



Our journey... towards a sustainable future

Vedanta Resources plc
Sustainable Development Report 2013-14





Our journey... towards a sustainable future

Our vision is to be a world-class, diversified resources company providing superior returns to our shareholders. We will meet our vision by delivering high-quality assets and low-cost operations, with sustainable development at the core of all that we do.

About this report

This is our sixth Sustainable Development Report; and coincides with the publication of our Annual Report. Combined, these two documents provide an overview of our approach and achievements in 2013-14, outlining our actions over the past year to achieve our mission to be a world-class diversified natural resources company.

To provide a consistent view of our approach and to provide a platform for illustrating our success in managing the sustainability aspects of our business, we have structured our report in alignment with our Sustainability Framework.

In this year's Sustainable Development Report, we have used the Global Reporting Initiative (GRI) G3.1 guidelines and the GRI G3.1 supplement on Metal and Mining Industries and Oil & Gas. The report also aligns with and responds to the ten principles of the United Nations Global Compact and Millennium Development Goals. We report to the highest A+ GRI application level. The detailed GRI G3.1 Content Index (including the Mining and Metal and the Oil & Gas Supplement) is available on the website (vedantaresources.com/SustainableDevelopment2013-2014/standards-and-assurance).

All Vedanta Group subsidiary companies have been reported as though they were 100% wholly-owned as we recognise the level of control and sphere of influence the Group has over these operations.

This report covers the reporting period 1 April 2013 to 31 March 2014, unless otherwise stated. Assurance of this report was carried out in accordance with the DNV protocol for Verification of Sustainability Reporting (VeriSustain). More details of assurance and verification are available in the Standards and Assurance section of this report.

View our detailed report online at
[vedantaresources.com/
SustainableDevelopment2013-14](http://vedantaresources.com/SustainableDevelopment2013-14)



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About Vedanta

Our journey...of growth and diversification

We are a diversified natural resources group headquartered in London with a set of large, long-life, low-cost, scalable assets around the globe. We are committed to sustainable development, supporting local communities and contributing to the economies of the areas where we operate.

Our portfolio is primarily in copper, zinc, lead, silver, aluminium, iron ore, power and oil & gas assets. Our business encompasses eight countries through several dozen operations, with a particular focus on India and Africa, where we hold the majority of our operating assets. Our activities bring both financial and non-financial value to the countries and communities where we operate, generating significant revenue for government and local bodies, developing infrastructure, engaging local and regional suppliers and employing many thousands of people worldwide.



Our portfolio

Description	Zinc/Lead/Silver	Oil & Gas	Iron Ore
	We are the world's largest integrated zinc-lead producer and one of the leading silver producers globally. Our key assets include the world's largest zinc-lead mine, Rampura Agucha, and the Sindesar Khurd zinc-lead mine with its silver-rich ore in India, as well as one of the largest undeveloped zinc deposits in the world at Gamsberg, South Africa.	Cairn India is the fastest growing energy company in the world (Platts Top 250 Global Energy Company Rankings 2013) with assets including the Rajasthan block, the largest onshore discovery in India in 20 years.	We are the largest private sector producer of iron ore in India, and also have over a 3 billion tonne deposit in Liberia, West Africa.
Market share	We are the leading supplier of zinc in India, with an 88% market share. We are also the country's leading supplier of lead and silver.	We contribute to over 25% of India's current domestic crude production.	We are one of India's largest iron ore exporters.
Location	India, Ireland, Namibia, South Africa	India, Sri Lanka, South Africa	India, Liberia
Revenue (US\$ million)*	2,857	3,093	267
EBITDA (US\$ million)	1,358	2,347	24
Production volumes	Zinc – 1,054 kt; Lead – 188 kt; Silver – 12.5 units million oz	219 Kboepd	1.5 million tonnes
Total no. employees including contract workforce	21,815	9,882	6,198
Total no. fatalities	6	0	1
High category environmental incidents	1	0	0
Total payment to local exchequer (US\$ millions)	813.5	4,013	33
Community investment (US\$ millions)	15.7	4.8	2.42

* Exclusive of inter-business revenue



Related information: vedantaresources.com/overview/about-vedanta

About Vedanta continued



- | | | | |
|----|------------------------------------|--------|-----------------------------------|
| 1 | Debari smelter | 16 | Ravva (PKGM-1) block |
| 2 | Chanderiya smelters | 17 | KG-ONN-2003/1 block |
| 3 | Rampura-Agucha mine | 18 | KG-OSN-2009/3 block |
| 4 | Rajpura Dariba mine & smelters and | 19 | PR-OSN-2004/1 block |
| | Sindesar Khurd mine | 20 | Cambay (CB/052) block |
| 5 | Zawar mine | 21 | MB-DWN-2009/1 block |
| 6 | Talwandi Sabo power project | 22 | SL 2007-01-001 block |
| 7 | Silvassa refinery | 23 | Lisheen mine, Ireland |
| 8 | Sesa Goa operations – Goa | 24 | Mt Lyell mine, Australia |
| 9 | Sesa Goa operations – Karnataka | 25 | Iron Ore project, Liberia |
| 10 | Tuticorin smelter | 26, 27 | Konkola and Nchanga copper mines |
| 11 | MALCO power plant | | & Nchanga smelter, Zambia |
| 12 | Lanjigarh alumina refinery | 28 | Skorpion mine, Namibia |
| 13 | Jharsuguda smelters & power plants | 29 | Black Mountain mine, South Africa |
| 14 | Korba smelters & power plants | 30 | South Africa Block |
| 15 | Rajasthan block | | |

Key

- | | | | |
|------------------|----------|-----------|-----------------------------|
| Zinc-Lead-Silver | Iron Ore | Aluminium | Projects under development |
| Oil & Gas | Copper | Power | Captive thermal power plant |

Copper	Aluminium	Power	Description
<p>We have one of the lowest-cost custom smelters in the world at Tuticorin in India, with our Australian mines supplying part of the copper concentrate requirements of our Indian operations.</p> <p>Our operations in Zambia include one of the largest, highest-grade copper mines in the world at Konkola Deep.</p>	<p>We are the largest aluminium producer in India, with smelters, refinery, captive power plants and mines. These are large high-quality assets strategically located in the midst of the coal and bauxite belt, incorporating the latest technology.</p>	<p>We are one of the largest wind power and independent power generators in India, with a major new plant in Talwandi Sabo coming on stream this year.</p>	
We are the leading supplier of copper in India, with a 28% market share.	We are the leading supplier of aluminium in India, with over 44% market share.	Our generating capacity is around 5% of India's generating capacity.	Market share
Australia, India, Zambia	India	India	Location
4,676	1,785	622	Revenue (US\$ million)*
354	287	169	EBITDA (US\$ million)
471 kt	793 kt	9,374 million units sold	Production volumes
21,452	22,938	5,558	Total no. employees including contract workforce
7	1	4	Total no. fatalities
0	0	0	High category environmental incidents
265	143	27	Total payment to local exchequer (US\$ millions)
21.1	4.6	0.8	Community investment (US\$ millions)



Related information: vedantaresources.com/overview/about-vedanta

Making a positive contribution

Our journey... in creating value for stakeholders

Since our listing ten years ago, we have created and delivered significant meaningful value for our stakeholders. This includes the contribution made by our resources, our direct financial contributions and through social and economic development for society, particularly in emerging economies.



The contribution made by our resources

The resources we bring to market create the basic building blocks of society and are essential sources of socio-economic growth, both within and beyond the regions where we have operations.

The scale of the resources we bring to market in India make us a critical contributor to its growth: we are the leading supplier of zinc in India, with an 88% market share, and the country's leading supplier of lead and silver. We also contribute to India's energy security, providing over 30% of domestic crude production. Additionally, we are the leading supplier of copper in India, with a 28% market share, and have over 44% market share in aluminium.

In Zambia, we operate one of the highest-grade large copper mines in the world and have significantly expanded the country's copper production.

The direct financial contributions we make

Our taxes, royalties, dividends and salaries and wages, as well as our capital and operating expenditure, stimulate economic activity and enable governments to fulfil their responsibilities. Since our IPO in 2004, we have maintained a progressive dividend policy, and have returned US\$1.4 billion in dividends to shareholders since the IPO in 2004. We have delivered a total shareholder return of 200% since the Vedanta listing in London in 2004.

In India, we are amongst the largest contributors to the exchequer, and in Africa, our Konkola Copper Mines (KCM) operations in Zambia, our zinc operations (BMM) in South Africa, Skorpion Zinc in Namibia and our iron ore operations in Liberia all make important, long-term contributions to local and regional economies. Since 2005, we have invested over US\$4 billion across our African operations.

This year, we contributed a total of US\$5.3 billion to governments.

Countries	Payment to exchequer (\$m)
India:	5,139
Zambia:	74
South Africa:	29
Others:	54

The social and economic development contributions we make

Our operations make a valuable contribution to the social and economic development of the communities in which we operate. This includes direct employment of close to 90,000 employees and contractors as well as indirect work opportunities for an estimated additional 500,000 people. Our community programmes benefit approximately 4.1* million people – improving health, education and livelihoods. Our business locations are situated in remote places and communities residing around the location have very little access to infrastructure, augmenting and upgrading community assets/ common property resources such as constructing

community centres, water tanks, roads, repair of school buildings projects in partnership with the community and the local administration have been among our core activities.

In India, resource sharing between local authorities has resulted in the construction of 43.51 km of roads, 18 community centres, six temples, three sitting-platforms, seven tube wells, bore wells, open wells and ring wells, 11 drains, four check dams, six ponds, seven school boundary walls, 17 classrooms, 5,706 household toilets and seven other structural renovation projects. In total, this year we spent US\$49 million on community programmes, including US\$4.48 million on infrastructure.

Resource sharing between local authorities in Africa and other countries outside India has resulted in the construction of 351 tube wells and bore wells, seven classrooms, one community centre and one sitting-platform, 52 household toilets and two other structural renovation projects.

We also make a broader contribution through developing and promoting effective collaborations and programmes between business, governments and civil society. For example, our partnership with the Zambia Extractive Industries Transparency Initiative (ZEITI) and the Government of Zambia continues to expand and enhance ZEITI's capabilities in data management and IT skills, bringing greater transparency and accountability. We also partnered with the Government of Zambia to improve railway infrastructure.

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

Making a positive contribution continued

Highlights (10 years of delivery)

Total shareholder return

200%
12% CAGR

Dividend yield

4%

Communities: social investment

US\$127 million
in the last 3 years

Capital returned to shareholders

US\$1.4 billion
since IPO

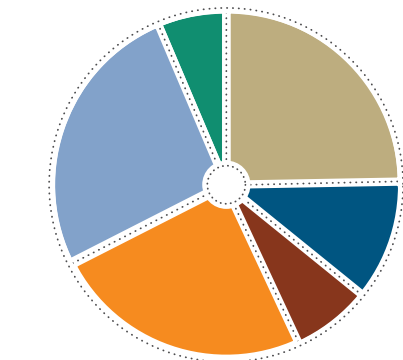
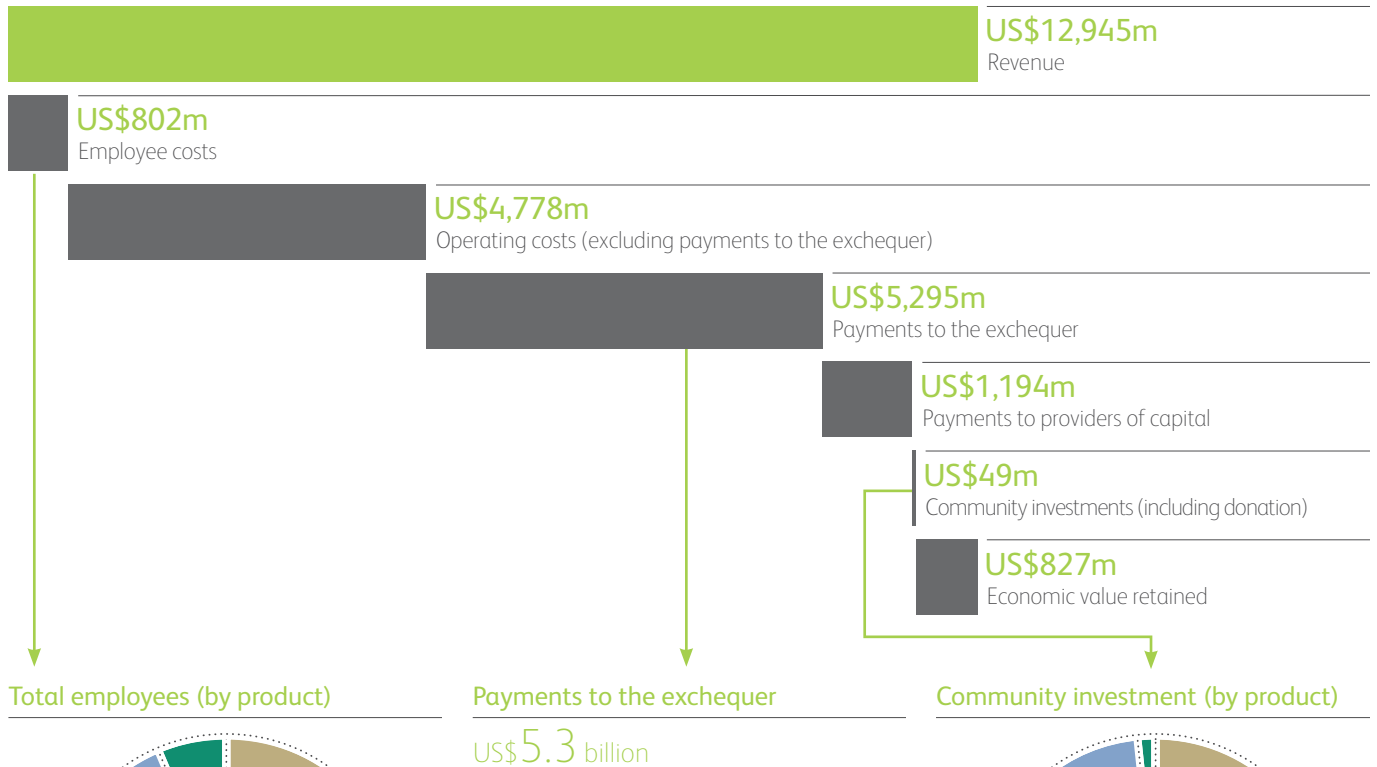
Government

US\$15 billion
in the last 3 years

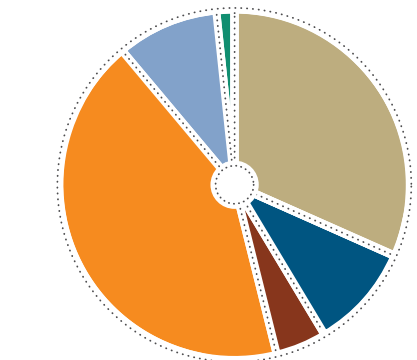
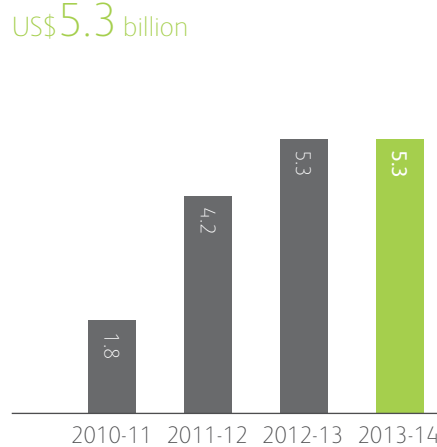
Direct and indirect employment

88,000

FY 2013-14 Direct economic contribution (US\$m)



Zinc/Lead/Silver Copper
Oil & Gas Aluminium
Iron Ore Power



Zinc/Lead/Silver Copper
Oil & Gas Aluminium
Iron Ore Power

Related information: vedantaresources.com/overview/making-a-positive-contribution

Chairman's statement

Our journey... of positive endeavour with all our stakeholders



Our long-life, tier 1 resource assets offer the opportunity to create value across generations. To ensure we operate successfully across this timescale we must consistently maintain our licence to operate by running our business sustainably. In 2013-14, we celebrated ten years since we listed our company. This anniversary provides an opportunity to reflect on the journey of growth and delivery we have been on and how we have integrated sustainable working across our business, where we can still improve, and our plans for the future.

The resources we mine and process are in turn making a substantial contribution to the education, health and wellbeing of local communities, as well as offering huge employment opportunities – essential in the economies in which we operate. We have a particular focus on India, our main country of operation, and we have been able to help the country unlock its substantial resource capacity. We have also made substantial investments in African countries and contribute to their economies. As we start our second decade since IPO, we hope to support these developing economies in realising their full capability and ensuring resource security for future generations. There is also still enormous untapped potential, not only in these regions but globally, as we expand and continue to grow.

Over this past year, I have been particularly pleased with the success our businesses have had in implementing our Sustainability Framework underpinned by our successful Scott Wilson audit and the insights we have gained from our materiality exercise. We also continued with the simplification of our corporate structure with the merger of Sesa Goa and Sterlite. This is another major step in our journey to unlock value for our shareholders, employees and broader stakeholders. I am very pleased to introduce the Sustainable Development Report 2013-14,

“This anniversary provides an opportunity to reflect on the journey of growth and delivery we have been on and how we have integrated sustainable working across our business, where we can still improve, and our plans for the future.”



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/chairmans-statement

Chairman's statement continued

detailing our approach to sustainability. Through this report we provide an overview of our performance, progress and our various sustainable development initiatives based on our three-pillar sustainability framework – Responsible Stewardship, Building Strong Relationships and Adding and Sharing Value.

Incoming CEO

At the close of the year our CEO of five years, M.S. Mehta, took well-earned retirement. I wish to place on record my thanks to him as his leadership has been pivotal to our success over this first decade and he departs with our warmest wishes. We are indeed very fortunate to have secured a replacement of the calibre of our new CEO Tom Albanese, who joins our business, bringing deep experience from working at the highest level in the natural resources industry. Tom is passionate that Vedanta becomes a safe environment for our workforce and operates with the full support of the communities that host our operations. His commitment to ensuring we run our business to the highest standards reflects my own deeply held belief that, to be truly successful, we must operate our business with the values of sustainability embedded in all our activities. This is also reinforced by our Board and its Sustainability Committee through various interventions and reviews.

Responsible Stewardship

Building a successful and sustainable business over the past decade has required a consistent and systematic approach to running our operations – in accordance with best practice standards. This year we have continued to strengthen our Sustainability Framework, and I have been particularly impressed by how our management team have implemented and supported our Vedanta Sustainability Assurance Programme (VSAP), the key tool we are using to ensure our Framework is complied with across the business. To celebrate this success, I have initiated a biannual Chairman's Award to recognise the subsidiary businesses that have best met the Company's expectations.

The most important area where we must do better is in our employee and contractor fatalities, and both Tom and I share the view that the current fatalities and safety performance needs to be improved drastically. As we work on addressing this, I am pleased to see significant reductions in our environmental incidents and improved processes to reduce our environmental footprint.

Building Strong Relationships

Identifying and actively managing all our stakeholder relationships – including our employees, our host communities and our shareholders and lenders – is important if we are to maintain our licence to operate. This year, we took another step to add consistency across the Group, with all subsidiary businesses now formally recording all stakeholder expectations and outcomes of their engagements. Human rights have remained a particular focus of the Sustainability Committee and I have been reassured by the amount of training we have done across our businesses in our Code of Conduct to ensure we engage with people fairly and respectfully.

Adding and Sharing Value

Vedanta's role is to create value for all our stakeholders; this includes the financial value we create for our shareholders and investors as well as the broader value we add to society. This includes the tens of thousands of men and women we have employed, the substantial economic contributions through payments we made to exchequers across the world; and the millions of people who have benefited from the wide-ranging community programmes we have helped initiate and manage. We have played an active role in addressing and improving health, education and livelihoods for the communities in the areas where we operate – and I would like to thank the many partners who have joined with us in this important work. On a personal level, this year I have been particularly touched by all the people who have helped make our 'Khushi' campaign

such a success in raising awareness of the importance of empowering and educating girls in India.

Forward together

Four years ago, I set out my priorities for our sustainability journey: embed sustainable development in every aspect of what we do; improve our health and safety performance; make targeted contributions to local communities; continue to minimise our impact on air, water and land; and maintain an active dialogue with our stakeholders. As I reflect on both the past year and the last decade, I am pleased to see the many successes we have had in meeting these priorities, as well as the steps we have taken to bridge our gaps in performance.

As I look forward to the next year and beyond, I am committed to ensuring Vedanta manages its business responsibly and plays an integral, positive role in all the regions in which we do business – in a spirit of positive endeavour with all our stakeholders.

Anil Agarwal
Chairman



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/chairmans-statement

Incoming Chief Executive Officer's statement

Our journey... towards meaningful value



As a natural resource explorer and producer of basic raw materials, Vedanta has played an important role in India's and Africa's growth and prosperity over the past decade, and has added value for shareholders, employees and a broad range of stakeholders. In our industry, success is often judged by how efficiently and cost effectively we manage the extraction and processing of natural resources. However, integral to our long-term success is an approach that ensures we undertake these activities safely and in a sustainable manner. We do this by safeguarding the welfare of our workforce, engaging with communities in a way that builds trust and delivers sustainable benefits to them, working diligently to minimise wherever possible our impact on the environment and sharing fairly the value we create. As we continue our journey, we will ensure the longevity of our business and our production assets by meeting these goals and managing our operations sustainably, in the broadest possible sense.

Prior to taking up my role as Chief Executive Officer, in my capacity as Chairman of Vedanta Resources Holdings Limited, I visited almost every Vedanta asset over a six-month period. This gave me the opportunity to see our operations at first hand and engage directly with our workforce. I was very pleased to witness the genuine commitment our people have to making Vedanta the best it can be – both in its daily operations, and in contributions to local communities where we operate. This commitment of our workforce reassures me that many of the issues raised by well-intentioned commentators and organisations do not accurately reflect our Group's operations on the ground. That said, on our journey of continuous improvement, we do need to improve performance in some areas, and the opinions of our stakeholders matter in helping us improve our business. Vedanta has been on a journey to embed sustainable management practices across all subsidiary businesses and I'm very pleased to have joined the Group at this important evolutionary phase.

“As we continue our journey, we will ensure the longevity of our business and our production assets by meeting these goals and managing our operations sustainably, in the broadest possible sense.”



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/incoming-ceos-statement

Incoming Chief Executive Officer's statement continued

Zero harm for our people

In my many visits to our operations, whilst pleased with the progress our people have made in reducing the lost time incidents, it is clear much more can be done. The fatalities need to be eliminated and serious injury rates have to be reduced drastically to be in line with our vision of zero harm. Understanding the causes of harm, and prevention, will be ongoing priorities of mine. Further, I and the Executive Committee in the year ahead are conducting a full appraisal of our safety management processes, contractor management and compliance and internal safety leadership to rapidly achieve a zero harm environment for our entire workforce – an essential goal in our business. Conducting all our operations safely is simply non-negotiable. I have been to all of our African operations, and I have been impressed by the contribution we have made to the environment and communities since the first investment. In Zambia, we have made efforts and contributions to improve our water quality with several large-scale investment projects, notably a water treatment facility and a new state of the art copper smelter.

A culture of respect

I'm encouraged to see how much work has been done over the past two years to enable our operations to comply with the United Nations Convention on Human Rights and I will be conducting a further gap analysis to assess and ensure this compliance so that we can become signatory to it. In my discussions with our operations, I focused on the importance of having a culture of respect in our day-to-day operations. This extends outwards from how our senior management works with each other, how line managers engage with their workforce of employees and contractors, through to how our security personnel interact with people and communities. In my many visits, I was pleased to see that the expected behaviours, embedded in our Code of Conduct, are being adopted throughout the Group.

"I was very pleased to witness the genuine commitment our people have to making Vedanta the best it can be – both in its daily operations, and in contributions to local communities where we operate."

Community consent

One of my most important visits in 2013 was to our Lanjigarh operations, where I spent significant time with our on-site management team to explore the issues raised by a number of our external stakeholders. I was impressed by the care shown by our team to operate responsibly in the region and I emphasised the Company's clear approach that we will not consider bauxite mining at Niyamgiri without the express invitation and free prior agreement of the local communities to do so. Indeed, this is the approach we bring to all our operations. Meanwhile, bauxite is abundantly available in other parts of Odisha and we will continue the engagement with the State Government to make it available for ramp-up of the Lanjigarh refinery. I have worked with civil society in the past to find sustainable solutions to issues and I intend to keep up the engagement with our stakeholders in a spirit of finding such solutions on bauxite.

Creating meaningful value

I am privileged to lead a business with the majority of its operations in India, one of the most exciting development stories in the world, that has some of the largest reserves of natural resources. These resources, like those across our African countries of operation, substantially contribute towards strengthening national and local economies and provide much needed investments in infrastructure, education and health.

In the years ahead, I will continue to stress that creating a culture based on the principles of sustainability is a journey of continuous improvement. We are measuring our success in doing this, and aware of where we need to do better. I am committed to ensuring Vedanta plays an integral, positive role in all the regions in which we do business, by managing all our operations to globally recognised standards of sustainability. In this report, we detail the steps we have taken this year to achieve this and our plans for the future – creating meaningful value for all our stakeholders for our next decade and beyond.

Tom Albanese
Chief Executive Officer



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/incoming-ceos-statement

Approach and strategy

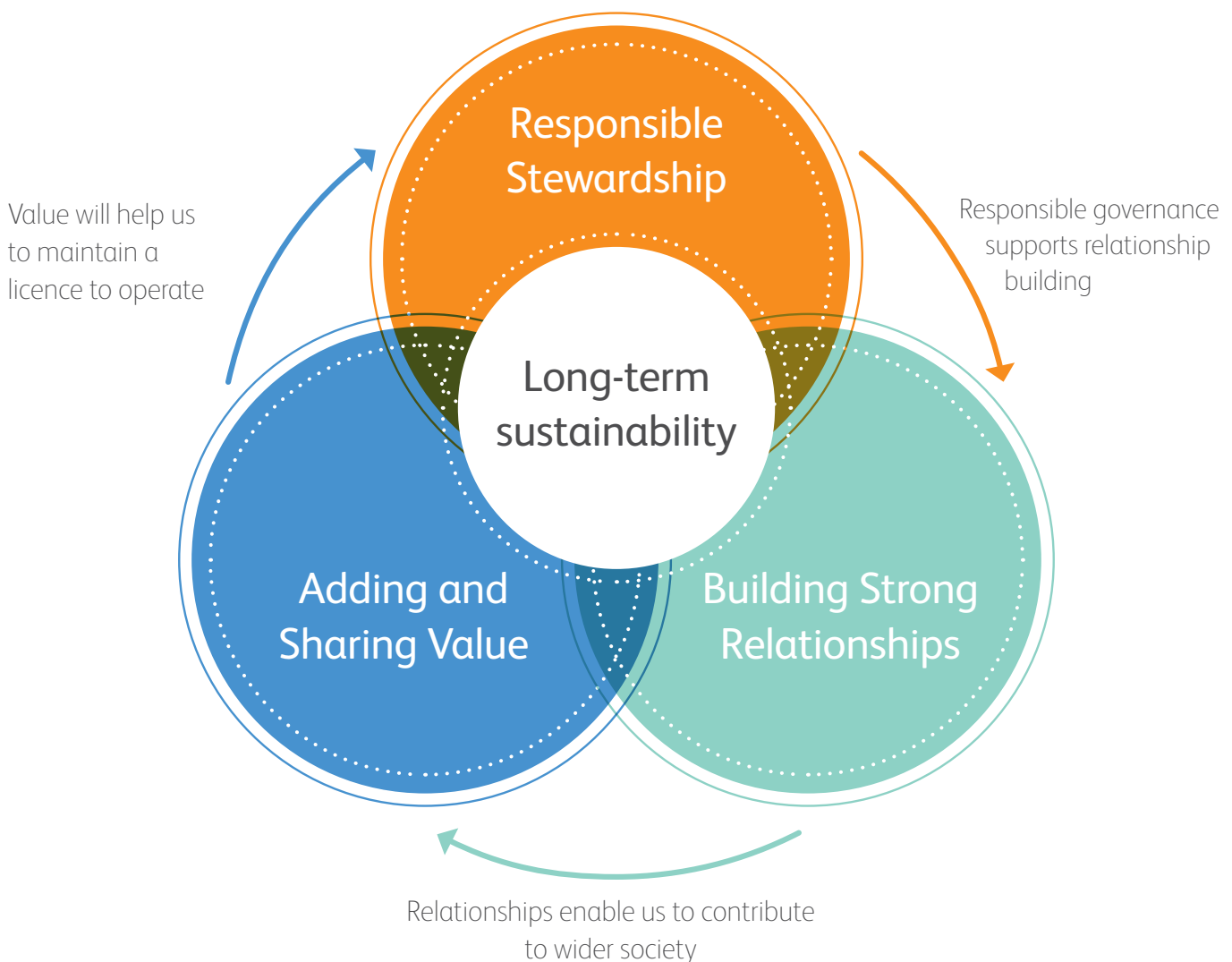
Our journey... towards embedding our sustainability framework

Vedanta is focused on operational excellence, efficient cost management and sustainability to drive long-term value for all our stakeholders.

Our Sustainability Model is comprised of three pillars: Responsible Stewardship, Building Strong Relationships and Adding and Sharing Value. These pillars capture the steps we must take to ensure a long-term, successful future for our business – meeting our strategic goals of growth, long-term value and sustainable development. The development of our Sustainability Framework (www.vedantaresources.com/SustainableDevelopment2013-14/overview/approach-and-strategy)

over the last few years provides us with a robust structure to deliver this supported by our three sustainability pillars. This approach also enables us to drive consistency across all our subsidiary companies and during the year we have further embedded the standards and processes required to achieve this.

Our Sustainability Model



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/approach-and-strategy

Approach and strategy continued

A robust structure to create long-term value for stakeholders enabled by our three pillars of sustainability.

Implementing the Sustainability Framework

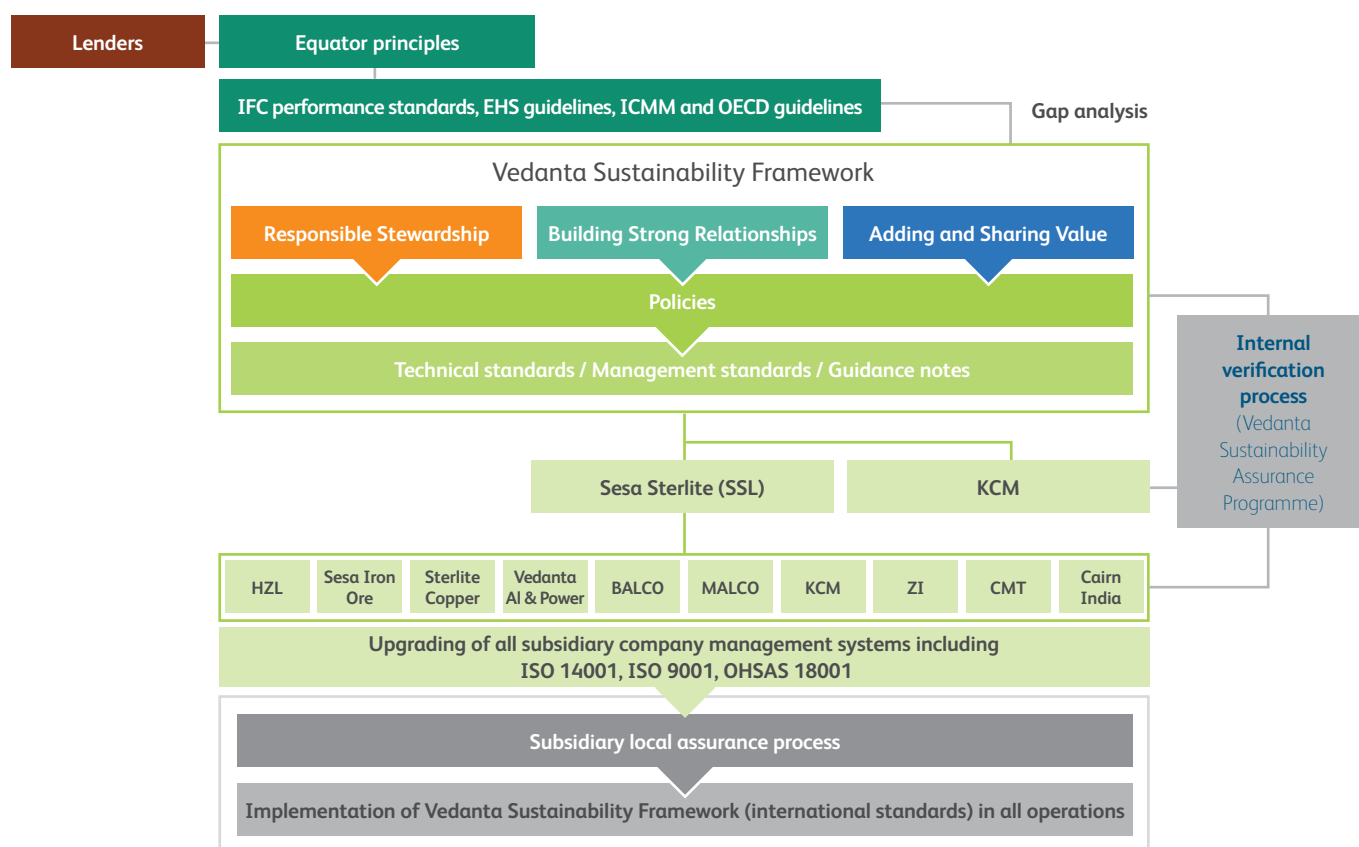
The development of our Sustainability Model and Framework over the last few years provides us with a robust structure to deliver all-round sustainable performance and consistency across our businesses.

Our Framework provides clear, structured guidance to all of our subsidiary businesses to manage their business sustainably. It comprises of a full set of policies, technical and management standards and supporting guidance notes aligned to international standards like IFC, ICMM and OECD guidelines.

We are committed to ensuring that the Framework is followed and managed in all our operations and new projects in order to continue our sustainability journey. Our subsidiary businesses conducted a gap analysis to identify the gaps between their existing management systems (such as ISO, OHSAS and Social Accountability standards) and our Framework. To bridge the gaps identified and to implement the Framework our subsidiary businesses undertook one or both of the following:

- upgraded their existing management systems to meet the requirements of the Framework
- implemented their management systems and the additional requirements needed to match the Framework

We continued providing training to our management teams to ensure there was a solid understanding of the Framework's requirements. We cascaded information down to our subsidiary businesses, providing on-location training to managers to ensure compliance by their teams. Large-scale posters and other support materials were provided to reinforce the key messages. To date more than 9,000 employees have been trained on the Framework. We are using the Vedanta Sustainability Assurance Programme (VSAP) to ensure Framework compliance, including through a programme of audits. More detail of how we are using our VSAP tool is available in the Sustainable management in practice section.

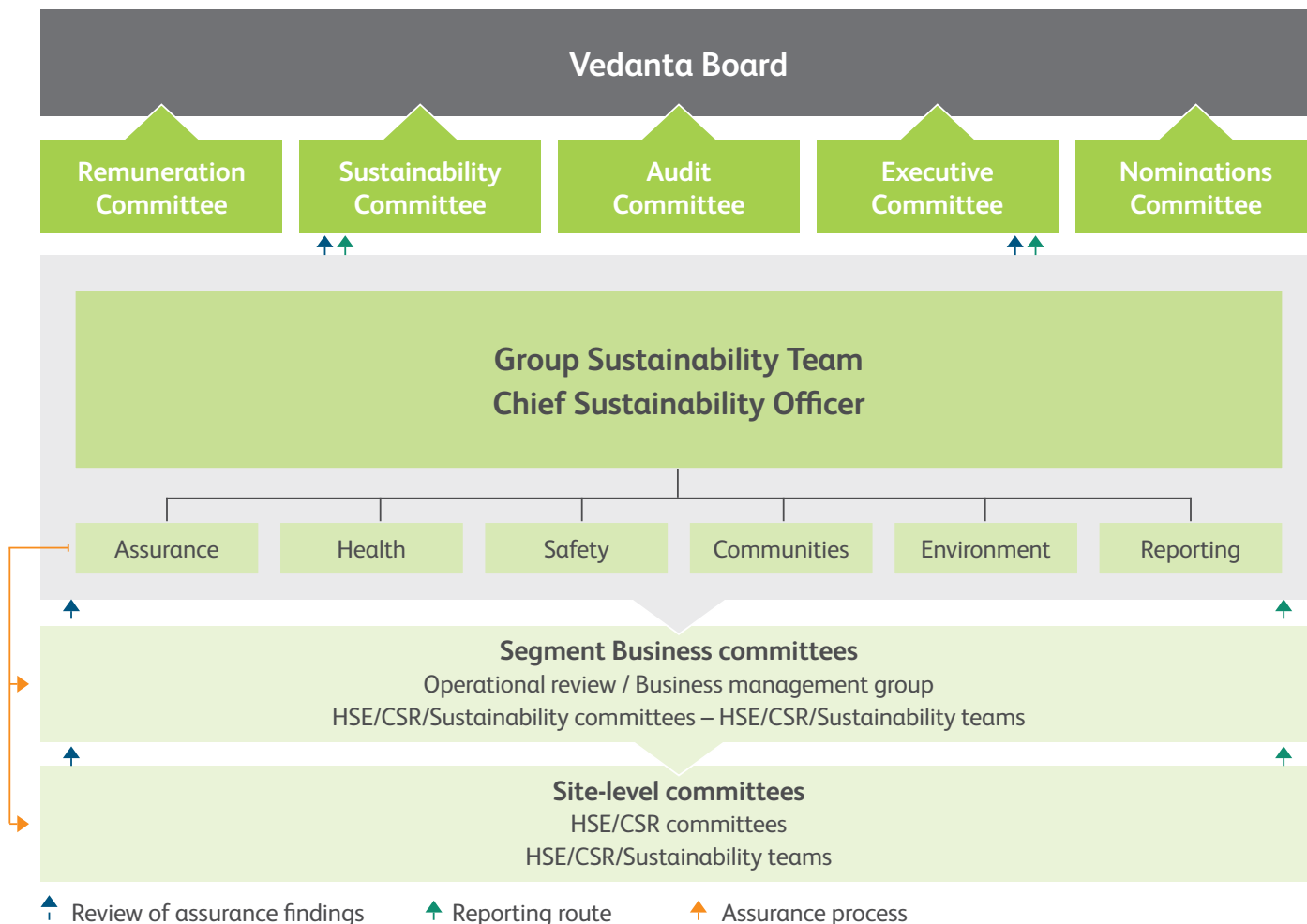


Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/approach-and-strategy

Approach and strategy continued

Managing sustainability

Sustainability is driven through all levels of the Group's subsidiary businesses and we have a clear structure for managing and implementing our Sustainability Framework from the Group to the operational business units.



Sustainability Committee

The Vedanta Board is responsible for all aspects of sustainability across the Group and acts through the Sustainability Committee. The Committee is chaired by the Senior Independent Director (Vedanta), CEO (Vedanta) and the CEO (Base Metals – Africa and Australia). All subsidiary business CEOs have a permanent invitation to attend and participate in the Committee's meetings. The Committee oversees and reviews sustainability performance and the Committee Chairman regularly updates the Board on its progress.

Following Mr. Naresh Chandra's retirement from the Board, Non-Executive Director Mr. Euan MacDonald assumed the Chairmanship of the Sustainability Committee.

Executive Committee

The Executive Committee supports the Board and oversees the implementation of the Group strategic initiatives set by the Board. The Committee is chaired by the CEO (Vedanta) and comprises senior management including Group CFO, Business CEOs and CFO etc. Apart from the business goals and performance, the Committee reviews the sustainability practices including the safety, environment and community relations aspects on a periodic basis.

The Committee also reviews the VSAP findings and each company performance on the VSAP assurance process.

Segment business committees

Each of the subsidiary businesses has developed their own corporate mechanisms, such as health and safety, and social committees to deliver on their targets and to drive sustainability across their operations.

Activities of these committees included a review of our sustainability KPIs of water, energy, carbon, employee attrition, community investments, subsidiary business performance and key sustainability issues including community impact and beneficiaries. In addition, site-level committees considered local issues, including community engagement programmes, contractor engagement and site-specific incidents.



Details of the roles and responsibilities of all our committees can be found at:
vedantaresources.com/SustainableDevelopment2013-14/overview/approach-and-strategy

Approach and strategy continued

Sustainability Committee

The Vedanta Board is responsible for all sustainability aspects across the Group and acts through the Sustainability Committee. The Committee also carried out a self-review of its performance on the mandate provided by the Board.

This year, the Committee considered and oversaw:

Health and safety	<ul style="list-style-type: none"> • Review of all fatalities and their root causes; action plans in response to mitigate risk of harm to employees and contractors • Review of Key Safety Focus Area programme • Behavioural safety initiatives programmes at HZL • Safety key performance indicators (KPIs) and setting medium-term targets • Review of action plans and future strategy of serious incidents at TSPL, KCM, CMT and HZL operations
Environment	<ul style="list-style-type: none"> • Review of Group water savings and initiatives • Review of Group energy savings and initiatives • Environmental KPIs and medium-term targets • Review of waste utilisation plans and initiatives • Review of environmental incidents
Community relations and stakeholder engagement	<ul style="list-style-type: none"> • Overseeing the internal risk assessment on child labour and human rights • Expectations cited by stakeholders during the 2013 Annual General Meeting
Sustainability Framework and Reporting	<ul style="list-style-type: none"> • Vedanta Sustainability Assurance Programme action plans and updates • Implementation of Safety Guidance Notes • Review of Group SAP-Environment Health and Safety technology solution • Review of final Scott Wilson audit process and closure of its recommendations • Validation of Vedanta Sustainable Development Report 2012-13

More information on the Committee's mandate and, activities performed can be found by contacting sustainability@vedanta.co.in

Message from the Sustainability Committee Chairman



"This year I was pleased to assume the Chairmanship of Vedanta's Sustainability Committee. In overseeing my responsibilities as laid down by the Board, and in managing Vedanta's business sustainably, I will be guided by the three pillars of Responsible Stewardship, Building Strong Relationships and Adding and Sharing Value, which together have proven to be a valuable model for the Company's sustainable growth.

Over the course of the year, the Committee was particularly concerned to focus on the unacceptably high number of fatalities suffered across our business, to understand their root causes and to monitor the business response through the 'Key Safety Focus Areas' programme, launched to strengthen our mitigation of safety risks. The Committee also recognised that subsidiary businesses needed to improve their stakeholder engagement and change management processes. We recommended that with regard to human rights and child labour compliance subsidiary businesses need to be extra vigilant at the loading and unloading operations in remote areas. Water, energy and waste consumption targets were also reviewed by the Committee and we emphasised the importance of having robust plans to ensure these targets are met. The Committee further recommended hiring a Group safety adviser to help and support Group companies on safety-related issues.

I would also like to take this opportunity to thank management across our subsidiary businesses for their commitment to VSAP, which has been a demanding exercise."

Euan MacDonald – Sustainability Committee, Chairman



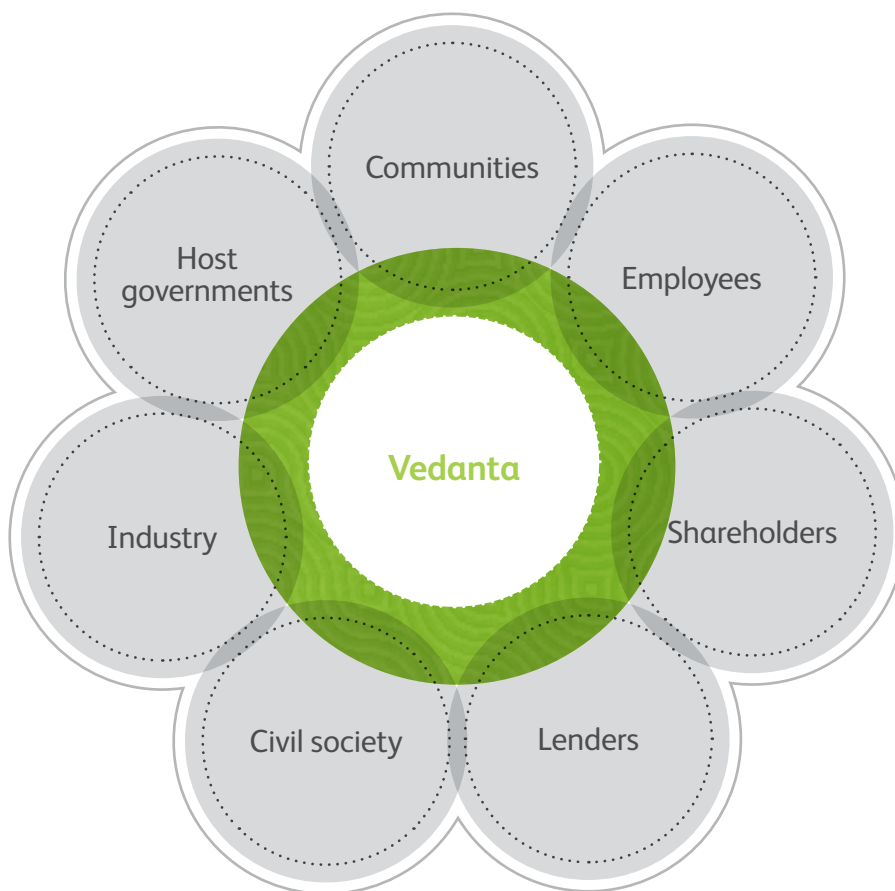
Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/approach-and-strategy

Materiality

Our journey... towards meaningful stakeholder engagement

Stakeholder engagement deepens our understanding of the political, social, economic and environmental context of our business and the expectations of our stakeholders. This approach allows us to identify our material issues, which are those issues that are deemed important to our stakeholders and to the sustainable operations of our business, and inform the issues we discuss throughout this report. By identifying our material issues we are able to most efficiently direct our resources and management time to those issues with the potential to have the largest impact on our business.

Our key stakeholder groups



More information on the business approach to stakeholder engagement and the various channels that we use to communicate with our stakeholders can be found in the Building Strong Relationships section of this report.



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/materiality

Materiality continued

Mapping our material issues

In 2013-14, we engaged with both internal and external stakeholders through a formal consultation process.

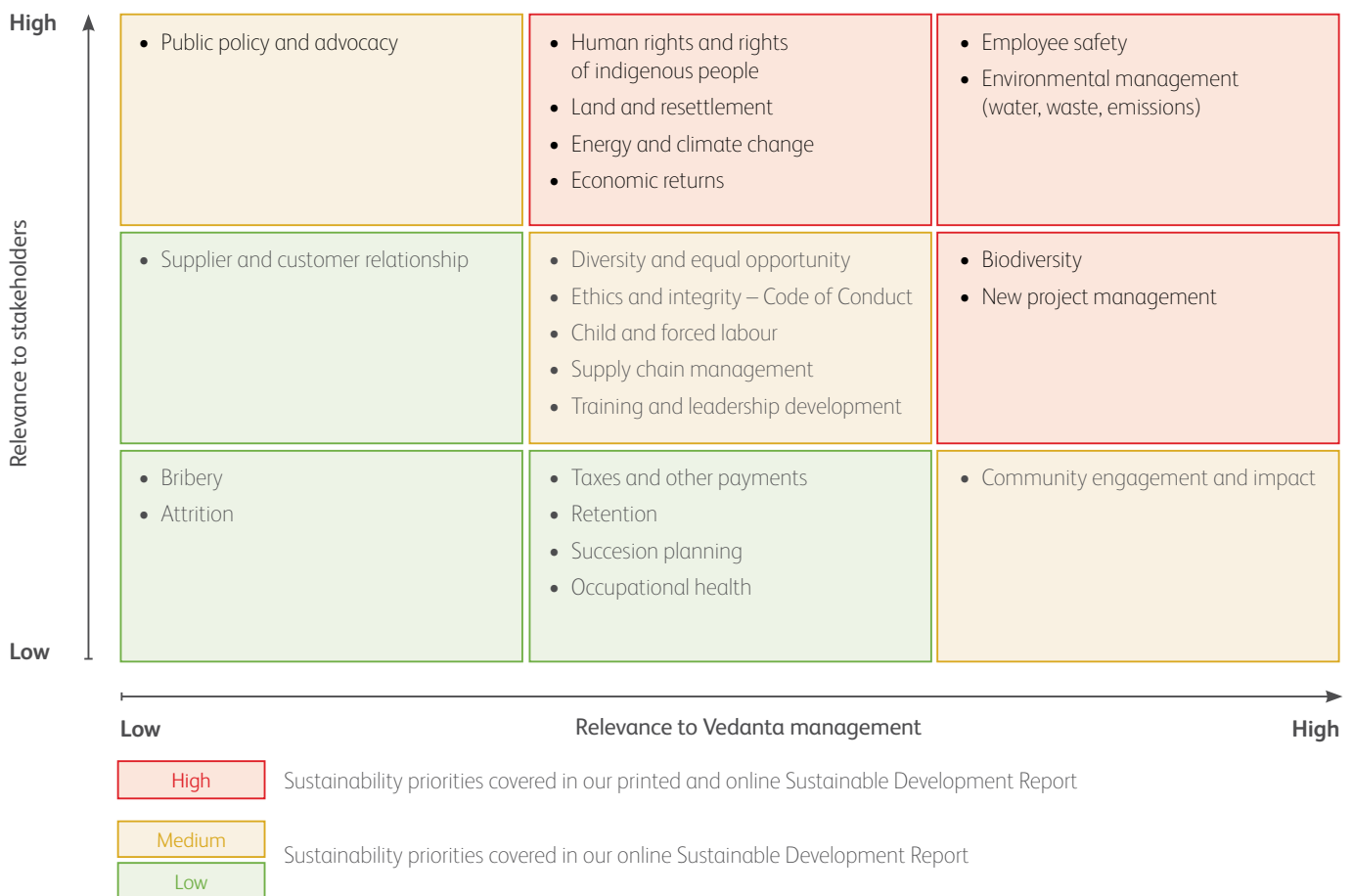
This comprised:

- Interviews with shareholders, lenders and civil society organisations
- Interviews with Vedanta employees who manage host government and supplier relationships
- Surveys of employees and community groups
- Ongoing engagement with Vedanta's Investor Relations, Human Resources, Commercial and other corporate teams
- CEO and senior management team discussions
- Vedanta Sustainability Assurance Programme findings

These engagements have enabled us to identify the priorities and expectations of our stakeholders and our management. For our stakeholders, this included eliminating fatalities; human rights and the rights of indigenous peoples; our approach to new projects; and adherence to international standards. Management also highlighted the importance of reducing fatalities; environmental management; community engagement and impact; new project management; operational risks; and training and leadership development.

We have translated these priorities into material business issues and mapped them onto the matrix below in order of relevance. These material issues inform the content of this report, whilst those of high relevance also feature in our printed summary report, which is available as a downloadable PDF.

Materiality matrix



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/materiality

Objectives and targets

Our journey... of continued progress

In the table below we have outlined our key sustainability objectives and targets, our performance this year in meeting these targets and our 2014-15 goals. These predominantly reflect the material issues that are important to our stakeholders and management.

Objectives and targets 2013-14	Status	Performance FY 2013-14	Objectives and targets FY 2014-15
Responsible Stewardship			
Health and safety			
Achieve zero fatal accidents	↓	There have been 19 fatal accidents. All incidents have been investigated. Lessons learned are shared across Group companies to avoid recurrence	Achieve zero fatal accidents
Lost time injury frequency rate (LTIFR) to be less than or equal to 0.70 (operational only)	↑	LTIFR: 0.54* LTIFR (Operational only): 0.68	LTIFR to be less than or equal to 0.51
Total recordable injury frequency rate (TRIFR) to be less than or equal to 1.7 (operational only)	↓	TRIFR: 1.55* TRIFR (Operational only): 1.94	TRIFR to be less than or equal to 1.47
Behaviour-based safety training module to be piloted at one site	↑	Behaviour-based safety module initiated at our HZL and Sesa Sterlite – Jharsuguda and Copper subsidiaries	Behaviour-based safety training module to be rolled out to other subsidiary businesses
Environment			
Water savings – MCM of water – 6.12 Energy savings – million GJ – 2.15	↓	Owing to disruption in production at our SSL – Copper, Iron and Lanjigarh operations and CMT subsidiaries, along with the delay in the commencement of some scheduled initiatives, the Group could not achieve the estimated water and energy savings. Further, our KCM mines have had to withdraw large amounts of underground water due to the high water table in the region. Excluding KCM, the absolute water and energy savings were 2.53 MCM and 1.33GJ respectively	Water savings – MCM of water – 2.49 Energy savings – million GJ – 0.87
Report on Scope 3 emissions disclosure by 2015-16	→	Subsidiary businesses established the systems and started reporting Scope 3 emissions internally	Report on Scope 3 emissions by 2015-16
Initiation of high-risk Biodiversity Management Plans (BMPs) across all sites	→	High-risk BMPs are being initiated at our KCM and HZL subsidiaries	By 2015-16, all sites to have BMP in place
Continue to monitor new projects and site closure as per the Sustainability Framework	↑	All new projects at KCM, HZL, ZI subsidiaries are being managed as per Framework Similarly, the Lisheen site closure plan has been put in place in compliance with the Framework	Continue to monitor new projects and site closure as per the Sustainability Framework
5% increase in non-hazardous waste recycled tonnage against baseline FY 2012-13	↑	Total generation – 10.28 million MT Total recycled – 7.62 million MT Total recycling rate – 74% >20% recycling as compared to 2012-13	5% increase in non-hazardous waste recycled tonnage against baseline FY 2013-14
<div>  Achieved  Not achieved  In progress </div>			

* Operations and projects



Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/objectives-and-targets

Objectives and targets continued

Objectives and targets 2013-14	Status	Performance FY 2013-14	Objectives and targets FY 2014-15
Responsible Stewardship continued			
Assurance			
Each site to be assessed annually	↑	All sites assessed annually	Each site to be assessed annually
Closure of Scott Wilson recommendations	↑	All recommendations closed	No ongoing actions as Scott Wilson recommendations are now part of our Framework
Building Strong Relationships			
All sites to upgrade their existing Stakeholder Engagement Plans (SEPs)	↑	All major sites upgraded their existing SEPs as per the Sustainability Framework, implementation in progress	Implementation of SEPs to be monitored. All sites to review their needs and impact assessments and upgrade SEPs accordingly by 2015-16
Human rights training to be continued as part of the Sustainability Framework training calendar	↑	Human rights and Code of Conduct training is now included as part of the HR training calendar More than 20,000 man-hours of training in CoC and human rights	Ensuring the 100% coverage of human rights and Code of Conduct training for all new hires
All sites to develop/upgrade grievance management systems	↑	All major sites upgraded their existing grievance management systems as per the Sustainability Framework	Implementation of grievance systems to be monitored
Adding and Sharing Value			
Training and development			
Improve coverage of Code of Conduct training programme (% of workforce coverage)	↑	59% of employees have been trained in human rights and Code of Conduct training	Ensuring the 100% coverage of human rights and Code of Conduct training for all new hires Roll-out of Technical ACT-UP in all Group companies for the identified technical roles
Identification and mentoring of next generation of leaders through integrated and intensive development exercises to encourage and enable an ability to assume more senior roles and responsibilities	↑	50 stars were identified for the fast track development programme. These stars have undergone an intensive development programme which included Action Learning Projects, learning labs/workshops and coaching sessions	Identification of next set of 50 stars for the intensive programme grooming next-generation talent for leadership roles
Diversity			
25% women representation at the Vedanta Board level by 2015	↓	Vedanta has been actively searching for and interviewing women candidates, with no appointment made to date	25% women representation at the Vedanta Board level by 2015 (all appointments will be made on merit) Continue to focus on diversity with an objective of 15% of total women hiring at a lateral and fresher level



Achieved



Not achieved



In progress

Related information: vedantaresources.com/SustainableDevelopment2013-14/overview/objectives-and-targets

Our journey... towards implementing sustainability controls

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Employees reviewing procedures at shop floor in BALCO operations

Responsible Stewardship...the ethos for building our business

The Responsible Stewardship pillar of our sustainability framework encapsulates our approach to managing our risks and how we conduct our business ethically. It also guides us in ensuring the health and safety of our workforce and how we minimise our environmental footprint.

All our activities are driven by our values and the commitment of the Group's leadership to operating to best practice standards across our operations – this starts with our Board, which is ultimately responsible for ensuring Vedanta is a sustainable business.



Materiality matrix specific to the Responsible Stewardship section

High Relevance to stakeholders ↑		<ul style="list-style-type: none"> Energy and climate change 	<ul style="list-style-type: none"> Employee safety Environmental management (water, waste, emissions)
		<ul style="list-style-type: none"> Ethics and integrity – Code of Conduct 	<ul style="list-style-type: none"> Biodiversity New project management
	Low	<ul style="list-style-type: none"> Bribery 	<ul style="list-style-type: none"> Occupational health
		Low Relevance to Vedanta management High	

Sustainable management in practice

Our journey... towards managing sustainability aspects

Sustainability is an ongoing journey for any business; however, 2013 marked a culmination of three years of work to embed our Sustainability Framework.

Our journey started with creating a set of policies applicable to all our subsidiary businesses, and supporting those policies with clear management systems, technical standards and guidance notes. The next step was training all key personnel in the activities and behaviours expected across the business to meet the requirements of the Framework – which is now an integral component of our human resources training calendar. To date more than 9,000 management employees have been trained in our Sustainability Framework.

The consistent reinforcement of the importance of the Framework was not only left for training, but also other channels, including linking management remuneration to key sustainability targets, communicating and

celebrating successes in meeting targets and compliance assessment through internal and external auditing, via our Vedanta Sustainability Assurance Programme. The diagram below outlines the expected journey all of our subsidiary businesses in achieving 100% compliance with the Framework and truly embedding our Sustainability Framework in the working culture across the Group.

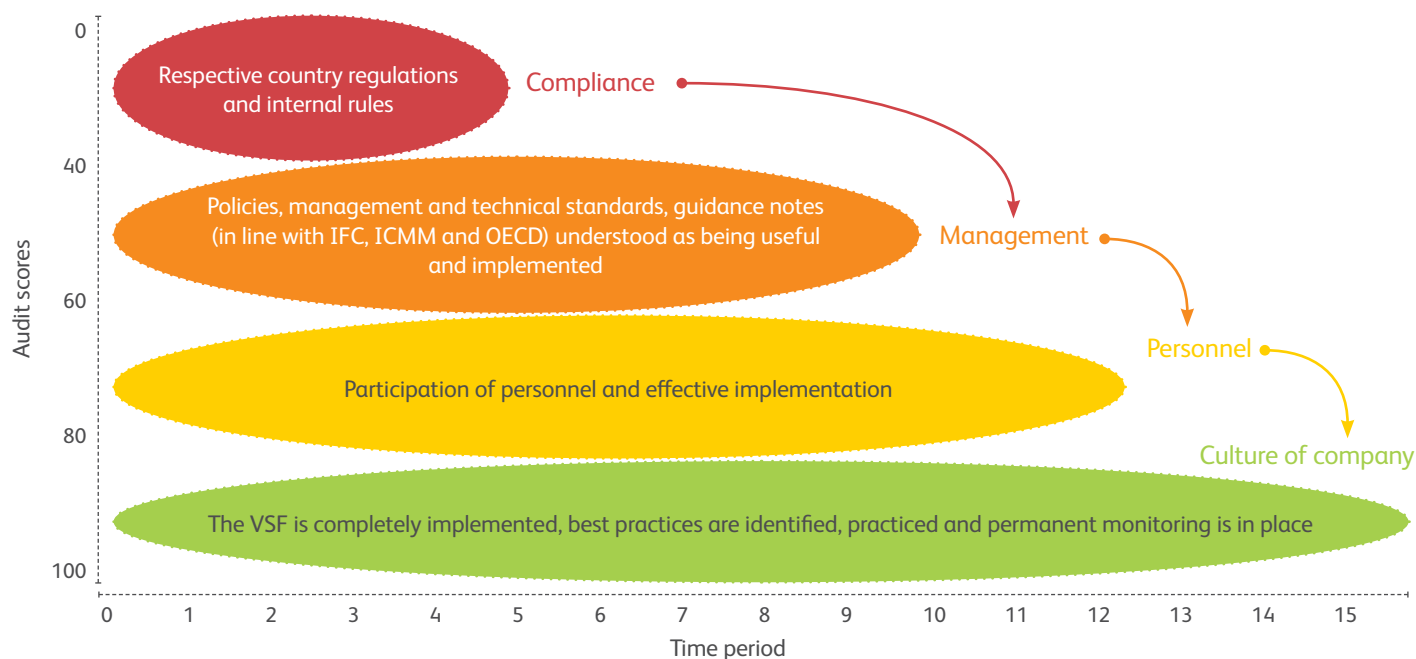
Vedanta Sustainability Assurance Programme (VSAP)

Beginning last year and fully implemented this year, VSAP is our sustainability risk assurance tool which we use to assess the compliance of all our businesses with the Framework, identify where gaps exist and address them. The assurance model has different modules, which cover environment, health, safety, community

and human rights elements. The assurance system works on the premise of tracking corrective and preventive action by our subsidiaries and undertaking periodic formal audits by the Corporate Sustainability team, supported by external experts.

VSAP is now an annual process with clear tracking of results by the Sustainability Committees and the Executive Committee which in turn reports to Board. As per the identified gaps, respective business management plans and undertakes corrective actions of gaps, which are periodically reviewed, evaluated and documented. The successes are also identified, highlighted and cross-learning opportunities are created. Last year our Zinc International business topped the VSAP compliance table.

Vedanta Sustainability Assurance Programme (VSAP)



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/sustainable-management-in-practice

Sustainable management in practice continued

VSAP is now an annual process with clear tracking of results by the Sustainability Committee and the Executive Committee which in turn report to the Board.

To further emphasise the importance of compliance, the biannual Chairman's Award has been established to recognise the best performing business against Sustainability performance, with VSAP scores as an important parameter. Last year SSL-Jharsuguda and BALCO won the Chairman's Award.

Audit Committee

The Audit Committee's MAS function assists the Board in maintaining and monitoring the Group system of risk management and internal controls. The main mandate of the Audit Committee includes:

- Monitoring the integrity of the financial statements

- Reviewing the Group's internal controls and risk management systems and considering the effectiveness of these systems
- Monitoring anti-bribery and corruption policies and procedures
- Reviewing the Group's arrangements for its employees to raise concerns through its Whistleblowing Policy

Fraud and Bribery Act

The Group is committed to the elimination of fraud, with each suspected case thoroughly investigated and concluded.

The Audit Committee reviews the actions taken by management in the elimination of fraudulent practices and to promote ethical working practices.

Whistleblowing procedure

The Group's Whistleblowing Policy supports the Group's aim of working to the highest ethical standards. The Audit Committee reviews any reports made under the Whistleblowing Policy and ensures that appropriate actions are then taken. The email address whistleblower@vedanta.co.in is available for issues to be raised confidentially, with those emails sent directly to the Head of the Management Assurance Services – MAS – who is independent of business management. Between January and December 2013, there were 90 whistleblowing cases, of which 32 were upheld, resulting in appropriate disciplinary actions including separation, warning, counselling and transfer.

Salient features of VSAP

Key modules:

- Compliance
- Objectives and targets
- Waste management
- Competency and training
- Management reviews
- Accident investigations
- Safety
- Environment management
- Social and stakeholder engagement
- Human rights

Audit methodology:

- Verification of documents related to management standards
- Verification of implementation
- Effectiveness
- Legal and statutory compliance review
- Facility inspection
- Interactions with personnel at facility
- Identifying potential risk situations in the facility, dialogue with the concerned persons
- Rating of the site based on the provided assurance document
- Conclusion with an agreement on further progress

Audit guidelines:

- All operations need to do self-assessment and report
- Currently all operations will be audited once a year
- Uses this following criteria:
 - Documentation
 - Implementation including training
 - Effectiveness
 - Sustainance



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/sustainable-management-in-practice

Sustainable management in practice continued

Environment and Social Impact Assessments (ESIAs) of new projects

We recognise that our success is dependent upon ensuring the right management systems are in place from the very beginning of a project, and that these processes and management systems are in accordance with international standards like IFC.

In order to ensure that new projects are properly derisked to obtain and sustain their licence to operate, we now follow the New Project Planning Process, conducting ESIA to international standards and site closure management standard, as prescribed by our Framework. It is mandatory that a baseline ESIA is commissioned for each new project, and now all our subsidiary businesses conduct ESIA to international standards. The management standard also obliges our businesses to ensure that adequate resources have been planned for, and are made available, to implement site closure plans including initiatives to prepare staff for closure, and retraining. All our mines have site closure plans.

We review all new projects and site closures for adherence to our expected standards and ways of working through the VSAP process.

We understand that consultation and feedback need to be obtained from stakeholders on how sustainability issues associated with the project are considered, prioritised and implemented. To support our business, we have continued to develop a team of internal experts who can assist our businesses to meet the rigorous expectations we have put in place.

This year, new projects and the stages of their planning and ESIA include:

**South Africa
Gamsberg**

The Gamsberg project is a greenfield zinc mining project. The ESIA for the project was initiated in May 2012 and was based on IFC requirements and local South African legislation. The project received final approval

and Environmental Authorisation from the Department of Environment and Nature Conservation (DENC), Kimberley in August 2013. As at the publication date, all necessary approvals have been received except for the Water Use License which is pending. A further engineering feasibility study is in progress which is due to be finalised by 2014-15.

Swartberg

This is an existing lead, copper and silver mine adjacent to our existing operational Deeps Mine. With falling ore grades and the impending exhaustion of the Deeps Mine, the Swartberg mine is a likely alternative to replace the Deeps Mine's resources, utilising existing infrastructure. Our Black Mountain Mining subsidiary has initiated an ESIA which was lodged with the DENC, Kimberley in January 2013. A draft scoping report is in the public domain for a commenting/consultation period of 40 days.

**Namibia
Gergarub**

The Gergarub deposit is a greenfield zinc deposit located in the south-western corner of Namibia, in close proximity to our Skorpion Zinc Mine. As the area of the study is located close to a biodiversity hotspot an ESIA study was commissioned before any other technical studies were initiated. The IFC standards, Equator Principles, Vedanta Sustainability standards and Namibian legislation were covered in the terms of reference for the study. The study commenced in August 2012, including the appointment of external consultants. Since commissioning the ESIA, a number of baseline studies have been conducted including vegetation, air pollution, fauna and health. BID documents were drafted and circulated which were used during the public consultation meeting and the authority's consultation meeting. The draft scoping report was prepared and published with all relevant documentation and was available for public comment. The study is targeted for completion during 2014-15.

**Zambia
Mimbula II Open Pit Mine**

This is a brownfield project in the Nchanga mine of our KCM subsidiary in Zambia. The project mainly involves open pit mining and its related infrastructure. A draft ESIA report was submitted to the Zambia Environmental Management Agency (ZEMA) for initial review. A public hearing was conducted on 25 January 2014 as part of the process. Inquiries have also been sent out for the review of the ESIA and for the bridging of any gaps, if identified. The process is anticipated to be completed by the second half of FY 2014-15.

**New Slag Dumpsite, KCM
(Nchanga Smelter)**

This is a brownfield project in which KCM wishes to establish a new granulated slag disposal site. This project also encompasses related activities such as transportation, site clearing and levelling, drainage systems and traffic control. Draft Terms of Reference have been reviewed by ZEMA. KCM is currently addressing ZEMA's comments and will commence the ESIA process.

**India
Hindustan Zinc Limited**

The brownfield projects to expand Sindesar Khurd Mine (located in Rajsamand, Rajasthan), Kayar Lead Zinc mine (located in Ajmer, Rajasthan), Maton Rock Phosphate mine (located in Udaipur, Rajasthan) and Zawar Mines projects are in the pipeline and have yet to receive environmental clearance (EIA) from the Indian regulatory bodies. A separate post-clearance ESIA process will be carried out as per Vedanta's Sustainability Framework.



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/sustainable-management-in-practice

Sustainable management in practice continued



Liberia

Western Cluster Limited

The Group purchased an iron ore resource in Liberia in 2011. An ESIA for WCL Liberia was completed in 2013 and an environmental permit was obtained for the mine and the related port and road project. The ESIA is uploaded on the official website of EPA Liberia as part of the disclosure of information to stakeholders.

“We are actively pursuing potential alternative industries and sustainable development projects for the mine site, to ensure a positive legacy is left and the socio-economic aspects of mine closure are adequately addressed.”

Lisheen has submitted its annual statement to the regulatory authorities in order to release money from the closure fund to pay for rehabilitation work in 2014.

In order to prove that the TMF rehabilitation plots can support livestock, heifers have been placed on the rehabilitated area of the TMF. The animals were fed on grass grown on the cap. During the winter they were fed on baled silage (cut from TMF field plots during the

summer months). Their health was monitored regularly by a local veterinary doctor and blood samples were taken to assess metal concentration levels. Metal concentration in the blood has been demonstrated to be normal (tests conducted by the UK State Vet Laboratory) and the animals have thrived on the TMF.

After-care at Lisheen will span 30 years, with an eight to ten-year monitoring period.



Ireland

Lisheen mine closure

The Lisheen mine is an underground lead and zinc mine located in north Tipperary, Ireland. Construction commenced in 1997 and the mine has been in production since 1999. The mine is currently expected to close in 2015.

We are actively pursuing potential alternative industries and sustainable development projects for the mine site, to ensure a positive legacy is left and the socio-economic aspects of mine closure are adequately addressed. A task force made up of local government representatives, Lisheen staff and members of governmental industrial development agencies are already working in partnership to manage the closure of the site and creating new livelihood options for the community. A sub-committee of the Community Engagement Forum has joined with Lisheen staff to form a closure committee, which meets on a quarterly basis.

The mine has been progressively rehabilitating the tailings management facility (TMF). Two phases of the TMF have been capped to date, amounting to 15 hectares, equivalent to 23% of the main TMF facility. Lisheen has given a commitment to the local community and to regulatory stakeholders to complete 60% of the cap for the main facility within the operational life of the mine, with the balance to be completed after the mine closes. It is planned to complete three additional phases in 2014, which will bring the rehabilitated area to 51%.



A view of our Geragub (Namibia) greenfield project



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/sustainable-management-in-practice

Health and safety management

Our journey... towards embedding a culture of zero harm

Health and safety management is a material issue across all our operations. We owe a duty of care to every one of the people who work for us. Accordingly, we work to understand and respond to the health and safety risks our business faces, beginning with creating a culture of compliance based upon our Sustainability Framework and its required behaviours.

This year we continued our journey to embed a zero harm culture, with targeted programmes for our high-risk operations. Through our Framework and our Vedanta Sustainability Assurance Programme (VSAP), we are creating a consistent behavioural approach across all our operations, regardless of geography, because we recognise that attitudes to health and safety can differ significantly across cultures.

Embedding a culture of zero harm

We are guided by internationally recognised standards on health and safety. All our subsidiary businesses are obliged to ensure that their safety management programmes meet the requirements of the Framework. In addition, 44 of our 52 sites are OHSAS 18001 certified. Several mechanisms like monthly meetings, safety alerts, leadership audits etc. are in place at Group, business and site level to manage health and safety issues.

Training and communication and reinforcement of health and safety messages are the main ways in which we embed a zero harm culture at our sites. We also work with our senior management team to ensure they are appropriately motivated to emphasise and reinforce this culture. Health and safety is a mandatory module in our HR training programme and health and safety outcomes are linked directly to remuneration to further emphasise its importance, as with other sustainability objectives.

All injuries are recorded and all information related to the lost time injury frequency rate (LTIFR), fatalities and key health issues are monitored and reviewed at the Sustainability Committee and the Executive Committee.

44 of our 52 sites are OHSAS 18001 certified

All our subsidiaries run robust on-site training programmes for both employees and contract workforce (induction and job-based) appropriate to the site's operations and contextual needs based on the linguistic and literacy skills of local employees and contractors. During the reporting year, 81,000 man-hours of safety training were delivered to our employees and contractors on subjects including working at heights, permit to work, job safety analysis, first aid, incident reporting, behaviour-based training Fall off Ground (FOG).

We conduct occupational health and wellbeing programmes relevant to the identified risks of each operation. These include baseline health studies to identify key occupational health risks and steps to mitigate those risks, which are audited through our VSAP tool. Medical screening is also provided to identify and provide medical treatment of illnesses and diseases relevant to the location, for example HIV (Zambia) and malaria (India and Zambia).

Looking forward

Over the coming year, we commit to achieving the following:

- Effective implementation of health and safety guidance notes to strengthen the identified gaps
- For operations identified as needing additional assistance, the VSAP process will occur twice a year
- Behavioural-based safety initiatives to be rolled out at other businesses
- Undertaking a review of the Unsafe Conditions Elimination programme
- Undertaking a visible leadership drive to increase the positive impact of our management team on safety culture
- All subsidiary businesses to review their contractor management processes, enforcing compliance with our expected standards



Fire safety drill at our Cairn India operations



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/health-and-safety-management

Health and safety management continued

Health

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

Our approach

Our approach to the occupational health of our workforce is structured within four areas: prevention, monitoring, support and recovery.

All units maintain a health management system that minimises, as far as is reasonably practical, the hazards and risks of their operations to employees and contract workers. We invest in technologically advanced processes that reduce possible exposure levels, workplace monitoring, including pollution control equipment, effluent treatment and the proper storage of hazardous chemicals.

Prevention

We provide first aid and occupational health training to employees and contractors along with site-specific personal protective equipment (PPE) and protective clothing. A number of health and wellness programmes and support services, including respiratory health and hearing conservation programmes, eye health checks, ergonomic surveys and the promotion of healthy lifestyles (including smoking prevention, exercise, yoga and weight loss); various company publications and activities are also provided.

Monitoring

Health management begins with a pre-employment medical check, followed by periodical medical check-ups with on-site medical professionals to monitor occupational exposure limits and disease, as appropriate. In FY 2014, around 150,000 medical examinations were conducted across all sites and a few cases of Musculo-Skeletal Syndrome and Noise Induced Hearing Loss (slight impairment) were identified.

During the year periodic tests to ascertain the Occupational Exposure Limits (OELs) in the work environment (for example, noise, dust and heat), and studies of illumination levels, heat stress and manual handling are undertaken.

Support and recovery

- All our businesses are well equipped with occupational health centres to treat illness and injuries in our workforce. Medical insurance is provided to 100% of our full-time employees whereas contract employees are covered by either Employee State Insurance (ESI) or through Group insurance/workmen's compensation.
- Specific stress management programmes are offered to groups of employees identified as being at risk, such as our drivers and shop floor operators who are exposed to high-noise areas. A new Hearing Conservation programme has been initiated, which includes additional training to employees on the use of hearing protection (ear plugs or muffs) and an illustration of noise levels to emphasise the importance of hearing protection and the use of acoustic chambers for equipment.
- The provision of on-site safety equipment, including chemical neutralising agents in case of spills (and training in their use) and heart defibrillators.
- We offer training and instruction on healthy lifestyles and disease prevention and treatment, with localised programmes for specific diseases such as HIV and malaria. Health and wellness facilities, including on-site fitness centres, are provided and our weekly health tips by email at some of our businesses have also proved to be very popular. Healthy living messages are reinforced in internal publications and our health and wellness days and weeks address specific themes.
- Regular sports programmes and competitions for both employees and contractors promote healthy and active lifestyles and workforce engagement.

Community health

We understand our obligation to the families of our workforce and the communities that surround our operations. Accordingly, we offer them a wide range of on-site and out-reach health and disease prevention and treatment programmes, which are discussed in more detail in the Community section.



Occupational health centre at BALCO



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/health-and-safety-management

Health and safety management continued

Safety

We operate in challenging environments and while we have made many improvements in how we run our business, our rate of fatalities and serious injuries remains completely unacceptable, and below what we and others expect of a business of our scale and ambition. Work has been done to address this and we will continue to improve further through more rigorous training, scientific risk mitigation and constant reinforcement of our expectations, particularly by working closely with our contractors.

Our approach

Our approach to achieving a zero harm culture and environment begins with hazard identification and risk assessment. Management systems are designed to identify and remove unsafe conditions, train our people in safe practices and ensure correct behaviour through management leadership.

Over the past three years we have adopted a set of policies, technical standards and management processes to ensure a consistent approach across our subsidiary businesses. Ensuring compliance with these has been our main task this year, using our Vedanta Sustainability Assurance Programme (VSAP) tool. Whilst we are still some way from achieving our safety goals, the rigorous compliance and audit processes we now have in place are expected to have a significant impact over the coming years.

In parallel with rolling out a unified set of processes and standards, a key tool used to raise our safety outcomes has been our Elimination of Unsafe Conditions Programme, which focuses on high-risk areas and processes, including conveyors, machine guarding, pressure vessels and welding machines. As of now almost 20,000 modifications have been made to mitigate risks.

This year, we have further evolved our approach: through a rigorous analysis of safety gaps and further opportunities for rectification, achieved by applying our VSAP tool and using the assistance of external experts. As a result, we have identified six Key Safety Focus Areas (KSFAs) and have rolled out targeted programmes to directly address those risks. The areas were identified on the basis that approximately 75% of incidents causing lost time due to injury or fatalities fell within one of these six areas.

Key Safety Focus Areas (KSFAs)

- **Work at height** – awareness of risks related to working at height and ensuring adherence to the working at height standards
- **Fleet safety** – aims at avoiding, reducing and minimising serious accidents associated with fleet movement.
- **Lock out – Tag out (LOTO)** – energy (electrical, hydraulic and pneumatic) isolation through a proper lock out – tag out system
- **Machine guarding** – management of hazards related to rotating and moving machinery
- **Permit to work** – awareness and effective implementation of permit to work system
- **Pedestrian management** – managing pedestrian safety particularly near fleet and machinery

To address these areas of risk we are:

- Releasing specific guidance notes to address each of the six identified risk areas
- Releasing specific risk area audit templates to assess site compliance
- Mandating that our sites submit self-scored audit results against the template
- Conducting monthly reviews of action plans against the gaps identified
- Hiring external experts to assist businesses improve processes in each of the six areas
- Targeting 100% KSFA compliance



Our KCM employees at work in underground operations



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/health-and-safety-management

Health and safety management continued

Safety continued

CASE STUDY

Safety excellence journey at Hindustan Zinc Limited

As part of Hindustan Zinc Limited's (HZL) drive to build a world-class safety culture, the business appointed DuPont to assess and understand HZL's safety culture and assist the business in reaching its safety goals. Underlining the importance that HZL attaches to the project, the appointment is for a four-year term, which commenced in October 2013.

Launched under the banner 'Aarohan' (journey towards excellence), the importance of HZL's new safety journey was illustrated by those attending its commencement: senior HZL management, union representatives, government officials, senior management of DuPont and all HZL employees. A new safety mascot and the slogan 'My Safety My Responsibility' was launched, which will be used throughout the Company for all safety promotion activities and stakeholder communications.

To support the initiative, HZL also launched a four-point engagement plan based on:

- Engaging leadership and line management
- Building strong foundations and safety management systems
- Building skills, coaching and competency for the consistent implementation of the safety programme
- Enhancing safety management systems and competency

To date, activities have included: the formation of the Corporate Safety Council; an HZL leadership Engagement Alignment Session for top management; Felt leadership and values workshops; the training of 220 executives in leading safety efforts and incident investigation training. These activities along with a wide range of plans are designed to enable HZL to achieve a positive health and safety cultural transformation – leading directly to improved outcomes for its employee and contract workforce.



Employees proceeding through decline at HZL operations

At Cairn India, more than 4,000 people were trained in defensive driving, reducing their motor vehicle accident frequency rate to 0.07 from 0.49 per million km



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/health-and-safety-management

Health and safety management continued

Safety continued

Embedding the safety culture

To embed a culture of zero harm, we undertake regular, compulsory training; for example, all new Cairn India employees are required to attend a three-day training programme to cover specific on-site health, safety and environment (HSE) procedures. We also reinforce safety training messages on-site through infographics, other media and issue-specific safety days and weeks – including our 'Perfect Day' campaign at all rig sites. Below we provide an example of the communications calendar used by our Skorpion Zinc subsidiary business as part of their ongoing safety training and awareness campaign.

Safety communication calendar – Skorpion Zinc mine

Month	Monthly safety topic for discussion	Quarterly safety campaign
April 13	Hot metals	'Leading with sustainability' Going green, keeping it bright, saving energy, my green contribution
May 13	Chemical and hazardous substances	
June 13	Safety fundamentals	
July 13	Heavy mobile equipment and light vehicles	'Man in mirror campaign'
August 13	Mechanical handling – crane and sling operations	
September 13	Safety fundamentals – slips, trips and falls	
October 13	Working at heights	'It wasn't me'
November 13	Energy and machinery isolation	
December 13	Heavy mobile equipment and light vehicles	'Speeding!! What's in it for me'
January 14	Accumulations of water and liquids	'My big three'
February 14	Mining, quarrying and stockpile operations	
March 14	Confined spaces	

Specific activities undertaken in 2013-14 included: Konkola Copper Mine's Fall of Ground mine support education campaign which has been designed to prevent rock falls in mining operations; HZL's utilisation of external consultants for specific training, including the Indian School of Mines' training on safe and efficient blasting practices; a new behavioural safety tool rolled out at Hindustan Zinc, who also launched the AAROHAN safety drive in association with DuPont; and mining simulators installed at HZL's RAM underground mine and at SKM.

Our management of contractors continues to be an area that requires attention, and this year we continued to strengthen our approach, updating mandatory safety clauses in third-party contracts and focused on-site contractor safety training. In accordance with our suppliers and contractors technical standards which we have rolled out, contracts across all our operations are now to include a specific safety and sustainability checklist and criteria. Contracts can only be awarded to a vendor if the safety requirements as outlined are complied with.

Safe behaviour initiatives

We emphasise the importance of reporting near miss incidents and the identification of unsafe behaviours. Safety training forms part of our line manager HR induction programme and safe behaviours are reinforced by senior leaders and line managers' who visibly 'walk the talk' on-site and monitor compliance.

We continued to roll out behaviour-based initiatives, building on the work we have done

in previous years. These programmes are an important tool in creating a cultural mindset that embraces our goal to strive for zero harm to our workers. For example, the Zero Incident Process (ZIP) was introduced at Skorpion Zinc. ZIP is a behaviour-based intervention to empower the workforce to be safe in all aspects of their life and was facilitated by external experts. We also reinforce our expectations with a variety of programmes designed to stimulate thinking and embed a culture of zero harm.



Safety briefing and activity preparation talk at TSPL operation



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/health-and-safety-management

Health and safety management continued

Safety continued

Road safety

Road safety continues to be a priority for the business due to the ongoing risks it presents to employees, contractors and the public. This year our road safety programmes continued, including multiple road safety week celebrations across our subsidiary businesses. These included Sesa Sterlite Jharsuguda celebrating a road safety week, which included coaching the community and the drivers regarding road safety. Hindustan Zinc Limited (HZL) signed a memorandum of understanding with Rajasthan Parivahan Nirikshak Sangh (RPNS) and the All India Federation of Motor Vehicle Departments to create the Rajasthan Road Safety Awareness Mission. HZL provided the financial assistance for a safety van, and RPNS are administering an awareness campaign which will encompass HZL units, schools and nearby villages. At Cairn India, more than 4,000 people were trained in defensive driving, adding to the 2,000 trained last year. This is having a significant impact on Cairn's motor vehicle accident rate (MVARF) which is currently at 0.07 per million kilometres, a significant improvement on the rate before training commenced, and a further improvement on last year's recorded rate of 0.49 per million km.

Safety performance 2013-14

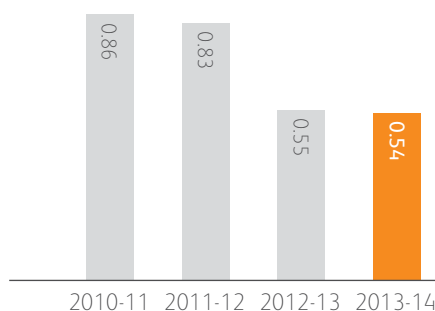
There has been an overall declining trend in the incident rates experienced by the Group with a lost time injury frequency (LTIF) rate in the reporting period of 0.68 (excluding projects), a 6% decrease compared to last year, accounting for 5,566 man-days lost. Regrettably, however, we did experience 19 fatalities in 2013-14 (11 in India, four in Africa, one in Ireland and three in Australia). This is of great concern to the business, with any fatality a tragedy for all concerned. Each subsidiary company's CEO or COO presented a detailed appraisal of the root causes of each fatality to the Board's Sustainability Committee and updated them on action plans in response.

In 2013-14, around 68% of the fatalities were due to a fall from height (6), fall of ground (4) and electrical (2). To mitigate risks in these areas, we have released Working at Height and lock out – tag out guidance notes, with fall of ground guidance notes in preparation and expected to be released in 2014-15. These guidance notes are designed to strengthen the sites' risk mitigation in accordance with global best practice, supported by a 100% compliance drive to prevent further incidents in these areas.



Road safety week celebration at SSL-Jharsuguda operation

LTIF rates (operations and projects)



Lost time injury frequency rate (LTIFR) in the reporting period of 0.54 (excluding projects), a 2% decrease compared to last year

CASE STUDY

CASHe – Change Agent for Safety, Health & Environment

Sesa Sterlite Aluminium Division – Jharsuguda introduced a new initiative called Behaviour-Based Safety (BBS). To achieve the Group aim to create a zero harm culture, BBS seeks to create a positive HSE culture within operations, and CASHe was introduced in July 2013 as a tool to achieve this goal.

CASHe of workshops conducted by a professor of psychology who led discussions and training on creating a culture of safe and healthy working. The workshop was attended by 550 employees and was supported by the launch of an online BBS reporting system and the formation of a Jharsuguda plant committee. The committee was tasked to lead awareness sessions of BBS and to emphasise importance of reporting breaches of accepted behaviours.



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/health-and-safety-management

Environmental management

Our journey.... towards protecting the environment

Environmental management forms a key component of our Sustainability Framework and is applied to the entire lifecycle of all our operations with processes mapped against international standards.

We strive to achieve a culture beyond compliance when it comes to environmental management. In this we are supported by the policies, technical standards and guidance notes we have in place through our Framework to manage biodiversity, energy and carbon, water, health, safety and waste issues. For the material environmental issues arising from the materiality process, we have developed specific objectives and targets. We review the performances of these issues on a periodic basis, particularly with regard to energy and water management, and our management teams are given training to embed their understanding of how to meet the Framework requirements.

Environment management

We understand that the nature of our operations has implications for the environment in different ways – through the emission of particulates, wastes generated in mining, refining and smelting processes, water consumption and changes in land use. We are committed to minimising our environmental footprint from the start of operations to closure and beyond.

Building on the ISO 50001 certification of our SSL – Lanjigarh operations, this year our SSL Copper – Tuticorin and Silvassa, SSL – Jharsuguda and SSL – Jharsuguda IPP businesses also obtained their ISO 50001 certification

As part of continual improvement, we planned to obtain ISO 14001 certification at all our sites and 45 of our 52 operations are now certified, with three additional sites obtaining certification in 2013-14. ISO 14001 accreditation helps us to regularly review the environmental management system (EMS) and we have programmes in place to mitigate the identified environmental impacts of our products and services. In addition, building on the ISO 50001 certification of our SSL – Lanjigarh operations, this year our SSL Copper (Tuticorin and Silvassa), SSL – Jharsuguda and SSL – Jharsuguda IPP businesses also obtained their ISO 50001 certification. We spent US\$57 million on environmental management improvement projects across the businesses.

The robustness of our EMS and ISO implementation is assessed using VSAP, with five of the 16 modules specifically addressing environmental management. All our subsidiary businesses have been assessed against these modules and gaps were identified in energy, water management, greenhouse gas (GHG) emissions and biodiversity. All our businesses have put in place action plans to close these gaps in 2014-15.

In accordance with our Sustainability Framework, we also conduct Environmental and Social Impact Assessments (ESIA) across all new projects. An update on our ESIA progress this year is available in the Sustainability Risk Management section, which includes the environmental clearance of our Gamsberg project in South Africa and other project updates.

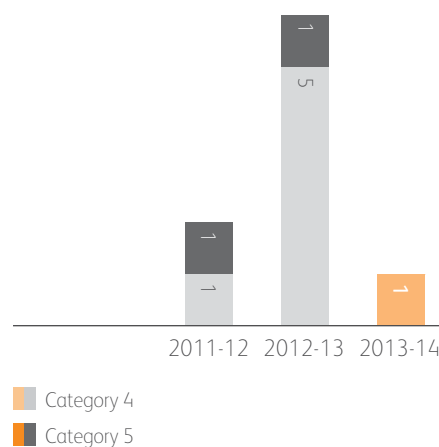
Environment incidents

We strive for zero environmental incidents and have a robust internal process, including categorising incidents according to severity, for managing any incident that does occur. Subsidiary businesses monitor, report and investigate all incidents with the aim of applying lessons learnt, to prevent the recurrence of similar events, and share learning across the Group.

Our internal system of incident reporting categorises them according to their severity, from one (lowest) to five (highest/most significant), with the Sustainability Committees and Executive Committee reviewing category four and five incidents on a quarterly basis whereas all incidents are reviewed in Group environment meetings on a monthly basis.

During the reporting period, we did not experience any category five incidents and only experienced one category four incident at our Hindustan Zinc plant, that is described on the following page.

Category 4 and 5 incidents



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

We are committed to minimising our environmental footprint from the start of operations to closure and beyond

Acid spill at Hindustan Zinc

In January 2014, an acid tanker carrying sulphuric acid overturned while negotiating a sharp turn on a village road near our plant boundary. The tanker casing was cracked, causing the entire concentrated sulphuric acid to spill on barren land. Remediation was immediate, by spreading approximately 50 tonnes of lime to neutralise the acid content in the soil. The affected soil was removed and was disposed in a secure landfill. Further, soil samples were collected from the affected area, and tested and found to be normal following our actions.

Several corrective and preventive actions, like assessment of a driver's skill, training and coaching, review of tanker integrity systems and widening of roads have been taken to ensure safe driving in the future.

SSL-Copper update

With reference to the Madras High Court case wherein the Supreme Court in 2013 appointed an independent investigation team – consisting of the National Environmental Engineering Research Institute (NEERI), the Tamil Nadu Pollution Control Board (TNPCB) and the Central Pollution Control Board (CPCB) – it was found that the business meets all the required standards. Based on the NEERI Report of 2005, wherein certain parameters were found to be exceeding the standard, the Supreme Court of India ordered SSL Copper to deposit US\$18 million with the Collector, Tuticorin as a fixed deposit in a nationalised bank, the interest on which will be spent on suitable environmental improvement measures in the vicinity of the plant.



Our reclaimed senquilim mine at Sesa Sterlite – Iron division

Looking forward

Although not all the environmental targets were met in 2013-14, we are very encouraged that our management teams have embraced and undertaken different environmental initiatives. Over the coming year, we commit to achieving the following:

- Closing of gaps identified by VSAP
- Working closely with our subsidiary businesses to ensure all environmental targets are met
- The finalisation of Biodiversity Management Plans (BMPs) to achieve our 2015-16 target
- Improving the waste management recycling rate, in particular for fly ash
- Reviewing our GHG emissions plans and performance
- Managing new projects in accordance with our Framework



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Water

We recognise the value of water as an increasing global concern and are conscious of the impact of its use in mining, smelting and refining and at our power plants. The water we use comes from a variety of sources, including ground, surface, rainfall and municipality supplies.

Water management is a material issue for our business because many of our operations are in water-scarce areas. For those that are not in water-scarce areas (such as Konkola Copper Mines, Copper Mines of Tasmania and Lisheen) we also ensure we have programmes in place to protect this precious resource.

Water management

Our approach is outlined in our water policy and delivered through our water management standard. We facilitate the integration of water management into decision-making processes for new and existing projects, which helps ensure all necessary measures to avoid or minimise and, in some cases, compensate for the impacts of our projects are taken. This includes an obligation for all our subsidiary businesses to conduct a basic water screening assessment to identify sensitive water resources, aquatic habitats and any known or suspected water resource constraints in proximity to each operation. Most of our subsidiary businesses have prepared a Water Resources Management Plan (WRMP) to eliminate, minimise, mitigate and manage impacts on water resources.

Initiatives on water management

Rain water harvesting is undertaken by HZL, SSL – Jharsuguda and SSL – Copper and Iron ore divisions. For many years our Iron Ore division has met its water requirement through harvesting rain water.

Cairn India's operations utilise the abundant supply of sub-surface saline water to meet its operational and domestic water needs, with water required for injection into the reservoir to maintain hydrocarbon reservoir pressure. In the Rajasthan block, the Central Ground Water Authority (CGWA) has approved saline water abstraction. An extensive and ongoing ground water monitoring programme is in place to track the behaviour of the reservoir due to the proposed abstraction. Cairn works closely with the government and the regulators to ensure that data is transparently shared and that its activities do not pose any risk to the fresh water resource of the region, with the fresh water requirements of the plant being met by the desalination of saline water. Importantly, early in the project's lifecycle the 'first right' of local communities to fresh water was respected.

At our BALCO plant, improving the reliability of our dyke water recirculation pump resulted in total saving of 200 cubic metres of water per day.

During FY 2013-14, water conservation efforts across Vedanta subsidiaries successfully led to nearly 60 MCM of water recycling which is one quarter of our total water requirement in our operations. The total water saving for the year amounts to 2.52 MCM.

Water withdrawal and discharge

During the reporting period, we withdrew more than 340 MCM from natural and artificial water sources and more than 235 MCM of water is used in our operations. None of the natural water sources is being affected by our water withdrawal as all of our operations withdraw less than 5% of the source. In addition, none of these water sources is designated as a protected area, either nationally or internationally.

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

Due to the high water table in Zambia, Ireland and Australia our subsidiary businesses withdraw and dewater (remove) a large quantity of water from their underground mines. Approximately 60% of the water withdrawn (around 205 MCM) is discharged into nearby water bodies. All waste water discharge complies with applicable regulatory limits and at all sites waste water is treated in effluent treatment plants. Metals are precipitated by addition of lime and flocculants with the use of sediment ponds. For our Cairn India business, the total volume of produced water amounts to 17 MCM of which approx. 16 MCM is reinjected back into the system.

Total water withdrawal (m³)

Unit Name	Ground water		Surface water		Rainwater		Utility	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Zinc India	3,606,625	4,031,287	21,462,806	21,367,857	46,079	170,914	39,947*	46,910
Zinc International	28,223,280	27,271,024	2,704,625	7,181,557	0	0	0	0
Copper India/Australia	2,879,788	12,657	4,318,291	7,247,107	0	0	0	1,451,826
Copper Zambia	163,557,718	149,249,607	29,952,521	28,303,077	0	0	0	0
Aluminium	60,280	60,280	43,483,899	46,828,348	0	0	0	0
Power	0	0	30,211,342	28,769,936	0	0	0	0
Iron Ore	132,286	182,213	2,175,577	806,261	435,470	4,168,390	141,212	105,906*
Oil & Gas	11,301,451	14,068,904	0	0	0	0	115,584	73,631
Total	209,761,428	194,875,971	134,309,060	140,504,143	481,549	4,339,304	296,743	1,678,273

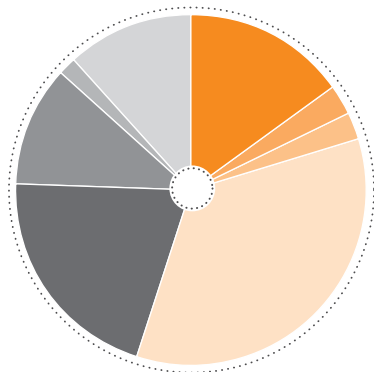
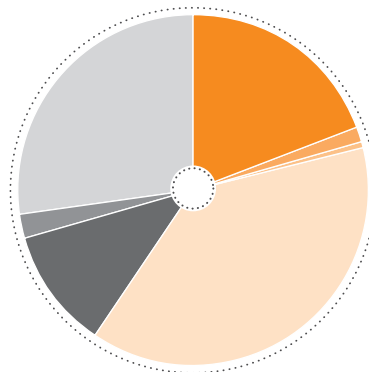
* FY 2012-13 number for Iron Ore business restated



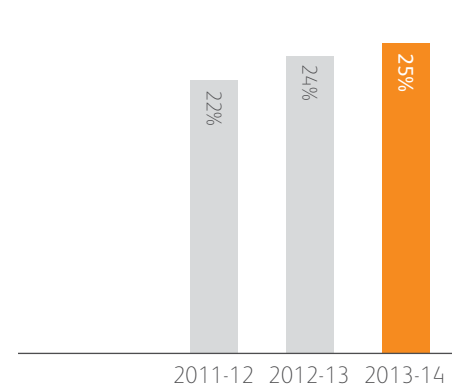
Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Water continued

Total Group water consumption (m³)Total Group water recycling (m³)

Total water recycling rate (%)

Total Group water consumption and water recycled (m³)

Unit Name	2013-14			2012-13		
	Water used	Water recycled	%	Water used	Water recycled	%
Zinc India	36,065,047	11,725,329	33	34,223,606	10,031,900	29
Zinc International	6,555,006	766,404	12	6,637,120	730,325	11
Copper India/Australia	6,395,981	406,441	6	93,748,234	458,081	6
Copper Zambia	82,658,686	23,063,987	28	53,539,673	30,725,152	33
Aluminium India	49,410,509	6,700,978	14	30,135,072	7,166,888	13
Power	26,436,302	1,307,113	5	28,769,936	2,301,105	8
Iron Ore India	3,884,545	0	0	7,537,184*	2,274,413	30
Oil & Gas	27,851,997	16,434,962	59	22,080,547	7,912,649	36
Total	238,258,073	60,405,214	25	256,835,798	61,600,512	24

* FY 2012-13 number for Iron Ore business restated

CASE STUDY

Suspended solids discharge reduction – Konkola Copper Mines

Our Konkola Mine is one of the wettest in the world so the primary focus has been on reducing water discharges, increasing recycling rates and improving quality of water.

Between January 2009 and August 2011, the Konkola Mine generated and discharged over 8 MCM of water with an average of 190mg/l total suspended solids (TSS) through the combined discharge drain – almost double the statutory limit of 100mg/l. More than 95% of this water comes from underground during dewatering of mines. The high TSS impacts the environment as well as the cost of pumping. Further, the discharge water could not be utilised for domestic use.

A project was initiated to reduce the levels of TSS to:

- Reduce the costs associated with pumping, electricity and wear and tear of pumping infrastructure
- Reduce suspended solids from the underground water prior to discharge into natural water courses

- Prevent pollution of the receiving water bodies

The project identified three steps to achieve the reduction in TSS: refurbishment of existing underground settlers; desilting of choked drain drives; installation of slurry pumps to reduce the desludging period from over eight months to three weeks.

Between 2010 the time of writing, over \$US22 million has been spent on these projects and the following positive results achieved:

- TSS levels in the effluent are now compliant with regulations at below 100 mg/l
- Wear and tear on the pumping infrastructure is notably reduced due to improved water quality which lessens abrasive impacts
- The river upstream and downstream is once again a reliable water resource for irrigation, fishing and transportation for the communities that live along its banks.



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued*Water continued*

“Most of our operational processes have been designed to be ‘zero change’ facilities, while the generated waste water is treated and recycled back into the process areas.”

CASE STUDY**Removing ammonia from water discharge at Lisheen mine**

Discharge due to nitrogen entering the mine from overlying peat bogs was an issue identified at our Lisheen mine. This challenge was caused by the large volume of water that needs to be treated. The mine produces in the region of 75,000 MCM water each day and ammonia concentration in this water (prior to any treatment) is in the order of 1.5mg/l. The licence limit is 1mg/l (as nitrogen).

We requested permission from the Environmental Protection Agency to construct engineered wetlands to provide a passive natural attenuation for site water discharge. This was granted and plants (reeds or phragmites) were taken from various areas around the site and nitrifying bacteria were added to the site discharge to help seed the wetlands with bacteria and initiate the ammonia removal process, which has been successful.



Artificial wetland at our Lisheen Mine



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Biodiversity

Understanding our biodiversity impact is important for us because of the potential scale of our projects and their environmental footprint, and has been identified as a material issue for our business.

Our biodiversity policy obliges all subsidiary businesses to facilitate the integration of biodiversity and ecosystem conservation into decision-making processes for new and existing operations. It also helps to ensure that all necessary measures are taken to avoid, minimise and, in some cases, compensate for the impacts of our projects. With the help of the Integrated Biodiversity Assessment Tool (IBAT), we have reviewed all operations to identify which of our sites are operating within close

proximity to protected International Union for Conservation of Nature (IUCN) areas, important bird areas and key biodiversity hot spots. Progress has been made across all our subsidiary businesses to engage experts and establish biodiversity management plans to meet our FY 2015-16 deadline. All our high priority sites like HZL, SZ, KCM and BMM either have initiated or already have BMP in place.

This year, as part of its BAP, Skorpion Mine has set up restoration trials to develop appropriate

restoration methods in nearby areas which are recognised as being of international conservation importance due to their high level of endemism and high plant diversity. In addition, our Hindustan Zinc business developed an in-house nursery for the conservation of biodiversity, which included community involvement. This year as a restoration approach we planted 3.5 million plant samplings.



Rehabilitation nursery at our Skorpion Zinc mine



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Energy and climate change

Understanding the risks and opportunities of climate change and our energy consumption profile is a key consideration in our energy intensive industry, and is a material issue for our business.

We recognise that we have both social and economic responsibility to take action to reduce our footprint and to engage constructively on climate change issues. By understanding the risks and opportunities of climate change, and how these affect the organisation, we can reduce our own impact on the environment and make a positive contribution to the debate.

Our energy and carbon policy (available to view in the Policies section of our corporate website) commits our operations to adopting and maintaining global best practices in carbon and energy management and to minimise greenhouse gas (GHG) emissions. We use technology to maximising efficiencies and take steps to diversify our energy portfolio and water sources. There are direct economic benefits to be gained by running our business efficiently, as well as opportunities for revenue generation through the Clean Development Mechanism (CDM).

During the reporting period, we identified CDM projects with a CER of 1.4 million units. These, projects with 1.05 million potential units are already registered on UNFCCC while projects with 0.36 million units are at an active stage of implementation. In 2013-14 around 0.54 million units CER accrued.

To add additional robustness to our energy programmes, subsidiary businesses are upgrading existing business management systems to allow accreditation to the energy standard ISO 50001. During the reporting period SSL – Tuticorin, SSL – Silvassa, SSL – Jharsuguda & Sterlite Energy Limited obtained ISO 50001 certification, with this achievement being used as a model for the rest of our operations.

Key energy reduction and efficiency initiatives in 2013-14

We have been constantly making efforts to generate electricity from waste heat and to be self-reliant in our power needs. In 2013 we increased our installed capacity to 139 MW, up from 91 MW in 2012, allowing for greater efficiency in our operational energy usage.

SSL – Jharsuguda has introduced a range of energy and carbon emission reduction steps including the reduction of smelter-specific direct current energy consumption through the implementation of slotted anodes. At BALCO automation in the melting furnace and cooling tower resulted in savings of more than 750,000 thousand GJ in the reporting period. In total during 2013-14, we saved more than 1.72 million GJ of energy due to conservation and

efficiency improvement projects at SSL – Jharsuguda, KCM, HZL, SSL – Copper, BALCO and other subsidiary businesses.

Two of our operations (KCM and CMT) have purchased electricity from renewable energy sources (hydro power stations), meaning 2.1% of total energy is from renewable energy. During the reporting period our Cairn India operation invested US\$0.19 million in renewable energy and generated 275 GJ of renewable energy. In the FY 2013-14, 40 solar powered lights were installed at our Raageshwari Gas Terminal (RGT) and 41 solar powered lights were installed at our Bhagyam facility in Rajasthan.



HZL operates around 273mw of wind turbine assets



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Energy and climate change continued

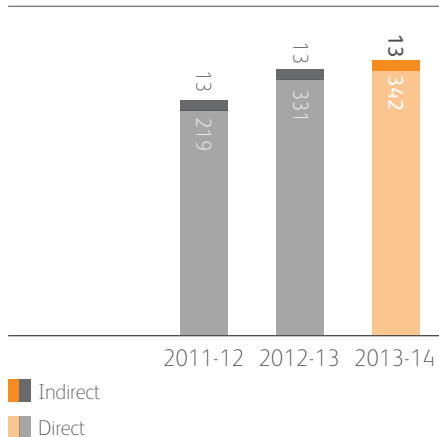
We use technology to maximise efficiencies and take steps to diversify our energy portfolio and water sources.

We also installed 32 light-controlled timers at the Bhagyam facility to save electricity. Several operations, including SSL – Lanjigarh and our Copper divisions, switched off loaded electrical equipment during the plant shut-down period which also resulted in energy savings.

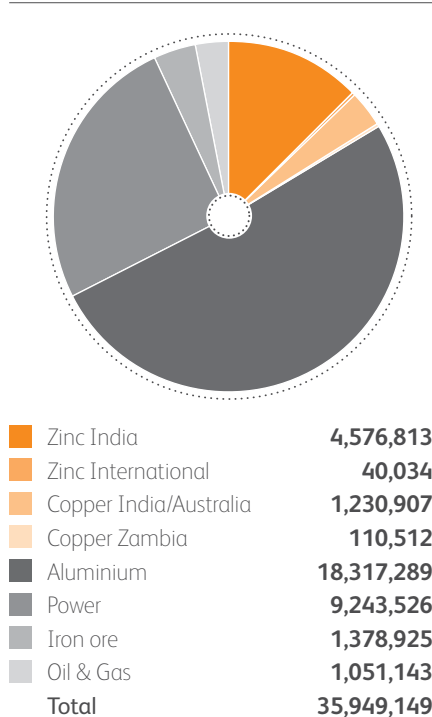
At our Cairn business, we currently use associated gas at the Mangala Processing Terminal to generate power for our operational facilities. The excess associated gas is flared at the assets where gas sales infrastructure does not exist. We have undertaken a project to compress and condition the excess gas. Post-conditioning, this gas will be commingled and exported with the Raageshwari gas for sale to our gas customers. This will help in conserving energy and reducing GHG emissions. For the reporting period, the volumes of flared and vented hydrocarbon emissions from Cairn operations were approximately 38.47 million m³ and 1.09 million m³.

We have also focused our efforts on the reduction of indirect consumption of energy due to business travel by installing tele-presence links with all our producing assets and encourage employees to use them effectively. This initiative has helped reduce travel time and costs, road travel risk and travel-related GHG emissions.

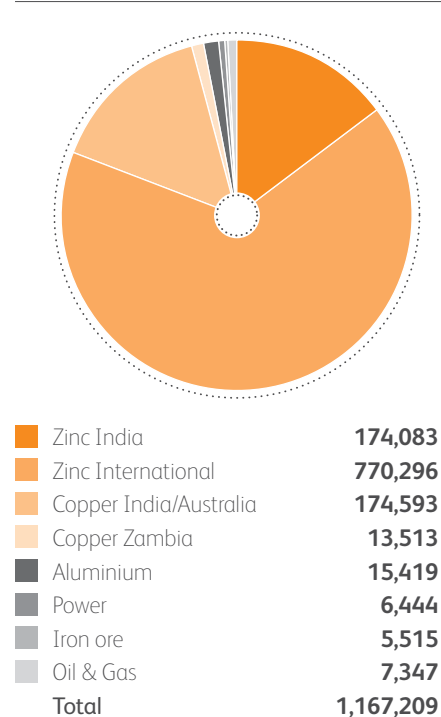
Direct and indirect energy (million GJ)



Scope 1 emissions (tonnes of CO₂ equivalent)



Scope 2 emissions (tonnes of CO₂ equivalent)



Carbon Disclosure Project

We disclose our environmental performance to the Carbon Disclosure Project, and our score again improved this year to 82 points and a performance grade B. This saw Vedanta ranked ninth among 31 FTSE 350 companies in the materials category.

Year	2010-11	2011-12	2012-13	2013-14
Disclosure Score and Performance Grade	54C	62C	76D	82B



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Air quality

Emissions through our processes are a material issue for our business because of the numerous extractive and resource processing activities we undertake.

Vedanta has an environmental management standard which commits our operations to identifying and managing emissions to air from point sources, fugitive sources, and mobile sources, as well as from process activities associated with combustion and materials storage. We require all our operations to apply air quality prevention and mitigation measures.

Across the Group, we monitor air quality and the effects and implications that this may have for employees, local communities and the environment. Air emission monitoring includes both ambient air quality monitoring (AAQM) and stack emissions monitoring. In general, as part of ESIA studies, the baseline ambient air monitoring data is collected within a 10km radius of the plant site. The monitoring locations are selected based on considerations including meteorological conditions on a synoptic basis, topography of the study area and areas most likely to be impacted.

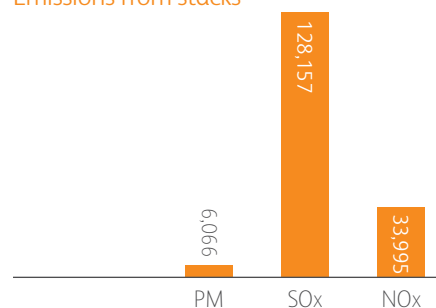
Suspended particulate matter (SPM), SOx and NOx are generally monitored as part of AAQM. The AAQM reports are regularly submitted to the regulatory authorities. In relation to stack emissions of particulate matter, emissions are legally regulated at most of our operations and are monitored to ensure compliance. We also monitor SOx and NOx and other relevant emissions including lead emissions in our zinc operations, fluoride emissions in our copper and aluminium operations and poly aromatic hydrocarbons (PAHs) in our aluminium operations. Our significant emissions include SOx, NOx, and PM and are summarised in the graph above right.

Other emissions include fluoride emissions (136MT), lead emissions (39MT) and PAH emissions (4MT) and VOC emissions from our Cairn India operations (111MT).

SSL – Copper has installed an Open-path Fence Line Monitoring system at a cost of US\$0.31 million, to further strengthen the ambient air quality monitoring across all four boundaries of the plant. This is in addition to the existing eight traditional ambient air quality monitoring stations placed around the boundary. The system works on the principle of UV Differential Optical Absorption Spectroscopy to monitor sulphur dioxide (SOx) and Nitrogen Oxide (NOx) emission along the four sides of our factory operation. Further, our SSL – Jharsuguda business thermal powerplant has completed hybridisation of all its electrostatic precipitators with bag filters, making it one of the best in terms of air emissions from the stacks.

2013-14 Significant emissions (MT)

Emissions from stacks



Hybridisation of ESPs with bag filters at SSL – Jharsuguda



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Management of raw materials and waste

Our mining and smelting/refinery operations generate significant amounts of non-hazardous waste and some hazardous waste. The bulk is mineral waste, generated by the mining of ore and its processing and the smelting of metals. We recognise that we have a responsibility to manage our waste in constructive ways.

Waste management

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

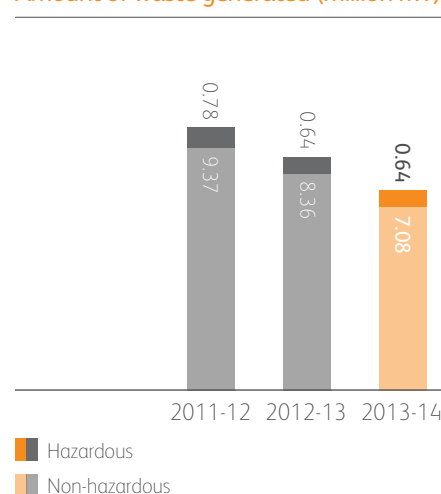
The key non-hazardous wastes we generate include fly ash (from captive and merchant power plants), red mud (aluminium refinery waste), jarosite/jarofix (from zinc smelting), slag, lime grit (process residues from smelters and alumina refineries) and phosphor gypsum (phosphoric acid plant).

Our hazardous waste generation includes used/spent oil, waste refractories, spent pot lining and residual sludge from smelters. Hazardous wastes are stored in authorised, licensed and secured landfills, while some have value and are sold to authorised recyclers.

During the reporting period the quantity of hazardous and non-hazardous waste we generated was approximately 7.76 million tonnes.

	2011-12	2012-13	2013-14
Details	(generation in million MT)		
Overburden	185	179	107
Tailings	36	35	32

Amount of waste generated (million MT)



CASE STUDY

Red Mud Powder Plant at SSL – Lanjigarh

Red mud is a waste produced from the refining of bauxite to produce alumina as raw material for the electrolysis of aluminium. It cannot be disposed of easily and tends to be pumped into holding ponds, taking up land area that cannot be built on or farmed, even when dry.

At our Lanjigarh operations, to resolve this issue we have created a new red mud disposal system to convert the liquid mud into solid cakes that can then be converted into useful products, including for cement production and pig iron production, as well as conversion into lightweight aggregates – all with the aim that our alumina plant will become the first such zero waste refinery in the world. This will lead to the complete elimination of the wet red mud pond and reduce the related risks to the environment. Additional benefits will include an improvement in alumina recovery and the development of by-product recovery projects for valuable resources such as titanium and iron.



Red Mud Powder Plant at SSL – Lanjigarh



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Environmental management continued

Management of raw materials and waste continued

Waste utilisation and performance

In 2013-14, more than 1.5 million metric tonnes (MT) of slag were used in various useful applications like road construction, land levelling and in the abrasive and cement industries; nearly 4.75 million MT of fly ash from our power plants was sent to nearby cement and brick manufacturing units together with land levelling; 0.96 million MT of gypsum from our SSL Copper – Tuticorin plant was utilised in cement, fertilisers and brick manufacturing; and nearly 0.4 million MT of red mud from our BALCO plant (old stock) was used in road construction and brick manufacturing.

In the reporting period around 107 million MT of overburden and 32 million MT of tailings were produced. Much of our generated overburden is used in secondary construction work, for example, in raising tailing dam heights, and back-filling mined out areas and exhausted mine pits. At our Cairn operation, around 39,578 MT of drill mud and cuttings were produced using non-aqueous drilling fluid and were disposed onshore.

Raw materials

Raw materials consumed in our operations include bauxite, copper ore/concentrate, zinc, iron and lead ore and their associated mineral inputs, semi-manufactured and packaging material. During the year, 30 million MT of raw material, 4 million MT of associated materials, and 19 million MT of semi-manufactured materials were consumed.

During the reporting period, more than 225 MT of rejected copper coil, copper cast bar, and milling chips were recycled in our Sterlite unit.

Our consumption of bauxite has been affected by the limited availability of the resource at Sesa Sterlite – Lanjigarh alumina refinery. We continue to work with the Odisha state authorities (OMC) for the allocation of other bauxite alternatives nearby; however, as of writing, the Lanjigarh refinery is running at its full capacity of 1 MMTPA and is getting bauxite from other states in India and from overseas.

Material transportation

Our product movements take place through sea, rail and roadways. Standard process is followed for all activities ensuring complete protection to product and environment. However, there is still a possibility of environmental impacts like dust emission during transportation and handling of material like bauxite, coal, lime, alumina etc., dust during vehicle movement inside plant premises. To minimise these impacts businesses have installed bag filters and dry fog systems with proper water sprinklers. Further, all trucks are covered with tarpaulin to ensure no spillage and dust generation.



Dust suppression measures on haulage roads at HZL mine

Consumption of all raw material (million MT)

Unit name	Raw material (solid and liquid)	Semi-manufactured (solid and liquid)	Asso material (solid and liquid)	Packaging material
Zinc India	9,462,747	24,414	398,816	840
Zinc International	4,444,165	–	275,158	–
Copper India/Australia	1,808,701	1,069,383	1,923,160	117
Copper Zambia	11,241,240	16,186,812	819,469	335
Aluminium	1,646,569	1,244,129	135,098	272
Iron Ore	1,376,969	610,848	172,543	–
Total	29,980,392	19,135,585	3,724,245	1,564



Water sprinkling system at Lanjigarh



Related information: vedantaresources.com/SustainableDevelopment2013-14/responsible-stewardship/environmental-management

Our journey... towards building strong relationships

In this section

Stakeholder engagement	43
Human rights	47
Community engagement and resettlement	48

Sustainable livelihood beneficiaries at a village near BALCO operations

Building Strong Relationships... the cornerstone of long-lasting partnerships

Strong, productive relationships enable us to add and share value with our stakeholders.

Successful engagement with people and organisations that are interested in our business can also lead to the identification of new areas where we can find and unlock additional value, as well as assist us in the important process of risk identification and mitigation.



Materiality matrix specific to the Building Strong Relationships section

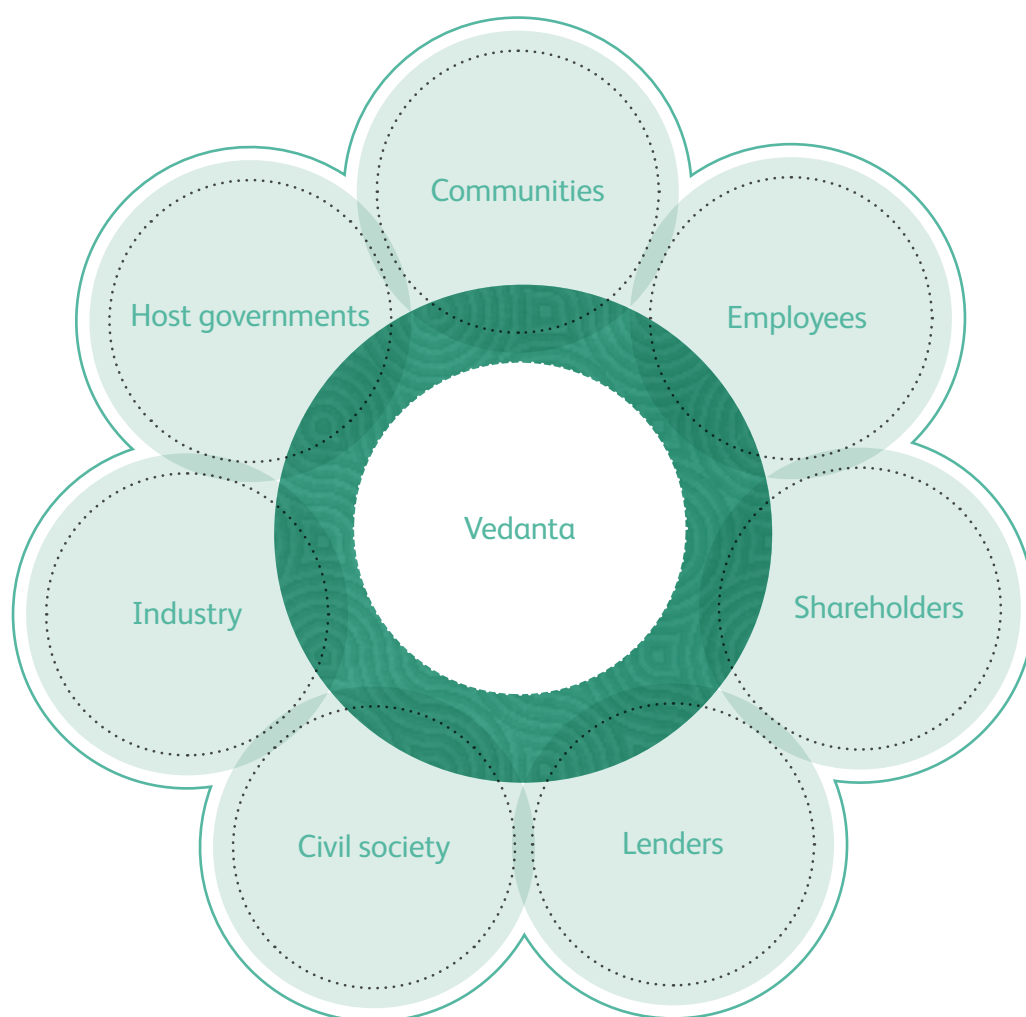
High		<ul style="list-style-type: none">• Human rights and rights of indigenous people• Land and resettlement		
		<ul style="list-style-type: none">• Child and forced labour		
			<ul style="list-style-type: none">• Community engagement and impact	
Low				
	Low	Relevance to Vedanta management		High

Stakeholder engagement

Our journey... towards nurturing and maintaining relationships

Stakeholder engagement equips us to proactively build trust in our business, identify opportunities and build relationships with our stakeholders.

We have in place a systematic approach to relationship and stakeholder management, and this has been the key methodology of our materiality process, where we formally engage with the identified seven main stakeholder groups who have significant interests in our operations.

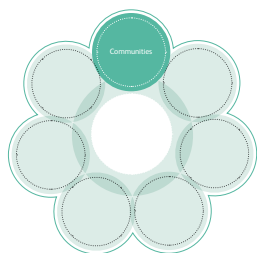


We undertook our periodic engagement with stakeholders again in 2014 and the detailed results are described in the Materiality section of this report. In addition to our formal materiality undertaking, we also have regular two-way engagement with our stakeholders.



Related information: vedantaresources.com/SustainableDevelopment2013-14/building-strong-relationships/stakeholder-engagement

Stakeholder engagement continued

**Communities****Significance to the business**

- Vital to the business's licence to operate

Nature of engagement

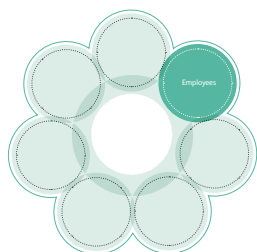
- Community group meetings
- Village council meetings (panchayats)
- Public hearings
- Grievance mechanisms
- Cultural events

Identified material aspects

- Community engagement initiatives
- Infrastructure projects
- Land and resettlement

Engagement activities in 2013-14

- 4.1 million beneficiaries via integrated development programmes
- Stakeholder engagement process as per the Framework is being followed
- Grievance mechanism in place
- All land and resettlement to follow the process laid down in the Framework

**Employees****Significance to the business**

- Key assets in delivering operational capabilities
- Deliver business goals and targets

Nature of engagement

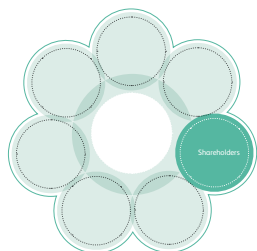
- Various forums: Chairman's workshops, CEO meetings and feedback sessions
- Performance management systems
- Various committees at the plant level: mentor programme, event management committee and welfare committee, women's clubs etc

Identified material aspects

- Training and leadership development
- Gender and regional diversity
- Workplace safety

Engagement activities in 2013-14

- Launched technical ACT-UP process across the business for providing further technical training
- Accelerated Development Process initiated to identify future leaders across the business
- Peer benchmarking done for pay and promotions
- Preference for women and regional hiring
- Trainings and behavioural-based programme initiated

**Shareholders****Significance to the business**

- Provide finance
- Provide a critical assessment of management competencies

Nature of engagement

- Regular updates and investor meetings
- Site visits and presentations
- Annual General Meeting
- Conferences
- Dedicated contact channel ir@vedanta.co.in

Identified material aspects

- Economic performance
- Dividends
- ESG (Environment, Social and Governance) compliance
- Corporate governance

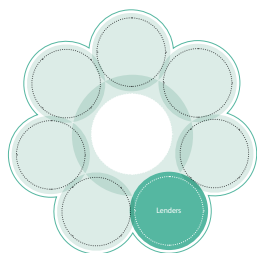
Engagement activities in 2013-14

- US\$4,491.2m EBITDA, US\$508.4m dividends (Total Vedanta and Group companies)
- Successful completion of Scott Wilson recommendations
- Addition of new non-executive independent Board members



Related information: vedantaresources.com/SustainableDevelopment2013-14/building-strong-relationships/stakeholder-engagement

Stakeholder engagement continued

**Lenders****Significance to the business**

- Provide finance
- Ensure right management systems are followed

Nature of engagement

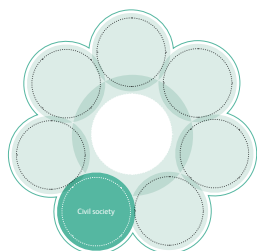
- Meetings
- Presentations
- Site visits

Identified material aspects

- Economic performance
- ESG compliance
- Adherence to international standards for new projects
- Sustainability risk management

Engagement activities in 2013-14

- US\$12,945m turnover
- Successful completion of all Scott Wilson recommendations
- All new projects are carried out as per the Framework (and International Finance Committee standards)
- VSAP process in place

**Civil society****Significance to the business**

- Provide a critical eye to the business's operation
- Provide technical support to the learning and development of the business

Nature of engagement

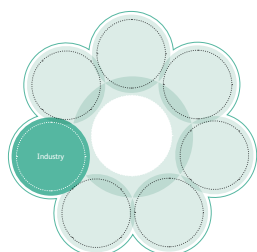
- Partnerships with and membership of international organisations
- Working relationships with organisations on specific projects
- Engagement with international, national and local NGOs

Identified material aspects

- Partnership
- Community development
- Human rights compliance
- Child labour and forced labour

Engagement activities in 2013-14

- More than 250 partnerships with non-government organisations, schools, academic and government bodies
- Sustainability Committee reviewed human rights and child labour risk assessment

**Industry (suppliers, customers and peers)****Significance to the business**

- Facilitators for product development
- Suppliers and customers are directly linked with the business and growth
- Vital for development of regulations and standards, lobbying, working processes

Nature of engagement

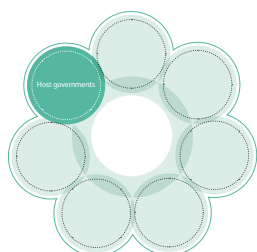
- Customer satisfaction surveys
- Supplier and vendor meetings
- Membership of industry bodies

Identified material aspects

- Contractual integrity
- Supply chain management
- Collective bargaining
- Supplier and customer relationships

Engagement activities in 2013-14

- SAP-supplier and contractor management systems rolled out to facilitate transparency
- Collective bargaining agreement with non-supervisory staff is followed at ZI, CMT, HZL, BALCO, KCM and Sesa Sterlite – Iron Ore division

**Host governments****Significance to the business**

- Provide the regulatory framework (taxation, licensing, infrastructure, economic playing field for growth) in which the business exists
- Partners in development projects

Nature of engagement

- Participation in government consultation programmes
- Engagement with national, state and regional government bodies at business operational level

Identified material aspects

- Economic performance
- Community development
- Environmental initiatives

Engagement activities in 2013-14

- US\$5.3m payment to exchequers
- US\$49m in community development
- US\$56m spent in environmental improvement projects



Related information: vedantaresources.com/SustainableDevelopment2013-14/building-strong-relationships/stakeholder-engagement

Stakeholder engagement continued

Managing and responding to our stakeholders

As our business grows and evolves, identifying and actively managing a large number of complex relationships must be carefully planned. Each stakeholder or group must be managed according to the potential impacts, risks to stakeholders, and associated risks. In accordance with our Stakeholder Engagement Technical Standard and the aims of our overarching social policy, Stakeholder Engagement Plans (SEPs) are now in place at all our subsidiary businesses and our VSAP tool is being used to ensure the SEPs are appropriate for both the business and operational context.

The formal and documented stakeholder engagement process is followed for all existing and new projects. In 2013-14, all of our Group businesses started formally recording all stakeholder expectations and meeting outcomes. In our new projects, such as Gergarub, Namibia and Western Clusters, Liberia, an extensive SEP was followed. This included commissioning of baseline studies, public consultation meetings and meetings with authorities. The draft scoping report for the Gergarub project was made available online

and at all relevant public places for the stakeholders' scrutiny and feedback. Similarly, the Environmental and Social Impact Assessment (ESIA) for WCL – Liberia has been successfully completed and was also made available online.

Responding to stakeholder concerns

We have a dedicated public email address – sustainability@vedanta.co.in – available for sending sustainability and grievance queries on Vedanta or any of its Group companies. It is being managed by the Group Chief Sustainability officer and team who respond to stakeholders at the business and operational levels as appropriate, guided by our Framework.

At the Group level, our Group Chief Sustainability Officer and his team are ultimately responsible for responding to stakeholders' concerns and at business level we have a structured external and internal grievance mechanism.

Similarly, all emails and correspondence regarding our sustainable development initiatives received by corporate functions like Corporate Communications and Investor Relations teams are being forwarded to or

routed through the Chief Sustainability Officer and his team for response.

All the issues, feedback points and grievances raised are recorded and contribute to our continual monitoring and understanding of stakeholders' interests and ultimately become part of stakeholders' feedback used in our materiality exercise.

We also proactively meet with key stakeholder groups including civil society organisations, media and industry associations, to increase awareness about our business, explain our point of view and answer queries. We also publish in-house journals and newsletters, such as Zinc News and Yagna, to engage with employees, our wider industry and communities and host governments.

In 2013-14, all of our Group businesses started formally recording all stakeholder expectations and meeting outcomes.

CASE STUDY

Amazing champions of energy – Engagement exercise by Cairn India

In the second half of 2013, Cairn India undertook its second season of the 'Amazing Champions of Energy' (ACE II) student engagement programme. The programme encompassed 25 leading campuses in nine Indian states. ACE II involved around 20,000 students, more than triple the number of students who participated in the first season of ACE in January 2013. They were challenged to work on an energy problem and attended on-campus talks. The event culminated in a nationally televised final on the eve of India Republic Day in January 2014.

More than 75 students across 21 campuses presented their case studies and a jury panel assessed all the presentations to select the winners. Team ISB from Mohali was declared the winner followed by runners-up from Team MNIT, Jaipur and IIM, Calcutta.

The success of engaging students through ACE II was illustrated by over 4,000 responses to our teaser questions on Facebook within 24 hours of launch, over 350 case study submissions and more than 200,000 unique views on the ACE Facebook page. In total, ACE II received over 1,100 registrations and 670 submissions for the case study challenge on the topic 'Subsidy or Subsidy Administration – Which is a bigger problem for India?'



Young students award-winners in the ACE II initiative



Related information: vedantaresources.com/SustainableDevelopment2013-14/building-strong-relationships/stakeholder-engagement

Human rights

Our journey... towards recognising and respecting human rights

Our human rights policy is aligned to the UN Guiding Principles on business and human rights and includes a ban on child or forced labour – either directly or through contract labour. Additionally, our Code of Conduct commits us to comply with all relevant national laws and regulations, underpinning our approach to protecting the fundamental rights of our employees and contract workforce.

Human rights training is an integral part of our Sustainability Framework implementation, with employees receiving training in 2013-14, and our Code of Conduct includes clear expectations of behaviours that respect human rights.

This year we provided more than 20,000 man-hours of training in the Code of Conduct and human rights to our employees and contract workforce.

This ranges from our on-site security guards – who are required to work in compliance with International Finance Corporation (IFC) and International Council on Mining and Metals guidelines – to our transport workforce, where we have previously identified some risks of child labour. In 2013-14, more than 95% of our security guards around the Group received training in our human rights policy.

Led by the Vedanta Sustainability Committee, in 2013-14 we undertook internal reviews related to human rights and child labour risk assessment. It was commissioned to ensure that all our business units have a clear understanding of the areas of possible risk pertaining to human rights. The objective of the review was to confirm that we are meeting all applicable national and international, guidelines and conventions on human rights with special reference to the UN Universal Declaration of Human Rights. The assessment confirms that the human rights policy is being implemented by all units. The review also helped us in strengthening our existing systems and delivering focused training for our staff.

We support collective bargaining and our businesses, namely BALCO, HZL, SSL – Iron, KCM, CMT and Zinc International, recognise unions while other business have adequate system for employee development, remuneration and grievance redress. Similarly, all our significant suppliers are generally

reputable organisations with whom we engage directly as raw material providers or for further processing. All these organisations have adequate systems to safeguard the human rights of their workforce.

By conducting Environmental and Social Impact Assessments (ESIAs) in compliance with applicable legal requirements and our Framework, human rights considerations are taken into account for all new projects, including the obligation to undertake a human rights screening process in all merger and acquisition activities.

Last year no significant merger and acquisition activity was undertaken. Through a tailored human rights module in VSAP, we were able to confirm that no major non-compliance existed. We have also emphasised to our subsidiary businesses that suppliers must operate in accordance with our human rights expectations. In pursuit of this goal:

- All new suppliers and contractors are provided with an induction to our Code of Conduct, sustainability policies, standards and systems
- Inspections and audits of all key suppliers and contractors are now undertaken and any issues identified are recorded and communicated to the contractor
- VSAP was used to monitor supplier and contractor performance and compliance

In addition, we have rolled out a Group-wide SAP – Supplier Relationship Management (SRM) IT module, which ensures transparency and adds value to our suppliers, who can access the system once registered.

Child labour

We prohibit the use of child labour in all our operations, including activities that are out-sourced to contractors. Whilst we operate in countries where the risk of child labour may

be high, during the past year no instances of child labour in our operations came to the Group's attention. Through the Sustainability Committee review, we identified transport management as the critical area of risk for child labour. To ensure that as a Group we are best equipped to mitigate this risk we are carrying out periodic inspections of our remote mine locations, and require age proof identification for all contract workers.

Forced labour

Our Code of Conduct expressly prohibits the use of forced labour. This is upheld in all our dealings with contractors and vendors, with guidance provided to sites on working with contractors and suppliers in order to eliminate any breach. In the reporting period, there were no recorded incidents of forced labour across any of our operations.

Indigenous peoples and vulnerable tribal groups

The Indigenous Peoples and Vulnerable Tribal Groups guidance note was rolled out, to support the implementation of our related technical standard. This applies when an ESIA is required or when any new project identifies or suspects there are communities of indigenous peoples or vulnerable tribal groups present within a project's area of influence. The core aim of the standard is to enable our project teams to engage, negotiate and partner with these vulnerable groups in a manner that avoids negative impacts and risks for all stakeholders, especially the indigenous peoples and vulnerable tribes. It also outlines our desire to create opportunities for positive economic and social development, within the context of the unique requirements of these groups. During the reporting period none of our operating mines were found to be operating in or adjacent to indigenous peoples' territory and hence no violations involving the rights of indigenous people or vulnerable groups were observed during the reporting period.



Related information: vedantaresources.com/SustainableDevelopment2013-14/building-strong-relationships/human-rights

Community engagement and resettlement

Our journey... towards maintaining dialogue, engagement and relationships

We believe that the long-term success of our business is dependent upon building trust with our host communities. This means we must work collaboratively throughout a project, from initial scoping to eventual closure. The opinions and concerns of our host communities must be heard, and incorporated into our planning processes to create shared value.

To illustrate the benefits our business can bring, we aim to balance the unique needs of local people with the broader aims of socio-economic development. To achieve this, all of our businesses have implemented local community engagement plans. However, by FY 2015-16, we plan to refresh our socio-economic impact assessment to further inform our planning of community development programmes and retain a third-party assessor to maintain transparency and accountability.

Our community dialogue is intensive across all our operations and we generally employ local

people with deep roots in the area.

The diagram on the next page outlines the approach we take to engage and address our community stakeholders.

At times, new projects may require that we consider resettlement; however, we are guided by a firm desire to avoid resettlement whenever possible. Where resettlement is unavoidable, in accordance with our Land Resettlement Standard we seek to minimise the impacts in terms of both the number of people affected and the severity of the impact itself. To obtain land, all our operations first explore the option of land purchase through negotiated

settlement. Mutual agreement is our preferred alternative to land expropriation through government agencies. No resettlements took place in the reporting period.

If resettlement must occur, we work closely with the communities to plan this, with the ultimate goal of providing improved quality of life and an enhancement to former living standards and earning capacity. This includes housing and infrastructure above the standard of their former circumstances. We also seek to ensure resettled communities are proactively involved in creating value from the ongoing project – for example as suppliers or in on-site employment.

CASE STUDY

Black Mountain enterprise development initiative – training and mentoring SMMEs

In the Northern Cape of South Africa (Khai-Ma municipal region) we enabled small, micro and medium-sized enterprises (SMMEs) to improve their business skills to enable them to better service the needs of our Black Mountain mine as well as other potential mines in the Northern Cape. We did this by initiating a training and mentoring programme in 2013, which consisted of four phases:

Phase 1	Phase 2	Phase 3	Phase 4
Macro-level assessment Develop database of SMMEs	Macro-level assessment Recruit SMMEs and prioritise training needs	Training and mentoring Quality assurance and monitoring Macro-level stakeholder engagement	Assess progress Identifying next steps for a sustainable solution to grow SMMEs in the region

Forty-five SMMEs were recruited and training needs were identified to address business needs and skills gaps. A team of trainers and mentors worked closely with these SMMEs at the start of the programme to develop a SWOT (strengths, weaknesses, opportunities and threats) analysis. At the end of the programme, mentors facilitated business plan development with each SMME developing their own actions to improve their business in the three months after completion.

The programme to date has seen growth of over 30% in the participating SMMEs revenue. Six SMMEs have created jobs through employment of personnel and a total of 46 have registered on databases to increase their opportunities to secure local work. A total of 30 contracts was secured by the close of the project and 17 business owners had some kind of success to share.



Related information:

vedantaresources.com/SustainableDevelopment2013-14/building-strong-relationships/community-engagement-resettlement

Community engagement and resettlement continued

Our consultation approach: building community understanding

Phase 1	Phase 2	Phase 3	Outcomes
» Entry point activity	» Preliminary dialogue with the community	» Wider consultation with the project-affected families	Development of community need and development plan ensuring basic amenities and livelihood opportunities are as per the consultation process
» Approaching the community	» Baseline study and need assessment	» Public hearing	Implementation of community development plan as per the local needs of the area resulting in improved quality of life
	» Isolating issues	» Feedback	Continuous feedback and feed forward system through community grievance redressal mechanism
» Consensus building	If fractured consensus 2nd phase hearing	Addressing different views	

Community grievance mechanisms

We are aware that any project is likely to raise issues for a host community, and we have in place community grievance processes where by issues can be raised in a structured manner, with our skilled on-the-ground business representatives. This is a key step in preventing concerns from escalating into significant issues or disputes, risking the viability of operations. All public grievances are resolved as per the process and procedure laid down under our framework: Grievance Redressal technical standard. External grievances regarding Vedanta and its subsidiaries can also be logged at sustainability@vedanta.co.in. We have used our VSAP tool to audit all our businesses to ensure appropriate processes are in place and in line with our standards. We will seek to close any identified gaps during 2014.

All community incidents and grievances are recorded and categorised as negligible (1), minor (2), moderate (3), serious (4) or disastrous (5), and captured on a monthly basis. No category 4 or 5 incidents were recorded in 2013-14, although lower-level incidents like village road blockage and strikes were recorded, particularly related to employment and contractor issues, infrastructure projects and some operational issues including land and traffic management.

CASE STUDY

Resolving community grievances at BALCO

BALCO's expansion plans led to a perception in the community surrounding the plant that the expansion would negatively impact their existing water supplies as the area was prone to water shortages over the summer season. As part of their outreach initiative, BALCO representatives ('The Township Department') periodically met elected representatives living in the surrounding area. It was at this forum that local community representatives raised the concerns of the community.

The specific water-related grievance of the community was registered at the community grievance office. BALCO contacted the responsible local water authority and collectively came up with a solution to ensure delivery of water by BALCO in the event of any shortage. It was agreed this would be in place until local authorities could resolve any water shortage issues.

The local community was involved throughout the process and was satisfied that their grievance had been addressed. The timely response to the issue and community participation ensured effective resolution of the grievance.



Related information:

vedantaresources.com/SustainableDevelopment2013-14/building-strong-relationships/community-engagement-resettlement

Our journey... towards shared benefits for all stakeholders

In this section

Employees	52
Communities	57
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Our employees are our key assets

Adding and sharing value... for the benefit of all stakeholders

We create value through structured and collaborative engagement with our stakeholders, including for our employees, our host communities and broader society. This is done not only through the commodities that we produce but through the economic and social contributions we make across our global operations, particularly in the developing world.



Materiality matrix specific to the Adding and Sharing Value section

High Relevance to stakeholders Low	<ul style="list-style-type: none"> Public policy and advocacy 	<ul style="list-style-type: none"> Economic returns 	
	<ul style="list-style-type: none"> Supplier and customer relationship 	<ul style="list-style-type: none"> Supply chain management Training and leadership development 	
	<ul style="list-style-type: none"> Attrition 	<ul style="list-style-type: none"> Taxes and other payments Retention Succession planning 	
	Low Relevance to Vedanta management High		

Employees

Our journey... towards people excellence

Our growth and success is dependent upon, and attributable to our employees and our people strategy is based on that belief to recruit, develop and retain a talented workforce. We create a high-performance work culture through strong engagement and empowerment, enabling our people to meet our business goals while realising their full potential in a safe and healthy workplace.

The strategic approach to human resources (HR) is set by our over-arching Group HR philosophies, which help us achieve our goal of being an employer of choice. In practice this means:

- Operating a meritocratic business and recognising and rewarding all our people in a fair and equitable manner
- Creating a high-performance culture with effective internal systems and processes for talent management and engagement
- Ensuring that all our workplaces are free from all forms of discrimination or any kind of harassment on the basis of age, gender, caste or religion
- Meeting all our responsibilities and HR obligations as a direct and indirect employer and ensuring that there are no violations of human rights
- Compliance with all applicable laws of the jurisdictions where our operations exist
- Ensuring smooth integration in the event of mergers or acquisitions by upholding and honouring all ongoing commitments and sharing best practices

These overriding philosophies set the tone for our people priorities: organisational growth; performance management; talent development and management; HR process and systems improvement; and employee engagement (welfare and benefits, volunteering and collective bargaining).

Organisational growth

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

We are committed to hiring the right person for the right job, and expect all decisions relating to employee development and progression to be based on proper evaluation directly related to work performance. We continue to focus on hiring more women professionals for business roles and this is an internal priority set by the management to bring in diverse skills across the Group.



We ensure all workplaces are free from any discrimination



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/employees

Employees continued



Promoting high performance cultures for all our employees is key to their, and our, success

We also focus on recruiting from the communities that surround our operations to encourage local employment generation. Over the reporting period, across our business, the total percentage of senior management who are locally hired is: India (91%), Australia (100%), Zambia (59%), Namibia (nil), Ireland (100%) and South Africa (40%).

We continue to attract talent from top engineering institutes, business schools and graduate colleges. This is an important step in sourcing a strong talent pipeline for the future. We also focus on effectively utilising and grooming the talent by appropriately rotating them across businesses for experience in new roles and to prepare them to take up various key positions in the future. In particular, this year, due to uncertainty in the resumption of mining operation in SSL – Iron Ore division, we redeployed appropriate resources to other businesses.

New recruits receive appropriate training and throughout their probationary period their performance is reviewed and feedback is provided by line managers. They are also encouraged to undertake special projects to enhance their learning and support is offered through a mentoring programme.

Performance culture

All employees participate in a reward-linked annual appraisal programme where performance is gauged against key performance indicators set during the goal-setting process at the beginning of the year and is measured against a pre-determined five-point scale. Feedback and the identification of areas of improvement or further development are an integral part of this appraisal process. Since sustainability is one of the key indicators on which our business performance is mapped, we also have systems in place that link individual KPIs to sustainability outcomes: health, safety and environment, stakeholder engagement and governance.

For more detail on our approach, please see our Remuneration report in our Annual Report.

Talent management and development

Training and development remains a constant theme of Vedanta's commitment to its employees to ensure they are able to maximise their contribution to our business. Over the last year we have delivered 1.1 million training hours for all staff, averaging 40 man-hours per employee. Further, training is carried out on-site by both internal and external experts – broad

themes covered include health and safety, behavioural training and technical skills training.

Owing to the high proportion of our workforce who join Vedanta as new graduates, managing career progression and development is very important to the business, particularly to ensure talent retention. To manage a new recruit's transition from 'Campus to Corporate', we have a structured orientation programme. For more established employees we have various additional programmes to enhance their engagement. For example, we conduct Chairman's workshops, where employees across Group companies attend discussions with our Chairman. This exposure to senior management provides employees with the opportunity to ask questions and engage with the leaders of the business, an opportunity that may not normally be available, particularly for junior colleagues. In the last five years, around 2,000 employees have attended these workshops.

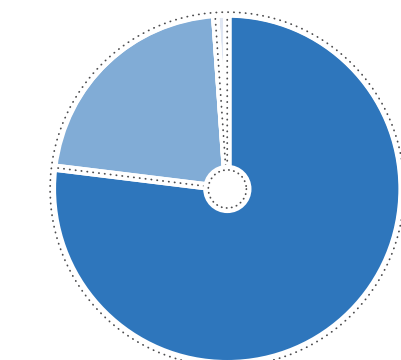
We believe that we must invest in developing and retaining key talent to drive innovation and efficiency within the business. In this regard, our attrition rate has remained stable and this year was reported at less than 5%.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/employees

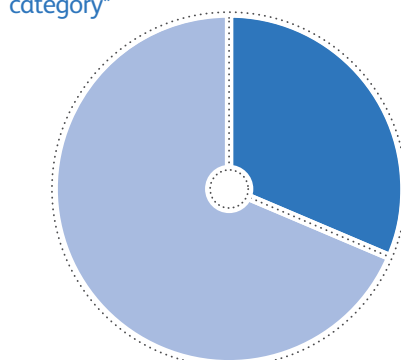
Employees continued

Total manpower by country



■ India
■ Africa
■ Other

Total manpower by employment category*

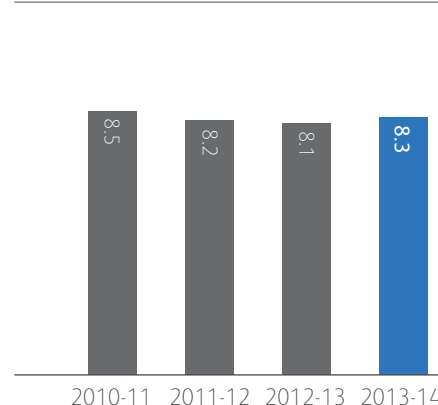


77%
22%
1%

■ Full-time
■ Contract

*as at 31st March 2014

Women in workforce (%)



As a further step in developing our employees, HZL in collaboration with the Birla Institute of Technology & Science launched the 'Work Integrated Learning Programme'. This enables employees to undertake higher learning programmes in process engineering and manufacturing management, on-site at our businesses.

We also have programmes to assist employees in a smooth transition from work to retirement. These programmes include computer literacy, wealth management, tradesman skill-building, certificates and other diploma courses, retirement workshops and employee assistance programmes. At Lisheen, we have rolled out a structured outplacement programme for all employees, providing them with assistance in skill-building, finance and welfare, planning new career moves and encouraging entrepreneurship. We contributed €750 towards the cost.

In the last five years more than 2,000 employees have attended Chairman's workshops.

Employee engagement

We want to provide a rewarding work environment, with a spirit of common purpose. Across our operations, employees participate in a wide variety of activities to create a sense of shared ownership and participation. This ranges from the formal training and work programmes we offer, to broader cultural, sporting, social and leisure activities for employees and their families.

Employees are encouraged to communicate their views and opinions. For example, we have suggestion boxes and an open-door policy at the senior management level as well as formal employee grievance mechanisms. Committees are in place to oversee issues including cases of discrimination and harassment.

We measure our success in fostering positive engagement through internal and external employee surveys. We participate in external surveys like Aon Hewitt's Great Places to Work and internal 'dipstick' surveys to gauge engagement. We use these results to inform our employee programmes over the next year.

Employee turnover and attrition (%)

Year	Employee turnover*	Attrition
2010-11	10.6	5.4
2011-12	10.7	5.5
2012-13	11.43	4.74
2013-14	9.5	4.9

* Employee turnover including retirements but excluding VRS

Engaging employees through volunteering

We help our employees to make a difference by providing them with opportunities to contribute their professional skills and other resources through volunteering in their communities. Our employees participate in various programmes including cleanliness drives, health awareness camps, HIV/AIDS awareness campaigns, career guidance for secondary students and the organisation of sports events for community youth.

In cases of need, employees also contribute in terms of cash and kind; for example, we partnered with local NGO Nirmaan Goa to contribute to the 'Joy of Giving' week which is observed across India.

We believe that volunteering is a means of contributing to our local communities and a way to engage our employees, particularly when they co-create and 'own' programmes. Employee volunteering has brought many additional advantages: it has fostered a greater sense of responsibility among our staff and helped create a more motivated team and united culture. Importantly, employees actively participate in deciding their community initiatives, establishing stronger relationships between these communities and our business.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/employees

Employees continued

CASE STUDY

Stars of Business Development Programme

Our 'Stars of Business Development Programme' was created to identify and nurture our next generation of leaders through an integrated and intense development programme. Fifty managers were selected from a pool of 500 to undertake the programme. All participants underwent psychometric assessment followed by feedback from managers to identify their strengths and development areas. This was followed by the creation of individual development plans.

Specific, appropriate business projects (Action Learning Projects) were allocated to participants, who executed these projects with senior executives available to act as mentors throughout the projects' execution, giving the participants real world business exposure. This hands-on experience was supported by leadership workshops and progress tracking, including personalised progress feedback from key business stakeholders.

Stars of Business Development participants found the programme extremely useful in developing their leadership skills. Feedback collected from senior management highlighted that more than 90% of the participants have shown significant improvements across competencies identified as their development areas.

To build on the positive outcomes, there are plans to provide enhanced role opportunities to accelerate their career journey, including through job rotation, cross-business assignments and international experience – embedding a strong leadership pipeline for our future.

Welfare and benefits

We ensure our employees have a rewarding workplace with additional benefits and activities – from inter-business cricket competitions to local and regional cultural celebrations. We provide a comprehensive array of benefits to our employees that is tailored by our subsidiaries in order to be appropriate to their locations. The benefits package includes: performance-related compensation; maternity leave; medical insurance covering family and dependants; transport facilities; subsidised canteen facilities; and a share option programme for executive-level employees.

As our operations tend to be located in remote regions, access to health facilities is often limited. In order to ensure that employees and contractors are able to receive such services, we have on-site medical facilities, local hospitals and supporting medical staff available to our employees, contractors and local community members. In order to encourage a healthy work-life balance around our sites, our businesses promote social gatherings and recreational activities organised by event committees where employees are actively encouraged to participate along with their families. In addition to medical and recreational facilities, we provide fully furnished accommodation for employees at most locations and fully equipped townships. This is an essential aspect of our people strategy, ensuring that our employees are safe, healthy and comfortable.

Coverage of the organisation's defined benefit plan obligations (US\$ million)

	2012-13	2013-14
Salaries and wages	650.7	726.3
Defined contribution pension scheme costs	26.2	25.7
Defined benefit pension scheme costs	23.2	16.7
Share-based payment charge	25.5	23.8
Total	725.6	801.6



Sports and recreational events are always encouraged



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/employees

Employees continued

Collective bargaining

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

We do not believe that any country where we have operations represents a risk to freedom of association and collective bargaining, and we uphold this right at all the operations we manage. We understand that collective bargaining offers the opportunity to build a constructive relationship with unions – management and union representatives negotiate agreements which include clauses on productivity, health and

safety, working conditions, remuneration, allowances, incentives and bonuses. In addition, unions play an active role in safety committees at many sites and union representatives participate in various steering committees.

A mechanism is in place to make employees aware of any significant operational changes like restructurings, mergers and acquisitions, expansions and the like. Notification periods for such events are contained in collective bargaining agreements and certified standing orders of respective entities. For example, in India the notification period is 21 days, in Zambia it is one year, in Namibia three months, and one month in South Africa.

Percentage of employees covered by collective bargaining agreements

	Units	(%) of employees covered under collective bargain 2013-14
Zinc, Lead & Silver	HZL	50.9%
	Zinc International	66.8%
Iron Ore	SSL – Iron Ore division	62.7%
Aluminium	BALCO	64.2%
Copper	KCM	89.1%
	CMT	45.0%



Technical ACT-UP workshop participants at SSL – Copper

CASE STUDY

Technical ACT-UP

The key milestones in this project are to:

- Articulate a 'Technical Career Philosophy' for Vedanta
- Develop a 'Technical Competency Framework' (including Proficiency Levels)
- Develop a 'Technical Assessment Framework'

In the early 2000s we developed the Accelerated Competency Tracking & Upgradation Program (ACT-UP). This programme successfully identified and fast-tracked the careers of many of our current leaders, contributing to the growth of the organisation and its leadership team.

In 2013, we expanded our ACT-UP leadership programme to encompass technically highly-skilled employees. We felt this was an important step because of the key role these employees play in our business and the importance of retaining them, it can be a challenge to replace them.

In conjunction with a leading HR consultancy, we developed a framework of technical competency dictionaries for job families across our value chains of metal exploration, mining and processing and power along with supporting technical job families.

We then carried out a 'Technical ACT-UP' pilot programme with mining and smelting employees at Hindustan Zinc and Sterlite Copper to identify technical 'Stars of Business'. The ACT-UP process was designed to comprehensively assess employees' technical and behavioural competencies. This was a rigorous process of both online and in-person assessments through a panel of behavioural and technical assessors. Due to its success, we are rolling out the programme across our businesses in 2014.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/employees

Communities

Our journey... towards socio-economically empowered communities

As a large part of our operations are in two of the world's major developing areas, India and Africa, our commitment to operating a sustainable business and maintaining our licence to operate is of crucial importance to our business.

Running an effective community investment programme is core to our business. We do this by helping communities identify their priorities through participatory needs assessment programmes, and then work closely with them to design programmes that seek to make progress towards an overall improvement in the quality of life of the local communities. This includes through enhanced incomes, better health and education facilities and better utilisation of available resources. This year we invested approximately US\$49 million in community programmes around the world, benefiting some 4.1 million people.

Our approach

Guided by the UN Millennium Development Goals, we work closely with communities, governments and NGOs to identify development priorities and to collaboratively design appropriate and effective programmes. The majority of our initiatives are carried out in collaboration with community organisations and are developed in partnership utilising a needs-based approach to community investment, underpinned by the use of the 'Public-Private-People-Partnership' (4Ps) model.

Our community engagement process, together with baseline studies and needs assessments,

helps us to develop three to five-year plans for local communities. We often recruit external experts to assist us in both understanding local needs and to engage with relevant communities. For example, this year we have partnered with the Brighter India Foundation, Financial Inclusion Improves Sanitation and Health (FINISH), Action For Food Production (AFPRO), Botanical Society, Emory Research Products and the IL&FS Group.

Our ultimate aim is for the programmes we create to be owned and managed by the communities they serve.

CASE STUDY

Reducing water-borne disease with reverse osmosis plants

Cairn India undertakes oil exploration and production in the state of Rajasthan, India. In the district of Barmer, water-borne diseases are a major health problem. The total dissolved solids (TDS) level in drinking water is above World Health Organization standards, aggravated by high fluoride content which can lead to bone deformity and joint pain.

To address these issues, Cairn India extended support to the community by starting a project of potable drinking water. In partnership with the Rajasthan government Department for Water Works (PHED), the business initiated the 'Jeevan Amrit Project' in April 2013. This involved installing water kiosks with reverse osmosis (RO) plants to enable communities to access clean drinking water. Cairn India also partnered with Tata Projects to develop and install customised plants to meet local needs. Importantly, the water kiosks are run and managed by village committees, who charge Rs. 5 per 20 litres of water, ensuring the plant is self-sustaining. To date, 14 RO plants have been set up, with plans to scale this up in the coming year.

One of the most important outcomes of the project has been that it has helped in reducing morbidity due to a number of water-borne diseases, such as diarrhoea – especially among children. The clean drinking water is also helping to reducing skeletal deformities caused by high TDS and fluoride content.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/communities

Communities continued

Our areas of focus

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

Key focus areas

	Our priority	Activities	Outcomes
Health (including nutrition and sanitation)	<p>Providing various endemic disease camps which promote awareness and prevention.</p> <p>Our ultimate goal is to reduce infant mortality.</p>	<p>Our activities include the delivery of medical infrastructure such as the 36 hospitals/health posts we run across the Group supported by medical outreach services, which include mobile health vans and medical outposts to provide isolated rural communities with access to medical services.</p> <p>We have programmes to support access to clean water and increase awareness of the importance of sanitation, providing practical assistance in developing related infrastructure, such as toilets, garbage disposal facilities and waste recycling.</p> <p>We particularly focus on women, through targeted nutrition programmes and family planning, combined with child welfare initiatives.</p>	<p>Our medical and health infrastructure programmes have included providing hospitals, clinics, ambulances and related assets. In 2014, some 1.75 million people have benefited from our health initiatives.</p> <p>In rural communities and villages, over 37,000 people have benefitted this year from our support in sanitation infrastructure.</p>
Education	<p>Supporting education programmes, especially those that increases the girl child school enrolment, retention and educational attainment and promote women's vocational skills.</p>	<p>The Vedanta Bal Chetna Anganwadi (VBCA) programme targets pre-school level education through the Integrated Child Development Scheme, run in partnership with the Indian Government. We also promote women's education, by sponsoring girls who opt for higher education.</p> <p>We also support a mid-day meal programme through eight centralised kitchens, aimed at improving the health status of children from Class I to VIII in Government-aided schools as well as encouraging regular attendance at school.</p> <p>We assist adult literacy centres, distribute education kits and provide proactive support and encouragement for educational enrolment and achievement. Skills development training is offered in a wide range of marketable trades and we encourage development of small business enterprises and entrepreneurship.</p>	<p>Currently being implemented by BALCO, HZL and SSL-Lanjigarh, VBCA collectively reaches out to more than 125,000 children across more than 4,600 centres.</p> <p>The mid-day meal programme is run in partnership with the state Government and reaches out to more than 250,000 students at around 2,700 schools on a daily basis.</p>
Sustainable livelihoods	<p>Given our locations, we focus on assisting our surrounding communities in developing sustainable livelihoods based on agricultural commodities and livestock and non-farm initiatives.</p> <p>Our aim is to assist in diversification of revenue sources.</p>	<p>On farms, we distribute high-yield seeds, provide education and training in fruit and vegetable cultivation and in animal rearing practices, breed selection and animal vaccination.</p> <p>We offer a range of technical assistance through partners, including adopting the new scientific technologies such as compost pits and drip irrigation systems.</p> <p>We also focus on non-farm interventions for rural youth to create economic opportunity.</p>	<p>More than 15,000 farmers are included in agricultural initiatives. In 2014, over 263,000 people have been assisted by our broad range of livelihood programmes.</p>



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/communities

Communities continued

	Our priority	Activities	Outcomes
Women's empowerment	Rural women play an important role in supporting their households and we help create sustainable communities by supporting initiatives that create gender mainstreaming opportunities.	<p>Our main activity in working to empower women is our support for over 1,200 women's Self Help Groups (SHGs). These SHGs bring women together to develop skills and create various income generating micro businesses. As economic opportunities are very limited in isolated, rural villages, SHGs not only give women a chance to contribute towards the income of their families but also provide an opportunity to socialise and share concerns and experiences with other women outside the home, leading to overall empowerment of women.</p> <p>Specific opportunities include training in tailoring, stitching and local crafts with the aim that women are provided with skills that can enable sustainable income generation. Market links are also provided. We also partner to provide livelihood skills, including animal husbandry; support is also provided to establish links with financial institutions.</p>	<p>We currently support some 1,275 SHGs comprising over 17,000 members. The average monthly income of women entrepreneurs is around US\$110.</p> <p>The Vedanta Integrated Jan Jivika Yojana (VIJY) plan was developed in partnership with the NGO ACCESS. VIJY is focused on improving income generating opportunities in nine villages around our SSL – Jharsuguda plant and currently comprises 140 groups, with over 1,500 members in trades including leaf plate making, poultry, floriculture, fishery management and mushroom cultivation.</p>
Community asset creation	Our community asset creation programme facilitates the building and development of infrastructure projects in partnership with national and local governments.	Amongst other initiatives, this also includes the building of schools in rural and remote locations. Facilities are built on a needs basis in discussion with the community and have included community halls, roads, health and education facilities.	This year, over 390,000 people have benefited from our community asset creation projects.
Bio-investment	Restoring and improving natural systems helps both to improve the biological balance of an area and to reduce rural poverty.	This year, our focus has been on significant planting programmes around our operations. The aim of these mass plantings is to reduce dust emissions and preserve habitats and water tables. In addition, we have supported fruit orchard plantations in various locations to both generate income and promote biodiversity.	In 2013, we supported the planting of over 175,000 saplings.
Integrated village development	Our objective is to facilitate the holistic development of local rural communities through our Integrated Village Development Programme (IVDP), usually conducted in conjunction with a government partner.	<p>Under the IVDP, villages are identified by a number of indicators including limited infrastructure, low literacy rates, the level of government services available and the availability of healthcare and education services. We work with NGOs and government authorities, in collaboration with the village, to prepare an IDV plan. A partnership strategy is drawn up and periodic meetings with local government and the community are conducted to track progress and implementation in a collaborative manner.</p> <p>The process takes between three and five years, from inception to handover. All activities are designed to enable eventual handover to the village for sustainable self-management.</p>	At the end of the reporting period, IVDP has helped 125 villages around our operations in India and Africa.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/communities

Communities continued

Evolving our approach

We continue to evolve our approach. Ultimately, we want to empower communities to determine the best approach to address their specific socio-economic and quality-of-life needs. Although this approach can result in programmes taking longer in the initial development stage, we believe that stronger, more sustainable programmes are created when they are community initiated, owned, managed and run (with the guidance and resources we and our partners can provide). We are expanding the number of programmes that are created and run in this way, and will continue in the coming year.

This year, although we have had some challenges at our operations, with, for example the disruption of operations at SSL – Iron Ore division we have continued to support quality programmes across our seven target areas. Our programmes and presence have created a large number of job opportunities, increased access to healthcare and delivered a wide range of initiatives that are empowering local community members, with specific focus on women.

Below are a few of the key performance indicators which highlight our indirect economic impacts in India and Africa.

Livelihood

	Total
Youths provided vocational training	4,271
Youths linked to jobs after training	1,982
Youths linked with job/self-employment engaged under micro-enterprise development for self-employment	588

Women empowerment

	Total
Number of Self Help Groups (SHGs)	1,275
Women members of SHGs	17,587
SHGs engaged in income generation activities	328
No. of women-established micro-enterprises	489
Average monthly income of women entrepreneurs in US\$	110

CASE STUDY

Konkola Copper Mines (KCM) – village livelihood programmes

Our KCM business in Zambia works with a wide range of surrounding communities to assist them to create sustainable livelihood programmes. For example, targeting over 70,000 families in two four-year programmes in the cities of Chililabombwe, Chingola and Nampundwe, KCM partnered with the charity Village Water Zambia to support an integrated approach to animal husbandry and agriculture. This is creating alternative employment opportunities for both former miners and non-miners in the community. Additionally, through these projects, overall nutrition – particularly of children – is increased by the greater availability of dairy products and grains.

The programmes include capacity building through training (including training almost 50 farmers as community animal health workers to undertake basic veterinary community services), study tours and provision of start-up capital including animals, vegetable seeds and agricultural equipment. It also promoted linkages with Government, NGOs and other stakeholders who can support the programmes' outcomes.

To embed community ownership and the sustainability of the projects, KCM has helped the communities to create Community Management Committees, which handle finances, animal health and other issues of common interest. Importantly, the projects have also forged effective partnerships between staff from relevant Government ministries and local officials who are complementing the project activities through various extension services, creating additional value.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/communities

Communities continued

CASE STUDY

Vedanta Khushi

"No child in India is to be deprived of nutrition, health and primary education. Let us make India a nation free of malnourished children."

Anil Agarwal, Chairman

Vedanta has a strong focus towards care for underprivileged children. Since 2008 the Group has associated with and supported about 14,000 child care centres in India, reaching approximately 500,000 rural children – for their nutrition, health and education.

As per the UNICEF report, India has the greatest population of children in the world, but also the highest number of malnourished children and child deaths. Although the government agencies, corporates and NGOs are collaborating for this cause, still a lot is required to uplift and help these underprivileged children.

To build on this support, in April 2012 we launched a 100% non-government funded initiative "Khushi", a global child care awareness campaign, that would pro-actively engage with different sets of people through direct communication and social media to spread awareness and encourage them to take individual steps towards child care.

The campaign in social media was launched through a dedicated blog www.khushi-creatinghappiness.blogspot.com in which uploads success stories, articles and other credible information, and utilises Facebook (www.facebook.com/groups/vedantakhushi) to spread general

"Khushi"

awareness. Through these forums, there have been 60 debates on a number of child care issues including girls' education, infrastructure in schools, street children, quality of education, disparities in urban and rural education, malnutrition and child labour.

"Khushi" has 75 child care centres in rural parts of Rajasthan, Tamil Nadu, Chattisgarh and Odisha reaching out to about 2,500 underprivileged children. More recently, "Khushi" came together with Indian television station NDTV for the campaign "Our Girls Our Pride", focusing on raising awareness and funding to educate and empower over 2,000 Indian girls.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/communities

Other stakeholders

Our journey... towards making positive contributions

Our employees and communities are the stakeholders who are most directly and continuously impacted by our activities. We have outlined below the five additional stakeholders who are also very important to our business and how we generate value with them.

Industry (suppliers, customers, our peers and industry associations)

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

Suppliers

Our suppliers are an integral part of our business and include government utility companies, international manufacturers and local service providers, and we use local suppliers whenever possible. We also partner with supplier organisations to enable effective and mutually beneficial relationships. We believe in continuous and progressive adoption of IT and automation to improve our operating efficiencies.

Last year the Group launched the SAP – Supplier Relationship Management (SRM) module, which includes a SAP supplier portal which is an easy to use, highly-efficient and secure method of communication between purchasing organisation and vendors.

Commodity	Positioning	Meeting expectations
Aluminium	Largest producer in India	44% primary aluminium consumption in India
Copper	Largest producer in India Largest private employer in Zambia and largest contributor to the nation's exchequer	28% primary copper consumption in India
Iron Ore	Largest private sector producer in India	Largest private sector exporter in India
Oil & Gas	Largest private sector producer in India	Produces more than 25% of India's domestic crude production
Zinc-Lead	Largest integrated zinc-lead producer in India Largest producer in Africa	88% of India's zinc consumption
Silver	Largest primary producer in India	Record production of silver in India (13.1moz) in the reporting period

Source*

Requests for quotations, vendor bidding and auctions are carried out online to ensure transparency, with easy access to the status of offers, material dispatched and payments, ensuring transparency within the business and added value to our suppliers.

Customers

Our customers are predominantly large industrial downstream producers with whom we deal directly. We understand that meeting our customers' expectations is crucial to the growth of our business, particularly when we have such a significant presence in the market. We therefore ensure that our raw materials meet the required London Metal Exchange (LME) standards for entering the commodity market. We have defined systems and practices in place to understand and meet customer expectations and regularly engage with them

through our marketing and customer relationship personnel. All our activities are focused on ensuring our customers' needs are met in an appropriate and timely manner, including assisting our customers with technical issues and product development for first use.

In order to measure the success of our customer relations, customer satisfaction surveys are conducted periodically by external third parties. The accumulated feedback is shared in management review meetings and appropriate corrective actions are taken to address particular customer requirements.

This is supported by senior executives making frequent visits to customers to get direct feedback on our products and services and other related issues.

*Source – Aluminium Association of India, International Copper Promotion Council India (ICPCI), India Zinc-Lead Development Association.



Other stakeholders continued

Product stewardship

As primary producers, we have limited control of the full lifecycle and the way in which products are produced and disposed. However, we are committed to ensure that the beginning of the lifecycle adheres to appropriate international commodity trading standards. Ensuring that the extraction, processing and refining of our natural resources is done in a responsible and sustainable way is core to our product stewardship commitment and a critical part of delivering quality to our customers.

A key aspect of our product stewardship is our commitment to the highest technological standards and processes. To ensure the safe handling of our products, we use a Material Safety Data Sheet which includes information on physical data, health effects, storage and disposal. We also use a Technical Services Resource for quality assurance. Together with scorecards, all this information is available to support our customers, allowing them to gain a full and detailed understanding of our products and their composition. We also comply with all prevailing standards and laws related to marketing communications, including advertising, promotion, and sponsorship, of the country where we operate. Over the reporting period, no cases of non-compliance with relevant regulations, anti-competitive behaviour, anti-trust, monopoly and voluntary codes concerning the health and safety impacts of our products and services were observed or reported. Similarly, no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services were reported.

“Over the reporting period, no cases of non-compliance with relevant regulations and voluntary codes concerning the health and safety impacts of our products were observed.”

CASE STUDY

Cairn India hosts the first global health, safety and environment (HSE) conference

In 2013, Cairn India organised a global HSE conference, the first of its kind in South Asia, themed ‘Collaborate, Lead and Transform’. More than 600 delegates from industry and government attended to hear 50 national and international speakers.

The conference examined a wide range of HSE issues, including strategies to enable sustainable business growth, to share best practice learnings and techniques to engage work forces to create strong health and safety cultures. Key findings of the conference included that small initiatives such as daily toolbox talks before commencement of work can go a long way in the adoption of HSE at the grass root level in an organisation. Initiatives such as counselling and mentoring workshops are also important elements in embedding a HSE culture in an organisation.

It was also noted that a key characteristic that will define the future of HSE is the ability of all industry participants to come together to exchange technological innovations and share knowledge in HSE, with incident reporting and information dissemination being extremely important.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/other-stakeholders

Other stakeholders continued

Host governments

We believe that, as a Group, we make a significant, valuable contribution by ensuring that both the financial and non-financial returns that the business can deliver are realised. For example, where infrastructure, including roads, housing, sanitation and healthcare facilities, are not adequate we partner with host governments to develop these areas for future generations. At a broader level, we are committed to contributing to the development of democracy and democratic processes in the countries where we operate. We do this in a number of ways, including through membership of industry organisations and international bodies.

We make a direct, positive economic contribution to national and state budgets through the taxes and royalties we pay. We also make a broader contribution through developing industry, infrastructure and skills, and by providing some 90,000 direct and indirect employment opportunities and many times that through secondary, supporting industries. This is underpinned by the broad range of health

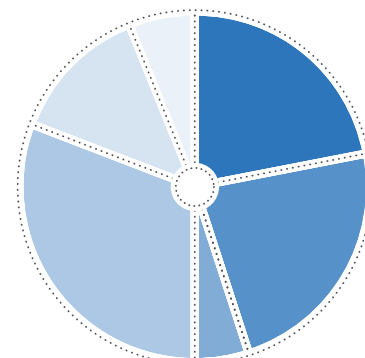
and education services and infrastructure that we provide, either independently or in constructive partnerships, benefiting some 3.7 million people.

In the last year, in total the Group contributed US\$5.3 billion to host governments by way of taxes and royalties. Importantly, we have a transparent approach to disclosing the tax we pay and, for developing countries, the revenue received facilitates the sustainable development of host communities.

We have not received any direct financial assistance from governments, although as a part of various direct tax holidays and similar exemptions Vedanta did benefit by US\$642 million during 2013-14.

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

Vedanta's economic contribution



Direct tax (income tax, FBT, WT and TDS/TCS)	22%
Royalties	23%
Customs duty	5%
Profit sharing – petroleum	31%
Cess and NCCD	13%
Other	6%

CASE STUDY

HZL – Partnering with Government for a cleaner environment

Hindustan Zinc Ltd (HZL) has partnered with the Government of Rajasthan to build the City of Udaipur's first domestic sewage treatment plant (STP). Udaipur is renowned for its magnificent geography of spectacular lakes and is one of India's most visited tourist cities; however, recent development has put pressure on infrastructure and the cleanliness of the lakes.

The STP project is an important step in protecting this culturally significant city. The STP will treat 20 million litres of domestic sewage per day, removing significant runoff waste that is currently flowing into and polluting the lake system. In addition to reducing pollution the plant will also generate revenue for the municipality of Udaipur.

The plant is being constructed on a design, build, own, operate, transfer basis with the regional Government. Contracts have been signed and the plant is expected to be operational in 2014.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/other-stakeholders

Other stakeholders continued

Civil society

The world faces many pressing issues including climate change, poverty and the depletion of finite natural resources. By our engagement and partnerships with civil society – encompassing a wide range of non-governmental and not-for-profit organisations – we can make a contribution to meeting these global and local challenges. In addition, to deliver our many community development programmes we partner with a wide range of civil society organisations as they can offer valuable expertise and personnel. These relationships are managed at the appropriate level; at the Group corporate level, at our subsidiary businesses and at the local level, utilising our CSR, investor relations, sustainability and other functional teams. We also listen closely to the views of organisations that challenge our business.

By engaging appropriately, we understand civil society organisations' expectations of business, particularly with reference to human rights, health, safety and the environment. It is clear that they expect businesses such as ours to make a positive contribution for the betterment of society and this report is the main way we illustrate how we do this.

We believe in promoting public policies and a regulatory framework that serve the common good of society. Being a major contributor to the social and economic development of the communities in which we operate, we advocate policies which promote sustainable development and value creation for all stakeholders. Vedanta currently plays no direct role in developing public policy; however, we are a member of the UNGC and World Business Council for Sustainable Development who are working on various sustainable development programmes/frameworks. Some of our subsidiary companies are members of trade and industry bodies like the Federation of Indian Mining Industries, Confederation of Indian Industries, India Lead Zinc Development Association, Indian Institute of Metal, Federation of Indian Chambers of Commerce & Industry, Zambia Extractive Industries Transparency Initiative, Irish Business and Employers' Confederation, and The Energy Resources Institute, India, where they actively participate.

CASE STUDY

Partnering with Action for Food Production to create sustainable livelihoods

Bharat Aluminium Company (BALCO) partnered with Action for Food Production (AFPRO) and the National Bank for Agriculture and Rural Development (NABARD) to create a sustainable livelihood programme for neighbouring communities in the state of Chhattisgarh, India (Korba district). The aim of the programme was to reduce vulnerable communities' reliance on government schemes and to enable self-sustaining income generation.

The programme was initiated by identifying the places in a pilot village where water conservation structures could be built (to provide water catchment solutions in the rocky environment) and to develop an understanding of cropping practices. A village committee was established and created an understanding that they would be responsible for maintaining the structures after the completion of the project. The committee also helped mobilise community labour and resources such as seeds, fertilisers and other agriculture implements.

The project has been rolled out across four villages in the region, with structures such as ponds, well and water check dams (saving water from run-off) being built in a partnership between BALCO, AFPRO and the village communities. The first set of structures built enabled farmers to have access to water near their farms and helped them grow cash crops. Seventeen farmers took part in a pilot demonstration, and they experienced a 41% average increase in yields.

The success of the project and the support of the farmers involved led to additional seed provision from government. Farmers, motivated by the success of the programme, also contributed capital for fencing to protect their crops. Although the project is only 18 months old, it has given local people the opportunity to reduce dependence on welfare programmes by creating sustainable livelihoods.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/other-stakeholders

Other stakeholders continued

Shareholders and lenders

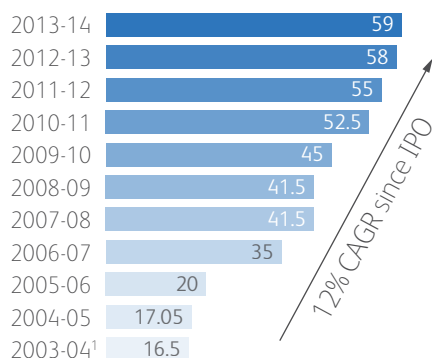
Strong relationships with our shareholders and lenders ensure that we are able, through access to finance, to expand and grow our business. As many lenders are aligned to the Equator Principles and International Finance Corporation (IFC) standards, our Sustainability Framework and this report act as important tools to build this relationship.

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

Delivering returns to our shareholders and lenders

In order to meet the economic commitments that the business has with its finance providers, Vedanta invests in projects and businesses that drive the development of the Group asset base and increase production, and therefore sales.

Delivering returns to our shareholders



¹In FY2004, a single dividend of 5.5 US cents per share was paid for the four months since listing, equivalent to an annual payment of 16.5 US cents per share.

Additional financial and business development highlights over the past year include:

Consistent returns

We have a progressive dividend policy and have returned US\$1.4 billion in dividends to shareholders since the IPO in 2004. Since our IPO at 390p in December 2003, shareholders have seen a Total Shareholder Return of over 200% and we have paid a progressive dividend that was increased in nine out of ten years and held constant for one year.

Track record of delivering EBITDA growth

Our broad natural resources portfolio diversified across base metals, bulks and oil & gas has delivered consistent EBITDA margins in excess of 30% over the last ten years. The Group EBITDA has increased almost 15 times, from US\$323 million following flotation to US\$4.5 billion in FY 2013-14. This reflects strong growth in production complemented by a successful programme of acquisitions. Our industry leading investment programme has expanded capacity and improved efficiency, leading to the delivery of consistent profit margins. Vedanta is reaping the benefits of its expansion programme as project ramp-ups are driving free cash flow generation, which exceeded capex by US\$1.6 billion this year.



Related information: vedantaresources.com/SustainableDevelopment2013-14/adding-and-sharing-value/other-stakeholders

Standards and Assurance

In this section

Global Reporting Initiative (GRI) index	68
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Community member in BALCO measuring rice

GRI index

Global Reporting Initiative (GRI) index

This report aligns and is developed in accordance with the Global Reporting Initiative's (GRI) G3.1 guidelines, following both sector-specific supplements for mining and metals, and oil and gas companies.

This year following consultation with our stakeholders, we have structured the report around key material issues identified as per our materiality.

Standard disclosures part I: Profile disclosures

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
1. Strategy and analysis			
1.1	Statement from the most senior decision-maker of the organisation.	Fully	Chairman's statement Incoming CEOs statement
1.2	Description of key impacts, risks, and opportunities.	Fully	Annual Report
2. Organisational profile			
2.1	Name of the organisation.	Fully	Homepage
2.2	Primary brands, products, and/or services.	Fully	About Vedanta
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	About Vedanta Annual Report
2.4	Location of organisation's headquarters.	Fully	About Vedanta
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	About Vedanta
2.6	Nature of ownership and legal form.	Fully	Annual Report
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	About Vedanta Other Stakeholders
2.8	Scale of the reporting organisation.	Fully	About Vedanta
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Homepage GRI3.1 – Performance Indicator (pdf)
2.10	Awards received in the reporting period.	Fully	Detailed GRI (pdf) Awards
3. Report parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Homepage
3.2	Date of most recent previous report (if any).	Fully	Homepage
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Homepage
3.4	Contact point for questions regarding the report or its contents.	Fully	To be included on back cover
3.5	Process for defining report content.	Fully	Materiality
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	To be included on back cover About Vedanta
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Homepage
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 organisations.	Fully	Homepage About Vedanta

GRI index continued

Standard disclosures part I: Profile disclosures continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
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	Assurance Statement – DNV
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	Mentioned within the sections
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Homepage
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	Assurance Statement – DNV
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Assurance Statement – DNV
4. Governance, commitments, and engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	Approach and strategy Annual Report
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Annual Report
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Annual Report
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Annual Report Statement engagement
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	Annual Report
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Annual Report
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
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	Homepage Materiality

GRI index continued

Standard disclosures part I: Profile disclosures continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
4.9	Procedures of the highest governance body for overseeing the organisation'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	Approach and strategy Sustainable management in practice
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Annual Report
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	Annual Report
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	Homepage Sustainable management in practice Health and safety management
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Other Stakeholders
4.14	List of stakeholder groups engaged by the organisation.	Fully	Stakeholder engagement
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Materiality Stakeholder engagement
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder engagement Materiality
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	Stakeholder engagement Materiality

Standard disclosures part II: Disclosures on Management Approach (DMAs)

G3.1 MMSS DMAs	Disclosure	Level of reporting	Location of disclosure
DMA EC	Disclosure on Management Approach EC		
Aspects	Economic performance	Fully	About Vedanta Making a positive contribution
	Market presence	Fully	About Vedanta Annual Report
	Indirect economic impacts	Fully	Communities Making a positive contribution
Reserves			
DMA EN	Disclosure on Management Approach EN		
Aspects	Materials	Fully	Environmental management
	Energy	Fully	Environmental management
	Water	Fully	Environmental management
	Biodiversity	Fully	Environmental management
	Emissions, effluents and waste	Fully	Environmental management
	Products and services	Fully	Environmental management

GRI index continued

Standard disclosures part II: Disclosures on Management Approach (DMAs) continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
DMA EN continued	Compliance	Fully	Environmental management
	Transport	Fully	Environmental management
	Overall	Fully	Environmental management
DMA LA	Disclosure on Management Approach LA		
	Employment	Fully	Employees
	Labour/management relations	Fully	Employees
	Occupational health and safety	Fully	Health and safety management
	Training and education	Fully	Employees
	Diversity and equal opportunity	Fully	Employees
	Equal remuneration for women and men	Fully	Employees Annual Report
DMA HR	Disclosure on Management Approach HR		
Aspects	Investment and procurement practices	Fully	Other Stakeholder Annual Report
	Non-discrimination	Fully	Employees
	Freedom of association and collective bargaining	Fully	Employees
	Child labour	Fully	Human Rights
	Prevention of forced and compulsory labour	Fully	Human Rights
	Security practices	Fully	
	Indigenous rights	Fully	
	Assessment	Fully	Community engagement and resettlement Human Rights
	Remediation	Fully	Community engagement and resettlement
DMA SO	Disclosure on Management Approach SO		
Aspects	Local communities	Fully	Community engagement and resettlement
	Artisanal and small-scale mining	Fully	Human Rights
	Resettlement	Fully	Community engagement and resettlement
	Closure planning	Fully	Sustainable management in practice
	Grievance mechanisms and procedures	Fully	Community engagement and resettlement
	Emergency preparedness	Fully	Sustainable management in practice
	Corruption	Fully	Sustainable management in practice
	Public policy	Fully	Other stakeholders
	Anti-competitive behaviour	Fully	Other stakeholders
	Compliance	Fully	Other stakeholders
	Involuntary resettlement	Fully	Community engagement and resettlement
	Asset integrity and process safety	Fully	Sustainable management in practice
DMA PR	Disclosure on Management Approach PR		
Aspects	Materials stewardship	Fully	Other stakeholders
	Customer health and safety	Fully	Other stakeholders
	Product and service labelling	Fully	Other stakeholders
	Marketing communications	Fully	Other stakeholders
	Customer privacy	Fully	Other stakeholders
	Compliance	Fully	Other stakeholders
	Fossil fuel substitutes	Fully	Environment Other stakeholders

GRI index continued

Standard disclosures part III: Performance indicators

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
Economic			
Economic performance			
EC1COMM	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	Making a positive contribution GRI 3.1 Performance Indicator (pdf)
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
EC3	Coverage of the organisation's defined benefit plan obligations.	Fully	Employees
EC4	Significant financial assistance received from government.	Fully	Other stakeholders
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Fully	GRI 3.1 Performance Indicator (pdf)
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	Other stakeholders We will provide an update on this in 2015-2016 when our data system is more robust
EC7	Procedures for local hiring and proportion of senior management and workforce hired from the local community at significant locations of operation.	Fully	Employees
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Communities GRI 3.1 Performance Indicator (pdf) Making a positive contribution
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Communities GRI 3.1 Performance Indicator (pdf)
OG1 Core	Volume and type of estimated proved reserves and production.		GRI 3.1 Performance Indicator (pdf)
Environmental			
Materials			
EN1	Materials used by weight or volume.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
EN2	Percentage of materials used that are recycled input materials.	Fully	GRI 3.1 Performance Indicator (pdf)
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
EN4	Indirect energy consumption by primary source.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
OG2 Core	Total amount invested in Renewable Energy.		GRI 3.1 Performance Indicator (pdf)
OG3 Core	Total amount of renewable energy generated by source.		GRI 3.1 Performance Indicator (pdf)
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Environmental management
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Part	GRI 3.1 Performance Indicator (pdf)

GRI index continued

Standard disclosures part III: Performance indicators continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
Water			
EN8	Total water withdrawal by source.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
EN9	Water sources significantly affected by withdrawal of water.	Fully	Environmental management
EN10	Percentage and total volume of water recycled and reused.	Fully	Environmental management
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	Environmental management GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partially	Environmental management GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Partially	Environmental management GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
EN13	Habitats protected or restored.	Partially	Environmental management GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	Environmental management GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	Partially	Environmental management GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
OG4 Core	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	Partially	GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Partially	Environmental management GRI 3.1 Performance Indicator (pdf) We will report on this in 2015-16 as the data is not compiled at a corporate level
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Environmental management
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not	Scope III Emission will be reported by 2015
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Environmental management

GRI index continued

Standard disclosures part III: Performance indicators continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
EN19	Emissions of ozone-depleting substances by weight.	Not	Not material
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Environmental management
EN21	Total water discharge by quality and destination.	Fully	GRI 3.1 Performance Indicator (pdf)
EN22	Total weight of waste by type and disposal method.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
OG5 Core	Volume and disposal of formation or produced water.	Fully	GRI 3.1 Performance Indicator (pdf)
EN23	Total number and volume of significant spills.	Fully	Environmental management
OG6 Core	Volume of flared and vented hydrocarbon.	Fully	GRI 3.1 Performance Indicator (pdf)
OG7 Core	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal.	Fully	GRI 3.1 Performance Indicator (pdf)
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	GRI 3.1 Performance Indicator (pdf)
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Fully	Environmental management GRI 3.1 Performance Indicator (pdf)
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Environmental management
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	GRI 3.1 Performance Indicator (pdf)
OG8 Core	Benzene, lead and sulfur content in fuels.	This indicator is not applicable	GRI 3.1 Performance Indicator (pdf)
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Environmental management
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Fully	Environmental management
Overall			
EN30	Total environmental protection expenditures and investments by type.	Fully	Environmental management

GRI index continued

Standard disclosures part III: Performance indicators continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
Social: Labour practices and decent work			
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Employees GRI 3.1 Performance Indicator (pdf)
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Employees GRI 3.1 Performance Indicator (pdf)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	Employees GRI 3.1 Performance Indicator (pdf)
LA15	Return to work and retention rates after parental leave, by gender.	Fully	GRI 3.1 Performance Indicator (pdf)
Labour/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Employees
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	GRI 3.1 Performance Indicator (pdf)
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	Fully	Community engagement and resettlement
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Fully	GRI 3.1 Performance Indicator (pdf)
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	Health and safety management GRI 3.1 Performance Indicator (pdf)
LA8	Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	GRI 3.1 Performance Indicator (pdf)
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	GRI 3.1 Performance Indicator (pdf)
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	Employees GRI 3.1 Performance Indicator (pdf)
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Employees GRI 3.1 Performance Indicator (pdf)
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	Employees GRI 3.1 Performance Indicator (pdf)
Diversity and equal opportunity			
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.	Fully	GRI 3.1 Performance Indicator (pdf)
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	Employees GRI 3.1 Performance Indicator (pdf)

GRI index continued

Standard disclosures part III: Performance indicators continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
Social: Human rights			
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Human rights
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	Human rights
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	Human rights
Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Sustainable management in practice
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	Human rights
Child labour			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	Fully	Human rights
Prevention of forced and compulsory labour			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	Fully	Human rights
Security practices			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Human rights
Indigenous rights			
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.	Fully	Human rights
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Human rights
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	Human rights
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.		GRI 3.1 Performance Indicator (pdf)
Remediation			
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	Fully	Human rights

GRI index continued

Standard disclosures part III: Performance indicators continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
Social: Society			
Local communities			
SO1 (MMSS)	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Communities Community engagement and resettlement
SO1 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	Fully	Community engagement and resettlement Communities GRI 3.1 Performance Indicator (pdf)
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	Fully	Human Rights Community engagement and resettlement
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	Community engagement and resettlement
Artisanal and small-scale mining			
MM8	Number (and percentage) or company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	Fully	GRI 3.1 Performance Indicator (pdf)
Resettlement			
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	Fully	GRI 3.1 Performance Indicator (pdf)
Closure planning			
MM10	Number and percentage of operations with closure plans.	Fully	Sustainable management in practice
SO9	Operations with significant potential or actual negative impacts on local communities.	Fully	Community engagement and resettlement Community
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Community engagement and resettlement
OG10 Core	Number and description of significant disputes with local communities and indigenous peoples.	Fully	GRI 3.1 Performance Indicator (pdf)
OG11 Core	Numbers of sites that have been decommissioned and sites those are in the process of being decommissioned.	Fully	GRI 3.1 Performance Indicator (pdf)
Corruption			
SO2	Percentage and total number of business units analysed for risks related to corruption.	Fully	Sustainable management in practice
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Fully	Sustainable management in practice
SO4	Actions taken in response to incidents of corruption.	Fully	Sustainable management in practice GRI 3.1 Performance Indicator (pdf)
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	GRI 3.1 Performance Indicator (pdf)
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	GRI 3.1 Performance Indicator (pdf)

GRI index continued

Standard disclosures part III: Performance indicators continued

Profile disclosure	Disclosure	Level of reporting	Location of disclosure
Anti-competitive behaviour			
S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Fully	GRI 3.1 Performance Indicator (pdf)
Compliance			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Reported in SDR Environmental management
OG12 Core	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process.	Fully	GRI 3.1 Performance Indicator (pdf)
OG13 Core	Number of process safety events, by business activity.	Fully	GRI 3.1 Performance Indicator (pdf)
Social: Product responsibility			
Materials Stewardship			
MM11	Programmes and progress relating to materials stewardship.	Fully	Other Stakeholders
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	GRI 3.1 Performance Indicator (pdf) Other Stakeholders
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	Other Stakeholders
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	GRI 3.1 Performance Indicator (pdf)
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	GRI 3.1 Performance Indicator (pdf) Other Stakeholders
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	GRI 3.1 Performance Indicator (pdf) Other Stakeholders
Marketing communications			
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Other Stakeholders
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	Other Stakeholders
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	GRI 3.1 Performance Indicator (pdf)
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	GRI 3.1 Performance Indicator (pdf)
OG14 Core	Volume of biofuels produced and purchased meeting sustainability criteria.	Fully	GRI 3.1 Performance Indicator (pdf)

MDG

External indices and benchmarks

United Nation Global Compact (UNGC)

We are committed to upholding the 10 principles of the UN Global Compact and are supportive of the UN Millenium Development Goals. Our Sustainable Development Report communicates our progress in implementing the 10 principles, and below we have mapped out where information about our progress can be found throughout the report.

Issue area	UNGC principle	Reference	Page number
Human rights	Principle 1:	Human rights	47
	Principle 2:	Human rights	47
Labour	Principle 3:	Employees	52
	Principle 4:	Human rights	47
	Principle 5:	Sustainability Committee Chairman's Statement	6
		Human rights	47
Environment	Principle 6:	Employees	52
		About Vedanta	2
		Chairman's statement	6
		Incoming Chief Executive Officer's statement	8
		Approach and strategy	10
		Sustainable management in practice	20
		Environmental management	30
	Principle 8:	Incoming Chief Executive Officer's statement	8
		Sustainability Committee Chairman's statement	13
		Environmental management	30
	Principle 9:	Incoming Chief Executive Officer's statement	8
		Environmental management	22-28
Anti-corruption	Principle 10:	Sustainable management in practice	20
		Other stakeholders	62

Millenium Development Goals (MDGs)

We also align our reported activities to be broad aims of the UN Millennium Development Goals (MDGs). The table below outlines where information about Vedanta's activities can be found to demonstrate our contribution towards MDG's. The detail activities can be found in our online report underneath the following section.

MDG number	Description	Progress
1	Eradicating extreme poverty and hunger	Community engagement and resettlement Communities
2	Achieving universal primary education	Making a positive contribution Communities
3	Promoting gender equality and empowering women	Employees and Communities
4	Reducing child mortality rates	Communities
5	Improving maternal health	Communities
6	Combating HIV/AIDS, malaria, and other diseases	Community engagement and resettlement Communities
7	Ensuring environmental sustainability	Environment Communities
8	Developing a global partnership for development	Making a positive contribution; Communities



Assurance Statement – DNV

Introduction

DNV GL represented by DNV Business Assurance India Private Limited ('DNV GL') has been commissioned by the management of Vedanta Resources plc ('Vedanta' or the 'Company'), to carry out an independent assurance engagement on the Company's Sustainable Development Report 2013-14 ('the Report') in its printed and web online version. The engagement was carried out against the DNV GL Protocol for Verification of Sustainability Reporting ('VeriSustain' – www.dnv.com/moreondnv/cr/) including verification of Application Level and adherence to the principles of the Global Reporting Initiative (GRI) 2011, Sustainability Reporting Guidelines Version 3.1 (GRI G3.1) including the Mining and Metals Sector Supplement (MMSS) and Oil and Gas Sector Supplement (OGSS).

The intended users of this assurance statement are the management of the Company and readers of the Report. The management of the Company is responsible for all information provided in the Report as well as the processes for collecting, analyzing and reporting the information presented in the printed and online report, including the maintenance and integrity of the website. Our responsibility in performing this work is regarding the verification of the Report only, in accordance with the agreed scope of work. The assurance engagement is based on the assumption that the data and information provided to us is complete, sufficient and authentic. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. Our assurance engagement was planned and carried out in March 2014 to June 2014.

Scope, Boundary and Limitations of Assurance

- The scope of the assurance as agreed upon with Vedanta included the verification of the content of the Report. In particular the assurance engagement included:
- Verification of the application of Report Content Principles set out in GRI G3.1 and quality of information presented in the Report over the reporting period 1st April 2013 to 31st March 2014;
- Review of the policies, initiatives, practices and performance described in the Report;

- Review of the Report against the requirements of VeriSustain with moderate level of assurance;
- Verification of the reliability of GRI G3.1 performance indicators and performance information specifically related to Greenhouse Gas Emissions (EN16) and Health & Safety (LA7);
- Confirmation of Vedanta's declared Application Level i.e. A+.

The reporting boundary is as set out in the Report covering sustainability performance of Vedanta Resources plc. As part of our verification, we visited as part of our verification, we visited SSL Aluminium divisions (Lanjigarh and Jharsuguda), Hindustan Zinc Ltd., BALCO, Cairn India (Barmer operations), SSL – Copper division (Tuticorn) and Zinc International (Lisheen mine). In addition to Vedanta's Corporate Office at New Delhi, India:

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

Verification Methodology

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

- Adherence to the principles of Materiality, Completeness, Neutrality, Reliability, Responsiveness and Stakeholder inclusiveness;
- The principles and requirements of GRI G3.1 for an Application Level A+ including the MMSS & OGSS disclosures.

As part of the engagement, DNV GL has verified the statements and claims made in the Report. In doing so, we have:

- Reviewed the Company's approach to stakeholder engagement and its materiality determination process;
- Verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management systems, information flow and controls;

- Examined and reviewed documents, data and other information made available by Vedanta, including the performance indicators related to health and safety (LA7) and GHG emissions (EN16);
- Conducted interviews with key representatives including data owners and decision-makers from different levels and functions of the Company;
- Performed sample-based reviews of the mechanisms for implementing the Company's sustainability related policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report.

Conclusions

In our opinion, based on the scope of this assurance engagement, the Report, along with the referenced information in the website and commitments with timelines to report the partially reported core indicators, generally meet the requirements for Application Level A+, and is a fair representation of the Company's sustainability performance. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

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

Materiality: The Company has carried out materiality assessment based on internal and external perspectives, and arrived at material issues of significance considering the effectiveness of existing management systems across the diverse range of Vedanta's businesses. The material issues are adequately covered in the Report. In our view, the level at which the Report adheres to this principle is 'Good'.

Responsiveness: We consider that the Company's response to key stakeholder concerns, through its policies and management systems, including governance are fairly reflected in the Report. In our view, the level at which the Report adheres to the principle of Responsiveness is 'Acceptable'.

Assurance Statement – DNV continued

Completeness: The Report has fairly attempted to respond on disclosures on management approach, sustainability performance, and explanations on omissions and commitments to future reporting that are material within the Company's reporting boundary, against the GRI G3.1 including the MMSS and OGSS requirements. In our view, the level at which the Report adheres to this principle is 'Acceptable'.

Reliability: The majority of data and information verified at Corporate 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. Hence in accordance with VeriSustain for a moderate level assurance engagement, we conclude that the specified sustainability data and information presented in the Report are generally reliable and acceptable. In our view, the level at which the Report adheres to this principle is 'Acceptable'.

Neutrality: The Company has reported its sustainability issues and performance in terms of content and presentation in a neutral tone. In our view, the level at which the Report adheres to this principle is 'Good'.

Opportunities for Improvement

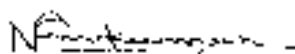
The following is an excerpt from the observations and further opportunities for improvement reported to the management of Vedanta and are not considered for drawing our conclusion on the Report; however, they are generally consistent with the Management's objectives:

- To explicitly bring out the supply chain concerns, stakeholder engagement process may include critical supply chain partners of Vedanta;
- A system of periodic communication of sustainability performance of individual business may be evolved to disclose key sustainability performance disclosures in the website for the benefit of stakeholders to enable informed decisions;
- To further improve the quality and reliability of sustainability-related data across business, it is worthwhile to establish a process with cross functional teams to review and validate the sustainability disclosures.

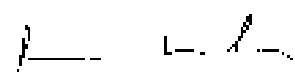
DNV GL's Competence and Independence

DNV GL is a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. While we did conduct other second party and third party assessment work with Vedanta in 2013-14, in our judgement this does not compromise the independence or impartiality of our assurance engagement or associated findings, conclusions and recommendations. The DNV GL assurance team were not involved in the preparation of any statements or data included in the Report except for this assurance statement. We maintain complete impartiality towards any people interviewed as part of this assurance.

For DNV GL



Vadakepatth Nandkumar
Project Manager,
Head – Sustainability and Climate Change,
DNV Business Assurance India Private Limited,
India.



Prasun Kundu
Assurance Reviewer,
DNV Business Assurance India Private Limited,
India.
4th June' 2014, Bangalore, India.

Awards and Accolades

- Cairn India won the Safety Award (Cross country – crude Oil Pipeline) 2013 from the Oil Industry Safety Directorate (OISD)
- Cairn India was named as the 'World's fastest growing Energy company' in the Platts Top 250 Global Energy Company Rankings 2013
- Cairn India (Mangala Oil & Gas field) was granted the 3rd FICCI Safety Systems Excellence Awards for Manufacturing-2013
- Cairn India received the FICCI Corporate Social Responsibility Award – 2013
- HZL received the Corporate Social Responsibility Award 2013 by the Udaipur Chamber of Commerce & Industry
- HZL was given the commendation certificate at the CII ITC Sustainability Awards
- HZL (Chanderiya Smelting Complex) was honoured with the State Level Bhamashah Award 2013
- HZL (Chanderiya Smelting Complex) received the Indian Manufacturing Excellence Award 2013 by Frost & Sullivan
- HZL (Chanderiya Smelting Complex) was honoured with the Ram Krishna Bajaj National Quality Award-2013 for Business Excellence
- BALCO received the Shristi Good Green Governance Award 2013
- BALCO (Bodai-Daldali Bauxite Mines) was honoured with the 'Sita Ram Rungta Social Awareness Award'
- BALCO won the CII – Best Environment Practice Award 2013 in the Innovative Category
- BALCO won the Global CSR Excellence & Leadership Awards, presented by the World CSR congress 2014 in two categories: Community development & best use of CSR practices in manufacturing sector
- BALCO won the Best CSR practices award in the mining sector at the National CSR Conclave Awards on 22 March 2014
- Zinc International's (Lisheen Mine) received the Bank of Ireland Community Spirit Award 2013
- Copper Mines of Tasmania (CMT) and Queenstown Heritage and Arts Festival won the 2013 Creative Partnerships Australia, Toyota Community Award
- Sesa Sterlite – Jharsuguda (Plant 1 & CPP) received the Frost & Sullivan's Green Manufacturing Excellence Award 2013
- Sesa Sterlite – Jharsuguda (Smelter 1 & CPP) was granted the 14th National Award for Excellent in Energy Management by CII
- Sesa Sterlite – Jharsuguda was awarded the Best CSR Practices Award 2013 for 'Women Empowerment' & 'Community Development' Initiatives
- Sesa Sterlite – Jharsuguda was honoured with the CII Odisha Award 2013 for Best Practices in Environment, Health & Safety
- Sesa Sterlite – Jharsuguda was granted the 'Outstanding and Noteworthy Accomplishments award' in the Sector at the '6th India Power Awards 2013' by the Council of Power Utilities
- Sesa Sterlite – Jharsuguda (Smelter-1) was honoured with Frost & Sullivan's 'The Economic Times India Manufacturing Excellence Awards 2013'
- Sesa Sterlite – Jharsuguda (Smelter 1) won the National Energy Conservation Award 2013 by BEE
- Sesa Sterlite – Jharsuguda won the National Award for Best CSR Practice at the National CSR Conclave
- Sesa Sterlite – Jharsuguda received the 'Support and Improvement in Quality Education Award' & 'Innovative Efforts for Sustainable Growth Award' at the Odisha CSR Conclave Award 2014
- Sesa Sterlite – Jharsuguda received recognition for 'Support and Improvement in Quality Education' and 'Innovative projects for Sustainable Growth' at the Odisha CSR conclave 2014
- Sesa Sterlite – Lanjigarh won the Greentech CSR and the Greentech Environment award 2014
- Sesa Sterlite – Lanjigarh secured the World HRD congress 2013's Employer branding award in the 'Managing health at work' category
- Sesa Sterlite – Copper Smelting plant received the Safety Innovation Award 2013 from the Institution of Engineers (India)
- Sesa Sterlite – Copper Smelting plant was granted the CII EHS 2013 – '3 Star Appreciation Award' in recognition to their efforts in Environment, Health & Safety Practices
- Konkola Copper Mines received a 'Four Star' grading for its overall approach to safety management systems as per the best practice benchmarks by the British Safety Council

Glossary

A. Narraine	Sesa Goa mine in Karnataka, India
AAQM	Ambient Air Quality Monitoring
ACTs	Adiabatic Cooling Towers
AGM	Annual General Meeting
AR	Annual Report
BALCO	Bharat Aluminium Company Limited, a company incorporated in India
BAP	Biodiversity Action Plan
BBS	Behaviours-Based Strategy
Bicholim	A mine of Sesa Goa
Black Mountain	Zinc asset (mine) in South Africa
BLCC	Biodiversity and Livelihoods Coordination Committee
BMPs	Biodiversity Management Plans
C	C India Ltd., a company incorporated in India
CCF	Chief Conservator of Forests
CDM	Clean Development Mechanism
CEC	Central Empowered Committee
CEO	Chief Executive Officer
CER	Certified Emission Reduction
CFO	Chief Financial Officer
CGWA	Central Ground Water Authority
Chanderiya	One of the smelter units of HZL
CIF&B	Chief Inspector of Factories & Boilers
CMT	Copper Mines of Tasmania Pty Limited, a company incorporated in Australia
COO	Chief Operating Officer
COP	Cairn Observation Programme
CPCB	Central Pollution Control Board
CRF	Cobalt Recovery Furnace
CSO	Committee Secretary
CSR	Corporate Social Responsibility
DAPP	Development Aid from People to People
DNV	Det Norske Veritas AS
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EHS	Environment, Health and Safety
EIA	Environment Impact Assessment
EITI	Extractive Industries Transparency Initiative
ESIA	Environmental and Social Impact Assessments
ESOP	Employee Share Ownership Plan
EVG&D	Economic Value Generated and Distributed
ExCo	Executive Committee
Fatality	The death of an employee, contract employee, business associate or visitor at our operations and project sites
FTSE	Financial Times and the London Stock Exchange
FY	Financial Year
GHG	Greenhouse Gas

GJ	Gigajoules
GRI/G3	Global Reporting Initiative
GRMC	Group Risk Management Committee
GSPCB	Goa State Pollution Control Board
HCD	High Capacity Diesel
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immuno Deficiency Syndrome
HR	Human Resources
HSE	Health, Safety and Environment
IBAT	Integrated Biodiversity Assessment Tool
ICDS	Integrated Child Development Scheme: Anganwadi catering to health and educational needs of children in the age group 0–6 years
ICMM	International Council of Metal and Mining
IFC	International Finance Corporation
IPP	Independent Power Plant
IRP	Independent Review Panel
IRTE	Institute of Road & Traffic Education
ISO 9001	International Organisation for Standardisation (standards for quality management system)
ISO 14001	International Organisation for Standardisation (standards for environmental management systems)
ISO 50001	International Organisation for Standardisation (standards for energy management system)
IUCN	International Union for Conservation of Nature
IVDP	Integrated Village Development Programme
JET	Junior Executive Training
KCM	Kankola Copper Mines PLC, a company incorporated in Zambia
KRA	Key Result Area
Lisheen	Zinc asset (mine) in Ireland
LME	London Metal Exchange
LOTO	Lockout-Tagout
LTIFR	Lost Time Injury Frequency Rate: the number of lost time injuries per million man-hours worked by employees and contractors in our operations
m³	Cubic metres
MALCO	The Madras Aluminium Company Limited, a company incorporated in India
MAS	Management Assurance Services
Mboe	Millions of Barrels of Oil Equivalent
MCM	Million Cubic Metres
MDG	Millennium Development Goals
MHU	Mobile Health Unit
MOEF	Ministry of Environment and Forests
Moz	Million Ounces
MT	Metric tonnes
MVAFR	Motor Vehicle Accident Frequency Rate

MW	Megawatt
NABARD	National Bank for Agricultural and Rural Development
NEERI	National Environment Engineering Research Institute
NGO	Non-Governmental Organisation
OHSAS 18001	Occupational Health and Safety Assessment Series (standards for occupational health and safety management systems)
OMC	Odisha Mining Company
PAH	Poly aromatic hydrocarbons
PPE	Personal Protective Equipment
PPPP, or 4P's	Public-Private-People-Partnership
RMC	Risk Management Committee
SDR	Sustainable Development Report
SEL	Sterlite Energy Ltd., a company incorporated in India
SEP	Stakeholder Engagement Plan
Sesa Goa	Sesa Goa Limited and its subsidiaries
SHG	Self Help Groups
Skorpion Zinc	Zinc asset (mine) in Namibia
SPA	Single Point Accountability
SPL	Spent Pot Lining
SPM	Suspended particulate matter
SRM	Supplier Relationship Management
STDP	Save the Tasmanian Devil Programme
TNPCB	Tamil Nadu Pollution Control Board
TPM	Total Product Management
TQM	Total Quality Management
TRIFR	Total Recordable Injury Frequency Rate
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
UNMDG	UN Millennium Development Goals
VAL	Vedanta Aluminium Ltd, a company incorporated in India
VAL-J	VAL-Jharsuguda
VAL-L	VAL-Lanjigarh
VBCA	Vedanta Bal Chetna Anganwadi Centres
VER	Voluntary Emission Reduction
VIJY	Vedanta Integrated Jan Jivika Yojana
VRS	Voluntary Retirement Scheme
VSAP	Vedanta Sustainability Assurance Programme
VSF	Vedanta Sustainability Framework
WBCSD	World Business Council for Sustainable Development
Zinc International (ZI)	Zinc assets in Black Mountain, Namibia and Ireland



Further information

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

Please email us at:
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For more information visit
www.vedantaresources.com

More online

View our Sustainability website
www.vedantaresources.com/SustainableDevelopment2013-14

View our online Annual Report 2013
www.vedantaresources.com

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