



## Climate Action Report FY 2025

# **BUILDING A CLIMATE RESILIENT ENTERPRISE**

**ADAPTING | INNOVATING | SECURING**



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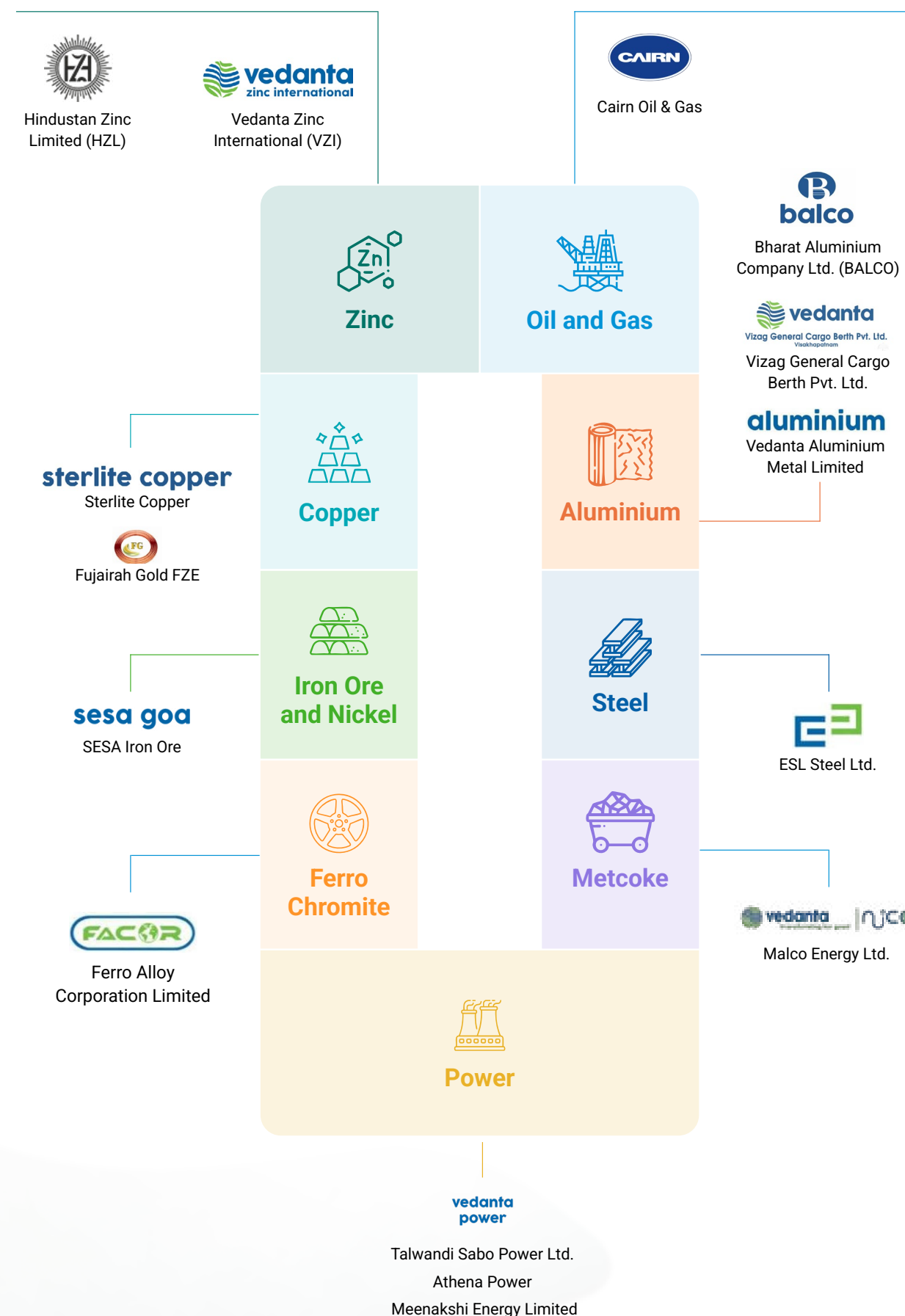
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## Vedanta Business Units





# Forward Looking Statement

As Vedanta Limited adapts, innovates, and secures its future in a changing climate, we continuously mature our assessment of potential impact of climate change and the transition to a low-carbon economy. A key part of this is our commitment to decarbonization, which includes expanding the use of renewable energy across all our business units and making other strides in cutting our emissions through different demand and supply side interventions. Changes in climate strategy, environmental laws, and global decarbonization measures will influence our strategy. This evolving understanding will, in turn, affect the Group's significant judgement and key estimates, potentially leading to revisions in financial statements and asset/liability carrying values in future reporting periods.

However, as of the balance sheet date, the Group believes that there is no material impact on carrying values of its assets or liabilities.

# About the Report

Vedanta's dedicated climate disclosure in this document elaborates on our journey of adapting, innovating, and securing our future in the face of climate change. It provides a comprehensive overview of our climate journey, encompassing key achievements, lessons learned, and our forward-looking initiatives.

Within this climate disclosure, we offer insights into our climate-related performance, including that of our subsidiaries. The report has been prepared in adherence to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and incorporates certain select elements from the International Financial Reporting Standards (IFRS S2). This report specifically outlines Vedanta's approach to climate change governance, risk management frameworks, strategic considerations, and the metrics and targets which highlight our progress on different climate change indicators.

“ We continuously enhance Vedanta's climate reporting and are working to fully align with IFRS S2 reporting requirements. ”

## Reporting Boundary

The disclosures under this report are made on a consolidated basis. Vedanta Group comprises of Vedanta Limited, its Subsidiaries, Associates and Joint Ventures, the details of which are given in point No. 23 of Section A of Business Responsibility and Sustainability Report (BRSR) and on page 349 of the Integrated Report and Annual Accounts FY 2024-25. All these entities are considered for the purpose of Financial Consolidation of the Group; however, for the purpose of reporting data and information in Climate Action Report, the following categories of Entities/Sites have not been considered for the purpose of this report:

- ◆ Newly incorporated Entities or Entities/Sites operational for less than 12 months;
- ◆ Non-operational/ intermittent operational Entities/Sites; and entities/sites discontinued or outsourced.
- ◆ Further, the GHG footprint, Water footprint, Energy footprint and details of the Waste Management with respect to the following have not been considered, based on our assessment of being immaterial to the Group's reporting:
  - The Corporate Offices with respect to the Entities as considered under the Reporting Boundary.
  - Guesthouses and Colonies being owned and maintained by the Group.

Within this defined boundary, our approach to Scope 3 emissions involves categorizing them based on the extent to which they are covered.



Acronyms

TCFD	Task Force on Climate-related Financial Disclosures	TCFD	Task Force on Climate-related Financial Disclosures
IFRS	International Financial Reporting Standards	CCC	Carbon Credit Certificates
OGMP	Oil & Gas Methane Partnership	LMV	Light Motor Vehicle
RE-RTC	Renewable Energy – Round-The-Clock	CCKP	Climate Change Knowledge Portal
VSAP	Vedanta Sustainability Assurance Program	WRI	World Resource Institute
LTIP	Long-Term Incentive Plan	NOAA	National Oceanic and Atmospheric Administrative
CCUS	Carbon capture and storage	IBTrACS	International Best Trade Archive for Climate Stewardship
RCP	Representative Concentration Pathways	ESOS	Employee Stock Option Schemes
CapEx	Capital Expenditures	FICCI	Federation of India Chambers of Commerce and Industry
OpEx	Operational Expenditures	FIMI	Federation of Indian Meral Industry
SSP	Shared Socioeconomic Pathway	ICP	Internal Carbon Pricing
B2DS	Below 2°C Scenario	PDA	Power Delivery Agreement
EU-ETS	EU Emissions Trading System	PPA	Power Purchase Agreement
CBAM	Carbon Border Adjustment Mechanism	UNGC	United Nations Global Compact
CCTS	Carbon Credit Trading Scheme	tCO <sub>2</sub> e	Tonnes of Carbon Dioxide Equivalent

# Message from our Leadership







## Message from our Chairman

Dear Stakeholders,

Climate change is one of the most pressing challenges of our times. A solution that requires global collective action. Governments negotiate the terms of that action, while businesses have a responsibility and an opportunity to make a positive contribution. As we present our Climate Action Report for the fiscal year ended March 31, 2025, I want to highlight the progress Vedanta has made in mitigating the impact of climate change on our operations and integrating climate considerations into our strategy and operations.

Our decarbonization journey has made progress towards the set targets. The process has yielded valuable insights that are informing our future actions and reinforcing the real progress we are achieving. A key focus in FY 2025 has been the advancement of our renewable energy strategy. We have made substantial progress in expanding our renewable energy portfolio, with construction well underway to add 1030 MW of RE-RTC equivalent capacity. This is a critical step towards our goal of achieving 2.5 GW of operational renewable energy capacity by FY 2030. Notably, our aluminium business, which is our most emissions-intensive sector, is at the forefront of these efforts, with large-scale renewable energy capacity additions specifically planned for this area.

Furthermore, we have taken concrete steps to diversify our energy sources and reduce reliance on conventional fuels through exploration of biomass firing and natural gas substitution to reduce our carbon footprint. Vedanta Our Aluminium business is working to increase its renewable energy usage to 30% by 2030.

Beyond energy, we have focused on innovation in our product offerings. Building on our product portfolio of Restora and Restora Ultra, FY 2025 marked the introduction of EcoZen. This pioneering low-carbon zinc product represents a major step in reducing emissions within the metals value chain and offering more sustainable materials to our customers.

Recognizing the importance of addressing emissions across our value chain, we are enhancing our Scope 3 emissions tracking and identifying emission hotspots. We are also actively working with critical stakeholders in our value chain to develop joint plans for reducing Scope 3 emissions and promoting the adoption of science based emission reduction targets among suppliers and customers.

Our commitment extends to proactive risk management. We are periodically revisiting our strategy to continuously strengthen our resilience and adapt to always evolving climate related risks. Additionally, we are proud that Cairn Oil & Gas became the first Indian company to join UNEP's flagship Oil & Gas Methane Partnership (OGMP 2.0). This global initiative underscores our commitment to drastically reducing methane emissions and enhancing transparency in emissions reporting within the energy sector, demonstrating climate leadership. These developments in FY 2025 underscore Vedanta's commitment to decarbonization and contributing meaningfully to India's clean energy future.

Thank you for your continued trust and support.

**Anil Agarwal**  
Chairman



## Message from Non-Executive Director

Vedanta remains steadfast in its commitment towards responsible growth, guided by a long-term vision that integrates sustainability into business decisions. As we present our Climate Action Report for the fiscal year, we underscore our strategic focus on mitigating the risks posed by climate change while advancing meaningful decarbonization initiatives across our operations. This report reflects the tangible progress made in aligning our business objectives with global climate imperatives, and in building a resilient, low-carbon future.

A key area of advancement has been renewable energy. We are making significant headway in expanding our round-the-clock (RE-RTC) renewable energy capacity — a major milestone toward our goal of achieving 2.5 GW of operational RE capacity by FY 2030. Once fully operational, our 2.5 GW round-the-clock (RTC) equivalent renewable energy capacity has the potential to mitigate approximately 17.5 million tonnes of CO<sub>2</sub> equivalent emissions annually — equivalent to the carbon sequestration potential of nearly 795 million mature trees each year. This tangible impact underscores our commitment to building a cleaner, low-carbon future at scale.

As a key subsidiary of Vedanta Limited, Hindustan Zinc Limited (HZL) is at the forefront of the Group's commitment to sustainability and clean energy. In line with Vedanta's larger decarbonization vision, HZL is significantly expanding its renewable energy capacity. We have already signed Power Delivery Agreements (PDAs) for 530 MW of installed renewable energy—an important milestone in our journey toward a greener future. This strategic shift is designed to meet 70% of HZL's power requirements through clean energy sources, reinforcing Vedanta's broader goal of driving sustainable operations across all its businesses. In parallel, we are diversifying our energy mix beyond renewables, actively exploring biomass firing and natural gas substitution to reduce our reliance on conventional fuels. This year, we launched EcoZen, a low

carbon zinc product with a verified carbon footprint of less than 1 tCO<sub>2</sub>e per tonne of zinc—significantly lower than the global average. EcoZen is a key enabler in building a more sustainable metals value chain by helping downstream industries reduce their Scope 3 emissions.

Alongside EcoZen, our Restora and Restora Ultra aluminium products continue to push the boundaries of sustainable metal production. Restora offers a carbon footprint below 4 tCO<sub>2</sub>e per tonne of aluminium, while Restora Ultra, made with aluminium recovered from dross—a byproduct of aluminium smelting—achieves a near-zero carbon footprint, making it one of the lowest-carbon aluminium products in the world.

Together, EcoZen, Restora, and Restora Ultra represent a new generation of low carbon metals, enabling our partners to decarbonize their supply chains, meet climate goals, and accelerate the shift to a net-zero economy.

Further, as part of our broader climate and environmental strategy, Cairn Oil & Gas is undertaking a large-scale biodiversity initiative through afforestation. Cairn aims to plant nearly 2 million trees by 2030, which is expected to mitigate approximately 17,760 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) emissions. This afforestation project complements our core decarbonization efforts by enhancing natural carbon sinks, helping to restore ecosystems while we continue to reduce emissions at source. It reflects our commitment to nature-based solutions as a vital pillar of our journey toward a low-carbon, climate-resilient future.

These developments reflect our sustained efforts towards reducing emissions intensity, accelerating energy transition, and aligning our business with India's clean energy goals. Vedanta's journey to Net Zero is well underway, and we are moving forward with speed, intent, and unwavering resolve.

Thank you for your continued trust. Together, we will build a cleaner, stronger future

**Priya Agarwal Hebbar**  
Non-Executive Director





## Message from Executive Director

The global economy demonstrated remarkable resilience in FY 2025, navigating persistent geopolitical tensions and complex macroeconomic challenges. Amid this uncertainty, Vedanta significantly advanced its unwavering commitment to sustainability and robust climate action. Our strategy remains sharply defined: proactively address the evolving risks of climate change, rigorously integrate sustainable practices across operations, and consistently exceed the expectations of our diverse stakeholders. This commitment is rooted in our core philosophy that long-term value creation is intrinsically linked to our environmental and social performance.

FY 2025 was a year of significant operational progress and strategic learning in our climate action journey. We achieved a 7% reduction in GHG emissions intensity from our FY21 baseline, improving from 6.43 to 6.00 tCO<sub>2</sub>e/MT. While this fell short of our ambitious 20% target, it delivered critical insights into project execution and process optimization. These learnings are shaping more agile and impactful strategies moving forward. Additionally, we scaled our renewable energy (RE) capacity significantly—reaching nearly 300 MW from a 67 MW baseline—demonstrating momentum in our clean energy transition.

We are also actively addressing key decarbonization levers beyond our direct operations. One major initiative is the integration of biomass co-firing at Talwandi Sabo Power Limited (TSPL), which replaces a portion of coal with biomass pellets for thermal power generation. This has the potential to reduce over 760,000 tons of CO<sub>2</sub> emissions annually with full-scale utilization. In FY 2024, TSPL

procured 26,037 metric tons of biomass, establishing the viability of the approach. The project aims to substitute 5% of annual coal usage with biomass.

This initiative is impactful across several dimensions: it directly reduces our dependence on fossil fuels; supports India's broader decarbonization and thermal power sustainability goals; provides a lower-emission, infrastructure-compatible solution; and utilizes agricultural waste, mitigating stubble burning and local air pollution. TSPL has secured long-term agreements with five dedicated biomass suppliers, ensuring a steady 910 metric tons of daily supply—projected to reach 332,150 metric tons annually. The plant is concurrently optimizing combustion systems to enable efficient, seamless integration of biomass fuel.

These efforts deliver multi-dimensional benefits: empowering local communities through new income streams and cleaner air, fostering a growing domestic biomass supply chain, supporting government climate mandates, and demonstrating to ESG-conscious investors our ongoing commitment to sustainability and emissions reduction.

We recognize that the journey to net-zero by 2050—or earlier—will involve navigating unpredictable technologies, evolving market dynamics, and carbon pricing volatility. However, our strategy remains resilient, flexible, and driven by a firm commitment to environmental leadership. Our investments in transformative solutions like biomass co-firing will continue to enhance our climate resilience, accelerate decarbonization, and contribute meaningfully to a more sustainable future for all.

**Arun Misra**  
Executive Director

## About Us

Vedanta Limited, a subsidiary of Vedanta Resources Limited, is a leading natural resources conglomerate with significant assets in India, South Africa, and Namibia. Our diverse operations span critical sectors including zinc-lead-silver, iron ore, steel, copper, aluminium, power, nickel, and oil and gas. As we navigate the global energy transition, we are actively adapting our operations and strategies to align with a low-carbon future, leveraging our global scale, cost leadership, and operational excellence to provide essential primary materials safely, sustainably, and cost-effectively.

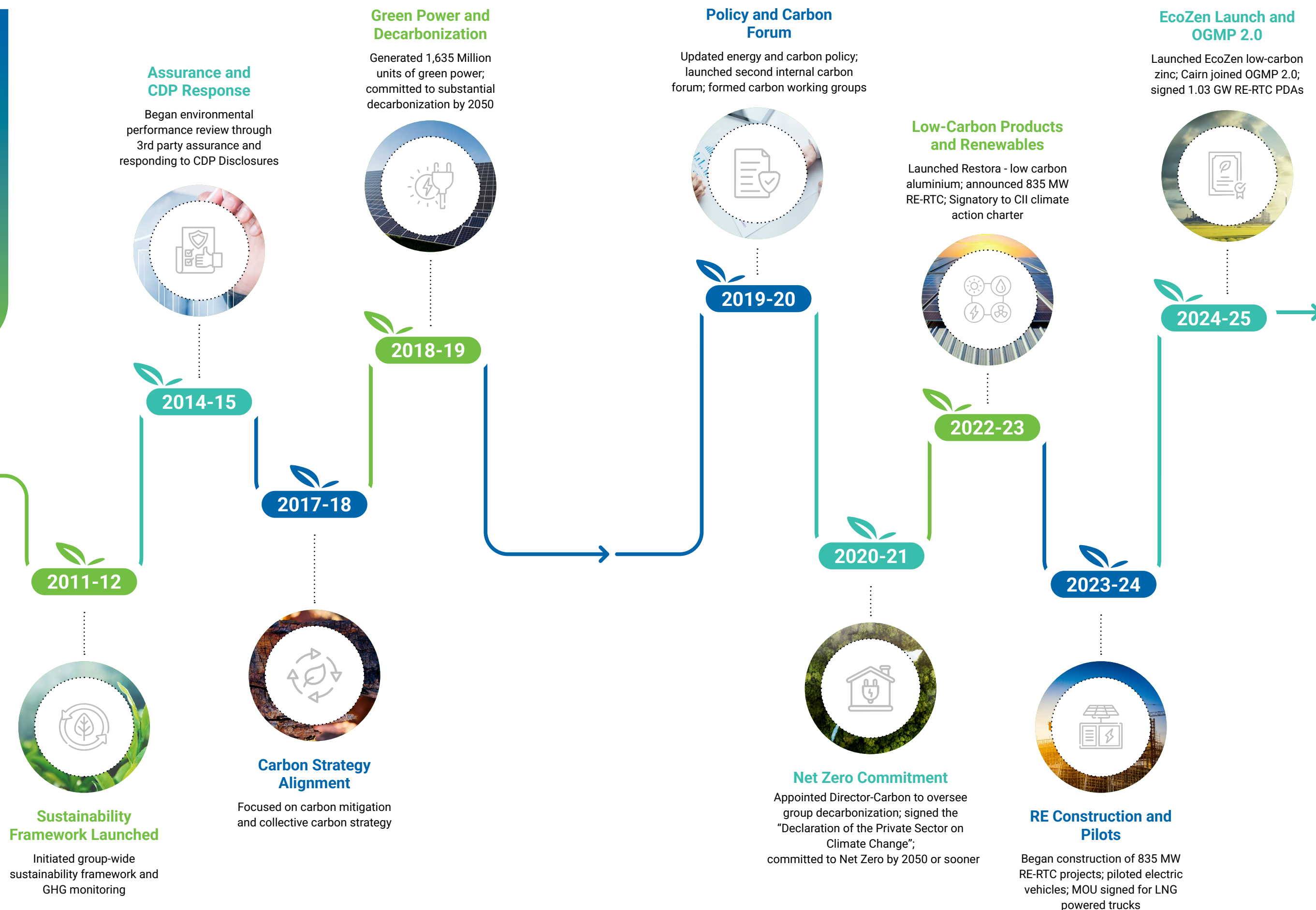
Central to our commitment to creating lasting value is the prioritization of environmental sustainability and business integrity. We are deeply focused on innovating our processes and technologies to reduce our environmental footprint, particularly through decarbonization efforts and the increased adoption of renewable energy. By integrating these principles, we ensure our growth is inclusive and contributes to securing a sustainable future for all stakeholders, from local communities to international markets.

Our efforts to enhance our Reserves and Resources (R&R) through brownfield and greenfield projects are increasingly considering climate resilience and lower-carbon approaches. Our processing facilities in India and Africa are exploring and implementing cleaner technologies to transform extracted minerals into refined metals. A key focus is on generating captive power with minimal environmental impact and actively transitioning towards renewable energy sources across our portfolio.

Our strategic focus on optimizing resource use and extending resource lifespans is complemented by a drive to reduce the carbon intensity of our operations, from metal exploration and production to oil and gas extraction and power generation. Through these integrated efforts, we are continuously adapting to climate challenges, innovating towards cleaner operations, and securing our position as a responsible supplier of vital resources in a decarbonizing world.



# OUR JOURNEY








# Climate Governance

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At Vedanta, we are deeply committed to establishing robust governance mechanisms that seamlessly integrate climate-related risks and opportunities into our core business strategy. Recognizing climate change as both a formidable challenge and a significant avenue for growth, our comprehensive governance framework is meticulously designed to ensure the organization remains resilient, accountable, and consistently proactive in addressing these dynamic factors. This framework, operating through dedicated structures and processes across various levels, is instrumental in driving effective climate risk management, enhancing energy efficiency, and accelerating our carbon reduction efforts. Complementing this, our Board of Directors bring a diverse mix of expertise and strategic vision, positioning Vedanta at the forefront of sustainable growth and responsible business transformation through their proficiency in domains such as natural resource management, corporate governance, and ESG integration. Furthermore, our commitment to sustainability is firmly embedded within our executive compensation framework and workforce incentives, where ESG criteria are integrated into performance evaluations and bonus structures, fostering a culture of accountability at all organizational levels.

-  **Climate change oversight**
-  **Commitment to collaborative policy development**
-  **Executive compensation linked to climate-related kpis**

Vedanta's climate governance operates through a dual-tiered system: Board Oversight and Management Oversight. Management-level committees are tasked with the identification, assessment, and evaluation of climate-related issues. These issues are subsequently communicated to the Board's ESG committee on a periodic basis. The essential duties of these committees are elaborated in this section.

## Climate Change Oversight

The Board of Directors holds ultimate responsibility for climate-related decision-making and oversees the company's strategic direction, organisational culture, ESG commitments, and stakeholder engagement. The Board ensures that business performance and governance are aligned with sustainability goals, integrating a comprehensive risk management framework that addresses climate-related risks and opportunities.

The qualifications, skills and attributes of our Board members (including ESG related) are elaborated in our Integrated Report and Annual Accounts 2024-25.

### The Board's Key Responsibilities Include



Overseeing the climate risk management framework.



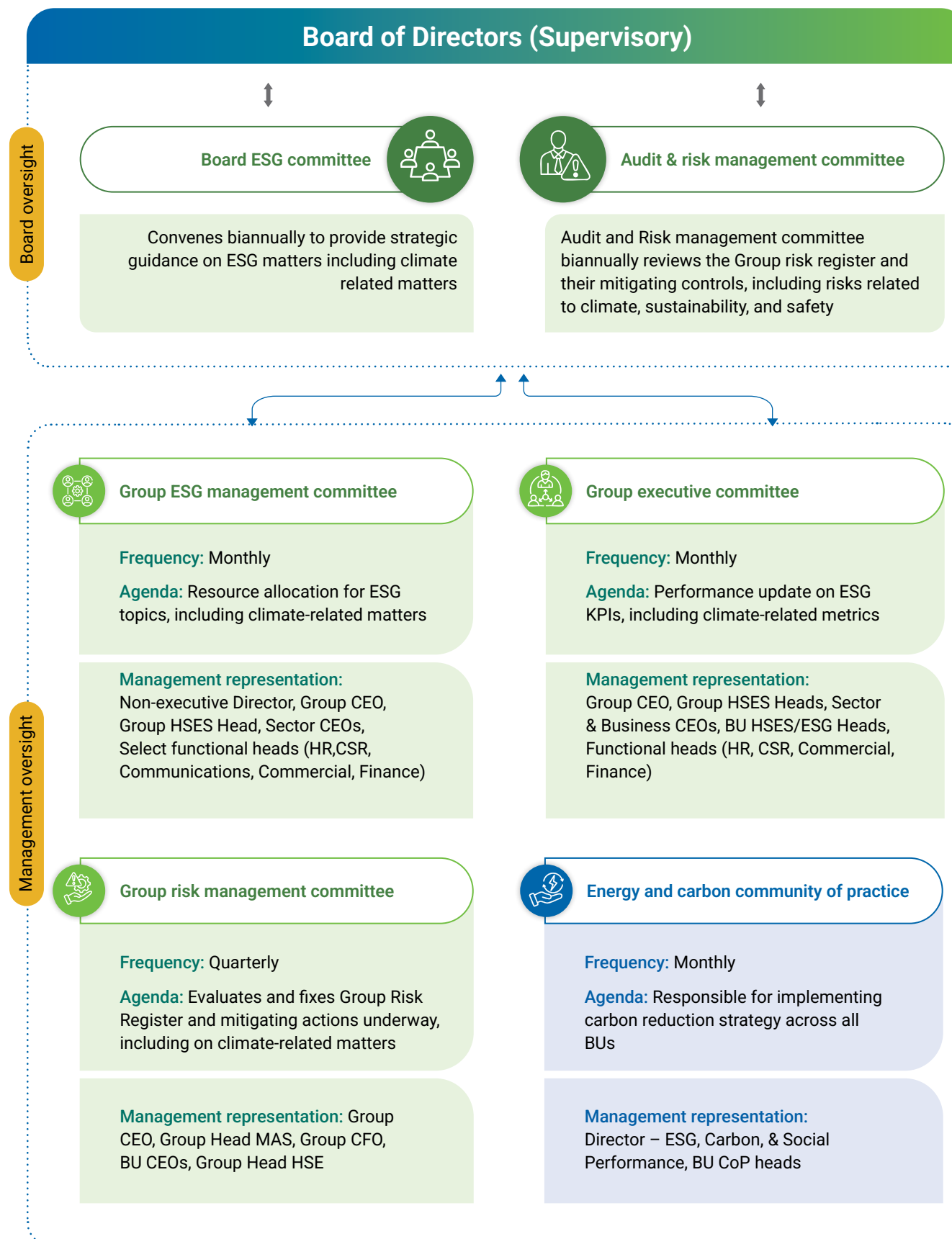
Reviewing corporate sustainability goals, incentives, and climate-related KPIs.



Ensuring alignment with Vedanta's Net Zero commitment and promoting sustainable growth.

The Board is supported by the Board ESG Committee, which provides strategic guidance on climate-related matters.

## Climate Governance Structure





# Executive Compensation Linked to Climate-related KPIs

At Vedanta, our commitment to sustainability and responsible business practices is embedded in our executive compensation framework and workforce incentives. By integrating ESG criteria into our performance evaluation, bonus structures, and long-term incentive plans, we ensure alignment with our sustainability objectives while fostering a culture of accountability at all levels of the organisation.



## Balanced Scorecard Approach to Performance Bonuses

Our annual performance bonus for management is structured around a balanced scorecard, incorporating financial, operational, sustainability, and strategic metrics. Notably, safety and sustainability indicators are key determinants of performance-linked incentives, reinforcing the Vedanta Sustainability Assurance Program (VSAP) as an integral variable pay component. This approach strengthens the link between executive remuneration and ESG commitments, ensuring that leadership drives progress toward sustainability goals.



## ESG-Linked Bonus Structures

For FY 2025, 15% of the total bonus for executives and employees is tied to ESG performance metrics, reflecting a strong emphasis on climate change mitigation efforts. This allocation includes:

- A. 5% linked to safety performance.
- B. 10% dedicated to sustainability achievements, including emission reductions and resource efficiency improvements.

A portion of the bonus payout is contingent upon meeting climate-related Key Performance Indicators (KPIs), reinforcing the importance of environmental responsibility in executive performance evaluations



## Long-Term Incentive Plan (LTIP) for Sustainability

To drive long-term sustainability performance, ESG considerations including climate targets are embedded in Vedanta's LTIP. ESOSs are directly linked to both business performance and individual contributions towards predefined sustainability goals.

- A. ESOSs mature over a three-year performance period, upon achieving critical sustainability milestones.
- B. A key performance criterion includes a 20% reduction in GHG emissions intensity.

By linking long-term incentives to climate goals, Vedanta fosters environmental stewardship and encourages leadership teams to actively contribute to the company's agenda

# Commitment to Collaborative Policy Development

We recognise that climate action requires collaborative engagement with industry leaders and policymakers. We actively participate in key industry forums, including CII, ASSOCHAM, FICCI, to name a few. In addition, we are also partnering with different Think-tanks and SME organizations, to enhance collaboration, resource sharing, and policy influence for more effective climate change action. Through these partnerships, we advocate for climate policies, industrial decarbonisation, and renewable energy adoption, reinforcing our commitment to a low-carbon future.

Beyond industry alliances, we engage with stakeholders, investors, and policymakers to shape long-term sustainability policies. Our efforts focus on transparent climate disclosures, aligned with TCFD, CDP, and SASB frameworks, ensuring that climate risks are effectively integrated into financial and strategic planning. Additionally, we prioritise community resilience, investing in climate adaptation projects, and social impact initiatives. By fostering collaboration across sectors, Vedanta is driving sustainable growth, environmental responsibility, and long-term stakeholder value.

## Industry Collaborations



### Industry Association

- |  |  |                            |   |
|--|--|----------------------------|---|
| ◆ Aluminium Association of India                 | ◆ Confederation of Indian Industry (CII)                       | ◆ ASSOCHAM                 | ◆ Federation of Indian Petroleum Industry |
| ◆ Federation of Indian Mineral Industries (FIMI) | ◆ Federation of Indian Chambers of Commerce & Industry (FICCI) | ◆ Indian Steel Association | ◆ Minerals Council South Africa           |



### Thinktanks and SME Organization

- |                     |                             |                                 |   |
|---------------------|-----------------------------|---------------------------------|---|
| ◆ UN Global Compact | ◆ IUCN – Leaders for Nature | ◆ Indian Green Building Council | ◆ Recycling and Environment Industry Association of India |
|---------------------|-----------------------------|---------------------------------|---|



### Academic Institutions

- |                 |                 |                  |               |              |
|-----------------|-----------------|------------------|---------------|--------------|
| ◆ IIT Madras    | ◆ IIT Bombay    | ◆ IISc Bengaluru | ◆ BITS Pilani | ◆ IIM Raipur |
| ◆ IIM Sambalpur | ◆ ISB Hyderabad |                  |               |              |



# Climate Strategy and Risk Management

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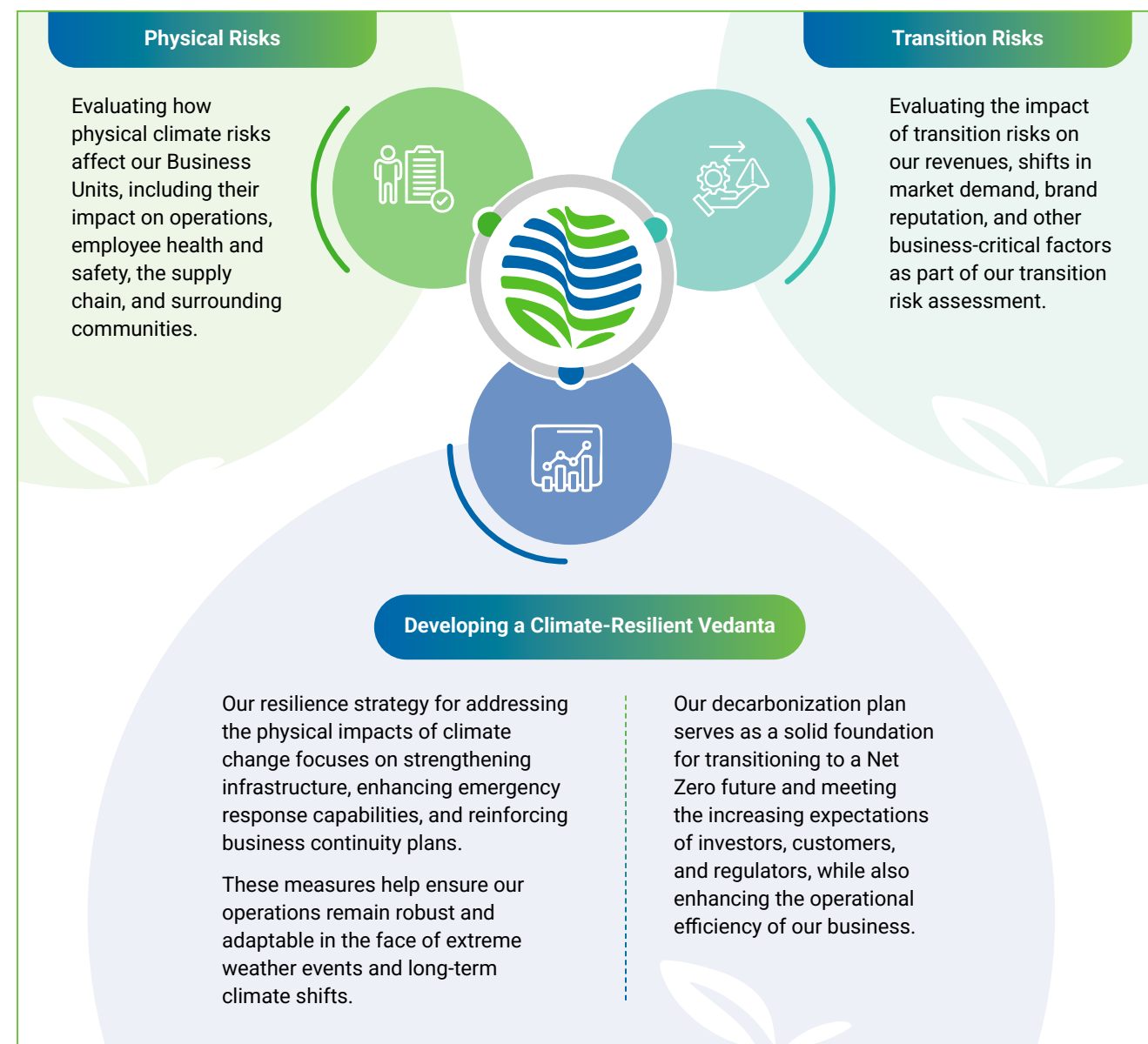




## Climate Strategy

Vedanta recognizes that climate change presents both significant challenges and transformative opportunities for the metals and mining industry. Our strategic response is driven by our commitment to achieving Net-Zero carbon emissions for Scope 1 and 2 by 2050 or sooner, as outlined in Aim 4 of our Sustainability Report, and by our vision of “Transforming for Good.”

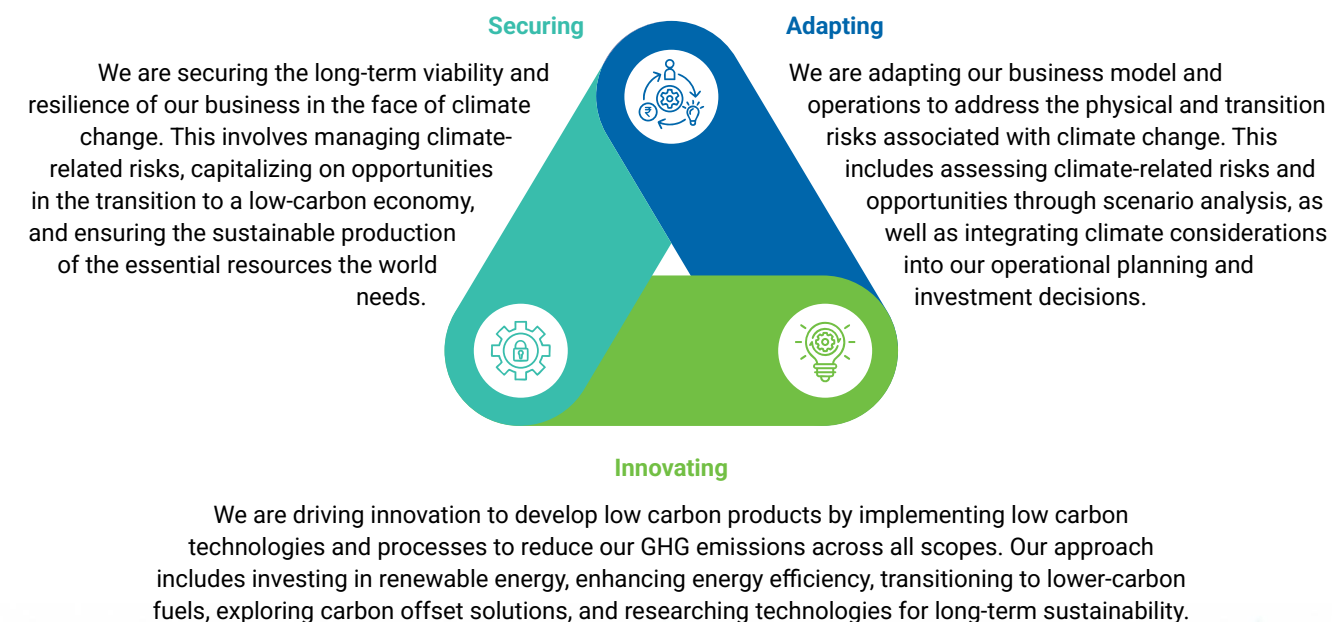
Our climate strategy is driven by identifying, assessing and evaluating the impact of different climate related physical and transition risks on our different business units. This forms the basis of our Climate Resilience Strategy, which is explained in this section.



Vedanta anticipates that climate change will present several risks to our businesses, including rising temperatures, water scarcity, and the need to adapt to new technologies. Policy changes related to climate transition, such as carbon pricing, could impact the price of conventional electricity and increase operating costs. Switching to lower-emission technologies like hydrogen,

carbon capture and storage (CCUS), and biofuels may require additional capital and operating expenditures. Additionally, physical risks associated with climate change, such as water shortages and extreme weather events, could disrupt operations and affect the health and safety of workers.

## Alignment of Vedanta's Climate Strategy with Climate Risk Report theme





## Physical Risk Strategy

We prioritize a structured approach to evaluate and mitigate the physical risks posed by climate change. Our process begins The Physical Risk Strategy section of Vedanta Limited's Climate Risk Report underscores the critical importance of assessing and managing the physical threats posed by climate change to our operations. Recognizing that climate-related physical risks, such as floods, droughts, high temperatures, cyclones, extreme rainfall can significantly impact our business continuity and financial performance, we have adopted

a proactive approach to identify, evaluate, and mitigate these risks. This study aims to enhance our resilience by integrating comprehensive climate risk assessments into our overall strategic planning, ensuring sustainable growth and stability in a changing climate environment. To achieve this, we have conducted a comprehensive climate risk assessment across multiple RCP scenarios and timelines to understand the potential impact of climate change on our operations and develop a adequate resilient strategy.

We have evaluated the impact of climate related physical risks, under the following two scenarios:

### Moderate Climate Change Scenario - RCP 4.5

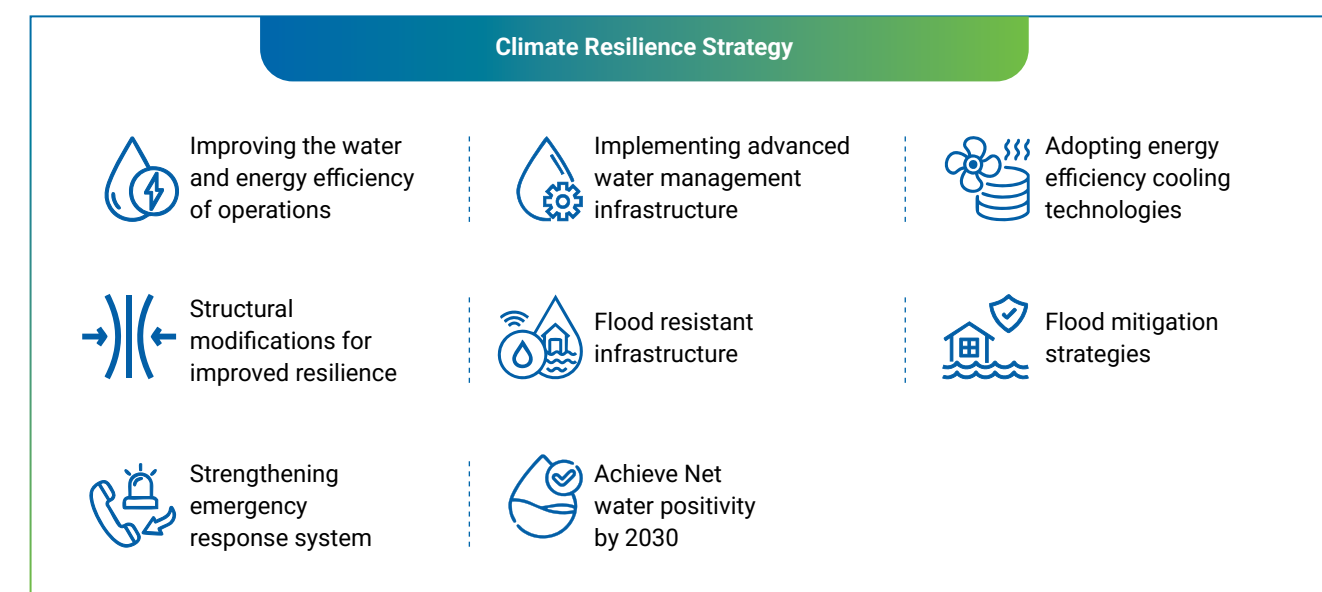
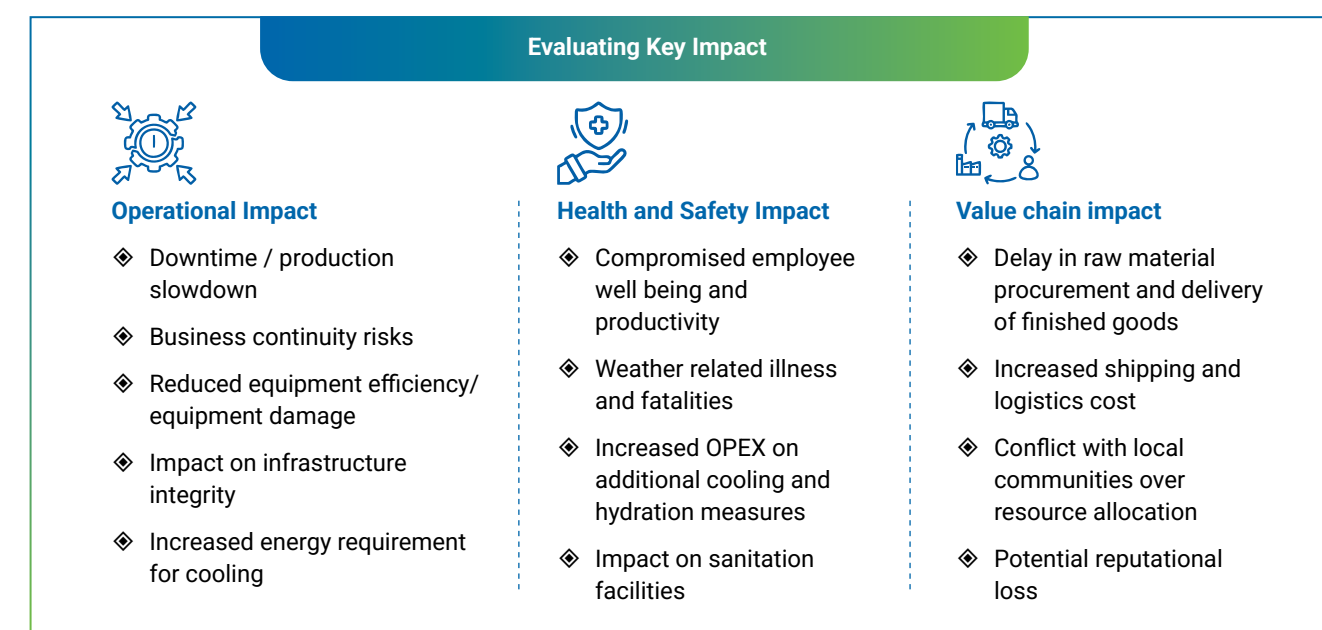
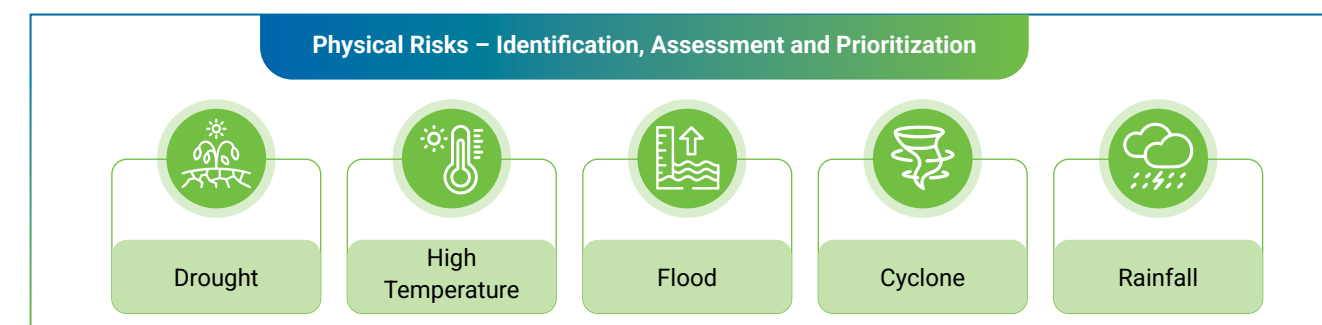
- Description
- ◆ This scenario represents a future where global efforts to mitigate emissions are partially successful.
  - ◆ Atmospheric CO<sub>2</sub> levels are expected to stabilize at around 650 ppm by 2100. <sup>(1)</sup>
  - ◆ It includes significant use of renewable energy, energy efficiency measures, and carbon capture technologies, alongside a moderate reliance on fossil fuels.

### High-Risk Climate Change Scenario - RCP 8.5

- Description
- ◆ This scenario represents a high greenhouse gas emissions pathway, characterized by increasing emissions over time in the absence of significant climate policies.
  - ◆ It envisions a continued reliance on fossil fuels and limited adoption of clean energy technologies.
  - ◆ As a result, greenhouse gas emissions are projected to rise significantly, leading to a significant increase in global temperatures.

<sup>1</sup>: <https://asr.science.energy.gov/publications/program-docs/RCP4.5-Pathway.pdf>

## Physical Risk Assessment Under RCP 4.5 and RCP 8.5 Scenario, Across Short, Medium and Long Term





## Transition Risk Strategy

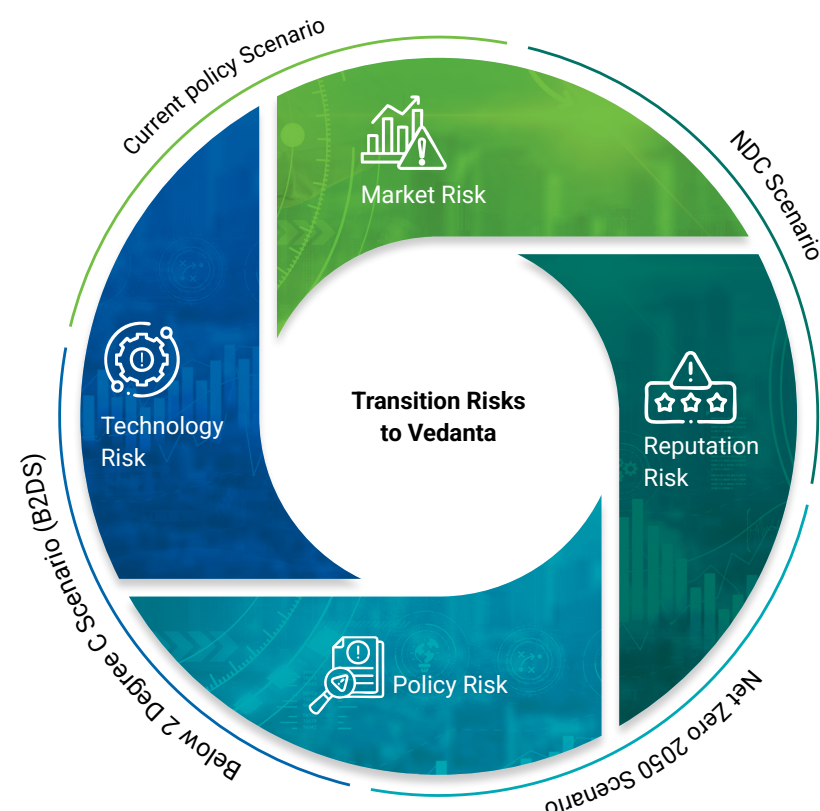
We recognize that the global transition to a low-carbon economy presents a complex landscape of both challenges and opportunities. As climate policies and regulations evolve, markets undergo transformation, and technological advancements reshape industries, we understand the critical need to proactively assess and manage the potential impacts on our operations and long-term strategy.

We view transition risks, which encompass shifts in international and national policies, evolving regulatory obligations, changing market dynamics, technological disruptions, and reputational considerations, as factors that can significantly influence our traditional business practices. To gain a deeper understanding of these risks and to effectively address them, we employ scenario analysis. This forward-looking approach enables us to examine how various regulatory and market forces could potentially affect our business, allowing us to anticipate challenges and develop proactive mitigation strategies.

Our scenario analysis framework incorporates multiple transition scenarios, reflecting India's commitment to achieving net-zero emissions and the expectations of our stakeholders. These scenarios are also aligned with the recommendations set forth by the Task Force on Climate-Related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS) S2, encompassing both business-as-usual trajectories and pathways towards a low-carbon future.

By diligently identifying and managing transition risks, we believe we can unlock significant opportunities for innovation, enhance our operational efficiency, and strengthen our reputation as a responsible and forward-thinking organization committed to sustainable business practices.

### Transition Risk Assessment – Across Multiple Scenarios and Timelines



## Climate Resilience Strategy

### Carbon Management Strategy



#### Sustainable Upstream Supply Chain



##### Engaging with suppliers:

- Adoption of lower-emission practices
- Use of renewable energy sources
- Optimizing our logistics and transportation networks to minimize emissions



#### Decarbonizing Own Operations



##### Lever 1: Increasing renewable energy

Expanding the capacity and use of clean, sustainable energy sources such as solar, wind, hydropower, and bioenergy to replace fossil fuels.



##### Lever 2: Switching to low carbon fuels

Replacing traditional high-carbon fossil fuels with alternatives that emit significantly less greenhouse gases when used.



##### Lever 3: Improving Energy and Process Efficiency

Optimizing operations to use less energy and resources while maintaining or enhancing productivity.



##### Lever 4: Offsetting Residual Emissions

Offsetting residual emissions through purchase of carbon credits/ investment in carbon sequestration projects.



#### Green Product Offerings

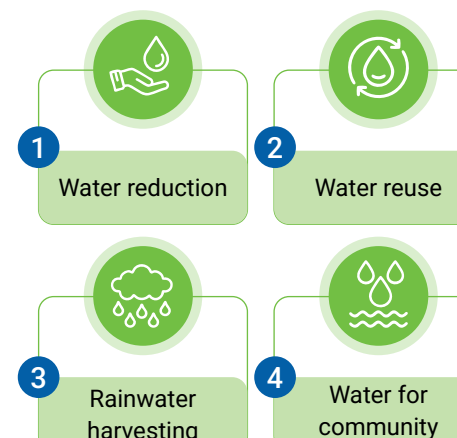


**Green Aluminium**  
Restora  
Restora Ultra



**Green Zinc**  
EcoZen

### Water Management Strategy



#### This strategy is put into actions through:

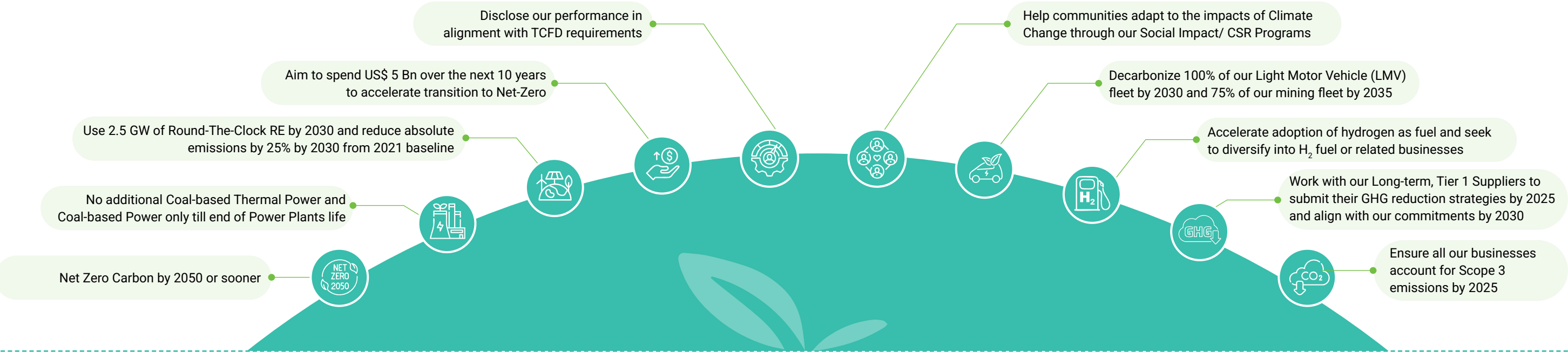


To understand how our climate strategy fits into the company's ESG program, refer to our FY 2025 Sustainability Report

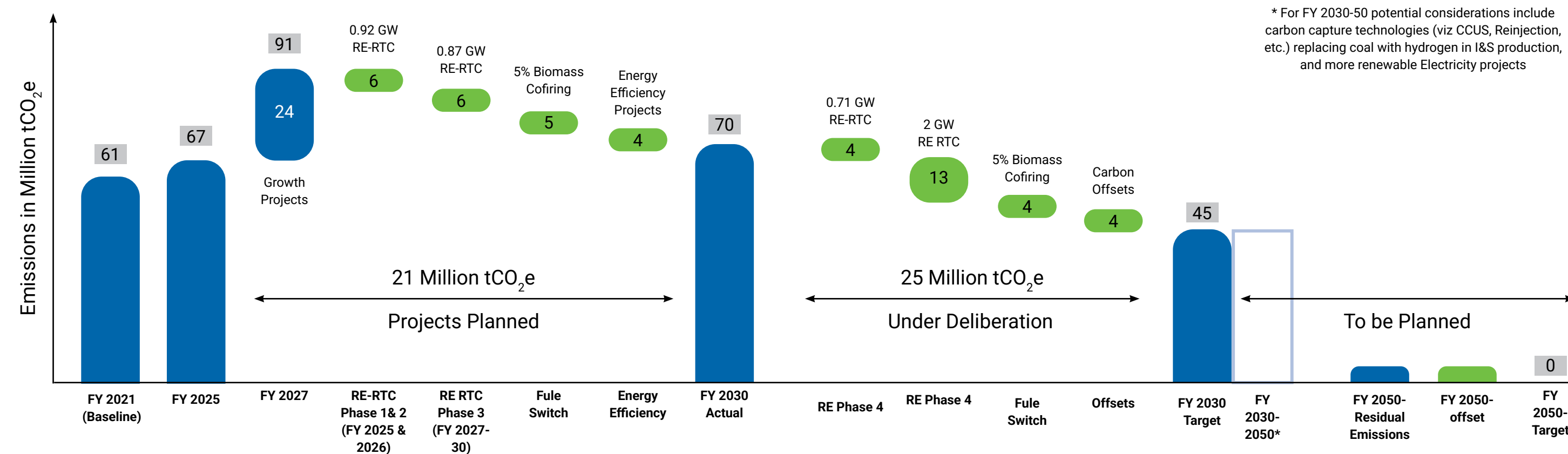


# Our Climate Targets and Decarbonization Strategy

As Vedanta, our climate change targets are central to our commitment to a sustainable future. The illustrative represents the key areas where we are focusing our efforts to mitigate our environmental impact. It showcases our interconnected goals aimed at reducing emissions and fostering a greener operation. We are dedicated to making a tangible difference through these focused objectives. This visual serves as a roadmap for our journey towards a climate-conscious and responsible future.



We are committed to a robust decarbonization strategy to minimize our environmental impact. This pathway illustrates our planned journey towards significant reductions in our greenhouse gas emissions. It visually represents the key projects and initiatives we are undertaking, including strategic investments in renewable energy, fuel switching, and enhanced energy efficiency across our operations, demonstrating our dedication to a sustainable future.





## Advancements across our decarbonization levers - FY 2025

### Lever 1



#### Increasing Renewable Energy

- ◆ Hindustan Zinc's latest power delivery agreement with Serentica plans to increase its round-the-clock renewable energy capacity from 450 MW to 530 MW, raising renewable contribution to over 70% of total power needs.
- ◆ Deployed electric lithium-ion forklifts and battery-operated vehicles at its Jharsuguda facility and in underground zinc mining.

### Lever 2



#### Switching to Low Carbon Fuels

- ◆ TSPL integrates biomass co-firing by blending biomass pellets with coal, aiming to replace 5% of annual coal use. In FY24, TSPL procured 26,037 MT of biomass, targeting a potential annual CO<sub>2</sub>e emissions reduction while supporting cleaner energy and stubble management.
- ◆ Installation of Turbo Blower Pressure Recovery Turbines (BPRTs) and the use of natural gas at select facilities contribute to annual savings of around 1,20,000 tCO<sub>2</sub>e.
- ◆ Lanjigarh has successfully tested bio-diesel as a green fuel alternative for its fleet of commercial vehicles, reducing the reliance on conventional diesel.

### Lever 3



#### Improving Energy and Process Efficiency

- ◆ At Cairn, replacing steam-driven pumps with electric ones has resulted in a reduction of approximately 86,000 tCO<sub>2</sub>e per annum.
- ◆ Vedanta's copper cathode relining initiative, a first in the Indian aluminium industry, uses patented technology to significantly reduce power consumption (by over 400 kWh/MT), cut greenhouse gas emissions by 167 ktCO<sub>2</sub>e annually, and enhance copper recoverability (85–100%). This boosts return-on-investment, supports circular economy goals, and advances Vedanta's net-zero 2050 ambition.
- ◆ Vedanta utilizes waste heat recovery systems to capture and reuse heat generated from industrial processes, thereby reducing the need for additional energy input. In FY 2025, we used 2.61 Billion units of renewable energy, including WHR, which played a key role in mitigating 28 Million tonnes of carbon emissions since FY 2021.

### Lever 4



#### Offsetting Residual Emissions

- ◆ Cairn aims to plant nearly 2 Million trees, which is expected to mitigate approximately 17,760 tCO<sub>2</sub>e. emissions. This afforestation project complements our broader strategy by enhance natural carbon sinks while we continue to advance our core efforts to reduce emissions at source.



## Transforming Corporate Mobility with Electric Vehicle Incentives

## Case Study



### Background

Transportation accounts for approximately 12% of global GHG emissions, making it a critical area for climate action. Recognising the impact of corporate fleet emissions, Vedanta has implemented a transformative Company Car Policy to accelerate the adoption of EVs and reduce its carbon footprint.



### Initiative Details

To facilitate this transition, Vedanta introduced:

- ◆ EV Kicker Incentive: Encourages employees to opt for electric vehicles in their company car allocations.
- ◆ EV Incentive Policy: Supports employees in purchasing electric two-wheelers, making sustainable mobility more accessible.
- ◆ Company-wide engagement: Extends financial benefits to employees, ensuring widespread adoption of EVs across the organisation.



### Objective

Vedanta aims to achieve complete decarbonisation of its light motor vehicle fleet by 2030, aligning with its broader sustainability and emission reduction commitments.



### Impact & Future Outlook

By offering compelling financial incentives, Vedanta is driving tangible reductions in fleet emissions while fostering a culture of eco-conscious transportation. This initiative serves as a model for corporate sustainability, demonstrating how targeted policy changes can contribute to broader climate action goals.





## Business Wise Decarbonization Lever Implementation Strategy



### Lever 1: Increasing Renewable Energy

Phase-wise round-the-clock renewable energy capacity addition; 530 MW of which has already been committed and agreements signed

Phase-wise capacity addition of renewable energy

-



### Lever 2: Switching to Low Carbon Fuels

Gradual increments in biomass co-firing in boilers

Biomass co-firing in boilers, 100% HFO replacement in calciner process with natural gas by 2030, followed by green hydrogen by 2050

Gradual increase in the use of natural gas in blast furnaces, 10 MW of solar power by 2030. Use of hydrogen in pulverized coal injection (PCI) pilots and then gradual increase of hydrogen use in PCIs



### Lever 3: Improving Energy and Process Efficiency

Incremental and continuous energy efficiency improvements, starting to invest in inert anodes in the short term with an aim to shift to 100% inert anodes in the long term

Adoption of energy efficient practices

Continuous process improvements such as coke dry quenching, sinter waste heat recovery, increased PCI, top recovery turbine etc.

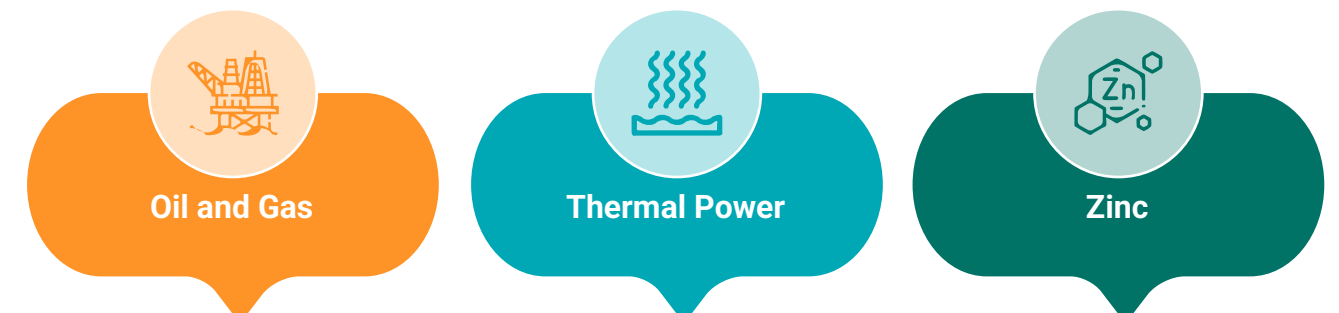


### Lever 4: Offsetting Residual Emissions

1 Million trees to be planted till 2030

~55,000 trees to be planted till 2030

~1 Million trees to be planted till 2030. Gradual increase in carbon capture, starting with 50 TPD in the medium term



Up to 50 MW of renewable energy sourcing by 2030

Up to 25 MW of renewable energy by 2035. Natural Gas to replace HFO/LDO by 2025

100% renewable energy by 2050

-

Co-firing of biomass for between 5% - 10% of coal usage

Decarbonize 100% LMVs by 2030; 75% of mining fleet by 2035; R&D on use of green hydrogen for processes, and fuel for vehicles.

Energy conservation and process optimization; reduced flaring wherever possible

Deployment of Energy efficient processes to decrease carbon intensity

100% renewable energy by 2050 or sooner

~2 Million trees to be planted till 2030. Carbon Capture Utilization and Storage (CCUS) for enhanced oil recovery pilots

~0.7 Million trees to be planted till 2030. Purchase or generation of NBS carbon offsets

~1.5 Million trees to be planted till 2030. R&D on Carbon Capture and Utilization System- 50% concrete, 50% soil carbon enhancement by 2050

To understand how our climate strategy fits into the company's ESG program, refer to our FY 2025 Sustainability Report



## Case Study

## Vedanta's Climate-Smart CSR for Sustainable Rural Development



## Overview

Vedanta, through Hindustan Zinc Limited, is driving sustainable change in rural India by embedding climate-smart practices into its CSR strategy. Focused on ecological restoration, sustainable agriculture, water conservation, and rural livelihood enhancement, the initiative is aligned with national priorities such as climate resilience, circular economy, and sustainable food systems.



## Key Initiatives and Impact



## Biodiversity &amp; Land Restoration

- ◆ 5,000+ saplings planted using the Miyawaki technique to revive native biodiversity.
- ◆ 63,250 sqm land developed for pastures and plantations, supporting local ecology and livestock fodder needs.
- ◆ 332 acres of WADI agro-horti-forestry plantation supporting carbon sequestration and enhancing incomes for 534 small farmers.



## Water Conservation

- ◆ 56,000 unit of pond desilting undertaken to improve rainwater storage.
- ◆ Rainwater harvesting promoted in livestock through Centre of Excellence for Climate-Smart Livestock Management



## Climate-Smart Agriculture

- ◆ 40 acres of zinc-fortified wheat cultivated to enhance local nutrition security.
- ◆ 713 farmers adopted sustainable practices such as Hi-Tech Vegetable Cultivation and Trellis Farming.
- ◆ 740 solar traps installed to promote eco-friendly pest control, reducing reliance on chemical pesticides.



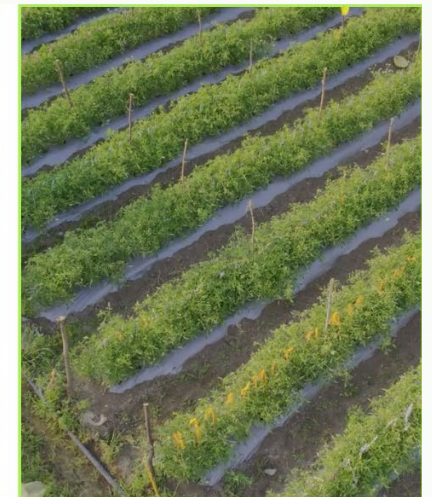
## Circular Economy Innovation

- ◆ Biomass Pellet Unit launched to convert invasive lantana into clean energy: 500–800 tons/year capacity.
- ◆ Supports emissions reduction and creates rural green jobs.



## Livestock Management

- A Centre of Excellence for Climate-Smart Livestock Management was established, offering:
- ◆ Balanced feed for improved yield and reduced methane.
  - ◆ Use of IRESA for manure and GHG management.
  - ◆ Demonstrations on Azolla, vermicompost, hydroponics, cactus, and agrivoltaics.
  - ◆ 661 families adopted Harit Dhara, cutting 879.84 kg of methane/month.



Vedanta strives to innovate, adapt, and secure a better future for the communities we serve. Our integrated, science-backed CSR interventions reflect our belief that true climate leadership begins on the ground—with rural transformation, resilient livelihoods, and regenerative ecosystems. By restoring biodiversity, promoting sustainable agriculture, ensuring water security, and advancing circular economy solutions, we are not just responding to climate challenges—we are shaping a sustainable, smarter future for all.

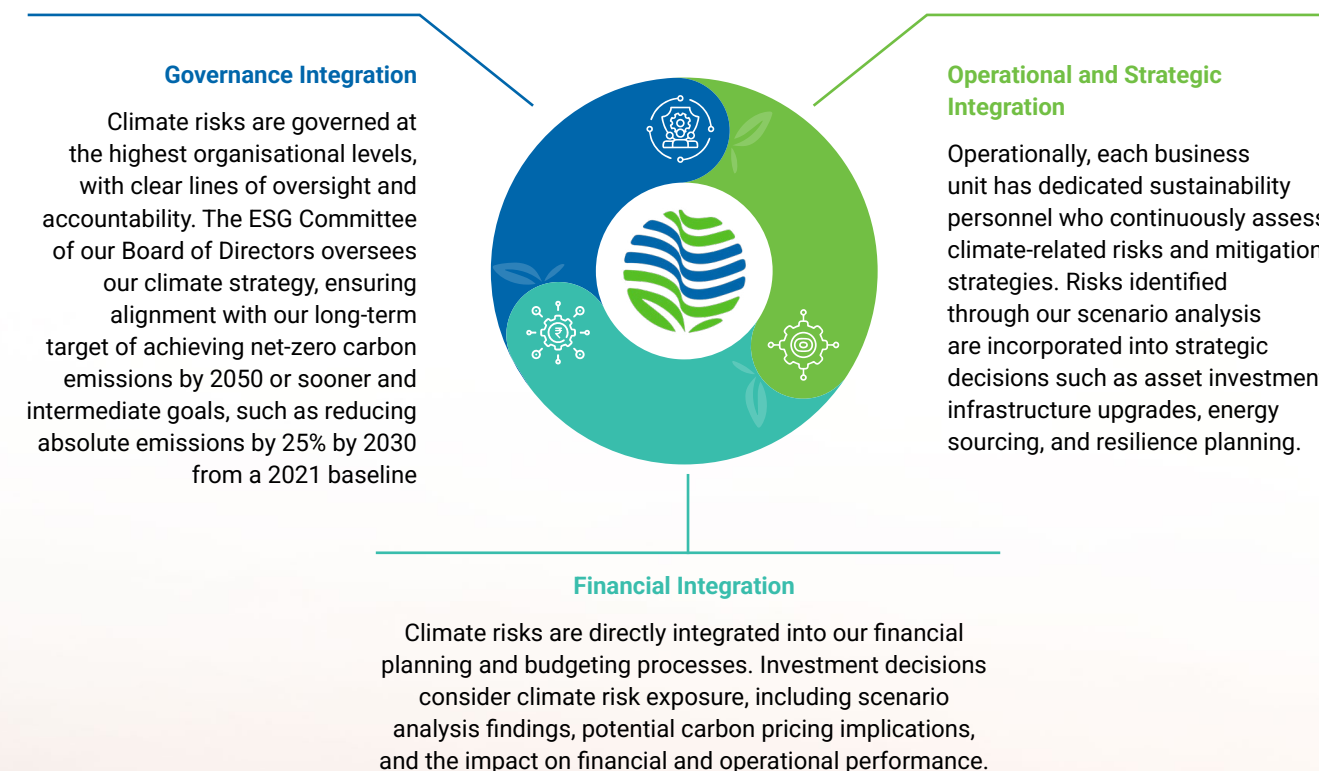


# Climate Risk Integration in Enterprise Risk Management

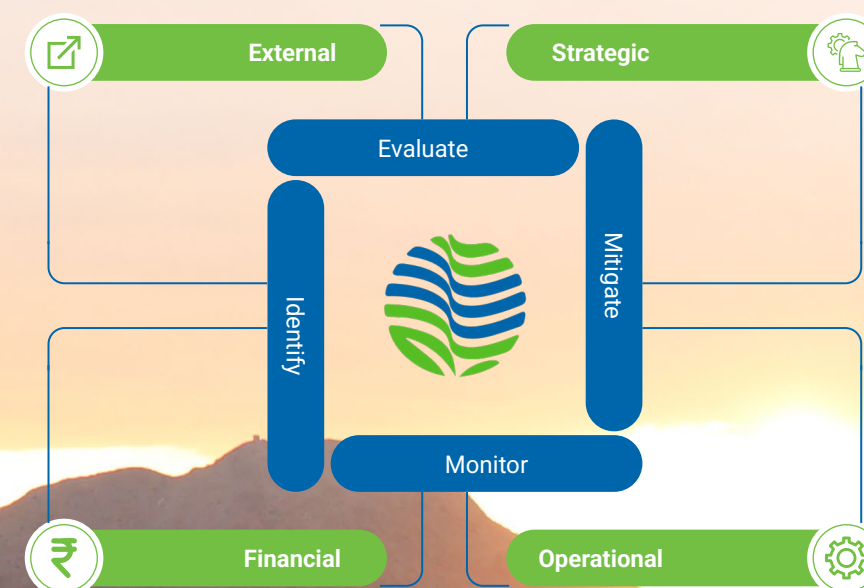
We recognise climate change as a critical strategic and operational risk, closely interwoven with our overarching corporate governance and risk management approach. Our ERM framework provides a systematic foundation to identify, assess, and mitigate climate-related risks, ensuring strategic alignment, informed decision-making, and long-term resilience. Central to our ERM approach is clarity, simplicity, and effectiveness. By integrating climate risk assessments across all business functions, we consistently enhance transparency and accountability,

ensuring comprehensive risk coverage. Our governance structure facilitates regular oversight by the Board ESG Committee, reinforcing top-down strategic direction while empowering bottom-up, operational-level risk identification and management.

Through this cohesive integration, Vedanta demonstrates a proactive stance on climate change, embedding resilience into our operations and safeguarding long-term stakeholder value.



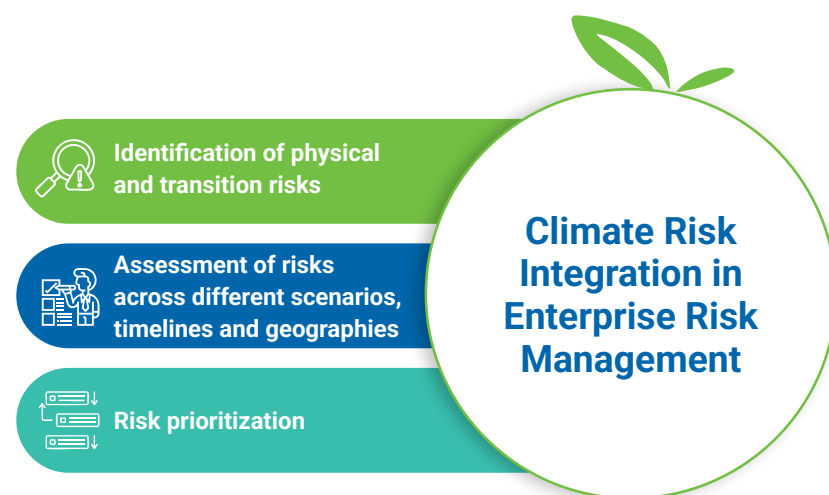
## Group Risk Governance Framework





## Climate Risk Management

A robust climate risk management is crucial to our long-term sustainability, operational resilience, and value creation. With climate-related risks becoming increasingly material and the regulatory landscape evolving, we have enhanced how we manage risks to incorporate climate considerations more deeply. This section outlines our approach to identifying, assessing, and managing climate-related risks, aligning with the IFRS S2 requirements and TCFD recommendations.



## Identification & Assessment of Climate-related Risks

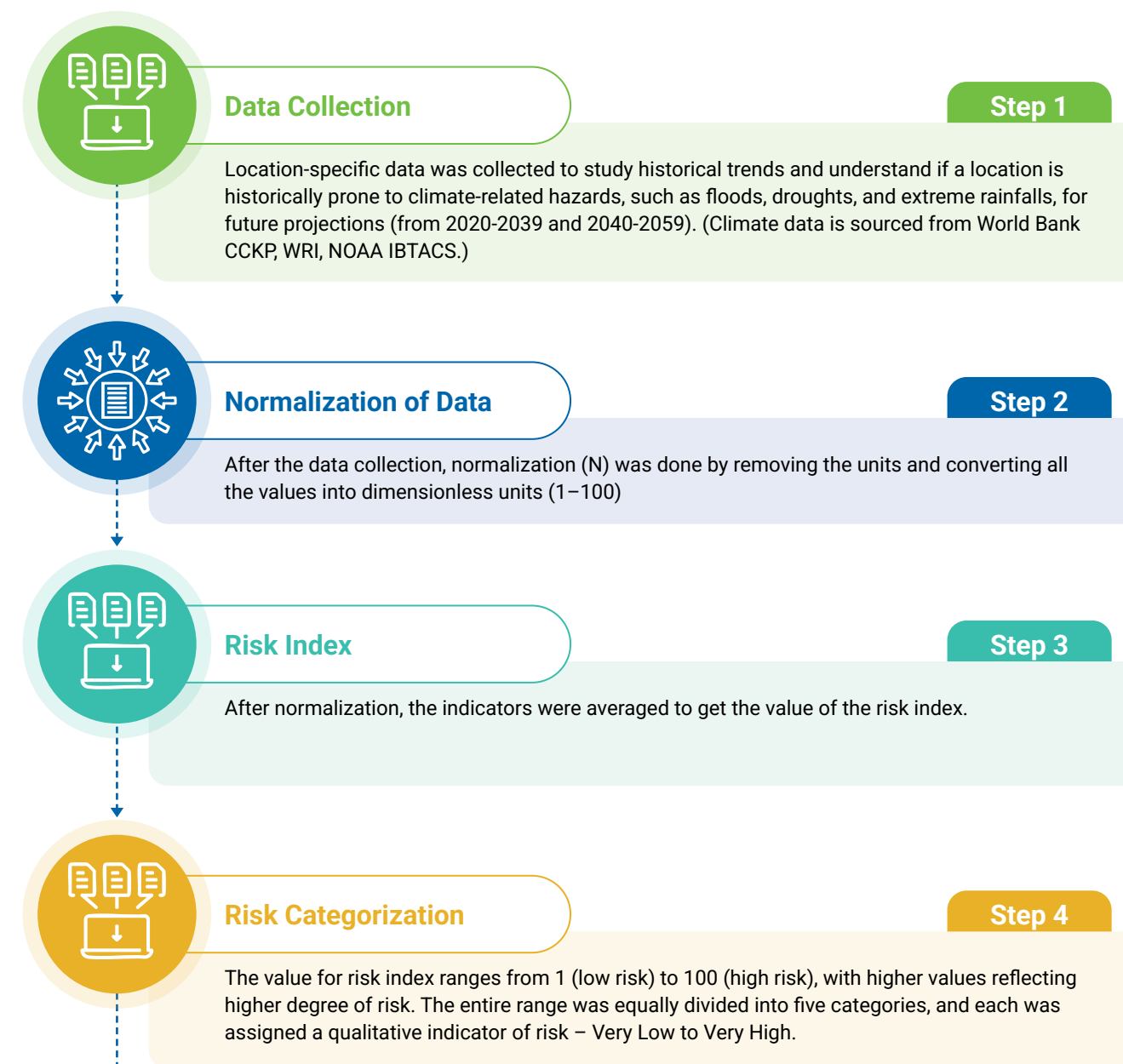
Vedanta adopts a robust and structured approach to identifying and managing climate-related risks, encompassing both physical and transition risks. Physical risks include short-term (acute) risks like floods, cyclones and heatwaves, and long-term (chronic) impacts, such as rising temperature and water scarcity. While transition risks stem from policy (regulatory) shifts, market changes, technological evolution, and reputation factors. This includes potential risks arising from introduction of carbon pricing mechanism, global regulations like Carbon Border Adjustment Mechanism, changing customer preference for low carbon products and technology driven shifts in energy production. Our methodology integrates internal assessments, IPCC Representative Concentration Pathway (RCP) scenarios, and leading industry practices to ensure a thorough evaluation of risks.

The process begins with continuous monitoring of climate data, regulatory developments, and industry trends to remain responsive to emerging climate-related issues. This is followed by a detailed analysis using specialized tools and methodologies to assess potential impacts across various future scenarios. These assessments explore how evolving climate policies, technological changes, and market and societal shifts could affect our operations and strategic objectives.

Insights from this analysis are embedded into our financial planning, including cash flow projections and asset evaluations, supporting sound investment decisions and long-term resilience. Risk prioritization is guided by ratings from our Group HSE team, based on climate modeling, IPCC data, and tools like WRI Aqueduct for water stress. Our selected time horizons align with Vedanta's long-term strategy, ensuring consistency and compliance with global climate risk reporting standards.

Short term (1 to 3 years)	Medium term (3 to 10 years)	Long term (10 to 25 years)
The short-term time frame corresponds to the duration set for achieving our initial internal target to reduce greenhouse gas (GHG) emissions intensity within our metals and mining operations.	The medium-term horizon is aligned with Vedanta's target to achieve a 25% absolute reduction in greenhouse gas (GHG) emissions by 2030, using 2020–21 as the baseline year.	The long-term time horizon is aligned with Vedanta's goal of achieving Net Zero emissions by 2050 or earlier, in accordance with the Science Based Targets initiative (SBTi) definition of long-term targets.

## Approach and Methodology for Assessing Physical Risks








This data-driven methodology empowers us to gain a deep and nuanced understanding of the potential physical impacts of climate change on our diverse operations. For example, our analysis indicates that under the RCP 4.5 scenario, we anticipate heightened water scarcity affecting our BALCO and Cairn Oil & Gas units, an elevated risk of flooding impacting our IOB units, and increased cyclone exposure for our Vedanta Aluminium operations in Lanjigarh and Jharsuguda. Under the more severe RCP 8.5 scenario, these challenges are exacerbated, with Sterlite Copper (Thoothukudi), TSPL, BALCO (Korba), and Cairn Oil

& Gas facing more acute water stress and scarcity, and our units in Namibia and South Africa projected to experience substantially higher average temperatures and more frequent extreme heat events.

By employing this comprehensive evaluation process, we are well-positioned to generate critical insights that inform the development and implementation of strategic adaptation measures, thereby enhancing the long-term resilience and sustainability of our operations and ensuring the safety and well-being of our workforce and communities.



Physical Risks Identified under RCP 4.5 and 8.5

Hazard Type	Business Units	Short-term		Medium-term		Long-term	
		RCP 4.5	RCP 8.5	RCP 4.5	RCP 8.5	RCP 4.5	RCP 8.5
 Drought	BALCO	●	●	●	●	●	●
	Cairn	●	●	●	●	●	●
	ESL	●	●	●	●	●	●
	HZL	●	●	●	●	●	●
	Iron Ore	●	●	●	●	●	●
	TSPL	●	●	●	●	●	●
	VAL	●	●	●	●	●	●
	SC	●	●	●	●	●	●
	VZI	●	●	●	●	●	●
 High Temperatures	BALCO	●	●	●	●	●	●
	Cairn	●	●	●	●	●	●
	ESL	●	●	●	●	●	●
	HZL	●	●	●	●	●	●
	Iron Ore	●	●	●	●	●	●
	TSPL	●	●	●	●	●	●
	VAL	●	●	●	●	●	●
	SC	●	●	●	●	●	●
	VZI	●	●	●	●	●	●
 Floods	BALCO	●	●	●	●	●	●
	Cairn	●	●	●	●	●	●
	ESL	●	●	●	●	●	●
	HZL	●	●	●	●	●	●
	Iron Ore	●	●	●	●	●	●
	TSPL	●	●	●	●	●	●
	VAL	●	●	●	●	●	●
	SC	●	●	●	●	●	●
	VZI	●	●	●	●	●	●
 Cyclones	BALCO	●	●	●	●	●	●
	Cairn	●	●	●	●	●	●
	ESL	●	●	●	●	●	●
	HZL	●	●	●	●	●	●
	Iron Ore	●	●	●	●	●	●
	TSPL	●	●	●	●	●	●
	VAL	●	●	●	●	●	●
	SC	●	●	●	●	●	●
	VZI	●	●	●	●	●	●
 Rainfall	BALCO	●	●	●	●	●	●
	Cairn	●	●	●	●	●	●
	ESL	●	●	●	●	●	●
	HZL	●	●	●	●	●	●
	Iron Ore	●	●	●	●	●	●
	TSPL	●	●	●	●	●	●
	VAL	●	●	●	●	●	●
	SC	●	●	●	●	●	●
	VZI	●	●	●	●	●	●

● Very Low   ● Low   ● Medium   ● High   ● Very High  
Short-term horizon (1 - 3 years), Medium-term horizon (4 - 10 years), and Long-term horizon (11 - 25 years)



## Key Impacts and Financial Implications from Climate Related Physical Risks\*



### Drought

#### Business Unit Impacted

BALCO  
Cairn  
TSPL  
Sterlite Copper



#### Overview

Drought conditions and water scarcity pose significant operational, social, and health risks. The depletion of water resources can lead to water scarcity, heightened regulatory scrutiny, and long-term sustainability concerns.



#### Key Impacts

**Operational Impact**


- Reduced water availability can hinder production processes, affecting output and efficiency
- Business continuity risks arise due to potential regulatory restrictions on water usage
- Worker safety concerns emerge as high temperatures and low water availability impact working conditions

**Community & Social Impact**

- Increased water stress may lead to conflicts with local communities over resource allocation
- Potential reputational risks for businesses operating in water-scarce regions

**Health & Safety Impact**

- Limited water supply can compromise sanitation facilities, increasing health risks for workers
- Dehydration and heat-related illnesses may become more prevalent in extreme conditions




#### Financial Implications

**Capital Expenditures (CapEx):**

- Investments in advanced water management infrastructure
- Upgrading equipment and processes to enhance water efficiency

**Operational Expenditures (OpEx):**


- Rising costs for water procurement and energy usage
- Higher expenses for maintenance, regulatory compliance, and emergency measures



### High Temperatures


#### Business Unit Impacted

TSPL  
VZI



#### Overview

Rising temperatures, driven by climate change, present severe risks to infrastructure, worker safety, and overall business efficiency. Heatwaves and prolonged high temperatures threaten both short-term productivity and long-term asset integrity.




#### Key Impacts

**Operational Impact**

- Extreme heat reduces equipment efficiency, leading to increased maintenance needs
- Structural vulnerabilities, such as asphalt deterioration and metal expansion, compromise infrastructure integrity
- Escalating cooling requirements drive higher energy consumption and costs

**Health & Safety Impact**

- Prolonged exposure to high temperatures affects employee well-being and productivity, particularly for outdoor workers
- Heatwaves significantly increase the risk of weather-related illnesses and fatalities
- Additional cooling and hydration measures are necessary to safeguard worker health



#### Financial Implications

**Capital Expenditures (CapEx):**

- Investments in cooling technologies and climate-resilient infrastructure
- Structural modifications to enhance heat resistance in facilities

**Operational Expenditures (OpEx):**

- Higher costs for cooling, water consumption, and health and safety programs
- Increased maintenance expenses to counteract heat-induced infrastructure degradation

\*Vedanta evaluates the key impacts and financial implications from all categories of Physical Risks. Details on Very High category risks have been explained in this report.





## Floods

### Business Unit Impacted

Iron Ore

#### Overview

Heavy rainfall and flooding pose significant operational, health, and logistical challenges. Infrastructure vulnerabilities, disruptions to transportation, and increased maintenance requirements make flood resilience a critical priority.

#### Key Impacts

##### Operational Impact

- ◆ Persistent rainfall can cause power outages and interruptions in internet and communication services, leading to production slowdowns
- ◆ Flooded roads and blocked access routes hinder the movement of raw materials and finished products

##### Health & Safety Impact

- ◆ Water stagnation increases the likelihood of disease outbreaks, posing a direct risk to workers
- ◆ Contaminated water sources further exacerbate health hazards for employees and surrounding communities

##### Supply Chain Impact

- ◆ Flooded roads may cut off access to key business sites, delaying transportation and logistics
- ◆ Disruptions in raw material supply can impact production schedules, leading to financial losses

#### Financial Implications

##### Capital Expenditures (CapEx):

- ◆ Investments in flood-resistant infrastructure, drainage systems, and facility upgrades
- ◆ Implementation of advanced flood mitigation strategies to safeguard operations

##### Operational Expenditures (OpEx):

- ◆ Increased maintenance and repair costs due to water damage
- ◆ Supply chain disruptions resulting in higher transportation and operational expenses



## Cyclones

### Business Unit Impacted

VAL

#### Overview

Cyclonic storms bring strong winds, heavy rainfall, and infrastructure damage, leading to business continuity challenges. The risk extends to operational downtime, health hazards, and significant financial losses due to emergency response efforts.

#### Key Impacts

##### Operational Impact

- ◆ Cyclones can damage roads, rail networks, sewage systems, and power transmission lines, leading to extended disruptions
- ◆ Electricity and communication outages impact overall productivity and business operations

##### Health & Safety Impact

- ◆ Severe winds and extreme weather conditions may necessitate temporary shutdowns and evacuations
- ◆ Employee safety measures and emergency preparedness become critical during cyclone events

##### Supply Chain Impact

- ◆ Destruction of key transportation routes delays raw material supply and distribution of finished goods
- ◆ Increased shipping and logistics costs due to rerouting and infrastructure recovery efforts

#### Financial Implications

##### Capital Expenditures (CapEx):

- ◆ Strengthening infrastructure resilience with cyclone-proof facilities
- ◆ Investment in emergency response systems and flood control measures

##### Operational Expenditures (OpEx):

- ◆ Higher costs for routine maintenance and post-cyclone rehabilitation
- ◆ Increased insurance premiums and expenses for emergency preparedness





## Rainfall

### Business Unit Impacted

Iron Ore

### Overview

Heavy rainfall poses operational and safety risks, particularly in mining environments. Flooding, infrastructure damage, and logistical disruptions can lead to delays and increased costs.

### Key Impacts

#### Operational Impact

- ◆ Insufficient flood prevention measures in storage areas and power backup facilities can disrupt work activities
- ◆ Waterlogging incidents may lead to prolonged downtime and equipment damage

#### Health & Safety Impact

- ◆ Heavy rainfall increases the likelihood of flooding, landslides, and structural damage, posing direct risks to worker safety
- ◆ Ensuring safe working conditions becomes critical to maintaining business continuity during adverse weather events

### Financial Implications

#### Capital Expenditures (CapEx):

- ◆ Investment in flood-resistant infrastructure and drainage systems
- ◆ Upgrades to equipment and monitoring technologies for early detection and mitigation

#### Operational Expenditures (OpEx):

- ◆ Costs associated with operational delays and disruptions
- ◆ Increased expenses for water management, safety protocols, and logistics adjustments

## Approach and Methodology for Assessing Transition Risk

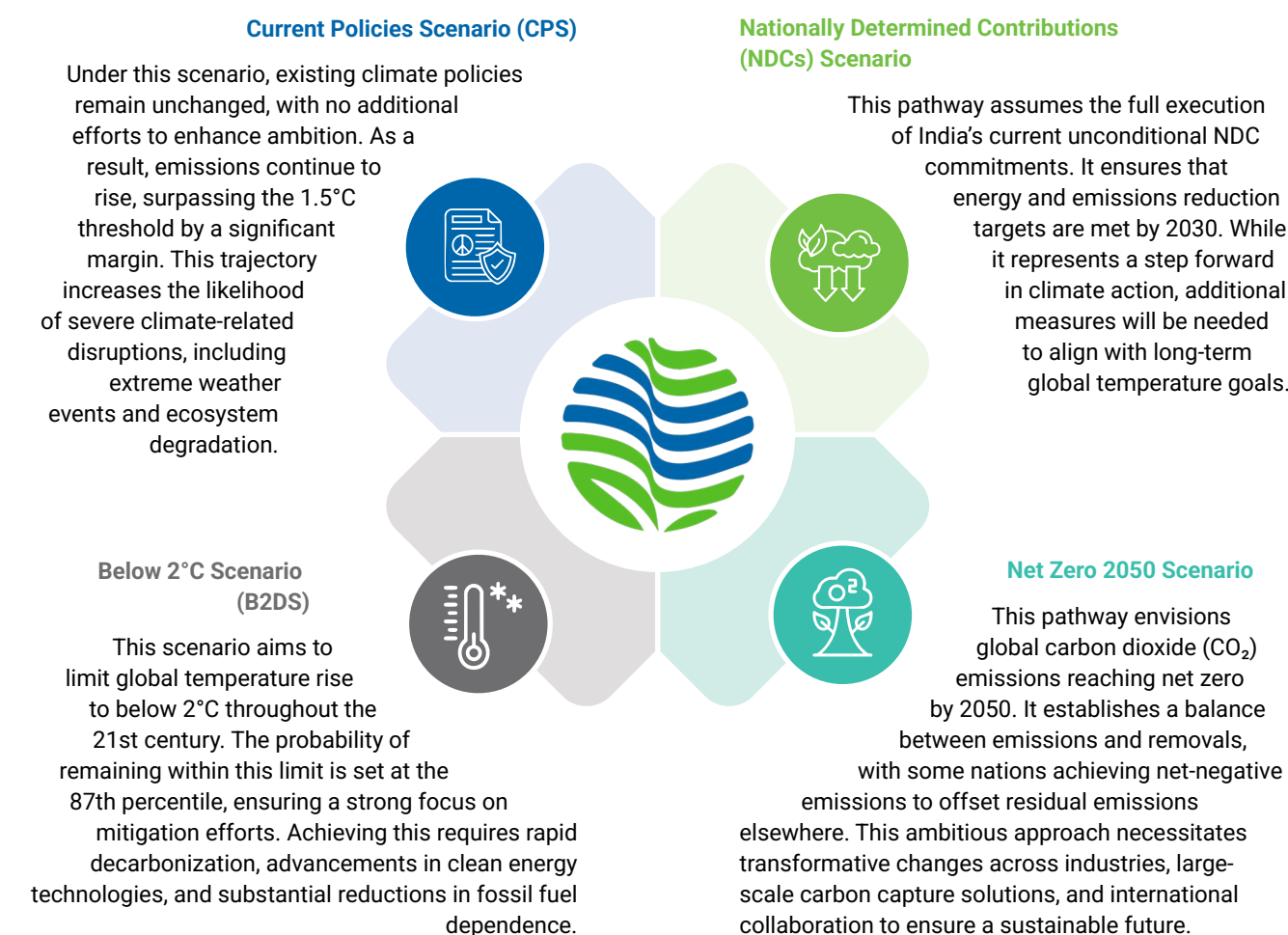
This analysis incorporates four reference scenarios from the NGFS framework, capturing three distinct transition pathways: orderly, disorderly, and hothouse world. These scenarios were developed by multiple modelling groups, each applying different methodologies, which resulted in diverse transition pathways across different models.

Despite these variations, all transition pathways share the same underlying assumptions regarding key socio-economic drivers, such as population growth and economic development. This ensures a level of consistency in assessing transition risks, even if specific modelling approaches differ.

In addition, critical factors like food and energy demand are also harmonized across the scenarios. While these values may not align precisely, they follow similar trends, enabling meaningful comparisons.

The socio-economic foundation for these scenarios aligns with Shared Socioeconomic Pathway SSP2, which describes a “middle-of-the-road” future. This pathway assumes that global development continues in line with historical trends, avoiding extreme shifts toward either high sustainability or severe socio-economic challenges.

### Transition Scenarios





# Impact of Transition Risks on Vedanta and our Response



## Technology

### Business Sectors Impacted

Aluminium, Copper, Ferrochrome, Iron Ore, Oil and Gas, Power, Steel, Zinc, Lead, and Silver

### Key Business Units Impacted

- BALCO (Low impact in short, medium, and long terms)
- VAL (Low impact in short, medium, and long terms)
- ESL (Low impact in short, medium, and long terms)
- VZI (Low impact in short, medium, and long terms)
- Cairn (High impact in the Medium Term)
- TSPL (Medium impact in the long term)

### Implications

- **High Capital Investment:**  
Adopting low-carbon and clean technologies requires substantial financial resources. Cost implications for switching to renewable energy at BALCO, ESL, HZL, VAL, SC, VZI
- **Technology Obsolescence:**  
Existing equipment and processes may become outdated, leading to stranded assets
- **Implementation Challenges:**  
Integrating new technologies may face technical, operational, and workforce skill barriers
- **Innovation Pressure:**  
Staying competitive demands continuous innovation and early adoption of emerging technologies
- **Dependence on External Tech:**  
Vedanta may rely on third-party providers for advanced solutions like CCUS and green hydrogen, increasing dependency risks at our Power Plants

### Response Measures

#### Accelerate Renewable Energy Adoption:

- Prioritize direct PPAs and develop on-site solar to meet the 2.5 GW target by 2030
- Invest in renewable projects to diversify and clean power operations

#### Optimize Energy Efficiency:

- Use energy management systems to maximize renewables and boost efficiency
- Improve turbine and thermal efficiency. Implement biomass co-firing in thermal plants to reduce carbon

#### Electrification and Clean Mobility:

- Electrify equipment using renewable energy where possible
- Replace diesel vehicles with electric models.
- Deploy lithium-ion battery forklifts

● Low ● Medium ● high



## Market

### Business Sectors Impacted

Oil and Gas, Aluminium, Steel, Zinc, Lead, and Silver, Power

### Key Business Units Impacted

- Cairn (High impact in the Long Term)
- BALCO (Low impact in short, medium, and long terms)
- VAL (Low impact in short, medium, and long terms)
- VZI (Low impact in short, medium, and long terms)
- TSPL (Medium impact in the medium term)

### Implications

- **Changing Customer Preferences:**  
Growing demand for low-carbon products may reduce market share for carbon-intensive offerings. Eg. Potential revenue loss at CAIRN due to low demand for fossil fuels
- **Price Volatility:**  
Shifts in demand for metals with lower carbon footprints could lead to price fluctuations and impact revenue
- **Competitive Landscape:**  
Peers adopting green technologies faster may gain market advantage, increasing competitive pressure. Potential increase in demand for greener products (recycled aluminium and green zinc)
- **Export Market Constraints:**  
International markets with strict carbon regulations may limit access or impose tariffs on high-emission products (eg. CBAM)

### Response Measures

#### Capitalize on Growing Demand for Green Metals:

- To meet evolving market expectations, Vedanta is increasing the production and marketing of low-carbon metals such as aluminium (Restora and Restora Ultra) and zinc (EcoZen)

#### Decarbonize Product Offerings:

- In response to changing consumer preferences, Vedanta is exploring additional pathways to decarbonize its product portfolio, positioning itself as a preferred supplier in the low-carbon global marketplace

● Low ● Medium ● high





## Policy

### Business Sectors Impacted

Aluminium, Copper, Ferrochrome, Power, Steel, Zinc, Lead, and Silver

### Key Business Units Impacted

- BALCO (Low impact in short, medium, and long terms)
- VAL (Low impact in short, medium, and long terms)

### Implications

Carbon Pricing Impact: Introduction or rise in carbon taxes or cap-and-trade systems can increase operational expenses. Potential increase in operational costs due to carbon pricing mechanisms like carbon tax and ETS. Additionally, CBAM will impact exports for relevant sectors. Increasing pressure and potential costs due to carbon regulations and the phase-down of coal.

### Response Measures

The response measures for technology and market risks explained above, holistically covers our strategy for addressing evolving policy and regulatory risks from climate change.



● Low ● Medium ● high



## Reputation

### Business Sectors Impacted

All sectors

### Key Business Units Impacted

- Cairn (Medium impact in the Short Term)
- VZL (Low impact in short, medium, and long terms)
- ESL (Low impact in short, medium, and long terms)
- BALCO (Low impact in short, medium, and long terms)

### Implications

- **Customer Expectations:**  
Growing demand for sustainable practices may result in loss of business if climate actions are seen as inadequate
- **Brand Image:**  
Negative public perception regarding environmental responsibility can damage Vedanta's brand and stakeholder relationships

### Response Measures

- Proactively communicate the adoption of renewable energy across all sectors and highlight specific initiatives like low-carbon product lines, renewable power usage in production processes, and investments in green energy projects to enhance brand image and stakeholder trust
- Engage with the community through enhanced community development programs such as water conservation and livelihood support
- Undertake pilot studies of new technologies to assess feasibility, costs, and replicability



● Low ● Medium ● high



## Managing Transition Risk - Key Focus Areas

### Impact of CBAM

The European Union's Carbon Border Adjustment Mechanism (CBAM) represents a pivotal shift in global trade policy, aiming to address carbon leakage and promote decarbonization. During its initial transitional phase, exports to the EU from manufacturers like Vedanta were projected to remain stable, contingent upon meeting the EU's Greenhouse Gas (GHG) reporting standards by the end of 2025. This period allowed companies to familiarize themselves with the new regulations and prepare for more stringent requirements.

However, 2024 marked a crucial turning point with significant updates to the CBAM framework. A key change was the mandatory shift from using default embedded emissions values to reporting actual emissions data for goods imported into the EU starting from July 1, 2024. This required Vedanta and other exporters to meticulously track and verify the carbon footprint of their aluminium products throughout the production process, adding complexity to the reporting obligations. The first report under this new requirement, covering imports from July to September 2024, was due by October 31, 2024.

Vedanta expects a direct increase in export-related costs due to the upcoming carbon border tax. Starting in 2026, the EU will introduce a levy based on the carbon intensity of imported goods, which will impact the price competitiveness of Vedanta's aluminium in the European market. Under the fully implemented Carbon Border

Adjustment Mechanism (CBAM), EU-based importers of Vedanta's aluminium will be required to report annual import volumes along with associated greenhouse gas (GHG) emissions. They will also need to surrender a corresponding number of CBAM certificates, the cost of which is tied to the weekly average auction price of EU Emissions Trading System (EU-ETS) allowances—typically ranging between €70 and €103 per tonne of CO<sub>2</sub> equivalent. While Vedanta's current exposure to CBAM remains limited, potential challenges may emerge if the mechanism's scope is broadened in the future.

In response to the challenges posed by CBAM, Vedanta has focused on its green product initiatives. Vedanta's "Restora Ultra" brand, derived from aluminium dross generated within its operations, boasts the lowest carbon footprint in the market. In FY 2025, the company achieved sales of 62.26 kilotonnes and 3.40 kilotonnes of green aluminium under its "Restora" and "Restora Ultra" brand respectively, with aspirations to increase this capacity to 100 kilotonnes. This emphasis on low-carbon aluminium production is a crucial step towards mitigating the financial impact of CBAM on Vedanta's aluminium business and enhancing its competitive standing in the evolving global market. The development and promotion of lower-carbon product lines like Restora and Restora Ultra are therefore central to Vedanta's strategy for navigating the implications of CBAM.

### Impact of the Upcoming Indian Carbon Market

We recognize the significant role the evolving Indian Carbon Market, formally established as the Carbon Credit Trading Scheme (CCTS), will play in shaping our operational and strategic decisions. The CCTS represents a key pillar in India's approach to achieving its climate goals, including the development of sector-specific targets such as those relevant to the aluminium industry. This market mechanism is designed to price carbon emissions, thereby incentivizing industries like ours to actively pursue reductions in our carbon footprint and contribute to national climate objectives.

The CCTS introduces a compliance mechanism, expected to commence in the coming year, targeting major energy-intensive sectors where we have a substantial presence, particularly in aluminium sector. It also includes an offset mechanism, for which detailed procedures and initial methodologies approved recently, allowing for voluntary participation in emission reduction projects. For us, as a diversified conglomerate operating within this developing framework and contributing to India's climate targets for sectors like aluminium, this means a comprehensive and ongoing evaluation of our emissions across various business units.

We anticipate that the most direct impact of the operationalization of the Indian Carbon Market will be on our operational expenditures. Facilities with higher carbon emission intensities will likely face increased costs, contingent on the carbon pricing mechanism and the allocation of Carbon Credit Certificates (CCCs). We are employing a "shadow price" approach for our internal carbon price. This internal mechanism is crucial for embedding the impact of climate change into our investment decisions.

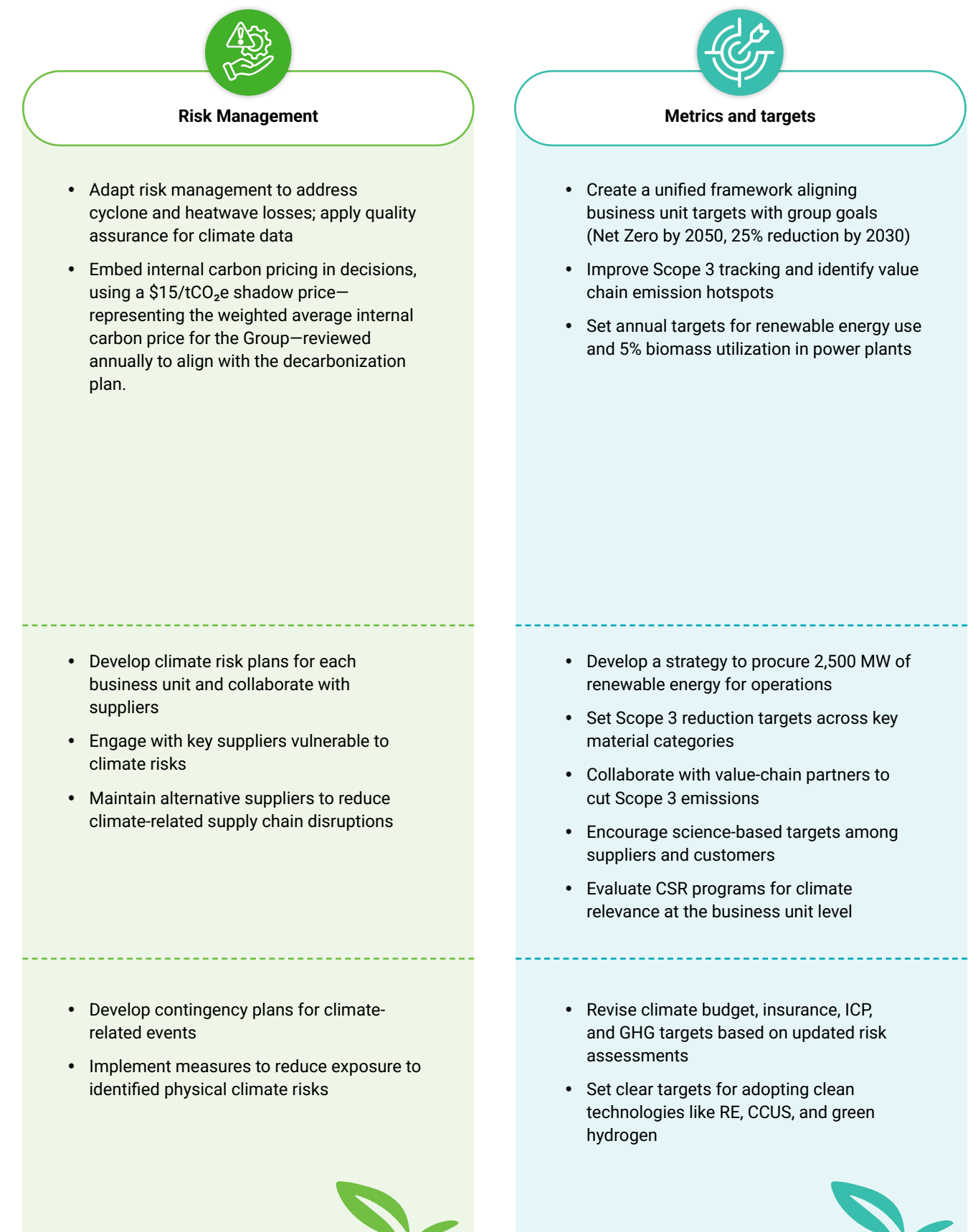
The intent behind our shadow carbon price is to integrate climate impact into our project planning and policy decisions. It provides a framework that encourages organizational investment choices favoring lower-carbon options. By doing so, we aim to establish a consistent method for quantifying the actual or modeled costs associated with projects and operational decisions that generate carbon emissions.

We believe the Indian Carbon Market will also unlock opportunities for Vedanta. We are already investing in renewable energy projects and exploring ways to reduce emissions across our operations. If the market includes provisions for carbon credits or offsets, these initiatives could potentially generate additional value for us. Moreover, the market's emphasis on emissions reduction will likely spur further innovation and the deployment of cleaner technologies within our various sectors.

As we prepare for the Indian Carbon Market, our immediate focus is on enhancing our emissions monitoring and reporting systems, accurately assessing the carbon intensity of all our operations, and actively identifying and pursuing opportunities for significant emissions reductions. Our existing commitment to sustainability and our ESG framework will be instrumental in navigating the evolving landscape of carbon regulation in India. While the precise financial implications will depend on the ultimate design and pricing within the Indian Carbon Market, we are confident that our proactive approach, including the use of a shadow carbon price, will position us to effectively manage the transition and contribute to India's climate goals.



# Climate Change Adaptation and Mitigation Strategies





# Key Climate Related Drivers Impacting Financial Planning

## Incorporating Climate-Related Risks into Asset Valuation and Financial Estimates

We incorporate climate-related factors—including both physical and transition risks—into our assessment of expected useful lives and residual values of assets.

Climate change can significantly affect the valuation of assets and liabilities by altering estimated future cash flows. In preparing our financial statements, we consider several key climate-related aspects:



At each financial year-end, we reassess the residual value and useful life of assets. If our expectations differ from prior estimates, necessary accounting adjustments are made. These reviews ensure our financial estimates reflect evolving climate-related risks and regulations.

We also take into account changes in environmental laws and other regulations when estimating restoration,

rehabilitation, and environmental costs. These costs are adjusted to reflect updated cost estimates, operational lifespan changes, new environmental disturbances, and revised discount rates. Such adjusted asset values are depreciated over the relevant asset life spans, while the unwinding of discount rates is recorded as a finance cost in the consolidated statement of profit and loss.





## Key Uncertainties

We recognize that the path to decarbonization and adapting to climate change involves navigating significant uncertainties. While we are committed to achieving net-zero carbon emissions by 2050 or sooner, we acknowledge the challenges inherent in this transition, particularly for hard-to-abate sectors.

Our approach to decarbonization is focused on a renewable energy transition, acknowledging that progress must continue even in the face of sector-specific challenges. This transition, however, is subject to uncertainties, especially concerning the future of renewables and its impact on our plans and operations.

### Uncertainties Relating to Our Decarbonization Approach

- ◆ The scalability and effectiveness of specific mitigation strategies, such as green hydrogen, in achieving desired emissions reductions for our industrial applications. While these technologies show promise, their development and implementation at the necessary scale and cost-effectiveness are still being assessed and progressed. The transition to a low-carbon economy may lead to shifts in market demand for certain metals and minerals. While we are developing low-carbon products, there are uncertainties about the pace and extent of these market changes and their impact on our product portfolio.

- ◆ The implementation of carbon pricing mechanisms, such as carbon taxes and emissions trading schemes, introduces financial uncertainties, particularly regarding the volatility of carbon prices. Fluctuations in the level and stability of carbon prices can significantly impact our operational costs and influence the economic viability of certain operations. Supply chain disruptions due to climate-related events or the transition to a low-carbon economy pose uncertainties. Ensuring the resilience of our supply chain and managing the associated costs and risks are critical challenges.
- ◆ The pace of technological advancements in renewable energy generation, storage, and transmission is a key uncertainty. While we are investing in renewable energy and exploring technologies like green hydrogen, the cost-effectiveness and scalability of these solutions remain subject to future developments.
- ◆ Policy and regulatory support for renewable energy varies across regions and is subject to change. Uncertainties in policy frameworks, incentives, and grid integration regulations can impact the economic viability and deployment of our renewable energy projects.
- ◆ The availability and reliability of renewable energy resources, such as solar and wind, can also present uncertainties. Climate change itself may further affect resource availability, creating additional complexities for our long-term energy planning.

- ◆ Integrating renewable energy into our existing operations and ensuring grid stability are significant challenges. The intermittent nature of some renewable energy sources requires robust energy storage solutions and grid management systems, which involve technological and economic uncertainties.

Vedanta actively monitors the potential impacts of climate-related physical and transition risks across the short, medium, and long term. A significant focus of our efforts is directed towards decarbonizing our operations, commencing with initiatives in energy efficiency and fuel switching, and progressively expanding into the large-scale deployment of renewable power. As of FY 2025, we have completed evaluations that have enabled us to identify the broad areas of potential impact for each of our business segments. As our analysis matures, we anticipate being able to determine how emerging climate-related risks and opportunities may influence financial outcomes for the business, and we will incorporate these findings into future disclosures. As of this reporting period, our assessment indicates that our assets and business model do not currently face a material financial impact from climate change in the short term.

### We are proactively addressing these uncertainties by:

- ◆ Closely monitoring policy developments and engaging with policymakers.
- ◆ Investing in research and development to explore innovative technologies and improve energy efficiency.
- ◆ Adopting a flexible approach to our energy transition strategy, allowing for adjustments based on technological advancements and market conditions.
- ◆ Implementing robust risk management processes to address potential disruptions to energy supply and demand.
- ◆ Enhancing our emissions monitoring and reporting systems to accurately assess our carbon footprint.

By acknowledging and actively managing these uncertainties, we aim to enhance our resilience and ensure a sustainable transition to a low-carbon future.



# Climate Related Metrics and Targets

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# Climate Related Metrics and Targets

We have embedded climate considerations into our core operations, from financial planning to technological innovation and across our broader ESG responsibilities. This means we’re measuring and evaluating climate-related risks and opportunities using a range of metrics. These metrics inform the specific targets we set to reduce our emissions and manage our environmental impact. Essentially, our climate targets are a fundamental part of how we do business, driving us to not only meet our sustainability goals but also strengthen our resilience in the face of climate change.

This year, FY 2025, marks a significant point in our climate journey. Progress towards our climate goals includes the completion of a number of key targets. Although we experienced variations from our planned outcomes for certain targets, the implementation process has provided important learning that will inform our future strategies and efforts. This progress is vital as we push forward towards our ultimate goal of Net Zero. We’re putting a lot of our focus into expanding our use of renewable energy sources as this is a cornerstone of our strategy. We’re investing in key projects that will not only improve our efficiency but also reduce our emissions. We know we have more work to do, but we’re confident that by staying focused and continuing to innovate, we’ll achieve our Net Zero ambition and contribute to a more sustainable future.



# Our Climate Targets

Our commitment to achieving net-zero carbon emissions by 2050 or sooner, as detailed in Aim 4 (Net Zero Carbon by 2050 or sooner) of our Sustainability Report, is central to our business strategy. This drives us to adapt, innovate, and secure a climate-resilient future.

KPIs	FY 2025 Goal	FY 2030 Goal	Baseline	FY 2025 Progress
Absolute GHG emissions (% reduction from FY 2020-21 baseline)		25% reduction by 2023	60.24 Million tCO <sub>2</sub> e	66.92 Million tCO <sub>2</sub> e (11% increase)
GHG Emissions Intensity (% reduction from FY 2020-21 baseline)	20% reduction by 2025 (across the metals businesses)	-	6.44 tCO <sub>2</sub> e/MT	6.00 tCO <sub>2</sub> e/MT
Renewable Energy	500 MW RE RTC or equivalent	2.5 GW of RE RTC or equivalent	67 MW	299 MW
LMV Decarbonisation (% LMVs)	50%	100%	-	~6%
Capital Allocation for transition to net zero		US\$ 5 Billion	-	0.168 Billion in FY25
Hydrogen as Fuel		Commitment to accelerate the adoption of hydrogen as a fuel and seek to diversify into H2 fuel or related businesses	-	Remains open for future exploration

While we have made significant strides in reducing our GHG emissions intensity, achieving around 7% reduction from our FY 2021 baseline of 6.43 tCO<sub>2</sub>e/MT to 6.00 tCO<sub>2</sub>e/MT, we recognize that we did not meet our 20% reduction target for FY 2025. This was primarily due to two key factors: Firstly, our progress in increasing renewable energy capacity, though substantial with almost 300 MW achieved against a 67 MW baseline, fell short of our 500 MW RE RTC or equivalent goal due to project execution and renewable power delivery delays. Secondly, our ongoing project expansions have yet to achieve operational stability, preventing them from operating at optimal efficiency. Additionally, challenges in procuring biomass pellets due to supply chain constraints have led to lower biomass usage. These factors combined have prevented our GHG intensity from decreasing to the expected levels. To address these challenges, we are focusing on accelerating the execution of our renewable energy projects and resolving supply chain issues related to biomass usage through enhanced collaboration. Furthermore, we are prioritizing the optimization of energy efficiency within our expanded operations, which we anticipate will yield significant improvements in our intensity numbers within the next few years. We remain dedicated to our net-zero journey and are confident that these focused actions will enable us to achieve our long-term sustainability goals.

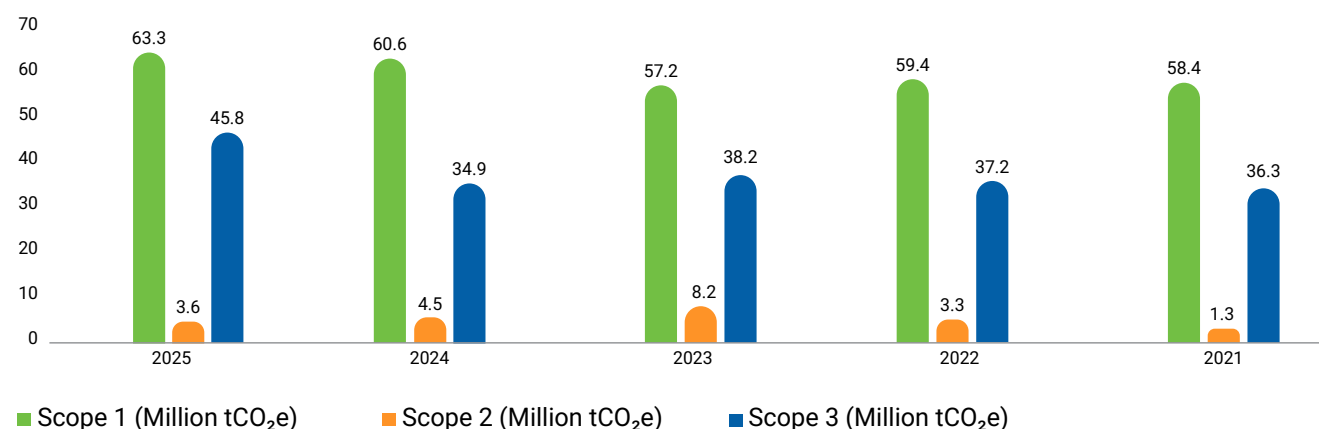




## GHG Emissions and Energy Consumption

This section contains the quantitative metrics related to our greenhouse gas emissions and energy usage, providing a factual basis for our progress towards the net-zero goal by 2050, as stipulated in Aim 4

### Total GHG Emissions



### Greenhouse Gas Emissions (Scope 1, Scope 2) at the Business Unit Level for FY 2025

Business Units	Scope 1 (in thousand tCO <sub>2</sub> e)	Scope 2 (in thousand tCO <sub>2</sub> e)	Scope 1+ Scope 2 (in thousand tCO <sub>2</sub> e)
Aluminium*	41,696	2,223	43,919
Copper Business	82	90	172
Iron Ore Business	1,961	7	1,968
Oil and Gas Business	1,343	417	1,760
Power Business	9,636	19	9,655
Steel	3,680	206	3,886
Zinc India	4,147	389	4,536
Zinc International	101	212	313
FACOR	678	31	709
<b>Total Vedanta Scope 1, Scope 2 - (in thousand tCO<sub>2</sub>e)</b>	<b>63,324</b>	<b>3,594</b>	<b>66,918</b>

\*Including data for VGCB

### Greenhouse Gas Emissions (Scope 3) at the Business Unit Level for FY 2025

Business Units	Scope 3 Emissions (in thousand tCO <sub>2</sub> e)
<b>Aluminium*</b>	
BALCO (Aggr)	1,481
VAL - Jharsuguda	5,245
VAL-Lanjigarh	1,164
Jamkhani Coal Mine	821
<b>Copper Business</b>	
Tuticorin	Not material
Silvassa	754
Fujairah Gold FZC	333
MEL Nickel Business	Not calculated
MALCO	Not calculated
<b>Iron Ore Business</b>	
IOG	640
IOK	6,300
VAB	645
Sesa Coke - Gujarat	170
Sesa Coke - Vazare	149
Iron Ore Orissa	3,041
<b>Oil &amp; Gas Business</b>	
Cairn Oil & Gas	17,748
<b>Power Business</b>	
TSPL - TPP	2,770
Meenakshi Energy	1,315
Athena Power	317
<b>Steel</b>	
ESL Steel Limited (Aggr)	765
<b>Zinc India</b>	
Hindustan Zinc Ltd (Aggr)	1,539
<b>Zinc International</b>	
Black Mountain	429
Gamsberg Operations	372
<b>FACOR</b>	
FACOR	75
<b>Total Vedanta Scope 3 (in thousand tCO<sub>2</sub>e)</b>	<b>45,802</b>

\*Including data for VGCB

### Scope 3 GHG Emissions - Category-wise for FY 2025\*

Scope 3 Category	Emissions (in thousand tCO <sub>2</sub> e)
Category 1 - Purchased goods and services	7,971
Category 2 - Capital goods	178
Category 3 - Fuel- and energy-related activities	7,243
Category 4 - Upstream transportation and distribution	744
Category 5 - Waste generated in operations	204
Category 6 - Business travel	4
Category 7 - Employee commuting	15
Category 8 - Upstream leased assets	0.8
Category 9 - Downstream transportation and distribution	837
Category 10 - Processing of sold products	12,600
Category 11 - Use of sold products	15,953
Category 12 - End-of-life treatment of sold products	48
<b>Total Scope 3 (in thousand tCO<sub>2</sub>e)</b>	<b>45,802</b>

\*Categories 13, 14 and 15 are not applicable to Vedanta





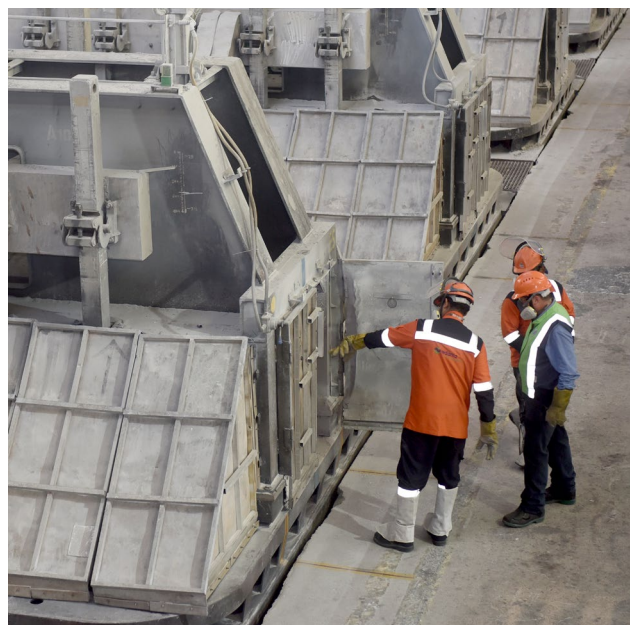
## GHG Emission Intensity

Our objective was to reduce the GHG emissions intensity of our metal businesses by 20% by FY 2025, based on the FY 2021 baseline. While we did not reach our 20% target, we have made significant progress and are continuing to implement strategies that will further reduce our emissions intensity and support our journey to net-zero.

### GHG Intensity (Scope 1 + Scope 2) Trend – Metal & Mining Business

Years	tCO <sub>2</sub> e/MT
FY 2025	6.00
FY 2024	6.00*
FY 2023	6.24

\*Data has been reviewed and updated to ensure accuracy



### GHG Intensity (Scope 1 + Scope 2) – Product Based (tCO<sub>2</sub>e/MT)

Business Unit	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Aluminium	8.60	8.83*	9.25	8.88	6.44
Copper	0.65	0.55	0.52	0.76	0.89
FACOR	6.67	6.37	5.97	6.61	6.40
Steel	2.72	2.73	2.27	8.87	2.29
Zinc India	4.33	4.40	4.54	4.98	5.00
Zinc International	1.72	2.04*	0.92	1.07	0.69
Iron Ore Business	2.31	2.27	2.51	2.57	2.81

\*Data has been reviewed and updated to ensure accuracy

### GHG Intensity Trend (Scope 1 + Scope 2) – Revenue-Based (tCO<sub>2</sub>e/Million INR)

Business Unit	FY 2025	FY 2024	FY 2023
Aluminium	28.71	29.29	26.12
Copper (India + UAE)	0.11	0.10	0.08
Iron Ore	1.29	1.37	1.28
Oil and Gas	1.15	1.44	1.46
Other (Steel + Ferro Chrome Business)	3.00	3.15	2.42
Power	6.31	6.54	10.17
Zinc India	2.97	3.16	3.15
Zinc International	0.20	0.76	0.25
<b>Total GHG Intensity</b>	<b>43.75</b>	<b>45.82</b>	<b>44.9</b>

## Energy and Water Related Metrics

Parameter	FY 2025	FY 2024	FY 2023
<b>From renewable sources (in Million GJ)</b>			
Total electricity consumption (A)	7	5	5
Total fuel consumption (B)	1	1	4
Energy consumption through other sources (C)	2	2	
Total energy consumed from renewable sources (A+B+C)	10	8	8
<b>From non-renewable sources (in Million GJ)</b>			
Total electricity consumption (D)	18	22	41
Total fuel consumption (E)	646	618	522
Energy consumption through other sources (F)	-	-	-
Total energy consumed from non-renewable sources (D+E+F)	663	641	563
Total energy consumed (A+B+C+D+E+F)	<b>673</b>	<b>649</b>	<b>571</b>
Energy intensity (GJ / Million INR) (Total energy consumed / Revenue from operations)	440	451	384

### Total Energy Split

	Total non-renewable energy consumption (Million MWh)	Total renewable energy consumption (Million MWh)
FY 2025	184	2.80
FY 2024	178	2.23
FY 2023	156	2.33
FY 2022	153	4.06
FY 2021	145	0.59

### Water – Withdrawal, Consumed, Recycled (Million kL)

Parameters	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Water withdrawal	217	213	213	220	217
Net freshwater consumption	160	162	147	164	165
Internal water recycled	86	85	78	86	83





# Annexure 1

# Assurance Statement

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**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

67, Institutional Area  
Sector 44- Gurugram- 122033  
Haryana, India  
Tel: +91 124 681 6000

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

## INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECT NON-FINANCIAL INDICATORS CONTAINED IN VEDANTA LIMITED'S CLIMATE ACTION REPORT

**The Management and Board of Directors  
Vedanta Limited  
ASF Center, Building 1  
1<sup>st</sup> Floor, Phase IV, Udyog Vihar, Sector 18  
Gurugram, Haryana, 122016**

### Scope

We have been engaged by Vedanta Limited (hereafter "Vedanta" or the "Company") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements 3000 (Revised), here after referred to as the engagement, to report on select non-financial indicators as per Annexure 1 (the "Subject Matter") contained in Vedanta's Climate Action Report **as of June 23, 2025 for the year ended March 31, 2025 and for the period from April 01, 2024 to March 31, 2025** (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Vedanta

In preparing the **Subject Matter** Vedanta has applied a basis of preparation as per Annexure 1 of this Assurance Report (the "Criteria"). Such Criteria were specifically designed for climate related disclosures. As a result, the Subject Matter information may not be suitable for another purpose.

### Vedanta's responsibilities

Vedanta's management is responsible for selecting the Criteria, and for presenting the **Subject Matter** in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

### Our responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with Vedanta on February 10, 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the **Subject Matter** and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Assessing the suitability of the criteria used by the entity in preparing the subject matter
- Conducting interview of select representatives of Company's management to understand the reporting process, including management's processes to identify Vedanta's material climate-related risks and opportunities;
- Obtained an understanding of the control environment, processes and information systems relevant to the preparation of the information subject to limited assurance, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Inspected, at selected sites, a limited number of samples as appropriate to check the accuracy of the data
- Conducted analytical procedures, as appropriate; and made inquiries of management to obtain explanations for any differences we identified
- Evaluated the overall presentation of the subject matter to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the entity's operations.

We also performed such other procedures as we considered necessary in the circumstances.





Other Information

- The Company’s management is responsible for the other information. The other information comprises the information included within the Climate Action Report other than Subject Matter and our independent assurance report dated June 23, 2025, thereon.
- Our conclusion on the Subject Matter does not cover the other information and we do not express any form of assurance thereon. In connection with our assurance engagement of the Subject Matter, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Exclusions

- Data and information outside the defined reporting period: April 01, 2024 – March 31,2025;
- Data and information on economic and financial performance of the Company;
- Data, statements and claims already available in the public domain through Annual Report, or other sources;
- The Company’s statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention;
- The Company’s compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to **the Subject Matter as of June 23,2025 for the year ended March 31,2025 and for the period from April 01,2024 to March 31,2025**, in order for it to be in accordance with the Criteria.

Restricted use

Our Limited Assurance report has been prepared and addressed to the Management and Board of Directors of Vedanta Limited at the request of the Company solely, to assist the Company in reporting on its climate related performance and activities. Accordingly, we accept no liability to anyone other than the Company. Our Limited Assurance Report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
Firm’s Registration No.: 301003E/E300005

Amit Chugh  
Digitally signed by Amit Chugh  
DN: cn=Amit Chugh, o=Personal,  
email=amit.chugh@srb.in  
Date: 2025.06.23 16:43:49  
+05'30'

Amit Chugh  
Partner  
Membership No.: 505224  
UDIN: 25505224BMLADA4323  
Place of Signature: Gurugram  
Date: 23 June 2025



Annexure-1

Indicator	Basis of preparation
Total scope 1 emissions (with BU-wise breakup)	Total absolute direct greenhouse gas emissions generated within own operations during the reporting period, calculated basis Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard)
Total scope 2 emissions (with BU-wise breakup)	Indirect greenhouse gas emissions due to purchased energy during the reporting period, calculated basis Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard)
Total scope 3 emissions (with BU-wise and category-wise breakup)	Greenhouse gas emissions in the value chain during the reporting period, calculated basis Greenhouse Gas Protocol (Corporate Value Chain Accounting and Reporting Standard).
Internal carbon price	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions and how the entity is applying carbon price in decision making;
Percentage of executive management remuneration recognized that is linked to climate related considerations.	Remuneration for executives and employees tied to sustainability achievements, including emission reductions and resource efficiency improvements.





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