduate in Mining Engineering. This initiative will generate the necessary talent pool to meet the shortfall of mining engineers.
Scholarships	Sesa Dnyanjyoti Shishyavritti is a scholarship scheme intended at encouraging and motivating students of classes 5 to 12 to be competitive, and perform well academically.	The programme has been implemented in 349 schools in Goa benefitting approximately 34,900 students. Sesa provided academic e-content, supporting software and computer books to schools.
Vedanta Computer Education Programme (VCEP)	VCEP, collaborating with Sarva Siksha Abhiyaan of Directorate of Education, GoG, aims to provide quality education by incorporating CAL (Computer Aided Learning) in teaching and learning, increasing enrolments, reducing dropouts and improving passing out.	The programme has been implemented in 349 schools in Goa benefitting approximately 34,900 students. Sesa provided academic e-content, supporting software and computer books to schools.
Manthan	Manthan is a school-based intervention for promotion of adolescent health and education. It is based on WHO's Global School Health Initiative, to increase the number of Health Promoting Schools.	The project covers 21 high schools, benefits 4,489 people and is run through NGOs, Sangath and Sai Life Care.
Evening Study Centres	Evening Study Centres, called Abhyasika, provide students personalised guidance for completing their homework, and a supportive atmosphere for those with learning difficulties or lacking study skills.	36 such evening centres are running at different locations and 614 students are benefitting from 10 village panchayats. 22 more study centres established in 2012.
Child-friendly Learning	To support primary education and to make learning easy for children, teaching and learning kits have been developed with the help of primary school teachers.	These kits were distributed to 91 primary schools, benefitting more than 4000 students in Bicholim Taluka.
Nurturing Scientific Temperament	Nature club activities which involve educational tours, nature trails, celebration of Energy Conservation Day, Environment Day, Safety Week, Wildlife Conservation Week, etc.	Various competitions, poster making, essay writing, quizzes, were organised, which created awareness among students on global issues and promoted hidden talents.



# EMPOWERING COMMUNITIES

## Health

Access to basic healthcare is a primary necessity of every human being. Sesa extends its support to address basic health needs of the community by creating healthcare facilities at the doorstep and promoting the overall health status of people across its areas of operation. Healthcare programmes constitute need-driven (requests from stakeholders) and proactive initiatives by the Company towards critical health issues. An important focus is contribution to achievement under the United Nation's Millennium Development Goals (MDGs) of promoting maternal, child health and eradication of diseases.

Table 35: Health Initiatives in 2012-13

Activity	Summary of the Activity	Result/Outcome
Community Medical Centres & Mobile Health Units	Sesa operates, in association with NGOs, 11 community medical centres and 2 mobile health units, each with a doctor and 2 nurses, offering free consultation and medication to nearby villages.	Under this initiative, benefits extend to 15 villages and in the year 2012-13, 56,736 people availed these facilities. And from inception till March 2013 233,270 people attended.
Eye Check-up & Cataract Treatment	Drishti project created mass awareness and provided free eye check-up and treatment, cataract operations and spectacles, where necessary, to people in nearby villages.	Under the project 33 people have been treated for cataract free of cost
Blood Donation Camp on World AIDS Day	On World AIDS Day, Sesa organised blood donation camps along with Goa State AIDS Control Society (GSACS). Sesa also conducted an awareness programme on HIV AIDS for migrant labourers and truckers.	160 employees donated blood. Conducted role plays through school children on HIV/ AIDS awareness

**Nutritional Support to HIV + Children and TB Patients:** Company has partnered with Positive People, an NGO working for people living with HIV / AIDS, to support their "Children's Wholesome Care Programme." Under the programme, 150 children living with HIV / AIDS are supported with supplementary nutritious food. Similarly, Sesa has also partnered with the Directorate of Health Services in their Revised National Tuberculosis Program (RNTCP) to provide nutritional support to around 100 tuberculosis patients.





## Sustainable Livelihood

Mining is a major source of income to the local community inhabiting the mining belts. Sesa believes that, as mining activities have a finite life span, it is necessary to create competence in the community to engage in other forms of livelihood, over a period of time. This philosophy also forms the basis of our exit strategy. Sesa has encouraged agriculture, watershed and women enterprise development as alternate options of income generation in the community.

The CR team has engaged expert agencies to create awareness, mobilise the community and help establish alternative means of livelihood. Sesa works jointly with various farmer associations, farmers' clubs, SHGs etc. Sesa has also engaged the Centre for Development Planning & Research (CDPR), Pune to conduct income generation programmes for women Self Help Groups (SHGs) in Goa while in Karnataka it tied up with University of Agriculture Sciences, Dharwad for a four year Alternative Livelihood Opportunity Programme.

The 'Back to Farming' initiative is our partnership with the farming community and the government agriculture department to rejuvenate agriculture. Working with farmers we motivate them to bring barren land into cultivation with the supply of seeds, fertilisers, irrigation facilities, power tillers and ploughing assistance etc. In keeping with the need to provide alternate means of employment we are working with the local youth to equip them with skills such as driving, computer operating, etc. Along with Vedanta foundation and local village administrative bodies we have set up three computer training centres to provide free computer knowledge to the youths. Women empowerment is a key focus area with Sesa's CR team organising and training women on income-generating enterprises like catering, paper / leaf plate making, beautician services, tailoring, masala making, micro items, etc.



### Case Study: Self Help Group (SHG)

Mrs. Prajoti Naik has been a very active member of the self-help group established under women empowerment project run in partnership with CDPR, a Pune based NGO. We support the SHGs every year by helping them establish stalls during the jatra. We learned from our unsuccessful attempt in 2011 where we suffered a loss and applied those learnings to our stalls in 2012. The attempt was a great success where the SHGs earned ₹ 40,000 as profit. This was a great boost to the SHGs and they have used this opportunity to make headway in creating a market and investing in themselves. The only support from our end was guidance and payment of fees for stalls.



### Case Study: Gerbera Cultivation

*"It would not have been possible from my end to make such a huge investment of 10 – 12 lakhs for the project, had it not been Sesa Goa there to make this project possible. I am really obliged to Sesa Goa to make such a huge investment both monetarily and in terms of technology" – says Mr. Pritam Patil, Poly-house project beneficiary of Dullai, Dharbandora, Goa.*

The poly-house project was undertaken in collaboration with the Agriculture Department, Government of Goa under National Horticulture Mission for commercial cultivation of Gerbera in several locations in Goa. The project was chosen to meet the demand for flowers in the market of Goa which were previously met by adjoining states. Four farmers from- two from mining belt and two from non-mining belt were selected by Department of Agriculture, Goa on the basis of their interest and readiness to take up the project entrepreneurship.

While 90% of the investment is recoverable in form of a subsidy on the project, Sesa helped provide the initial set up cost which is quite high. We also helped appoint an expert agricultural consultant to provide technical know-how.

The Poly-house yields 10,500 flower sticks per month during the season. The earnings in profit have shown an exponential growth since the business has started. In 2013 farmers made a profit of ₹ 32,800 per month.



# EMPOWERING COMMUNITIES

Alternative Livelihood Opportunity Project (ALOP): Sesa through its operations in Chitradurga has created many employment opportunities, directly and indirectly for the villagers in the cluster. However, majority of the people around the operations are largely dependent on farming with their very small land holdings. There was a need to educate them on development possibilities in farming and alternative opportunities for sustainable livelihood. In 2008, Sesa along with the University of Agricultural Sciences, Dharwad, took a lead role in developing and implementing the ALOP project in a time period of 4 years.

Table 36: Project Activities and Achievement

Sl. No.	Activities	Achievements
1	Watershed development for conservation of soil and water	2,333 acres area brought under watershed and 549 families benefitted
2	Established Medicinal Gardens	3 villages, planted 30 diff. plants
3	Organized Capacity building training programs for farmers	36 training programs conducted & 823 people
4	Conducted Farmer Field Schools to introduce new crop production technologies	75 camps conducted and 1,715 people participated
5	Established Artificial Insemination Center	Facility created for 10 villages so far 712 animals treated
6	Animal health camps conducted in project villages	23 camps & around 7,834 animals treated
7	Organized Exposure visits for farmers	464 farmers benefitted
8	Introduced Integrated farming system (IFS)	In 157 acre & 155 families benefitted 3,950 plants
9	Established Kitchen gardens	21 families benefitted
10	Introduced Twin model of Vermin compost units	In 88 farmer fields
11	Girirani -improved poultry birds	Provided to 52 families
12	Swarnadhara-Improved Poultry Birds	Provided to 155 families
13	Introduced Improved crop production systems	831 farmers benefitted covering 911 acres of land

Sl. No.	Activities	Achievements
14	Promoted Azolla cultivation practice	In 8 families
15	Promoted Biomass stove	849 families benefitted
16	SHG Promotion and training	SHG Formed - 20, No. of members – 283, Total saving – ₹ 67,905 women entrepreneurs - 38

## SESA Mahila Hitvardhini

We are working with Center for Development, Planning and Research (CDPR), a Pune based NGO. The target groups are the SHGs in the villages who are being covered under the program “SESA Mahila Hitvardhini” Around 382 SHGs are taken up under the project. The women members are regularly being trained on the rules and procedures for running the SHGs. The activities that the SHG members are involved in are areca-nut cup-plates making, tailoring, cooking, organizing food stalls in village jatras, etc. Stitching, knitting and embroidery classes, catering course, papad making, leaf plate and paper plate making training programmes were organized for about 188 SHGs from the project villages.

“Prerna Melavas” or motivational workshops are organized in different locations to bring together all the SHG members, motivate them, create awareness about the concept of SHGs and encourage them to participate in group activities which can bring about socio-economic upliftment. Around 850 women SHG members came in for the event. Guidance booklet on SHG formation, functioning, rules & regulation for operation etc is prepared and given to each of the SHG member.

## Sesa Kishori Prabodhan

This program targets adolescent girls and addresses all their concerns with regard to health, hygiene, academic, personality & social aspects. Various programs have been organized for them like talks on important topics, festival celebration (Babusaheb Bandodkar Jayanti), Rangoli & Mehndi Competition, Rangoli Training etc. Around 434 girls from 25 Kishori Groups have been benefitted by these programs.



## Vedanta Foundation:

Vedanta Computer Education Programme (VCEP): VCEP is a flagship education project of Sesa, which aims to provide quality education by incorporating Computer Aided Learning (CAL) in the teaching and learning process thereby increasing enrolments, reducing dropouts and improving the passing out percentage in schools. This project is in collaboration with Sarva Siksha Abhiyaan, Directorate of Education, in Goa and Rashtriya Madhyamik Shiksha Abhiyan in Karnataka. The program has been implemented so far in 349 schools in Goa. This project helps over 34,900 students.

## Summer Vacation Computer Coaching Programme:

15 days Summer Vacation Computer Training Course for the students of class VIII at state level was launched in the State of Goa which was inaugurated by Honorable Minister for Sports, Shri Ramesh Tawadkar. The camps were conducted in 11 talukas of Goa. This was a 15 days certificate course for rural children in partnership with Sarva Shiksha Abhiyan and implemented through Vedanta foundation. Under the program 485 students were trained.

## Computer training program for Jail inmates:

The vocational training program is a part of Vedanta Foundation's UMEED project, a pan-India project, working towards the objective of rehabilitation of prison inmates. Vocational training programme on Computer skills are conducted for the inmates, keeping in mind employment opportunities available. Trainers for these programmes are groomed to understand the difficulties faced by inmates and importance of training. The inmates undergo training, followed by the usual process of evaluation and certification on completion of training. We have started this program in Aguada and Sada, Vasco Jails of Goa. Currently 123 inmates are undergoing training in these centres.

## Village Computer Literacy Programme:

Sesa along with Vedanta Foundation has started its computer training centres in Wade, Sanquelim & Bicholim. This is a collaborative initiative with respective local administrations such as village Panchayat Wade, Sanquelim Municipal Council and Bicholim Municipal Council. The objective of the program is to provide free computer and spoken English training to unemployed youth for enhancing their employment capabilities and securing their livelihood. The entire course has been divided into 2 modules; Module 1 is a three months program that includes contents like Basics of computer, Windows, Office Applications, Internet and Spoken English. Selected candidates who perform well in Module 1 and possess interest in advanced computer learning graduate to Module 2 which is a three months program that includes Desktop Publishing and Financial Accounting.

The response to these centres has been overwhelming. At present we have enrolment of around 300 youth who are undergoing training in batches.

## Employee Volunteerism in CSR:

Need-based, and proactively, Sesa employees participate in various community drives such as environment awareness, plastic reduction, cleanliness, health awareness, personality development talks, organising community events, etc. In cases of need, employees also contribute in terms of kind and cash. Under employee volunteerism, around 3,303 hours have been clocked in the current year.

## Social Infrastructure:

Infrastructure is the foundation of all progress and development. Sesa believes that infrastructure forms a part of the basic need to build and sustain a community. A few of Sesa's initiatives towards the development of infrastructure in the communities around its operations are listed below. Many of the projects undertaken by Sesa are need-based, stemming out of extensive engagement with stakeholders from the villages and communities around its operations. These projects range from providing primary amenities for community life, sanitation and other basic necessities, supporting interactive communities and networking, providing infrastructure for socio-cultural activities, to providing a holistic environment for children's development.

Requirements in schools located in the rural areas are predominantly infrastructural in nature. Lack of adequate school infrastructure impacts student interest, teacher motivation, and therefore, performance of the students. Sesa has always been in the forefront in ensuring and supporting the creation of this grass roots level infrastructure to support the broader objective of education.

- Renovation of Government Primary School Khodgine Surla and Pre-Primary School Bhumika at Parye and at Maina Navelim
- Green Fencing at GPS Piliem, Dharbandora
- 100 sets of benches to Immaculate School and 40 sets of benches to Gananath English School, Nirankal
- Supplied fixtures / focus lamps and tube lights to 24 village panchayats across operational areas.
- Providing CCTC Surveillance System to Gurdian Angel Church, Sanvordem Water cooler & filter for Chandrabhaga Tukoba High School in Sanvordem
- Repair of houses at Codli
- Cleaning and repair work of 22 open wells at Lamgao, Goankarwada and Dabdaba.



## EMPOWERING COMMUNITIES

- Renovation of Anganwadi at Dabdaba Bicholim
- Construction of footpath as well as Ganesh Visarjan Platform at Tirthbag, Mayem & ferry stand at Sarmanas ferry point in Piligaon
- Construction of foot path at Khodgini Surla
- Painting of Tagore High School, Kothambi Pale
- Renovation of Crematorium in Surla
- Constructed house for underprivileged family in Amona
- Construction of toilet block at Amona and in school of Betki Khandola village



### Case Study: Safe Drinking Water Project

Sesa has established safe drinking water units at three panchayat villages in ANM-Chitradurga at Muttugaduru, Sirigere and Bommenahalli. In association with the Naandi Foundation, Sesa has signed an memorandum of understanding to provide drinking water by installing reverse osmosis plants in the three villages.

The project was funded at a cost of ₹ 37 lakh and benefits over a 1,000 families. Naandi was responsible for the installation and commissioning of the plant. It will be responsible for the day to day operations and for the maintenance of the plant for a period of 5 years - after which it can hand over the project to the Gramapanchayat or to a committee. Post installation, the plant is managed by a trained operator who belongs to the community itself. The approach is an innovative Public Private Community Partnership involving the government, community, NGO and technology providers.

The model relies on meeting the operations and maintenance costs through the levy of nominal user charges collected for providing treated water (20 litres of safe water will be provided at ₹ 4). Initially the beneficiary has to pay ₹ 280 as advance for a 20 litre water can and a card valid for one month. The beneficiary can collect water for a month and renew the card for the next month by paying ₹ 120. This initiative has expanded access to safe drinking water to a wider section of society, especially people with lower purchasing power, who in the past would not have had regular access to treated water. It has also enhanced employment opportunities for the local youth. The locations selected had myriad water quality issues and the safe drinking water will help reduce cases of Fluorosis and pathogen linked health problems while improving the overall health of the communities. It will also increase school attendance through a reduction of water borne diseases in children.



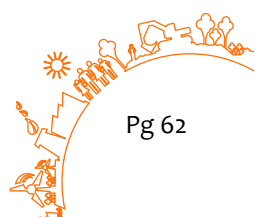
### CONTRIBUTION TO MINERAL FOUNDATION OF GOA (MFG)

MFG is an NGO established in the year 2000 by the Goan mining industry, as a corporate non-profit organisation, to address social and environmental issues and improve people's lives in the mining belt of Goa. Sesa is the founding member and a majority stakeholder of the MFG. Every year, Sesa Goa contributes about ₹ 4 per tonne produced to the foundation.

MFG has specific mandate to work in areas around iron ore mines and road transport corridors. Towards this MFG working with partners services in nearly 80 villages distributed in 28 panchayat. MFG projects contribute to one or more of 8 Millennium Development Goals. Over one decade, the foundation has created various assets for the benefits of the general public and educational institutes ranging from bhandaras, bandhs, irrigation channels, crematorium, anganwadi, classrooms, toilets, libraries, laboratories, etc. These facilities will go a long way in serving the community in the mining belt. Women empowerment programmes have been well received by the community.

As an extensive project for comprehensive development of village, Sesa partnered with MFG and the Government of Goa (in a Public Private Partnership initiative) in a Gram Nirman project, that was implemented in two village Panchayats namely Kirlapal-Dabal and Mayem. Gram Nirman aimed at integrated development of the villages. Key project undertaken were watershed development-Bandharas, irrigation facilities, Anganwadi centres, Village resource centres, Drinking water project etc.

Likewise round the year various developmental projects are implemented across mining belt in Goa.





## WAY FORWARD



### Strategy and Governance

- Implement Vedanta Sustainability Governance System, aligned with IFC standards.
- Ensure compliance with applicable legal requirements and strive for beyond compliance.



### Environment

- Aggressively pursue pollution prevention, energy conservation and waste reduction in our business operations.
- Benchmark and implement best in class environmental practices.



### Community

- Continue partnering with credible NGOs to implement high impact CR initiatives.
- Implement CR initiatives aligned with MDGs – thrust on health, education, employability, sustainable livelihood etc.



### Safety

- Drive safety culture and implement behavioural based safety systems /practices to achieve the goal of “zero harm”



### Health

- Implement new health initiative - Screening of all employees for Diabetes.



## INDEPENDENT ASSURANCE STATEMENT

### Introduction

Det Norske Veritas AS ('DNV') has been commissioned by the management of Sesa Goa Limited ('Sesa Goa' or 'the Company') to carry out an assurance engagement on the Company's Sustainable Report 2012-13 ('the Report') in its printed and web format. This engagement focused on qualitative and quantitative information provided in the Report, and underlying management and reporting processes. The engagement was carried out against DNV Protocol for Verification of Sustainability Reporting (VeriSustain)<sup>1</sup> including verification of application level and adherence to principles of the Global Reporting Initiative's Sustainability Reporting Guidelines Version 3.1 (GRI G3.1).

The intended users of this assurance statement are the management of the Company and readers of the Report. The Company is responsible for the collection, analysis, aggregation and presentation of information within the Report. DNV's responsibility in performing this work is to the management of Sesa Goa only and in accordance with terms of reference agreed with the Company. The assurance engagement is based on the assumption that the data and information provided to us is complete, sufficient and authentic. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this assurance statement. This engagement was carried out during July to November 2013, by a multidisciplinary DNV team of qualified and experienced sustainability report assurance professionals.

### Scope of Assurance

The scope of DNV's assurance engagement, as agreed upon with the Company included the verification of the content, focus and quality of the information presented in the Report, covering the Economic, Environment and Social information over the period 1st April 2012 to 31st March 2013. In particular, this assurance engagement included:

- Review of the policies, initiatives, practices and performance described in the Report as well as references made in the Report to the Annual Report and Business Responsibility Report - 2012-13;
- Review of the Report against the requirements of VeriSustain with a moderate level of assurance;
- Evaluation of the adherence to the principles set out in the GRI G3.1 and confirmation of the Company's declared application level;
- Review and assessment of the processes and tools for collecting, aggregating and reporting qualitative data inside the Report;
- Verification of the reliability of information and performance data as set forth in GRI G3.1 and presented in the Report;
- Verification of the Economic Indicator (EC1) in the Report, based on data from audited financial statements;

The reporting boundary is as set out in the Report and during the assurance; we did not come across limitations to the scope of assurance engagement. Our assurance engagement did not include formal assessment of the adequacy or effectiveness of Company's strategy or management of sustainability related issues.

### Verification Methodology

This assurance engagement was planned and carried out in accordance with the DNV Protocol for Verification of Sustainability Reporting. The Report has been evaluated against the principles of Stakeholder Inclusiveness, Materiality, Completeness, Responsiveness, Reliability and Neutrality as set out in 'VeriSustain', and the GRI G3.1. As part of our verification we visited the Head office at Panjim, Goa, Pig Iron complex at Amona and Met Coke Division at Navelim, Goa, India.

During the assurance engagement, DNV has taken a risk-based approach, meaning that we concentrated our verification efforts more on the issues of high material relevance to Company's business and stakeholders. As part of the engagement we have challenged the sustainability-related statements and assertions made in the Report and assessed the robustness of the underlying data management system, information flow and controls. For example, we have:

- Examined and reviewed documents, data and other information made available to DNV by the Company;
- Conducted interaction with senior management and other key executives of the Company, including data owners and decisionmakers
- from different functions and site locations of the Company at Goa India;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative and qualitative data included in the Report;
- Reviewed the data management processes for completeness and reliability. This including assessments of methods, practices, tools and competence used in collection, aggregation and reporting of data as it is transferred and managed at different levels of the organisation;
- Reviewed the process of acquiring information and economic-financial data from the audited, annual report of the Company.

### Conclusions

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



**Stakeholder Inclusiveness:** Though the mining operation was partial during the year, the Company had continual engagement with key stakeholders through various channels. The material issues emerging from the dialogue are collected and prioritised based on inputs from stakeholders, and the results are reflected in the Report. In our opinion, the level at which the Report adheres to this principle is 'Good'.

**Materiality:** The materiality determination process is based on inputs from diverse stakeholders and organisational perspective. The materiality determination process captures the key sustainability topics; the inputs from materiality determination are used for sustainability performance management and reporting. In our opinion, the level at which the Report adheres to this principle is 'Good'.  
**Completeness:** The Report provides disclosures in response to GRI G3.1 disclosure requirements including the Metals and Mining sector supplement; the partial disclosures are denoted in the GRI index. Company acknowledges the need for continuous improvement and is committed to improving the reporting scope and boundary. In our opinion, the level at which the Report adheres to this principle is 'Acceptable'.

**Responsiveness:** The Report has adequately responded to identified key sustainability aspects and challenges in the local sustainability context including aspects related to Metals and Mining Sector, within the reporting boundary; In our opinion, the level at which the Report adheres to this principle is 'Acceptable'.

**Reliability:** The majority of data and information verified at head office and sites were found to be accurate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected; Hence in accordance with the moderate level assurance engagement, we conclude that the specified sustainability data and information presented in the Report are generally reliable. In our opinion, the level at which the Report adheres to this principle is 'Acceptable'.

**Neutrality:** Overall the Report is transparent in discussing the challenges faced by the organisation and the information contained in the Report is presented in a neutral tone. In our opinion, the level at which the Report adheres to this principle is 'Good'.

#### Opportunities for Improvement

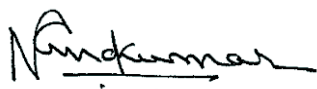
The following is an excerpt from the observations and opportunities reported back to the management of the Company, however, these do not affect our conclusions on the Report, and they are indeed generally consistent with the management objectives already in place:

- Implement an analytics system to capture sustainability data/information to monitor and improve sustainability performance;
- Integrate the sustainability performance data verification as part of the existing system of internal audits of management systems
- to further improve the quality of quantitative and qualitative data for future reporting;
- Progressively expand the boundary of reporting, goals, targets and performance metrics for material issues and benchmark the sustainability performance with peers.

#### DNV's Independence

DNV is a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. DNV states its independence and impartiality with regard to this assurance engagement, while DNV did conduct other third party audits with Sesa Goa in 2012-13, in our judgement this does not compromise the independence or impartiality of our assurance engagement or associated findings, conclusions and recommendations. The DNV assurance team were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward any people interviewed.

For Det Norske Veritas AS,



Vadakepatth Nandkumar  
 Project Manager,  
 Head – SBE & ACS Services,  
 Det Norske Veritas AS, India.  
 11th November, 2013, Bangalore, India.



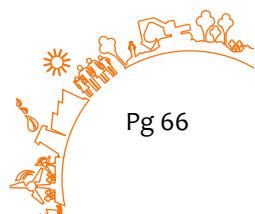
Prasun Kundu  
 Assurance Reviewer,  
 Det Norske Veritas AS, India.

# APPENDIX

## UNGC GUIDELINES

### THE TEN PRINCIPLES - UNITED NATIONS GLOBAL COMPACT

Principles	Statement	Page No.
<b>Human Rights</b>		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	32
Principle 2	Make sure that they are not complicit in human rights abuses.	32
<b>Labour</b>		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	32, 33
Principle 4	The elimination of all forms of forced and compulsory labour;	32, 33
Principle 5	The effective abolition of child labour; and	32, 33
Principle 6	The elimination of discrimination in respect of employment and occupation.	36
<b>Environment</b>		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	42-49
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	42-49
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	42-49
<b>Anti-Corruption</b>		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	30





GRI CONTENT INDEX

G3.1 Content Index				
Application Level: A+			Assured By DNV	
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	8 to 9	
1.2	Description of key impacts, risks, and opportunities.	Fully	24 to 26	
2. Organizational Profile				
2.1	Name of the organization.	Fully	Cover Page	
2.2	Primary brands, products, and/or services.	Fully	19 to 20	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	4, 11	
2.4	Location of organization's headquarters.	Fully	Back Cover	
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	4	
2.6	Nature of ownership and legal form.	Fully	4	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	20 to 21	
2.8	Scale of the reporting organization.	Fully	6	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	3, 8, 9	
2.10	Awards received in the reporting period.	Fully	7	
3. Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	11	
3.2	Date of most recent previous report (if any).	Fully	11	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	11	
3.4	Contact point for questions regarding the report or its contents.	Fully	81	
3.5	Process for defining report content.	Fully	11	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	11	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	11	
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	11	
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	11	



# APPENDIX

3. Report Parameters				
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	11	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	11	
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	65	
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	11	
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	27 to 29	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	27	
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	27, 28	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	30	
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	27, 29	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	30	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Annual Report Page 39	
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	1, 27	
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	27, 29	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	27, 29	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	27	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	11	
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	77	

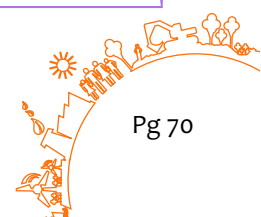


4. Governance, Commitments, and Engagement				
Profile Disclosure	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
4.14	List of stakeholder groups engaged by the organization.	Fully	14-17	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	14	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	14-17	
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.	Not	18	
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)				
	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
	<b>Disclosure on Management Approach EC</b>	Fully	21-25	
<b>Aspects</b>	Economic performance	Fully	21-25	
	Market presence	Fully	33,36	
	Indirect economic impacts	Fully	50-57	
	<b>Disclosure on Management Approach EN</b>	Fully	42-49	
<b>Aspects</b>	Materials	Fully	48-49	
	Energy	Fully	42-43	
	Water	Fully	43	
	Biodiversity	Fully	43-44	
	Emissions, effluents and waste	Fully	43, 45-47	
	Products and services	Fully	49	
	Compliance	Fully	42	
	Transport	Fully	49	
	Overall	Fully	47	
<b>DMA LA</b>	<b>Disclosure on Management Approach LA</b>	Fully	34-42	
<b>Aspects</b>	Employment	Fully	34-35, 38-39	
	Labor/management relations	Fully	32	
	Occupational health and safety	Fully	40-41	
	Training and education	Fully	37-38	
	Diversity and equal opportunity	Fully	36	
	Equal remuneration for women and men	Fully	36	



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DMA HR	Disclosure on Management Approach HR	Fully	32,33	
Aspects	Investment and procurement practices	Fully	32-33	
	Non-discrimination	Fully	36	
	Freedom of association and collective bargaining	Fully	32-33	
	Child labor	Fully	32-33	
	Prevention of forced and compulsory labor	Fully	32-33	
	Security practices	Fully	32	
	Indigenous rights	Not	Not Applicable	Sesa does not operate in areas inhabited by indigenous people
	Assessment	Fully	13	
Remediation	Fully	36		
DMA SO	Disclosure on Management Approach SO	Fully	50-57	
Aspects	Local communities	Fully	50-51	
	Corruption	Fully	30	
	Public policy	Fully	26,29	
	Anti-competitive behaviour	Fully	49	
	Compliance	Fully	49	
DMA PR	Disclosure on Management Approach PR	Fully	42, 48-49	
Aspects	Customer health and safety	Fully	49	
	Product and service labelling	Fully	49	
	Marketing communications	Fully	49	
	Customer privacy	Fully	49	
	Compliance	Fully	42	
<b>STANDARD DISCLOSURES PART III: Performance Indicators</b>				
<b>Economic</b>				
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
<b>Economic Performance</b>				
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	22	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	26	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	42	
EC4	Significant financial assistance received from government.	Fully	30	
<b>Market Presence</b>				
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.	Partially	35	





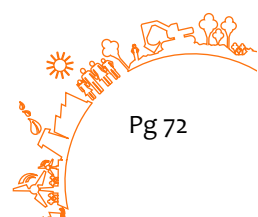
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EC7	Procedures for local hiring and proportion of senior management and workforce hired from the local community at significant locations of operation	Partially	39	Proportion of Senior Management Hired
<b>Indirect Economic Impacts</b>				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	55-62	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	23	
<b>Environmental</b>				
Performance Indicator	Description	Reported	Page No.	If applicable, indicate the part not reported
<b>Materials</b>				
EN1	Materials used by weight or volume.	Fully	52-53	
EN2	Percentage of materials used that are recycled input materials.	Fully	52	
<b>Energy</b>				
EN3	Direct energy consumption by primary energy source.	Fully	45-46	Due to the nature of our products
EN4	Indirect energy consumption by primary source.	Fully	45-46	
EN5	Energy saved due to conservation and efficiency improvements.	Fully	45-46	
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		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	46	
<b>Water</b>				
EN8	Total water withdrawal by source.	Fully	46	
EN9	Water sources significantly affected by withdrawal of water.	Fully	46	
EN10	Percentage and total volume of water recycled and reused.	Partially	46	
<b>Biodiversity</b>				
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	47-48	
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	47-48	
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Fully	47-48	
EN13	Habitats protected or restored.	Partially	47-48	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	47-48	
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	47-48	
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	47-48	

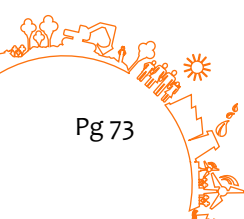


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Emissions, Effluents And Waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	48	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	48	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	49	
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	46-47	
EN22	Total weight of waste by type and disposal method.	Fully	50-51	
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Fully	50-51	
EN23	Total number and volume of significant spills.	Fully	51	
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	50	
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	47	
Products and Services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	49	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	49	
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	45	
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	54	
Overall				
EN30	Total environmental protection expenditures and investments by type.	Fully	51	
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.	Fully	37	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	38-40	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	41, 42	



LA15	Return to work and retention rates after parental leave, by gender.	not	42	
<b>Labor/Management Relations</b>				
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	36	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	36	
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	not	36	
<b>Occupational Health and Safety</b>				
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	43	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	partially	43	Absenteesim
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	44	
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	43	
<b>Training and Education</b>				
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	40	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	41	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	41	
<b>Performance Indicator</b>	<b>Description</b>	<b>Reported</b>	<b>Page No.</b>	<b>Explanation: Part not reported, reason and by when it will be reported</b>
<b>Diversity and Equal Opportunity</b>				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	39	
<b>Equal remuneration for women and men</b>				
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	39	



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Social: Human Rights					
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported	
<b>Investment and Procurement Practices</b>					
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	33	Human Rights Screening not covered. While our SA8000 Certification covers some of the parameters of Human Rights, we are yet to incorporate human rights screening into our investment process.	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partially	35	Human Rights Screening not covered. Supplier Code of Conduct put in place. No monitoring or audit mechanism is in place yet to verify adherence to the code.	
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	33		
<b>Non-discrimination</b>					
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	39		
<b>Freedom of association and collective bargaining</b>					
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.	Partially	33, 35	Suppliers partially covered. Supplier Code of Conduct put in place. No monitoring or audit mechanism is in place yet to verify adherence to the code.	
<b>Child Labor</b>					
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.	Partially	33, 35		
<b>Forced and Compulsory Labor</b>					
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.	Partially	33, 35		
<b>Security Practices</b>					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	33		
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 applicable		No indigenous communities	
<b>Indigenous Rights</b>					



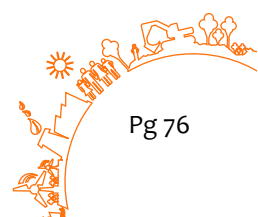


HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable		No indigenous communities
<b>Assessment</b>				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	13	
<b>Remediation</b>				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	39	
<b>Social: Society</b>				
<b>Performance Indicator</b>	<b>Description</b>	<b>Reported</b>	<b>Page No.</b>	<b>Explanation: Part not reported, reason and by when it will be reported</b>
<b>Local Communities</b>				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	55	
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	Fully	56	
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.	Fully	56	
<b>Artisanal and Small- Scale Mining</b>				
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.	Fully	5	
<b>Resettlement</b>				
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	Fully	47	No new land was acquired
<b>Closure Planning</b>				
MM10	Number and percentage of operations with closure plans.	Fully	23	
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	55	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	55-62	
<b>Corruption</b>				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	32	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	32	
SO4	Actions taken in response to incidents of corruption.	Fully	32	
<b>Public Policy</b>				
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	30	



# APPENDIX

Anti-Competitive Behaviour				
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Fully	54	
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	54	
Social: Product Responsibility				
Performance Indicator	Description	Reported	Page No.	Explanation: Part not reported, reason and by when it will be reported
Materials Stewardship				
MM11	Programs and progress relating to materials stewardship.	Partially	52-53	LCA Study currently underway
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.	Fully	53	
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.	Fully	53	
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.	Fully	53	
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	53	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	54	
Marketing Communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	54	
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	54	
Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not		As per the nature of our industry we do not need to handle propriety information/data of our customers
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	54	



# MEMBERSHIPS AND ASSOCIATIONS



Sesa Goa is an active member of various trade associations at local and national levels. Below is a list of the various organisations that Sesa Goa has an annual membership with

## Sesa Goa Limited

- FICCI
- ASSOCHAM (Associate Membership)
- Confederation of Indian Industry (WR)
- Federation of Indian Mineral Industries
- Employers Federation of India
- All India Organisation of Employers
- Confederation of Exports Units
- Computer Society of India
- Global Compact Network India
- National Safety Council
- British Safety Council
- The Baltic Exchange Corporate Membership
- Goa Chamber of Commerce & Industry
- Goa Mineral Ore Exporters Association
- Goa Mining Association
- Goa Management Association
- The International Centre, Goa
- Eastern Zone Mining Association

## Sesa Resources Limited

- Goa Chamber Of Commerce & Industry
- National Safety Council
- The Marmagao Stevedores Association

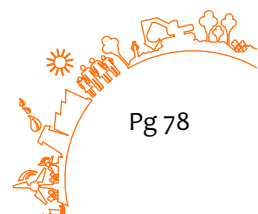
## Sesa Resources Limited Mining Corporation Limited

- Goa Chamber Of Commerce & Industry



# GLOSSARY

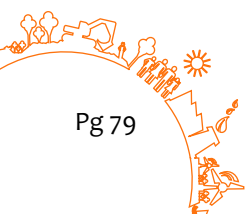
<b>ABC</b>	Antecedents/Activators, Behaviour & Consequences
<b>AC</b>	Air Conditioning
<b>ACT UP</b>	Accelerated Competency Tracking & Up-gradation
<b>AGM</b>	Annual General Meeting
<b>ANML</b>	A Narrain Mines Limited, Chitradurga
<b>ASSOCHAM</b>	Associated Chambers Of Commerce And Industry Of India
<b>AVP</b>	Associate Vice President
<b>BSc</b>	Bachelor of Science
<b>BDC</b>	Block Development Council
<b>BE</b>	Bachelor of Engineering
<b>BF</b>	Blast Furnace
<b>BMI</b>	Body Mass Index
<b>CAL</b>	Computer Aided Learning
<b>CB-2</b>	Circuit Breaker – 2
<b>CDLI</b>	Carbon Disclosure Leadership Index
<b>CDP</b>	Carbon Disclosure Project
<b>CDPR</b>	Centre For Development Planning & Research
<b>CEO</b>	Chief Executive Officer
<b>CER</b>	Certified Emission Reductions
<b>CFC</b>	ChloroFluoro Carbon
<b>CFO</b>	Chief Financial Officer
<b>CIF</b>	Cost Insurance & Freight
<b>CII</b>	Confederation Of Indian Industry
<b>CIL</b>	Cairn India Limited
<b>CMO</b>	Chief Marketing Officer
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>COO</b>	Chief Operating Officer
<b>COP</b>	Communication on Progress
<b>CRT</b>	Cathode Ray Tube
<b>CSR</b>	Corporate Social Responsibility
<b>DG</b>	Diesel Generator
<b>DGET</b>	Directorate General of Employment & Training
<b>DNV</b>	Det Norske Veritas
<b>Dy.</b>	Deputy
<b>EHS</b>	Environment, Health & Safety
<b>EMS</b>	Environment Management System
<b>ERW</b>	Electric Resistance Welded
<b>ESI</b>	Employees' State Insurance
<b>Fe</b>	Iron (Ferrous)
<b>FGD</b>	Focus Group Discussion
<b>FICCI</b>	Federation of Indian Chambers of Commerce and Industry
<b>FIMI</b>	Federation of Indian Mineral Industries
<b>FSI</b>	Frequency Severity Index
<b>FTSE</b>	Financial Times Stock Exchange
<b>FY</b>	Financial Year
<b>GCCI</b>	Goa Chamber of Commerce and Industry
<b>GEL</b>	Goa Energy Limited
<b>GHG</b>	Green House Gas
<b>GJ</b>	Giga Joules
<b>GJ / t</b>	Giga Joules Per Tonne
<b>GMOEA</b>	Goa Mineral Ore Exporters' Association
<b>GoG</b>	Government of Goa
<b>GOLD</b>	Gen-Next Operational Leadership Development
<b>GRI</b>	Global Reporting Initiative
<b>GSACS</b>	Goa State AIDS Control Society
<b>GTS</b>	Green Triangle Society
<b>Ha</b>	Hectare





# GLOSSARY

<b>HEMM</b>	Heavy Earth Moving Machinery
<b>HIV/AIDS</b>	Human Immuno-deficiency Virus / Acquired Immuno-deficiency Syndrome
<b>HR</b>	Human Resources
<b>HRD</b>	Human Resource Development
<b>HSE</b>	Health, Safety & Environment
<b>HSEC</b>	Health, Safety, Environment And Community Relations
<b>ICMM</b>	International Council on Mining & Metals
<b>IFC</b>	International Finance Corporation
<b>ILO</b>	International Labour Organisation
<b>IMS</b>	Integrated Management Systems
<b>ISO</b>	International Organisation Of Standardization
<b>IT</b>	Information Technology
<b>ITI</b>	Industrial Training Institute
<b>IUCN</b>	International Union for Conservation of Nature and Natural Resources
<b>kg</b>	Kilogram
<b>kL</b>	Kilo Litres
<b>kL / t</b>	Kilo Litre Per Tonne
<b>kt</b>	Kilo Tonne
<b>ktpa</b>	Kilo Tonnes Per Annum
<b>LCA</b>	Life Cycle Assessment
<b>LCD</b>	Liquid Crystal Display
<b>LTIA</b>	Lost Time Injury Accidents
<b>LTIFR</b>	Lost Time Injury Frequency Rate
<b>LTIP</b>	Long-Term Incentive Plan
<b>MSc</b>	Master of Science
<b>MAS</b>	Management Assurance Systems
<b>MBTI</b>	Myers Briggs Type Indicator
<b>MCD</b>	Met Coke Division
<b>MCF</b>	Methyl Chloroform
<b>MD</b>	Managing Director
<b>MDG</b>	Millennium Development Goals
<b>Met Coke</b>	Metallurgical Coke
<b>MFG</b>	Mineral Foundation Of Goa
<b>mg / L</b>	Milligram / Litre
<b>mm</b>	Millimetre
<b>MMDR</b>	Mines and Minerals Development and Regulation
<b>MMSS</b>	Metals and Mining Sector Supplement
<b>mt</b>	Million Tonnes
<b>MT</b>	Metric Tonne
<b>mtpa</b>	Million Tonnes Per Annum
<b>MW</b>	Mega Watt
<b>NDT</b>	Neurodevelopment Treatment
<b>NGO</b>	Non-Governmental Organisation
<b>NICU</b>	Neonatal Intensive Care Unit
<b>NOX</b>	Oxides Of Nitrogen
<b>NVG</b>	National Voluntary Guidelines
<b>OCM</b>	Original Component Manufacturer
<b>ODS</b>	Ozone Depleting Substances
<b>OEM</b>	Original Equipment Manufacturers
<b>OHSAS</b>	Occupational Health And Safety Assessment Series
<b>OPD</b>	Out Patient Department
<b>PAT</b>	Profit After Tax
<b>PF</b>	Provident Fund
<b>PHC</b>	Primary Health Centre
<b>PID</b>	Pig Iron Division
<b>PPP</b>	Public Private Partnership
<b>PTA</b>	Parent Teachers Association
<b>R&amp;R</b>	Reserves & Resources



# GLOSSARY

<b>RCH</b>	Reproductive & Child Health
<b>RFP</b>	Request for Proposal
<b>RSPM</b>	Respirable Suspended Particulate Matter
<b>SA 8000</b>	Social Accountability 8000
<b>SBD</b>	Shipbuilding Division
<b>SCDF</b>	Sesa Community Development Foundation
<b>SD</b>	Sustainability Development
<b>SEBI</b>	Securities and Exchange Board Of India
<b>SFA</b>	Sesa Football Academy
<b>SFIO</b>	Serious Fraud Investigation Office
<b>SGL</b>	Sesa Goa Limited
<b>SHEQ</b>	Safety, Health, Environment and Quality
<b>SHG</b>	Self Help Group
<b>SIL</b>	Sesa Industries Limited
<b>SMCL</b>	Sesa Mining Corporation Limited
<b>SPM</b>	Suspended Particulate Matter
<b>SRI</b>	Systematic Rice Intensification
<b>SRL</b>	Sesa Resources Limited
<b>STS</b>	Sesa Technical School
<b>TFT</b>	Thin Film Transistor
<b>TSS</b>	Total Suspended Solids
<b>UAE</b>	United Arab Emirates
<b>UN</b>	United Nations
<b>UNFCCC</b>	United Nations Framework Convention On Climate Change
<b>UNGC</b>	United Nations Global Compact
<b>UV</b>	Ultraviolet
<b>VCEP</b>	Vedanta Computer Education Programme
<b>VFD</b>	Variable Frequency Drive
<b>WHIMS</b>	Wet High Intensity Magnetic Separation
<b>WHO</b>	World Health Organisation
<b>WSA</b>	World Steel Association
<b>YoY</b>	Year-on-Year
<b>ZAO</b>	Zonal Agriculture Officer



# FEEDBACK



We welcome feedback on any aspect of our performance or sustainability reporting. You can send in your feedback, by way of general comments in an email to [sesa.corporatecommunications@vedanta.co.in](mailto:sesa.corporatecommunications@vedanta.co.in), or by post to the address below,

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