

# Business responsibility report



Employee at operational site, Cairn Oil & Gas

The resources that we mine contribute to the growth of our communities and nations. The natural resource sector has the potential to generate millions of jobs and that is the key to accelerate the growth and development of India.

Our business strategy is about ensuring that growth is maximised in a way that is both sustainable and responsive. The four core pillars - Responsible stewardship, Building Strong Relationships, Adding & Sharing Values and Strategic Communication are designed to support the long-term development, ensuring long lasting relationship and providing superior returns to all our stakeholders.

Alongside delivering high-quality assets and low-cost operations, our Sustainable Development Framework is integral to Vedanta's core business strategy and helps

us conduct our business in line with our values of Trust, Entrepreneurship, Innovation, Excellence, Integrity, Respect and Care. The details related to our framework are available in the sustainability section of the report.

In pursuance of its commitment to responsible business, the Company has prepared this Business Responsibility Report for its standalone divisions- Copper, Aluminium, Iron Ore, Oil & Gas and Power. These include obligations on business to respect the environment, promote the well-being of employees and to respect the interests of all stakeholders, particularly the disadvantaged and vulnerable. The report complements the work we are already undertaking across the Group and should be read in conjunction with the Vedanta Sustainability report.

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**India is a key market for Vedanta and one which we believe has huge growth potential. Sustained economic growth will lead to development, greater prosperity and an overall increase in per-capita spending.** 99

## Section A: General Information About the Company

1	Corporate Identity Number (CIN) of the Company	L13209MH1965PLC291394
2	Name of the Company	Vedanta Limited
3	Registered address	1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093
4	Website	<a href="http://www.vedantalimited.com/">http://www.vedantalimited.com/</a>

5	E-mail id	ir@vedanta.co.in
6	Financial Year reported	April 1, 2017 – March 31, 2018
1	Sector(s) that the Company is engaged in (industrial activity code-wise)	24201: Producer of Copper from ore, and Other copper products and alloys.  24202: Producer of Aluminum from alumina and by other methods and products of aluminum and alloys.  07100: Mining of iron ores  24101: Producer of pig iron and spiegeleisen in pigs, blocks or other primary forms  35102: Electrical power generation by coal based thermal power plants  Division 06 – Extraction of crude petroleum and natural gas
2	List three key products/services that the Company manufactures/provides (as in balance sheet)	Copper, Aluminum, Iron Ore, Power, Crude Oil & Natural gas
3	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations	a) 2– South Africa
	b) Number of National Location	b) 6 (Goa, Tamil Nadu, Odisha, Rajasthan, Andhra Pradesh, Gujarat)
4	Markets served by the Company - Local/ State/National/International/International market.	Our products are sold in both National and International market.



Solar panel installed in comprehensive building, BALCO



Employees of Cairn Oil &amp; Gas in community development programme

### Section B: Financial Details of the Company (based on Standalone Financials)

1	Paid up Capital (₹)	3,382 Crore
2	Total Turnover (₹)	45,974 Crore
3	Total profit after taxes (₹)	7,256 Crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 45.1 Crore; ~1%
6	List of activities in which expenditure in 4 above has been incurred:-	Our CSR programmes cover the following areas: <ul style="list-style-type: none"> <li>● Children's Well-being &amp; Education</li> <li>● Healthcare</li> <li>● Drinking Water &amp; Sanitation</li> <li>● Women's Empowerment</li> <li>● Skilling the Youth for New Opportunities</li> <li>● Sports &amp; Culture</li> <li>● Agriculture &amp; Animal Husbandry</li> <li>● Community Infrastructure</li> <li>● Environment Protection &amp; Restoration</li> </ul>

# Business responsibility report continued



Employees at Mangala Processing Terminal, Barmer, Cairn Oil & Gas

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### Section C: Other Details

#### 1. Details of Director/Directors responsible for BR

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Vedanta Limited has 8 subsidiaries – HZL, BALCO, MEL, Cairn India, Western Clusters, Zinc International and CMT.  All these subsidiaries contribute towards Business Responsibility initiatives however their financials and non-financial numbers are reported separately and are not part of Vedanta Limited Business Responsibility Report.
3	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities. [Less than 30%, 30-60%, More than 60%]	Our suppliers are not directly involved with the 'Responsible Business' initiatives. However, our contracts address areas like HSE, Ethics, and Human Rights that our suppliers are obliged to adhere to strictly.

### Section D: Br Information

#### 1. Details of Director/Directors responsible for BR

S. No.	Particulars	Details
1	DIN Number (If applicable)	AFVPK8712R
2	Name	Mr. Kuldip K Kaura
3	Designation	Chief Executive Officer
4	Telephone Number	+91 22 664 61000
5	Email ID	ir@vedanta.co.in

**2a.Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

Name of principles:

- P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
- P3 – Businesses should promote the well-being of all employees
- P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- P5 – Businesses should respect and promote human rights
- P6 – Businesses should respect, protect, and make efforts to restore the environment
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 – Businesses should support inclusive growth and equitable development
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner



S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Do you have a policy/policies for:									
1	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Does the policy conform to any national/international standards? If yes, specify. (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Has the policy been approved by the Board? Has it been signed by MD/Owner/CEO/ Appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Indicate the link for the policy to be viewed online?	<a href="http://www.vedantalimited.com/investor-relations/corporate-governance.aspx">http://www.vedantalimited.com/investor-relations/corporate-governance.aspx</a>								
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Each year, the Company undertakes an audit exercise, conducted by an external agency to evaluate the workings of these policies. This audit is known as the Vedanta Sustainability Assurance Protocol (VSAP) audit. The VSAP audit is conducted across all of our significant sites.								

The elements of all the above referred nine National Voluntary Guideline Principles are either enshrined in our

Business Code of Conduct and Ethics or we also have separate Sustainability policies for them. Our Business Code of Conduct and Ethics is aligned to the UK Bribery Act.

All the sustainability policies of the Company are based on the Vedanta Sustainable Development Framework, which are aligned with the IFC guidelines, ICMM, OECD and UNGC principles. Further both Business Code of Conduct and Ethics and Sustainability Policies are available online for both internal and external stakeholders and have been approved by Board.

## Business responsibility report continued

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year)

The CSR committee of the board meets every three months to assess all aspects of the BR performance. Additionally, the Sustainability Committee of Vedanta Resources meets every quarter and is responsible on all aspects of sustainable development across the Group. Both committees are chaired by Senior Independent Directors.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Sustainability and BRR performance is detailed out in the Vedanta Limited Annual Report. We also publish an annual Sustainability Report based on GRI Standards. Our sustainability reports can be found at: <http://www.vedantaresources.com/>

#### Section – E

##### Principle 1 - Conduct, Governance, Ethics, Transparency and Accountability

At Vedanta we have an established Code of Conduct and Business Ethics, Whistle Blower Policy, and Supplier Code of Conduct. These documents are underpinned by a Vedanta Sustainable Development Framework – policies, management and technical standards. The Code, policies and standards communicate our zero tolerance approach to ethical violations, and communicate our commitment and requirement for legal compliance and ethical good practice.

To ensure that all employees are well-versed with our Code, a mandatory training is provided for new recruits, and refresher workshops on anti-corruption policies and procedures are conducted for all the employees at various levels.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Our Business Code of Conduct and Ethics informs our approach to sustainability and how we conduct ourselves day to day – with each other, our customers, our shareholders, our competitors, our employees, our neighbouring communities, our host government and our suppliers and contractors.

The Code applies to all directors, officers and employees of the Company and its subsidiaries.



Empowering women by providing them skill based training

The Code provides guidelines for our business to be consistent with the highest standards of business ethics and is intended to assist all employees in meeting the high standards of personal and professional integrity that the Group requires of them. It covers: Legal Compliance (including Human Rights), Health, Safety and Environment, Insider Trading, Competition & Fair Dealing, Conflicts of Interest, Gifts & Entertainment, Protection & Use of Company Assets, Information Management, External Communications and Corporate Social Responsibility.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We have a well-designed mechanism for all our stakeholders to communicate us of any inappropriate behaviour. Our exclusive Whistle-blower Policy, has provisioned for a toll free number, email id and a reporting portal, which both our internal as well as external stakeholders can make use of to report anonymously to the management. During the reporting period, a total of 38 whistle-blower cases were reported. Of the reported cases, 10 were upheld and found correct, leading to appropriate disciplinary actions including warning, counselling, transfer and separation, against our employees, contract workforce and vendors. About 53 requests and correspondences (including complaints) were received from our shareholders and all of these have been successfully resolved or responded.

##### Principle 2 - Safety and Optimal Resource Utilisation across Product Lifecycle

As primary producers, we have limited oversight and involvement in the full lifecycle of base metal products, and the way in which downstream value-added products are produced and disposed.

Our operations have carried out significant tests on the physical and chemical



Children at Nand Ghar

characteristics of their products to ensure we understand their properties and potential impacts. Potential impacts on humans and the environment are considered when preparing MSDS updates. The MSDS information is made readily available to our customers enabling them to have a full, detailed understanding of our products and their composition. To ensure the safe handling of our products during operations and transportation, we use Material Safety Data Sheets which include information on physical and chemical aspects, health effects, and storage and disposal.

With reference to our customers, the marketing team maintains a forward-looking approach in tandem with the global commodity pricing trends and customer demand assessment. Subsequently, the ISO 9001 guideline based feedback schedule is followed for obtaining feedback on a periodic basis. This feedback is accumulated for sharing in management review based approach on which response is generated. Customer satisfaction survey is conducted at periodic interval to understand customer feedback. The feedback accumulated through surveys is shared in management review meetings based on which appropriate response is generated to take appropriate corrective actions and to address the requirements of customers.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We make all efforts to ensure that we produce, in a safe and environmental friendly responsible manner. Over the years, we have constantly improved our recoveries, reduced hazardous waste generation, recycling and reuse of waste, improved specific water and energy consumption and reduced our tailings to optimally use available natural resources.

At Hindustan Zinc, we have introduced the following programmes to ensure that our final products are produced in a sustainable manner:

- Resource Recovery: The Rampura Agucha Mines having a high-feed grade of ore, which results in some mineral losses in tailings.

Reprocessing these mineral losses from the tailing allows us to produce Bulk Concentrate, which contains Lead, Zinc & Silver. This bulk concentrate is fed to the Fumer Furnace/ ISF to extract Lead, Zinc & Silver from it.

- Smelter effluent is treated in conventional Effluent treatment plant (ETP) to precipitate out heavy metals and generate wastewater, which is fed to RO process followed by Multiple Effect Evaporator (MEE) process to recover water values. An initiative was taken to recover sodium sulphate values from this MEE reject and convert it into a usable chemical for zinc plant.

At our Oil & Gas business, we produce only processed Crude Oil and Natural Gas. While there is a limitation in being able to incorporate environmental and social design concerns in the composition of our products, we ensure that best-in-class practices are followed while designing and operating our processing facilities and transportation infrastructure. Some of these best practices include:

- Recycling and reusing most of our produced water, thereby significantly reducing the amount of saline ground water that we extract for our operations.
- Recycling and reusing 100% of our treated domestic sewage water for horticulture purposes.
- Designing a crude oil transportation pipeline that is thermally insulated and heated with an electrical wire, thereby preventing the use of large amounts to energy to heat our waxy crude oil and transport it to our customers. Both these measures also help minimise the generation of greenhouse gas emissions that would have resulted because of the deployment of road transportation to move our product from source to destination and the use a large energy infrastructure to heat the pipeline.
- To our commitment for management of waste in sustainable manner, initiated first of its kind initiative for disposal of hazardous waste through Co-processing in Cement Kiln. The co-processing of hazardous waste (oil soaked waste with higher calorific value) has led to reductions in our GHG emission due to equivalent replacement of coal in cement kiln.

Finally, in our power operations, we have been able to utilise ~90% of the generated fly ash using it as road construction material and by selling them to local brick kilns

## 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

Being a natural resource company, there is intensive need for resources – water, energy and raw materials, in our operations. We therefore recognise the impact of our operations on the environment and adopt strategies to minimise our resource use in all our processes. To further channelise our endeavours, we consciously track usage of these resources – water, energy and raw materials, throughout our operations.

We are also in continuous need for fuel and electricity, which places us amongst the energy intensive

industries. Conforming to the global challenge of combatting Climate Change and Global Warming, we strengthen our Carbon Management processes and adopt efficient technologies. Through our Carbon Forum, we have developed our exclusive Vedanta Carbon Policy and Carbon Strategy. We expect to decrease our GHG intensity by 16% by 2020 from a 2012 baseline.



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## Energy and Water Consumption

Company Name	Specific Water Consumption (Cubic Metre/ tonne of Production)		Specific Energy Consumption (Giga Joules/ tonne of Production)	
	FY2017-18	FY2016-17	FY2017-18	FY2016-17
Sterlite Copper	6.57	6.63	8.33	8.35
Sesa Value Added Business	2.12	1.79	0.88	0.84
Aluminium- Lanjigarh	2.22	2.03	8.15	7.87
Aluminium – Jharsuguda	0.47	0.49	54.18	53.9
Oil & Gas	1.13	1.38	1.87	2.13

## Material Consumption (in Million MT)

Company Name	Materials consumption in mn MT	
	FY2017-18	FY2016-17
Raw Materials	7.89	
Associated Raw materials		9.50
Semi-manufactured raw materials	1.96	1.89

(This table excludes Oil & Gas business)

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

As primary producers, we have limited control of the full lifecycle and the way in which products are produced and disposed. We are committed to ensure that the beginning of the lifecycle adheres to appropriate international commodity trading standards but the reduction and initiatives drive taken by our consumer is not tracked.

## 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- If yes, what percentage of your inputs was sourced sustainably?

Also, provide details thereof, in about 50 words or so.

Yes. At Vedanta, our business partners and suppliers play a key role in our performance footprint. To retain a relationship with them in the long-term, we have established a dedicated accountability mechanism through our Supplier Code of Conduct, Supplier and Contractor Management Policies, and Supplier Screening Checklist that encourage business partners and suppliers to adopt principles and practices comparable to our own. Regular engagements with Suppliers/vendors and contractors are also encouraged to ensure conformance to the policies.

# Business responsibility report continued

Besides the environmental impacts during sourcing, transportation activities have also been assessed and adequate measures are taken to prevent dust emission during transit. Ore transport from the mines to the loading point is carried out through trucks covered with tarpaulin to ensure no spillage and dust generation. At material handling areas for coal and bauxite, dry fog systems are installed with proper water sprinklers, while bag filters installed are at alumina handling division.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

In view of retaining quality, the Company sources its major inputs from OEMs and large national and international manufacturers. Goods and services are procured by businesses locally is of consumable nature where feasible.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes, we have an exclusive Resource use and Waste Management Technical Standard and supporting guidance notes, which directs us to mitigate the environmental impacts of our products and process. Due to our recycling efforts, the waste generated in our various operational units is innovatively converted to resource material and we use these new products to further extend the supply chain. In total, 93% of high volume and low potential waste generated was recycled / reused into gainful applications.

At Vedanta Limited- Sterlite Copper, Copper Slag – a by-product from our pyro metallurgical smelting operations is used in road construction, land levelling and in the abrasive and cement industries. During 2017-18, 107% of the slag was successfully used rather than being deposited in landfill. Gypsum, from the same operation is also utilised in fertiliser industry and brick manufacturing. At Lanjigarh and Jhasuguda, 111% of fly ash from our operations is recycled.

At our Oil and Gas business all the by products resulting from our operations are recycled. The well-fluid from the sub-surface reservoir comprises of



Community Medical Centre, Amona, Goa

crude oil, water (produced water) and natural gas (associated gas).The produced water is the most significant liquid waste from Cairn's operations. It is treated and recycled back into the hydrocarbon reservoir to maintain the reservoir pressure.

**Principle 3: Employee Well-being**

Our employees are our key assets and our growth and success are attributable to them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses.

We are committed to providing our employees with a safe and healthy work

environment. Through a high degree of engagement and empowerment we enable them to realise their full potential, creating a high performance work culture.

We continue to attract talent from top engineering institutes, business schools and graduate colleges. This is an important step in sourcing a strong talent pipeline for the future. We also focus on effectively utilising and grooming talent by appropriately rotating them across businesses for experience in new roles and to prepare them to take up various key positions in the future.

1	Please indicate the total number of employees	<ul style="list-style-type: none"> <li>● Full time Employees: 9,430</li> <li>● Contract: 22,800</li> <li>● Total: 32,230</li> </ul>
2	Please indicate the total number of employees hired on temporary/ contractual/casual basis	<ul style="list-style-type: none"> <li>● Full time Employees Hired: 2,825</li> </ul>
3	Please indicate the number of permanent women employees	<ul style="list-style-type: none"> <li>● Full time Women Employees: 1,055</li> </ul>
4	Please indicate the Number of permanent employees with disabilities	<ul style="list-style-type: none"> <li>● NIL</li> </ul>
5	Do you have an employee association that is recognised by management?	<ul style="list-style-type: none"> <li>● Yes</li> </ul>
6	What percentage of your permanent employees is members of this recognised employee association?	<ul style="list-style-type: none"> <li>● We have recognised employee association at Sesa Iron business only. 69%, the employees are a part of association..</li> </ul>
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<ul style="list-style-type: none"> <li>● Child labour / forced labour/involuntary labour – Nil</li> <li>● Sexual harassment cases – 11; All cases are closed.</li> </ul>
8	What number of your under mentioned employees were given safety & skill up-gradation training in the last year?	<p>The total safety &amp; skills-up gradation training given to employees, contract workers and third party visitors is given as below:</p> <ul style="list-style-type: none"> <li>● Employees: 244,287 hours</li> <li>● Contract employees - 257,495 hours</li> <li>● Third party: 8,741 hours</li> </ul>

#### Principle 4: Engaging Stakeholders - Sustaining Value

Ours is an inclusive model where the opinion of every stakeholder matters to us. We believe in transparent dialogue where anyone should be able to voice their opinions; that they should be listened to; and that they can expect a considered and constructive response. The approach we take to connect with different stakeholders is guided by our Stakeholder Engagement Technical Standard. All of our operations run their own stakeholder identification and analysis process. As part of this, they identify potential stakeholder representatives who act as a channel for the receipt and dissemination of information.

In addition, our sites identify individuals and groups who may be additionally affected by operations due to their disadvantaged or otherwise vulnerable status. Ways in which stakeholders may be affected and the extent of both actual and perceived impacts are identified and recorded against each group. Using the information gathered, we then determine with the stakeholders themselves the level of communication and consultation that is appropriate. From this, Stakeholder Engagement Plans (SEPs) are developed and continuously updated as circumstances develop on-site.

##### 1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. The Company has conducted a mapping exercise, from which we have classified our stakeholders into the following categories (Employees, Shareholders, Lenders, Host Governments, Communities (including vulnerable groups such as indigenous communities, women and persons with disabilities), Civil society (including Non-Governmental Organisations) and Industry.

##### 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Identification of the disadvantaged, vulnerable and marginalised stakeholders is an on-going process. However, we have emphasis on development of women in our nearby communities. We have initiated several programmes for women's education, skill development and providing entrepreneurial opportunities for women.

##### 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

Yes. We engage with the disadvantaged, vulnerable and marginalised stakeholders through our CSR projects.

Across the country, the Self Help Group movement has successfully and systematically empowered marginalised and grass-root level women through awareness raising, capacity building, economic empowerment and solidarity. At Vedanta too, we are working with women's Self Help Groups across several of our locations. Collectively, across the group we have reached over 28,000 women through SHG & skill-development initiatives. Of these, more than 1,900 women have gone on to set up their own enterprises. Key initiatives across some of our group companies include: Project Sakhi (Sterlite Copper), Project Shakti (Lanjigarh), and Subhalaxmi Cooperative Society (Jharsuguda)

#### Principle 5: Promoting Human Rights

Our Human Rights Policy is aligned to the UN Guiding Principles on business and human rights and includes strict prohibition of child or forced labour – either directly or through contract labour. Additionally, our Code of Business Conduct and Ethics (Code) commits us to comply with all relevant national laws and regulations, underpinning our approach to protecting the fundamental rights of all our direct and indirect employees. Human rights training is an integral part of our Sustainable Development Framework implementation and is covered through training on Code of Business Conduct and Ethics.

##### 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Human Rights policy is aligned to the UN Guiding Principles on Business and Human Rights and is a mandate for all of its group company's employee's. Further it also encompasses all its suppliers, contractors and NGOs etc. We have rolled out the implementation of UK Modern Slavery Act, 2015 across our suppliers and vendors in order to mitigate risk of slavery (subset of Human Rights) across the supply chain.

##### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints with respect to Human Rights were reported.

#### Principle 6: Nurturing the Environment

We are conscious of negative environmental impacts, from gas and particulate emissions and hazardous waste to waste water generation and landscape modification. To this end, we manage our footprint in the most stringent global standards throughout the project lifecycle.



**Our businesses have made significant progress on our GHG reduction commitment to date. Companies such as Hindustan Zinc and Cairn Oil & Gas have committed to increase their investment in solar power.**



Our Sustainable Development Framework, includes a HSE Policy, Environmental Management Standard, and a number of topic specific policies and standards addressing key environmental aspects e.g. biodiversity, water, energy and carbon, waste and resources. All our operating sites are ISO 14001 certified.

ISO 14001 system implementation helps us to regularly review the environmental aspects and potential impact of our operation, contractors and suppliers (present at our site), and setting environment target, monitoring and communicating performance, conduct internal audit and develop corrective action plan, capability development and management review.

##### 1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

All our sustainability policies (HSE, Biodiversity, Energy & Carbon and Water Management) are applicable to Vedanta subsidiaries, operations and managed sites, including new acquisitions, corporate offices and research facilities and to all new and existing employees and contractor employees.

##### 2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

As a natural resources industry, we have a profound responsibility to address the planet's undisputed warming and adapt to the future impacts.

At Vedanta, we understand the implications of energy consumption, both in terms of its cost to our operations and the price environment pays for it. We are committed to invest in newer technologies and processes to enhance our energy efficiency.



## Business responsibility report continued

11 of our operational sites are ISO 50001 certified.

Our energy management approach hinges on a two-pronged strategy: improving energy and process efficiency, while diversifying our energy portfolio at all locations. We already have our Sustainable Development Framework in place, which includes an Energy and Carbon Policy, and an Energy and Carbon Management Standard.

The energy and carbon scenario is a continuously emerging one. We are aware that regulatory changes, introduction of carbon taxes and the evolving behaviour of the environmentally aware consumer are some of the factors that can affect our business operations - positively as well as detrimentally.

Vedanta continues to remain committed to decrease our carbon footprint. We expect to reduce our GHG intensity by 16% from a 2012 baseline by 2020. The company's Carbon Forum (a Chief Operating Officer led body), has been constituted to strategize about and provide governance on the risk to business from climate change.

Our businesses have made significant progress on our GHG reduction commitment. Companies like Hindustan Zinc and Cairn Oil & Gas business have committed to increase their investment in solar power, while other businesses have made significant improvements in their process efficiencies, thereby reducing their GHG emissions. As of March 31, 2018, we had been able to achieve a 14% reduction in our GHG intensity from our baseline number. This is good news and we are confident of achieving our target by 2020.

### 3. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Currently CDM mechanism, as defined under Kyoto Protocol, is no more operational therefore CER monitoring and verification is not relevant in today's context. However in view of COP-21 ratification and INDC commitments of India we are working on carbon policy and carbon strategy. A dedicated Carbon Forum with representation from group businesses is working on carbon emission reduction and energy efficiency projects at a group level.



Livelihood Promotion through Vedanta-promoted Subhalaxmi Women Cooperative Society, Jharsuguda

### 4. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

In addition to optimising our consumption, we are also looking at diversifying our energy portfolio. Mindful of the long-term impact of traditional grid-energy, we are evaluating renewable energies like solar and wind.

At our Oil & Gas exploration and production company, we have implemented the first plant based on this pioneering initiative and India's largest solar operated community based RO Plant, has been installed at Sewniwala in Baytu Tehsil. The plant has MNRE certified panels and generating a power of 5KW and storing the same in batteries, which can be used for 8-10 hrs of plant operations. The water from this plant will be sold at 25 paise per litre to the local community.

### 5. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, emissions/waste generated by the Company is monitored on monthly basis and are within the limits prescribed by CPCB/SPCB. All sites are regularly monitored for emission. Ambient air quality including noise is monitored monthly and meets the National Ambient Air Quality standards, Nov 2009.

### 6. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial year.

3 show cause/legal notices were issued to the group companies all of these show cause are resolved.

### Principle 7: Responsible Policy Advocacy

At Vedanta, we believe we should proactively promote the development, public policies and regulatory frameworks that support a fair and competitive

environment. Being a major contributor in the social and economic development of the communities in which we operate, we advocate policies that promote sustainability and value creation for all stakeholders.

Our engagement with host governments is multifaceted and incorporates all aspects of our business, from resource licencing rounds, contributions to debates around the mining and resources industry and development planning. We look to leverage and contribute our understanding of current business dynamics to anticipate the future needs of our stakeholders, and actively seek out measures that further interest the sector. Our Senior Leadership Team regularly contributes and communicates with their experience, perspectives, outlook and good practice expectations for the sector and sustainable development.

We have clearly established the good practice objectives that guide our collaboration and approach to policy advocacy. Those objectives include: building enduring and collaborative relationships with government to support shaping public policies for growth and sustainable development of natural resources, in particular for those in which we operate – iron-ore, copper, oil & gas, aluminium & commercial power.

### 1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

We are a member of the TERI, WBCSD, CII, IBBI, ASSOCHAM and others with whom we are working on various sustainable development programmes/ frameworks. Some of our business and subsidiary companies are members of trade and industry bodies like the Federation of Indian Mining Industries, Confederation of Indian Industries, Indian Institute of Metal, Federation of Indian Chambers of Commerce & Industry and The Energy Resources Institute, India, where they actively participate in their Management Committees.

### 2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Vedanta Limited believes in promoting public policies and regulatory framework that serve the common good of the society.

More specifically, in India, we believe the phenomenal geology, skilled workforce, simple and transparent progressive policies create significant opportunities for poverty eradication and employment creation, should relevant stakeholders be willing to explore the full potential of the natural resources sector and open up the sector to attract investment. We are therefore working to directly and indirectly support government authorities to catalyse sustainable development of the sector. For example, in recent years, we have worked with the national authorities on various campaigns like “Make In India”, Resumption of Mining in Goa, Reduction of Iron Ore and Export duty among others.

### Principle 8: Support Inclusive Development

Our philosophy is that wherever we operate we add value to the local stakeholders. This may be through employment, trade development, enhanced infrastructure, or greater well-being and empowerment.

Our community investment strategy focuses on health, education, livelihoods and environment. In 2017-18, we invested INR 45.19 crore to supporting neighbourhood communities through various social development initiatives. Education, skilling, women’s empowerment, water, health and agriculture/livestock continue to be our priority areas.

Consistent with our Sustainable Development Model of drawing on global best practice, our community investment approach is being aligned to the UN Sustainable Development Goals. We firmly believe in the power of partnerships and follow a Public-Private-People-Partnership (4P’s) model. This is in keeping with our commitment towards co-creation, inclusion and community ownership of social initiatives

#### 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

As a responsible corporate citizen, the Company focuses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives. The focus of our community investment initiatives is on poverty alleviation programmes, especially integrated development, which impacts the overall socio-economic growth and empowerment of people, in keeping with the national and international development agendas.



Agriculture development under Project Samadhan, Zinc India

#### Children’s Well-being & Education

Our focus is on building capacities of the next generation to create a long-term sustainable impact. Educational programmes include wide range of activities covering preschool to higher education. The total outreach of all our education projects is about 2.1 lakh children. “Khushi” is one of the largest collaborative projects with the government, which aims to strengthen the functioning of 3,089 Anganwadis across 5 districts of Rajasthan. This programme alone impacts nearly 64,000 children. Other programmes in the education space focus on science, math and English learning in secondary schools.

#### Women’s Empowerment

At Vedanta, we believe that women’s empowerment is the most fundamental building block of a strong society. The Subhalaxmi Cooperative Society was started in 2008 with this objective. What started with 10 women, is today among the largest women’s cooperative in western Odisha with 3,324 members and 280 SHGs (across 64 villages of 3 blocks of Jharsuguda). It started with INR 1,000 as working capital and today it has an earmarked corpus fund of more than INR 22.3 million with an average net profit of INR 0.6-0.7 million/annum. Around INR 49.2 million has been distributed to women entrepreneurs for setting up of micro enterprises in FY’18.

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India is a key market for Vedanta and one which we believe has huge growth potential. Sustained economic growth will lead to development, greater prosperity and an overall increase in per-capita spending. 99

## Business responsibility report continued



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Our businesses have made significant progress on our GHG reduction commitment to date. Companies such as Hindustan Zinc and Cairn Oil & Gas have committed to increase their investment in solar power. 99

It has now set up a special fund called “UDYAMI FUND” to support emerging & aspiring microenterprises in Jharsuguda. We work with almost 28,000 women who are members of such Self-Help Groups (SHGs), and during the year, nearly 1,900 women set up/expanded their own enterprises.

### Drinking Water and Sanitation

We focus on drinking water and sanitation considering both as basic requirement of healthy life. Jeevan Amrit Project is among the largest drinking water programmes undertaken by any company in Rajasthan. Cairn’s Memorandum of Understanding (MoU) with the Government of Rajasthan is about setting up 330 community Reverse Osmosis (RO) water plants in the water stressed district of Barmer in Rajasthan. As part of the MoU, 115 RO plants have already been installed. During the year, these plants dispensed over 4 million litres of clean water, benefitting nearly 100,000 people.

### Agriculture and Animal Husbandry

Agriculture is the backbone of the economy in all of our surrounding villages as we mainly operate in remote, rural locations. Project Unnati of Cairn was set up to support the farmers of Barmer in enhancing incomes through sustainable farming. As part of an MoU with Central Arid Zone Research Institute (CAZRI), Jodhpur – a unit of Indian Council for Agriculture Research (ICAR), 700 framers were trained in improved farming techniques. This was supported with the installation of drips for 60,000 horticulture plants in 120 acres. As a result, this year, the farmers in Barmer have harvested over 60 tonnes of Ber, Gunda, and Anar.

### Skilling the Youth

Our skills programmes are focused on helping young people learn a trade and gain “hands on” experience and subsequently find a job. In FY2017-18, 3500+ youths acquired diverse skills and were placed.

### Sports

Sports is the most powerful means to connect with the youth. Our Sesa Football Academy (an IOB CSR initiative) was established in 1999 on a reclaimed mine at Sanquelim, with a vision to become a premier academy in India. Over the years, Sesa Football Academy has directly trained around 123 trainees at the residential academies and impacted over 500 youth players. Many of them are today pursuing their football career with major clubs. Seven alumni of SFA have played for the Indian national team and eight are playing in the elite Indian Super League 2017-18 season. We have now expanded the football programmes to Rajasthan, with Hindustan Zinc setting up a world-class technology based Football Academy. This Academy will use science and technology as a differentiator in its approach, and is also setting up a network of community feeder academies. 56 such community academies are currently active, grooming close to 2000 under-14 talented players.

### 2. Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/ government structures/any other organisation?

We implement our programmes through all the following modes – directly through our Corporate Social Responsibility team and in partnership with government and civil society organisations. We also actively encourage our own employees to contribute towards these social initiatives.

### 3. Have you done any impact assessment of your initiative?

Yes, we assess the impact created by our projects by engaging external agencies at periodic intervals.

### 4. What is your company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The total amount spent on all CSR activities and projects during the FY2017-18 was ₹ 45.19 crore. The major thrust areas for our programmes are –

- Children’s Well-being & Education
- Women’s Empowerment
- Health Programmes for the Community
- Drinking Water & Sanitation
- Agriculture & Animal Husbandry
- Skilling the Youth for new opportunities
- Environment Protection & Restoration
- Sports & Culture
- Development of Community Infrastructure
- Participate in programmes of national importance including but not limited to disaster mitigation, rescue, relief and rehabilitation

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Most of our programmes emerge from a community needs assessment and are delivered in close partnership with them. Several of our initiatives, such as women’s self-help groups, are now completely run and managed by the community members themselves. Our role is chiefly that of a catalyst in the whole process.

### Principle 9: Providing Customer Value

Our growth and success are directly linked to and co-dependent on the success of our customers, who are predominantly large industrial downstream producers with whom we deal directly. We understand that meeting customer expectations is crucial to the growth of our business, particularly when we have such a significant presence in the market. We are therefore committed to ensuring that our raw materials meet the required London Metal Exchange (LME) standards for entering the commodity market.

Our subsidiaries have defined systems and practices in place to understand and meet customer expectations. We constantly engage with customers through our marketing and customer service personnel.

All our activities are focused on ensuring our customers' needs are met in an appropriate and timely manner.

Honouring our contract obligations on price, quality and quantity is crucial to building the business' credibility with customers. We sell our commodities on price circulars that are linked to the commodity index, ensuring a clear and transparent process. Alongside the timely delivery of our products, their quality must be assured and in compliance with agreed technical standards, with the certification of all deliveries vital for ensuring that customers trust the product and that its quality has been verified. Assistance is also provided to customers both by our internal experts and by international consultant visits, together with workshops and seminars on technical issues and product development for first use.

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

NIL complaints pending at the end of FY2017-18.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Yes. Our copper cathodes, aluminium are all internationally known brands registered with the LME (London Metal

Exchange). LME standards signify highest product quality, uniform physical characteristics and consistency of products. Our products meet all necessary and benchmark national and global regulations, standards and guidelines. This re-emphasizes our capability and commitment to meet world-class standards. For continuous quality improvement, Quality Management Systems are in place, which comply with the ISO 9001:2008 standard requirements.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

NIL

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Feedback is a continuous process at our operations and we leverage feedback for continual improvement in product and service quality, for benchmarking ourselves with industry standards and identifying scope and future opportunities to increase customer value.

Various approaches are used for feedback process which include frequent meets, online feedback system and customers surveys. A robust customer complaint tracking system ensures quick resolution and uninterrupted operations for customers. As such no major concerns were raised by any of our customer

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**India is a key market for Vedanta and one which we believe has huge growth potential. Sustained economic growth will lead to development, greater prosperity and an overall increase in per-capita spending.** 99