

Sustainable Development: 2009–10

Sustainable Development is a key element for our business. We stay committed to continuous improvement in our sustainability performance in line with our policies and commitments.



2.7 million people
Our outreach

552 villages
Vedanta's engagement

156,000 man-days
Training

Sustainable Development is an integral part of our business. We are committed to continuous improvement in our sustainability performance, as outlined in our policies, as we recognise that the well-being of our communities and a healthy planet are key to the sustainable development of our business.

We are committed to managing and minimizing the environmental, social and occupational risks and impact of our activities. We encourage use of energy- and water-efficient technologies, conduct environmental impact assessments to understand potential and actual impact and plan for managing the environmental, social and economic aspects in our expansions and new projects.

Vedanta recognises the importance of being open, transparent and accountable. Having an open dialogue and working closely with our local communities is an important element of our social license to operate.

As a part of our Sustainable Development communication and reporting systems, over the years, we have developed a dedicated Sustainability Microsite, www.vedantaresources.com/sustainability and enhanced our reporting to GRI A+ level.

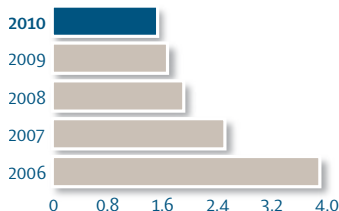
The information within this section of the Annual Report is an outline of our sustainable development policies, systems and performance.

Governance for Sustainability

We have a well defined sustainability framework that comprises governance structures and policies. Our Sustainable Development processes are overseen by a Board-appointed Health, Safety and Environment (HSE) committee, chaired by Mr. Naresh Chandra, Senior Independent Director. Other members include senior executives across our various businesses.

The committee has its own well defined terms of reference and reports directly to the Board. The committee meets quarterly and guides our sustainable development strategy, sets annual targets and monitors progress in line with our HSE and social policies with a clear focus on integrating sustainability into our decision making process. The committee's agenda is then taken forward by senior management at each site. They are supported by sustainability professionals who are responsible for implementing this agenda.

LTIFR



Safety

Safety continues to be a focus area and we remain committed to continuously improving our standards and performance. All our major operations are certified for OHSAS 18001. We have well established training systems at each location. Safety training is compulsory for all employees and contract workers at entry level. These programs are conducted in-house with input from external institutes and industry experts. Regular internal and external audits are performed to assess HSE performance.

A key metric for safety performance is Lost Time Injury Frequency Rate (LTIFR), defined as the number of hours of lost time due to injury per million man-hours worked. Our results this year show that we continue to improve – LTIFR at our operations in 2009–10 was 1.52, an improvement of 9% over the previous year and 72% compared to five years ago.

A number of initiatives across our operations have contributed to this improvement, including -

- Management focus on driving safety culture across the Group by implementing a stringent review mechanism with active involvement of all personnel on site to make the workplace safer.
- Strengthening of safety organisation across operating sites.
- Well established safety training systems in place across our operations have delivered over 156,000 man-days of training to employees and contract employees across our locations. 46 employees from Copper-Zambia were sent on a three year international Occupational Health and Safety course run by the British Safety Council. All 20,000 contract employees at Jharsuguda project site underwent a specialized training program spread over three months in collaboration with the National Safety Council. Special modules on behavioral safety training were implemented across all operating sites.
- Engaging safety consultants for safety assessment as well as working closely with us to deliver onsite improvement.
- Safety workshops and conference calls were undertaken to share best practices and brainstorm future safety action plans.
- Regular inter-company safety audits. Three rounds of inter-company safety audits were conducted during this year. Audit findings were then discussed in business review meetings every month at all the sites.



Regretably, there were 27 fatalities this year. 13 were in operations with the remainder in projects. In addition, on 23 September 2009, a 248 meter high chimney under construction in BALCO's 1200 MW power plant project by an established EPC contractor collapsed during an aberrant weather condition, resulting in the loss of life of 40 contract employees. BALCO put its infrastructure and manpower resources behind the relief operations including providing logistic support to the family members of the deceased and contributing an immediate, ex-gratia of Rs. 10 lacs, along with the contractors, to the families of the deceased, augmenting the statutory compensation.

Investigations have been instigated by the Company, its Contractors and independently by the Investigating agency of the Government. These have involved leading experts from specialised scientific and technical institutions such as the Indian Institutes of Technology at Delhi and Roorkee, the National Council of Cement & Building Materials and the National Institute of Technology to ascertain the cause(s) of

the unfortunate collapse of the chimney under construction and the quality of material being used. These reports, prima facie indicate the following:

- Analysis and design of the chimney, which was based on the relevant prevailing IS codes, has been found to be safe.
- Materials used for the construction of the chimney were found to conform to and meet the relevant standards.
- The probable cause of accident appears to be a severe lightning strike as a blast in the upper section of the chimney has been reported.

Sustainable Development: 2009–10 continued

At Vedanta we aim to identify, assess and control occupational health hazards. We encourage and support our people and the communities associated with our operations.



The conclusions from the experts' technical reports are being used to develop improvement measures at all project sites of the Group. The findings above are preliminary as investigations by Government agencies are still in process and further actions on any additional findings will be taken as required.

The entire Vedanta Group regrets the loss of precious lives due to this unfortunate accident and the other incidents that occurred during the year. We remain dedicated to observing and implementing the highest standards of safety at all our projects and operational sites and continue to strive to make the working environment as safe as possible for our employees and contractors.

We focus on providing a workplace that is free from occupational health risk and hygiene hazards; proactively working with employees and contractors to contribute towards a healthy work culture.

Occupational Health

At Vedanta we aim to identify, assess and control occupational health hazards. We encourage and support our people and our local communities to participate in programmes which enhance their health and well-being. Our health programmes encompass occupational health, the well-being of our employees and community health issues.

We focus on providing a workplace that is free from occupational health risk and hygiene hazards; proactively working with employees and contractors to contribute towards a healthy work culture. This enables us to increase our productivity and reduce absenteeism.

At each location, we identify the main health issues affecting our workforce, including global epidemics such as HIV/AIDS, malaria and tuberculosis, and implement healthcare programmes in partnership with local health authorities and NGOs.

Occupational health experts attend all mines and smelters to undertake regular health examination of employees and contractors in the workplace. Specific examinations for blood lead, audiometric tests, spirometry test, ECGs and chest x-rays are carried out. During the year, more than over 73,000 employees and contractors have undergone medical examinations. No significant case of

• Identifying health
ISSUES



occupational disease was reported during the year.

Environment

The environment continues to be a key focus area and we work proactively to minimize the impact of our operations on the environment. All our major operations are certified for ISO 14001. During metal production, we consume natural resources such as energy and water. We aim to conserve these resources and improve consumption per tonne of metal production. In addition, we are also focused on climate change, waste management and increasing green cover through plantation efforts.

Energy

We believe in energy efficiency and optimisation, as these both reduces our operating costs and our environmental by reducing direct and indirect greenhouse gas emissions. We use energy in many different forms including coal, coke breeze, pet coke, fuel oil, LPG, diesel, and electricity. Part of our energy requirement is met by recovering waste heat from our processes.

Over the years, through our continuous efforts to conserve, we have been successful in reducing our specific energy consumption – defined as energy consumed per tonne of metal produced – at most of our operations. Against a 5% energy reduction target for the year, we achieved reductions at KCM, BALCO

and SIIL of 36%, 11% and 2% respectively. We generate power through captive power plants which operate at industry benchmark efficiency levels. This approach also reduces transmission losses thereby conserving energy. We also generate green energy through windmills.

Climate change

We utilize coal to generate power from captive power plants for all our major operations and also import electricity which contributes to direct and indirect carbon dioxide emissions. Over the years we have focused on identifying opportunities that take advantage of carbon credits and more recently we have registered several projects with UNFCCC in the zinc and steel sector. This year, our 11.2 MW waste heat recovery based boiler at Copper India has been registered as a CDM [Clean Development Mechanism] project under UNFCCC with CER [Certified Emission Reduction] potential of 18,000 per annum. We now have a total of five CDM projects registered under UNFCCC, with combined potential of over 400,000 CERs per annum as listed below:

- 9.4 MW Waste heat recovery based power plant at HZL- Chanderiya
- 88.8 MW Wind power project of HZL at Gujarat
- 34.4 MW Wind power project of HZL at Karnataka
- 30 MW Waste heat recovery based



power plant at Sesa Goa

- 11.8 MW Waste heat recovery based power plant at SIIL

During this year we sold around 28,500 CERs and 264,000 VERs from the earlier registered CDM projects.

Sustainable Development: 2009–10 continued



Water is a crucial resource in our operations and we are focused on reducing fresh water consumption across all sites by increasing the recycling and reuse of treated waste water.

Water

Water is a crucial resource in our operations and we are focused on reducing fresh water consumption across all sites by increasing the recycling and reuse of treated waste water. At most of our smelting operations, we have integrated Effluent Treatment Plants (ETP) with Reverse Osmosis (RO) plants. The combined capacities of RO plants at our operations are around 9000 cum/day for the treatment of ETP outlet water. This means we can reuse the waste water generated to reduce our reliance on fresh water. Our many initiatives across our operations, included the installation of a Sewage Treatment Plant at Balco, Reverse Osmosis plants at HZL, Malco CPP & SILL, mist water cooling systems at VAL Jharsuguda and a comprehensive water balance exercise at KCM followed by implementation of various water conservation projects. This has resulted in the reduction of up to 22% in specific water consumption defined as water consumption per tonne of metal produced at all our Indian and Zambian operations.

Waste Management

As an operator in the mining & metals industry, Vedanta generates both non-hazardous as well as hazardous waste. This includes mine, beneficiation tailings, slag, red-mud, jarosite/jarofix, fly-ash, and other process residues.

Some of the mineoverburden is used to raise tailing dam heights and mine backfilling, with the remainder disposed in waste dumps in a systematic manner. Similarly, some of the tailings are used for mine back filling and the remainder is disposed in tailing dams constructed specially for this purpose. These tailing dams are designed by responsible agencies and are made of rock, sealed with an impervious lining to avoid any seepage into groundwater. The safety and stability of tailing dams are checked periodically.

At smelters, the major hazardous wastes like Jarosite and Red mud are disposed in specially constructed disposal sites for the purpose. The other types of waste is treated and stabilized before disposal in an

environmentally friendly manner in secured landfill sites, designed with state-of-art technologies and quality assured at various stages of construction. Garland drains are constructed all around the disposal facility to collect run-off water during the monsoon for further treatment.

We focus on both minimising waste and finding practical uses for it. Process slag generated from our Zinc, Copper and Iron operations are used for cement manufacturing, road construction and land reclamation. Gypsum generated from our Copper operation and a percentage of the fly ash generated from our power plants is also used for cement manufacturing.

This year more than 1.85 million MT of Flyash and about 0.485 million MT of slag have been used for cement manufacturing and road construction. This has helped us reduce our waste inventories and also contribute to conserve natural resources by replacing the virgin material.



Gainful Utilization of Slag

Extensive R&D has been carried out to find ways of gainfully using the slag generated by the pyro smelter at Chanderiya Smelting Complex.

The R&D studies with leading institutions such as the National Council for Cement and Building Materials ('NCCBM'), the Central Road Research Institute ('CRRRI'), and the Malviya National Institute of Technology ('MNIT') confirmed its safe and beneficial utilization in cement manufacturing and for road construction. Based on this, we have approached a number of local cement manufacturers.

Following the required approval from the statutory bodies, we have successfully incorporated the slag in cement manufacturing. Our old stockpile, accumulated over previous years, has been reduced considerably.

This had resulted in benefits to stakeholders:

- Advantages for cement industries as raw material is available in close proximity.
- Conservation of natural resources, avoiding cement industries consuming low grade iron ore.
- 40 hectares of land has become free and is available for other use.



Sustainable Development: 2009–10 continued



People are the foundation of our business and the key ingredient for our success. Our people strategy is founded on the recruitment, development and retention of talented professionals who run our businesses.



Extensive R&D has also been undertaken to find gainful ways of using Jarosite, a waste product produced from the hydro smelters of Zinc for road construction and cement manufacturing in association with leading research institutes such as the National Council for Cement and Building Materials (NCB), the Central Road Research Institution (CRRI) and the National Environment Engineering Research Institute (NEERI). The initial results are positive and we are hopeful that in near future, we will be able to re-use Jarosite profitability instead of stockpiling it after converting to Jarofix.

We remain committed to building a flat, diverse and inclusive organisation. Our focus has always been on nurturing and mentoring leaders from within and providing opportunities for growth. We practice progressive human resource policies which ensure a high degree of employee engagement and empowerment for sustaining a high performance work culture

We strive to create a rewarding work environment where all individuals realize their potential, regardless of their differences. We believe that the wide array of perspectives that results from such diversity promotes innovation and business success.

Recruitment Practices

In the last few years, we have grown significantly, leading to increased demand for talented resources for our business operations and upcoming projects. We hire science graduates, engineers, and finance and management professionals from the top universities and provide them with accelerated global career opportunities. Our campus recruitment programme also includes deserving candidates from minority institutes and colleges from remote locations. We have also initiated special recruitment drives to hire subject matter functional and technical specialists drawn from best practice companies across the globe.

We hire science graduates, engineers, finance and management professionals from campuses and provide them with accelerated global career opportunities.

Growth and Development

Every individual who joins us has the "right to grow". This is the fundamental principle that drives the Talent Engagement Process at Vedanta

We continue to place a strong emphasis on a defined process of leadership development, where challenging assignments with commensurate responsibilities are given to deserving young talents. Hiring and developing our own graduates predominantly to take leadership roles is key to our people philosophy. 'Stars of Business', an accelerated competency tracking and promotion programme is a platform to identify high potential employees early in their careers and put them on a fast track career growth program.

Employees exhibiting exemplary performance are given accelerated growth opportunities with specialized technical and general management development programs, periodic job rotations and leadership guidance.

Systems & Processes – Benchmarking with the Best

All our Group companies have online systems which enable us to build an integrated and process oriented organisation. It also facilitates transparency across all levels in the organisation.

We also regularly benchmark our Human Resources (HR) processes and practices by participating in national and international level studies & surveys to keep abreast of global trends in people development. Our

Case Study

Recruiting Ex-Armed Forces Officers

In line with our goal of hiring passionate people to head various leadership roles and functions, we had initiated a special drive to recruit Ex-Armed Forces officers. This initiative was founded on the belief that they would bring the unique experience of combat zones into the business with their excellent management and leadership qualities, ability to multitask, high level of energy, focused approach and above all 'can do' attitude with a high degree of discipline.

We ran an all-India recruitment campaign inviting applications from Ex-Armed Forces Officers. The response was overwhelming, and we hired about 25 Ex-Armed Forces professionals.

This unique initiative was appreciated by the external world and awarded as 'most innovative recruitment program' by the World HRD (Human Resource Development) Congress.

Case Study

Global Leadership Programme

Our Global Leadership Program (GLP) provides opportunities for high potential employees to work in an overseas environment for a period of six to twelve months. The idea behind this program is to provide an ideal opportunity for employees to develop mutual appreciation of the best practices across the Group companies and leverage synergies.

In the year 2009-10 GLP Wave II successfully placed 17 high potential employees from KCM in various functions across businesses in India. GLP Wave III is being launched from next month where a total of 19 employees from KCM will benefit from training in the Copper & Zinc business in India.

unique HR Score Card system measures and evaluates various HR verticals such as Talent Management, Performance Management Resourcing, Productivity, Learning & Development and Continuous Improvement providing us with a holistic picture of our progress, making our processes and systems robust.

Rewards & Recognitions

We provide best in class compensation & benefits with performance linked incentives for our employees. Our unique Long Term Incentive Plan which covers professionals at all levels provides wealth creation opportunities for employees, building a sense of pride to be associated with the organisation. At Vedanta, we have a robust, performance driven reward system for employee motivation and recognition at all levels

250,000 children
Covered by Mid-Day
meal programme

US\$38 million
Community
investment



Sustainable Development Community – Continued Commitment



Quality of Life

Vedanta has significantly invested in acquiring, modernising and expanding manufacturing assets located in geographically dispersed industrial locations. These manufacturing locations have full-fledged lively townships with modern amenities including schools, hospitals, and recreational centres and working facilities built around the core manufacturing or mining units. We not only believe in providing a contemporary life style and amenities for our employees and their families but also the community at large. In order to ensure a healthy work life balance, we encourage socio-cultural activities like get-togethers, birthday celebrations, picnics, yoga, meditation, sports competitions and involvement in community programmes.

Being well knit in the social fabric of our communities has enabled us to nurture our social license to operate and to work hand in hand with the local communities and the environment.

Community – Continued Commitment

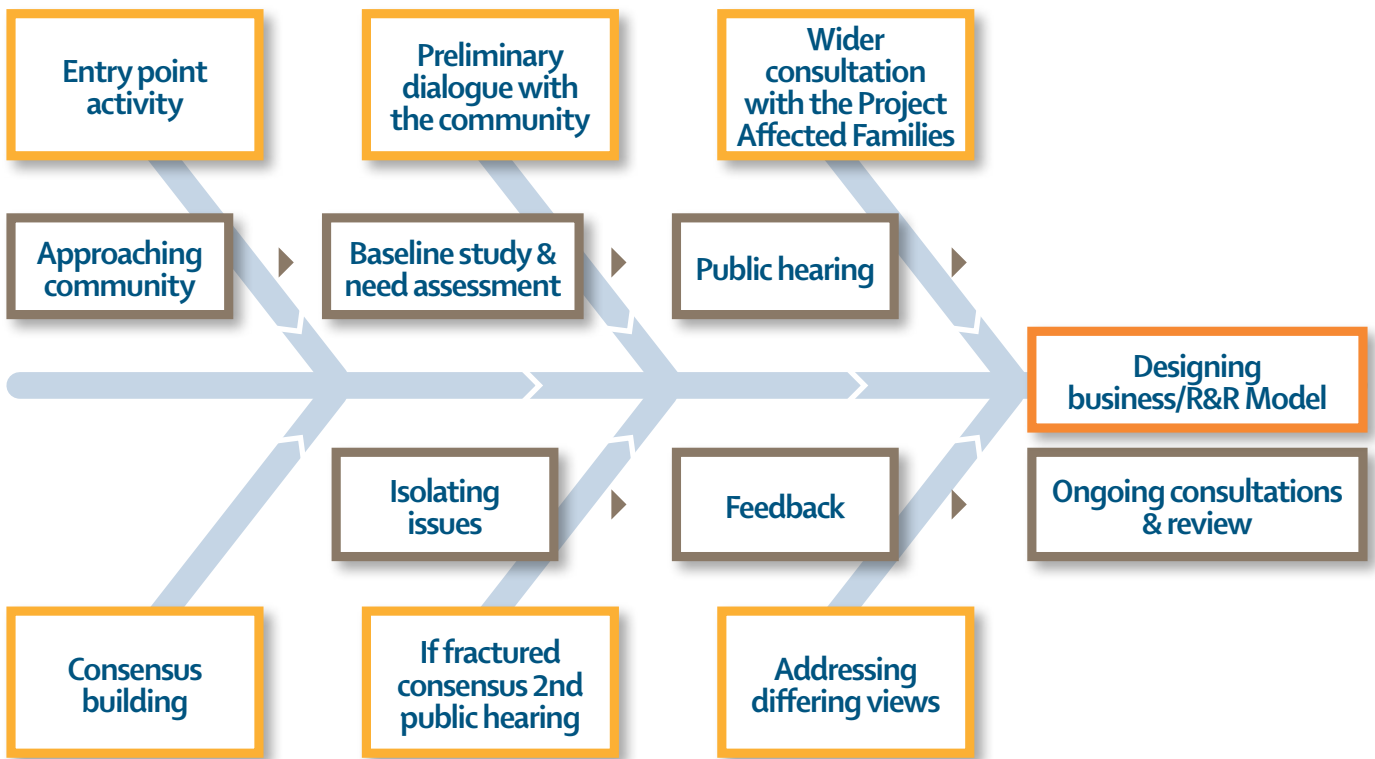
In 2010, we enhanced value for the communities by expanding our activities and increasing our reach around all of our operations. Being well knit into the social fabric of our communities has enabled us to nurture our social license to operate, and to work hand in hand with the local communities and the environment.

Social mobilisation and the 4P model (public-people-private-partnership) are the two key pillars of our community program.

Stakeholder inclusiveness is an ongoing and systematic exercise for us and not a one off activity with a start and end point. Our commitment to human rights and promotion of local heritage is well ingrained in our stakeholder consultation process. Consistent, open dialogue through various platforms, and building and nurturing relationships with communities near our operations to understand their concerns and recommendations, is an important aspect of the role played by our on teams on the ground. Given the diversity within India, utmost care is taken to respect and adhere to the cultures and traditions of each community we work with. Purpose based engagement with concentrated efforts towards mutuality, maturity, transparency, problem solving and consistency is what defines our stakeholder engagement approach.

Engaging with communities

Consultation Module



Communities in which we operate value our citizenship and license to operate for us means win-win relationships and partnerships. We engage with our stakeholders in a two way dialogue incorporating their feedback into the way we operate and our plans for the future.

Partnerships and collaborations are a strategic tool for us in our engagement with communities. Our 4P Model has helped us impart a greater degree of sustainability to our programs. Joining hands with the government's robust social schemes, seeking partnerships with NGOs in the sectors and ensuring community participation and ownership combine to

create a holistic approach in the villages. We partner with more than 100 NGO's and government departments across all our locations and have collaborations across the whole portfolio of our activities.

While we have a standard approach to our community initiatives, the programs are customised based on the needs of the community and the local milieu. At Vedanta Aluminium Limited (VAL), the CSR Advisory Board, a consortium of eminent personalities from Orissa, has helped us in identifying the right mix of opportunity by blending the local culture with business needs. At Kawardha, we engaged with the community and key stakeholders from the

initial project planning stage, with formalised feedback mechanisms ensuring community ownership and support for the initiatives and operations. We developed new projects in proactive consultation with communities and other stakeholders ensuring broad based input for our activities. We will build upon these cross company experiences in other projects and geographies.

'Our association with BALCO has brought perceptible change in the area of Natural Resource Management, harnessing an untapped potential befitting of the area', Mr. R Ratnu, General Manager, NABARD, Raipur.

Units	Baseline and need assessment	Partner NGO	Resources		Contribution of time from senior management	Employees volunteering time for CSR	Conducting periodic awareness within the Company about CSR	Inclusion of stakeholders in the decision making and implementation of CSR programmes	Networking with external agencies	Internal reporting of CSR	External reporting	Leveraging from Government/other	Social audits	CSR aligned to business
			Financials	People										
Group average	2	2	3	2	2	2	2	2	2	3	2	2	2	3

Rating scale: 1 = More attention; 2 = Focused; 3 = Delivering results

Sustainability Performance



This year, our outreach has covered 2.7 million lives in 552 villages in 20 districts of India and Zambia. Our community investment for the year was INR 1,791 million (USD 38 million).

Community Matrix

The Community Matrix, a scenario review tool, has been developed internally for planning and self-assessing our performance on the key elements of community development. It acts as a compass in defining the direction of our work with communities, in line with the social philosophy of the group and provides uniformity and alignment within the company.

A multi-pronged approach has been adopted to deliver preventive and curative Health services in villages supported by a well-knit strategy addressing issues from the household to the community. We reached out to more than 730,000 people through our 18 company-run hospitals, health centres, health posts, mobile health units and health and hygiene camps coupled with programs towards inculcation of positive health seeking behaviour.

Work is in progress both at the Vedanta Cancer Hospital and Research Centre at Raipur and the Vedanta Heart Care Centre (VHCC) at Udaipur. The two mobile cancer detection vans run as an outreach of the Vedanta Cancer Hospital and Research Centre to screen suspected patients in remote villages. In the 26 camps conducted in 423 villages covering 23,589 people, 2,319 suspected patients were registered, of which 129 were diagnosed as positive and were treated at BALCO Hospital and the Raipur Government Medical Hospital.

Our 360 degree approach to Education aspires to nurture talent. From 83 preschool centres, to 36 bridge schools, to six formal company-run schools, to 37 adult education centres and skills-based training, we worked with over 1,40,000 children, youths and adults. Improving enrollment and retention, our involvement in 2,546 Anganwadi Centres

under the Vedanta Bal Chetna Project augmented nutritional levels of 132,000 children through supplementary feeding and health care initiatives. Eight Midday Meal kitchens served hygienic and nutritious food to 250,000 children in 2,952 schools bringing uniformity in their health conditions. For the company run formal schools, we have a technical tie-up with Dayanand Anglo-Vedic (DAV) and Kendriya Vidyalaya, apex national level educational bodies.

Our businesses create employment opportunities for the community, both direct and indirect in our operations and expansion projects. At VAL, Lanjigarh last year, 45% of the employee base was from Orissa, of which 15% were from the Kalahandi district alone. Our approach to livelihood is based on a three-pronged household strategy, with income levels per month now enhanced from INR 5,000 to 10,000:

- Empowerment of women through Self Help Groups (SHG). 27, 100 women enrolled in 2,050 Self Help Groups, with approximately 40% of these SHG's linked to enterprise.
- 4.2 million vocational training hours generated for the unemployed rural



- youth and SHG members. To date 2,000 youths have trained with a 90% placement rate in jobs or as entrepreneurs.
- Reviving the traditional vocations through innovations in farm-based sustainability, with over 4,900 acres of land brought under cultivation & watershed with 3,100 farmers. 375,000 cattle were catered too as part of our animal husbandry drive.

Our businesses create employment opportunities for the community both direct and indirect in both our operations and expansion projects.

At VAL, Lanjigarh, we have engaged with tribal women through Project Jeebika, a leaf plate making project; with the men folk through commercial vegetable cultivation and with youths through Pisciculture. 318 tribal women in 53 Joint Livelihood Groups from ten villages are engaged in leaf plate making, supplementing their family income by INR 25,000 per annum. With agriculture being the main occupation of the region, over 150 farmers have been given technical and agricultural inputs to encourage multiple cropping in over 100 acres of land – upping their income levels to INR 35,000 per annum. Over 100 youths engaged in Pisciculture (fish farming) in ten ponds in eight villages have supplemented their incomes by INR 12,000 per annum.

Under the Tribal Development Project – WADI, a partnership between BALCO and NABARD, orchards are being developed on 500 acres of fallow land ensuring a consistent source of livelihood for 500 tribal families in Kawardha. Complementing the agrarian economy is our intensive livestock development project at HZL, Sterlite Copper and VAL, Lanjigarh & Jharsuguda, in association with the State Animal Husbandry Department, where this year we treated over 93,000 cattle.

At VAL, Jharsuguda 23,000 saplings were planted as part of the 'Green Jharsuguda Drive'. On the other hand, BALCO constructed 50 Bio Gas plants in association with the Chhattisgarh Renewable Energy Development Authority (CREDA) recycling cattle waste to generate fuel for cooking and electrification. At HZL, the endeavour to involve more than 560 rural women in environment conservation through plantations created a sense of responsibility and realisation among villagers on the importance of social forestry, particularly, in the semi-arid region of Rajasthan.

Upgrading and constructing common property resource such as community centres, water tanks, roads, repair of schools building, others in partnership with the community and the local administration has also been one of the major activity this year. At BALCO this year we constructed Kamleshwarpur and Baijalpur Rural Haats (trading centres) at Mainpat and Kabirdham Districts respectively as our captive mine locations. A joint venture with the National Bank for Agriculture and Rural Development (NABARD), the haats have given all season trading infrastructure to small and marginal

traders to sell and buy in the heart of their village.

All our programmes have had a significant impact at three levels of empowerment. At the power within level, a key impact is that communities have realised their own potential. They are confident, sensitive and informed. At the power to level, the projects have expanded the communities' hold over their labour, resources and decision-making processes. In case of women, access to their own savings, access to networks of women outside their family and access to leadership positions have empowered them. At the power with level, communities have intervened collectively in many institutions: family, market (labour and financial), community and local self-governance institutions.

Way Forward

We understand that in the mid and long term, we will be challenged by the changing expectations from the community, the pace of change in the socio-political landscape globally and issues which were once pertinent or local having a global impact. We believe the corner stone to delivering on these challenges would be to build capacities and life chances of the communities where we operate. 2011 will continue to see focus on outreach to communities and creating local prosperity. We will also continue to strengthen:

- convergence and inclusiveness as an approach to community development
- primary education and health as delicate needs of the community
- rural skills as a heritage of hidden arts and skills

Sustainability



Lanjigarh Project Area Development Foundation

We see the SPV model proposed by the Supreme Court a first in the country, as an opportunity for creating prosperity in the region by sharing the economic benefits of the project with the community on a continuous basis. We are completely committed to the cause. As mandated by the Supreme Court of India, the State of Orissa floated a special purpose vehicle (SPV), as the 'Lanjigarh Project Area Development Foundation' with four Directors each from the Government of Orissa, representing the Government and the community and from Sterlite Industries (I) Ltd, besides one from the Orissa Mining Corporation for peripheral development of the region in a 50 kilometer radius. As prescribed, the company will have to give INR 100 million per year or 5% of the profit before tax – whichever is more for area development with clear focus on health, education, livelihood, communication and cultural heritage. The company has already deposited INR 200 million for a two year band from 2007-2009 with the SPV. Besides, INR 122 million has already been submitted for tribal development with CAMPA (Compensatory Afforestation Fund Management and Planning Authority), which in due course would be transferred to the SPV. Projects worth INR 170 million have already been identified and approved by the SPV in the first Board meeting held in October 2009. Additionally INR 505.3 million towards wildlife management, INR 550 million towards NPV, INR 122 million towards tribal development and INR 23.8 million towards Compensatory Afforestation as per the District Forest Officer has been deposited with CAMPA. Additionally, mutation and transfer of non-forest land for compensatory afforestation, demarcation of the leased area, completion of the scheme for fencing a safety zone and soil conservation have also been finalised. Going forward, a tribal development plan and an employment plan for the community are being put together with a national level institute.

Sharing the
benefits



Case Study

Phuldumer Decides to Change

Phuldumer is a village of 22 households of the Dongria Kondh Community, in the Lanjigarh block of Kalahandi district. Until May 2009, Phuldumer was deprived of mainstream facilities. Chanchala Majhi, Phuldumer's Naib Sarpanch of Trilochanpur Panchayat, says "Other than the government who visited us for the census survey, listing us for the Public Distribution System and health check ups, nobody came to Phuldumer for our benefit. Until Vedanta came and spoke to us for us".

No drinking water, no protective shelter, and no opportunity for schooling coupled with high incidence of malnutrition were commonly found issues. The people of Phuldumer were seeking change.

The Company responded and formulated a holistic development plan for the village. The first initiative was to connect the village through approach roads. Subsequently, VAL opened a Child Care Centre for the tribal children providing a day crèche, pre-school education and nutrition supplements. Solar lights replaced kerosene lamps bringing a new ray of hope in the village.

Picking Siali leaves for producing leaf plates and selling in the market is the traditional livelihood activity of the tribal women. The middle men paid a sub zero price of 25 paise for 100 leaves collected by these women. Availability of skill, abundance of raw materials and assured market impelled the CSR team to enhance this traditional vocation into a leaf plate making business. Shakti, a local NGO, was roped in to implement Project Jeebika. Equipped with eight sewing machines, the tribal women were trained in stitching leaf plates. From 25 paise for 100 leaves and a monthly income of

INR 200, the women now earn on an average INR 2,200 per month. Strengthening forward linkages, a leaf plate Collection Centre has been established where the finished product is stored until collection by the traders on cash payment.

In due course, it was realised that women waste substantial time in fetching drinking water from the hills. VAL along with Shakti decided to harvest the perennial spring water and constructed treatment points with charcoal, sands and alum with storage facilities. Through gravitation, the treated potable water was brought to the door steps of Phuldumer. The villagers christened the project as 'Tripti' (satisfaction). Watershed changes also took place not only in Phuldumer but also in the nearby tribal predominant villages of Khemti Padar, Palberi, Kunakadu, Tadijholra and Harida Guda. Today these villages have potable water, mobile health units and varied livelihood projects.

Ratu Majhi of Phuldumer today imparts training to his community on health and hygiene practices. Consumption of fermented meat, homemade country liquor, unsafe water, and unhygienic way of living are stories of the past for him. He proudly says, "this year there has been no infant and child mortality in our area. Vedanta's mobile health unit and health consultation centre have given us a new lease of life" Jagdish Chandra Benia, Vice Chairman of Lanjigarh Block says, "It is ground-breaking, Phuldumer and Palberi are now accessible. Konakadu, Tadijholra, Dangamati were out of sight and out of mind. From Vedanta the villagers get water, medical aid and education. They are now counting currency notes and negotiating rates with the traders for their produce. Seeing our children sing nursery rhymes and Bande Utkal Janani is a great experience. We did it together!"

Sustainability Accreditations



Various efforts on sustainable development of the Group have also been recognised by national and international organisations and awarded our units. Some of them are:

- ▶ International Safety Award 2009 by British Safety Council – HZL; BALCO; Sterlite Copper; Sesa Goa and KCM.
- ▶ Safety Gold Award 2010 by Royal Society for the Prevention of Accidents – HZL.
- ▶ International Green Apple Silver Award for Best Environmental Practices & Sustainable Development – BALCO.
- ▶ 3 stars in the 5 Star Best Practice rating by British Safety Council – KCM.
- ▶ Performance Excellence Trophy of IMC Ramakrishna Bajaj National Quality Award 2009 – HZL.
- ▶ Outstanding Achievement Trophy of IMC Ramakrishna Bajaj National Quality Award 2009 – Sterlite Copper.
- ▶ CII-ITC Sustainability Award 2009 (Commendation for Strong Commitment towards sustainability) – HZL.
- ▶ CII-National Award for Excellence in water Management 2009 – HZL.
- ▶ CII-Leadership & Excellence Award in EHS 2009 – HZL.
- ▶ CII HSE Award 2009 – Certificate of Appreciation for Plantation Management for Reclaimed Sanquelim Mine – Sesa Goa.
- ▶ Safety Innovation Award 2009 by Institution of Engineering – HZL and BALCO.
- ▶ Srishti G3 Good Green Governance Award 2009 runners up – Sesa Goa; BALCO and Sterlite Copper.
- ▶ Bhageeratha Award 2009 for best water conservation efforts by Institution of Chemical Engineers – Sterlite Copper.
- ▶ Various prizes under different categories at Indian Bureau of Mines – Mines Environment & Mineral Conservation Week (MEMCW) 2009–10 – BALCO.
- ▶ National Virtual Academy Fellowship Award, 2009 from M.S.Swaminathan Research Foundation to Dhanalaxmi and Maria Ponnammal, members of the Sterlite Women Empowerment Project at Sterlite Copper, Tuticorin.
- ▶ Green Triangle Award for CSR for the year 2009–10 for Sesa Goa.
- ▶ Bhamashah Award in the Area of Education 2009, HZL.