



# VEDANTA COMMUNITIES

FACT SHEET – FEBRUARY 2019

As a diversified natural resources company, transforming elements is our core business but just as important is the impact our business can have in transforming lives.

We are committed to programmes that ensure the health and safety of our people, enhance the economic and social value of the communities and regions in which we operate and effectively monitor, manage and reduce our environmental footprint and measure our progress each year against a range of focus areas. We also aim to create a culture based on our values of innovation, excellence, entrepreneurship, integrity, respect and care.

To ensure that sustainability is embedded into our day-to-day business, protecting and preserving our licence to operate across our value chain is one of our strategic priorities.

The Vedanta Sustainability Framework and its associated standards and policies help guide our businesses in gaining and retaining the trust of the communities where they operate. In areas with indigenous populations, we are committed to following the principles of Free, Prior, Informed Consent (FPIC). With its genesis in the UN Declarations of Rights of Indigenous Peoples, it has been adopted as a best practice by the IFC and ICMM.

At Vedanta we aim to make our contribution to our people and our communities a benchmark for businesses across the globe. Realising that business and society are interdependent, we believe that responsible growth and shared value are the only measures of true success.

To transform lives, we ensure that our sustainable development agenda goes beyond compliance. With each of our subsidiaries operating independently under a federal structure, we have developed the Vedanta Sustainability Framework to unify our approach.

Vedanta Chairman, Mr Anil Agarwal, has pledged 75% of his personal wealth to charitable initiatives aimed at improving the lives of women and children.

## TRANSFORMING ELEMENTS TRANSFORMING LIVES

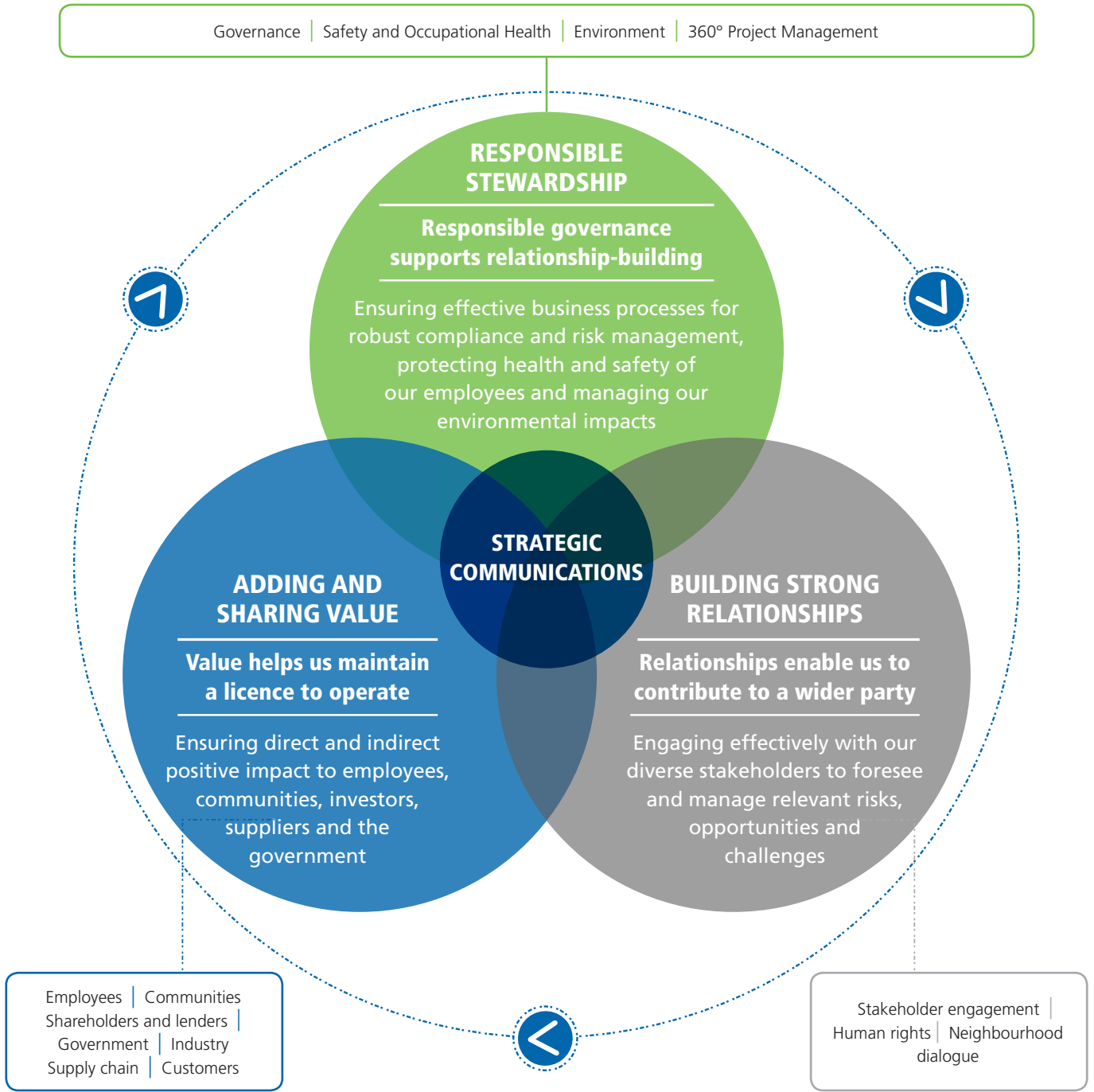
“Vedanta places a strong emphasis on partnering with all stakeholders and building its social licence to operate. Whether it be our employees, investors, government or the local communities in which we operate, we aim to ensure we have their support and make a positive contribution to their life.”

- Anil Agarwal, Chairman, Vedanta Resources

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**VEDANTA'S SUSTAINABLE DEVELOPMENT FRAMEWORK**

This framework comprises four key pillars that are critical to ensuring the long-term successful future of our business and therefore of the communities we support. These pillars are Responsible Stewardship, Building Strong Relationships, Adding and Sharing Value, and Strategic Communications.



Responsible stewardship encompasses governance, safety and occupational health and environment. Our governance philosophy is to ensure compliance to achieve development that is sustainable, growth that is inclusive and progress that is accountable.

Adding and sharing value is important if we are to give back what we earn by putting to greater good in society. This we do through community programmes that work towards the eradication of poverty, child welfare and women empowerment. Sharing value with communities centres on a philosophy to commit, connect and care.

Building strong relationships embraces stakeholder engagement, human rights and neighbourhood dialogue. All three of these focus areas are enhanced by strategic communication – a testimony of our commitment to continually engage in a transparent and timely dialogue with all our stakeholders.



### RESPONSIBLE STEWARDSHIP

Commitment to community development starts with responsible governance. Our operations are spread over a large number of countries including India, South Africa, Zambia, Namibia, Australia and Ireland. This brings us into contact with diverse communities, many of which are in less populated areas where major economic activity will encourage development and change life for many. Our aim is to ensure that these changes are for the better and that the communities near our operations thrive.

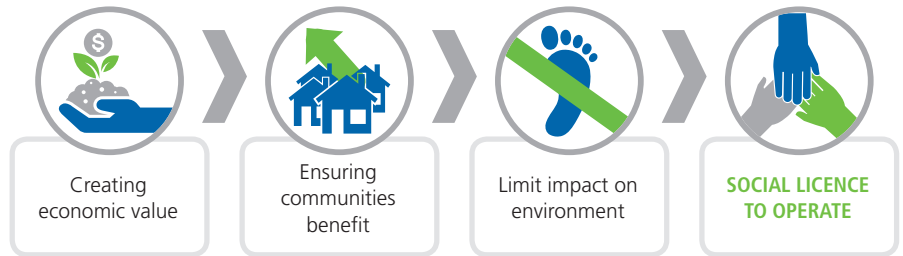
To do this, our first step when considering a project is based on the principle of free, prior and informed consent (FPIC). FPIC is vital if there is to be community buy-in since it helps manage resistance among local communities. Once we win the trust of the community, our relationships with them become far more beneficial.

The importance of this community buy-in has prompted industry organisations such as the IFC and ICMM to develop guidelines and best practices to aid companies in gaining the acceptance and confidence of the communities which host operations. These best practices are part of our commitment to responsible stewardship.

### ADDING AND SHARING VALUE

Companies operating in the metals and mining industry realise that there is delicate balance between creating economic value, ensuring communities benefit from the presence of the industry and limiting its impacts on the environment.

Inclusive development through effective community investment has always been an integral part of our progress. Our community and social programmes are,



therefore, developed based on the needs of the community and are often implemented to extend or enhance existing government initiatives.

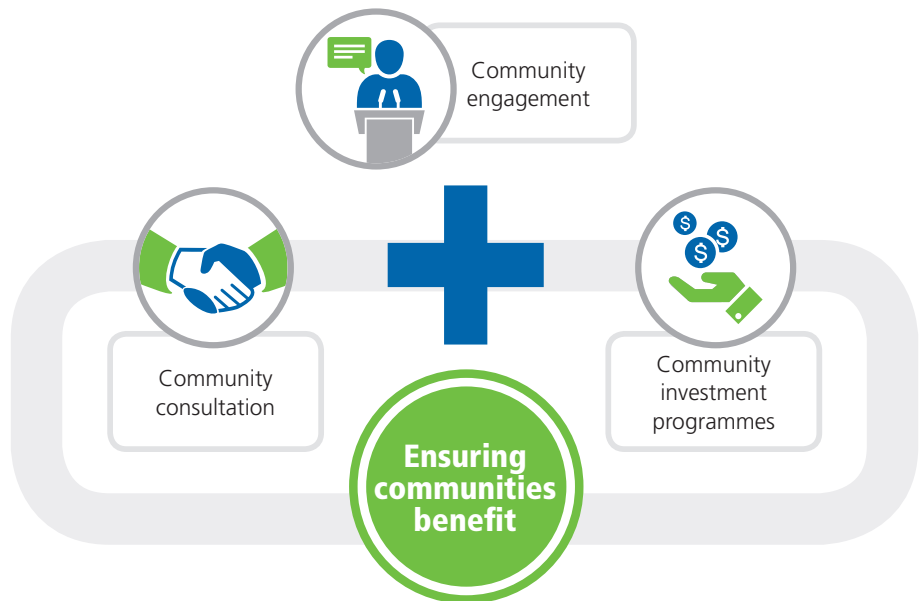
In FY2018, Vedanta invested US\$39 million in social investment programmes, benefitting 3.4 million beneficiaries. For us, our community programmes are an opportunity to put our values into action. Trust, care, and respect are the basis of our strong relationships with our communities, while the community programmes themselves require innovation and entrepreneurship in their approach and application. At the heart of this is integrity – in the identification of projects and how we work closely with our communities to design programmes that contribute to and – overall improvement in their quality of life.

### BUILDING RELATIONSHIPS

Maintaining and managing relationships are crucial to ensuring that Vedanta continues to drive value for all stakeholders.

We work hard to engage with our stakeholders to understand their key concerns and expectations of our business and practices. Pro-active engagement also enables us to identify opportunities and mitigate risks by understanding and responding to issues rather than reacting to them.

To engage effectively and understand the distinct requirements of our various stakeholders, we continue to develop and enhance our stakeholder engagement processes. Our community engagement process is structured to ensure communities benefit from our investments.



### OUR TAX COMMITMENT

Vedanta considers our contribution to the revenues of the countries where we operate a crucial aspect of creating value for communities. That revenue allows governments to provide crucial services to their people.

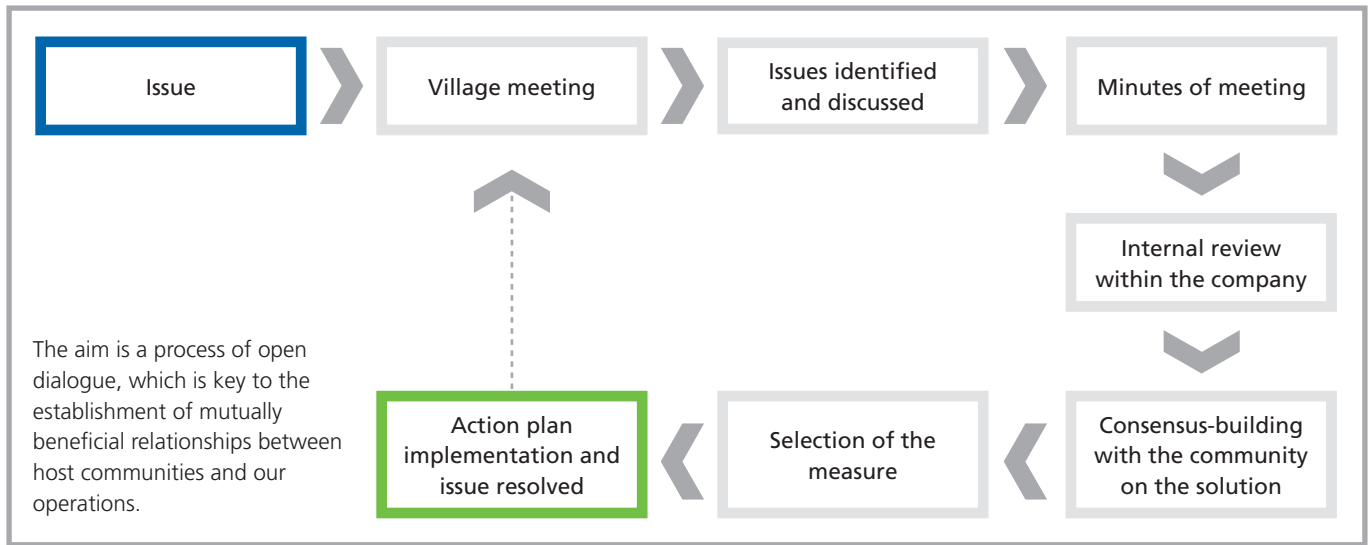
In 2017/18, Vedanta’s group revenue was US\$15.4 billion. Our contribution to public finances in the same year came to US\$5.4 billion (35% of turnover). In the last seven years, our contribution has been US\$35 billion.

Vedanta is committed to transparency in tax reporting – our latest Tax Transparency Report can be downloaded at [https://www.vedantaresources.com/InvestorReports/6.1\\_tax\\_transparency\\_report.pdf](https://www.vedantaresources.com/InvestorReports/6.1_tax_transparency_report.pdf)

## Community Consultation

Our New Projects, Planning and Site Closure Standards stipulate that all companies in the Group will have in place effective consultation programmes to obtain broad community support in relation to any new project.

This means that all of our operations must ensure stakeholders understand the risks, impacts and opportunities associated with proposed new projects and their operations. We have also put grievance mechanisms in place to provide a structured process to address any community concerns.





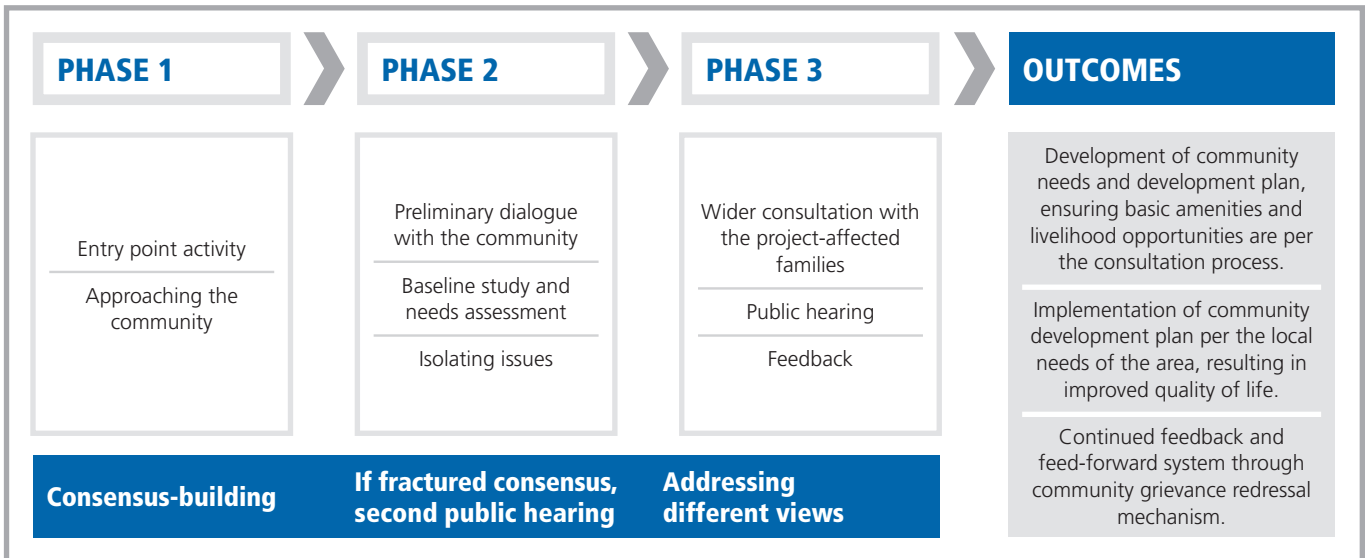
## COMMUNITY ENGAGEMENT

Identifying and actively managing community relationships is vital if we are to maintain our social licence to operate. Relationship-building starts with effective community engagement which begins with understanding our communities' expectations and concerns about our business and practices.

We have found that pro-active engagement alerts us to opportunities where we can mitigate the risk of a concern before it becomes a larger community issue. This enables us to respond rather than react to community concerns.

As Vedanta expands, it is important that we work collaboratively with our host communities. To ensure that host communities are engaged throughout the lifecycle of our projects – from initial planning, throughout the operations and to site closure and beyond – we have a two-tier approach to community engagement: consultation and community investment programmes.

## PHASES OF EFFECTIVE COMMUNITY ENGAGEMENT



# BENEFITTING COMMUNITIES

The majority of our initiatives are carried out in collaboration with host communities and a broader range of stakeholders. Using the 'Public-Private-People-Partnership' (4Ps) model, we involve governments, local and international organisations and institutions, including universities, schools and hospitals in our programme allocation.

We have a team of over 180 employees dedicated to driving and managing community engagement, helping us manage our community relationships and overseeing community investment programmes. These employees also act as a representative of our business in local communities and are a point of contact for community members.

All of our projects have as their central aim their eventual handover to the community.

“Beyond the business of extraction, we are also engaged in the truly important sustainability work across the broad front, that is designed to improve in a tangible way, the lives of the people, particularly women and children, in the communities that host our operations.”

- Srinivasan Venkatakrisnan, CEO, Vedanta Resources

## Key community programme milestones FY2018



### Children's well-being and education

- Education initiatives have impacted over 230,000 children
- Hot, fresh and nutritious meals provided to more than 56,000 students



### Healthcare

- Health services benefitted 1.13 million patients
- More than 168,000 people reached through health awareness campaigns



### Drinking water and sanitation

- Close to 212,000 people benefitted from safe drinking water initiatives
- 57,000 community members benefitted from the construction of 8,746 household toilets and 61 community toilets



### Women's empowerment

- 2,614 self-help groups established as vehicles for empowerment
- 32,838 members in self-help groups
- 3,001 group members started micro-enterprises



### Skilling the youth

- 11 working projects for skilling the youth across the group
- Close to 3,400 youths trained in different trades
- 77% of them placed in well-paying jobs



### Sports and culture

- Around 175 aspiring footballers trained at residential academies
- Over 500 youth players reached



### Agriculture and animal husbandry

- 8,735 farmers supported in adopting sustainable farming practices
- 2,900 farmers adopted horticulture as well as floriculture as a source of livelihood
- 152 veterinary camps held, benefitting 6,769 animals



### Environmental protection

- 74,410 plants planted on 132 acres of land
- 582 solar street lights installed in villages near our operations



## BEYOND ENGAGEMENT

Respect is one of Vedanta's core values and for us one of the greatest forms of respect is acknowledging human rights.

Protecting and respecting human dignity is central to our everyday business operations. Moreover, as a global company working in a range of developing countries, we believe we have an important contribution to make through the example we set by our behaviours.

Our human rights policy is aligned to the UN Guiding Principles for 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 within our sphere of influence.



## INVESTING IN COMMUNITIES

### NAND GHAR

Our flagship CSR initiative is our Nand Ghar project, which has re-imagined rural childcare centres. These centres act as a catalyst for all-round social development and are being used to help eradicate child malnutrition, provide education and healthcare and empowering women with skills development.

Vedanta has signed an MoU with India's Ministry of Women and Child Development to construct 4,000 Nand Ghars across India. We have built 154 so far and another 250 will be constructed in the 2019 financial year.

These modern, state-of-the-art child welfare centres are equipped with televisions for e-learning, solar panels for reliable power, safe drinking water and clean toilets.

### HEALTHCARE

Many of our operations are located in areas where access to health, nutrition and sanitation facilities is scarce and local infrastructure and facilities are poor or non-existent.

Our community health activities strive to improve the health and welfare of communities through the inclusion of medical infrastructure such as hospitals or health posts, which are supported by medical outreach services, and mobile health vans. Programmes are supported by blood donation camps, disease control campaigns and drug awareness drives.



### CHILDREN'S WELL-BEING AND EDUCATION

Vedanta believes in the power of education to unlock the potential of a nation.

Our operations exist in poor rural locations where access to education is limited. Many of our community interventions therefore centre on education, from pre-school to higher education. These programmes are most often carried out in partnership with government and civil society.

Educational interventions are bolstered by the provision of meals to students through dedicated kitchen centres. For many students in poverty-stricken communities, this may be the only meal they have that day and the provision of meals encourages school attendance.

We also assist adult literacy centres, distribute education kits and provide pro-active support and encouragement for educational enrolment and achievement.



## DRINKING WATER & SANITATION

Effective management of water is critical – both for our operations and for the communities close to our operations. Understanding how we source and use this resource has helped the business report a water saving of 4.1 million cubic metres in FY2018. This was through conservation and efficiency improvement projects.

Beyond our operations, we strive to ensure that communities near our operations have access to clean, safe drinking water. We have programmes to support access to clean water and campaigns aimed at increasing awareness of the importance of sanitation and provide assistance when developing related infrastructure, such as toilets, garbage disposal facilities and waste recycling.

In FY2018 more than a quarter of a million people were given access to clean drinking water and improved sanitation.



## WOMEN'S EMPOWERMENT

Women's empowerment is a fundamental building block of a strong and fair society. Rural women, in particular, play a key role in supporting their households by generating incomes and improving the overall well-being of their communities.

Vedanta's main investment in the empowerment of women is through our support for over 1,200 women's Self Help Groups (SHGs). These SHGs bring women together to develop skills and create various income-generating micro businesses. As economic opportunities are very limited in isolated rural villages, SHGs not only give women a chance to contribute towards the income of their families but also an opportunity to socialise and share concerns and experiences with other women outside the home, leading to the overall empowerment of women.

## SKILLING THE YOUTH

Enhancing opportunities for sustainable livelihood for young people from underprivileged families leads to growth in economic participation and ensures that Vedanta has a pipeline of skills necessary to support our businesses.

Considering the remoteness and lack of exposure in the communities around many of our operations, we have ventured into skills development as a means of enhancing the skills of young people and providing them with employment opportunities – in our industry and beyond.

Our skills programmes focus on helping young people to learn a trade and gain hands-on experience that is invaluable in the job market. In the 2018 financial year, we helped an estimated 3,500 young people to acquire diverse skills, after which 77% of them found employment.



## SPORTS AND CULTURE

We believe sport is one of the most powerful means of connecting with young people. Investments in sport programmes promote the spirit of sport, improve health, build character and strengthen social cohesiveness.

The lack of sporting infrastructure and opportunities to participate in sport has, however, meant that the potential of many young people in India and Africa has been overlooked.

A long-time supporter of grassroots sporting activities, especially in communities around its operations, we see sport and youth development as an imperative aspect of community engagement.



## ENVIRONMENTAL PROTECTION

At Vedanta, responsible environmental stewardship is central to our business. A cleaner, greener environment is vital for the well-being of all stakeholders, our employees and the communities close to our operations alike. Restoring and improving natural systems helps improve the biological balance of a locality and reduce rural poverty.

Our environmental protection programmes therefore include the restoration of water bodies, promote the use of natural energy sources and use technology to help villages and towns manage their sewage.

At an operational level, we are committed to leaving a positive legacy when our operations close. We have therefore committed to closure processes that reflect best practice in terms of sustainability and environmental rehabilitation.