

DIVERSITY POLICY – VEDANTA

Purpose

Vedanta is committed to the cause of promoting diversity and inclusion within the organization and in larger communities who we partner with. Our objective is to achieve gender parity across all levels starting from our Board. A diversity policy shall help us define, strategize, plan and implement the essential roadmap, guidance and measurement towards bridging the gaps as we work on different facets that have a bearing on achieving diversity goals. This policy is forward looking and sets a vision for diversity and inclusion for businesses across the Vedanta group.

Our definition of diversity and inclusion

Workplace diversity refers to the variety of differences amongst people in an organization. An organization is a collective representation of people coming with individual differences in thoughts, personality, unique capabilities and talent that they bring to work. It is an understanding that each individual is unique, and a recognition of our individual differences, so that each and every one feels important, respected, included and engaged as we assimilate people with differences including but not limited to nationality, geography, ethnicity, gender, sexual orientation, age, physical abilities, family status, religious beliefs, perspective, experience or other ideologies. While we strongly appreciate diversity in all forms, achieving gender parity is a priority for us.

Besides, our workforce should reflect the diverse consumers and communities we serve. As a global company, we work in countries with a broad array of laws and regulations. But regardless of where we operate, we take care to respect the diversity, talents and abilities of all. We benefit greatly from the skills, experience and commitment of the diverse range of people who work with us.

Diversity is a business imperative, as much as it is about fairness and societal equity across diverse groups, globally. Companies with a healthy diversity mix are more likely to have financial returns above their industry median. Additionally, research shows that the most engaged employees are those working in an open, fair and diverse environment.

Objectives and scope of the diversity policy

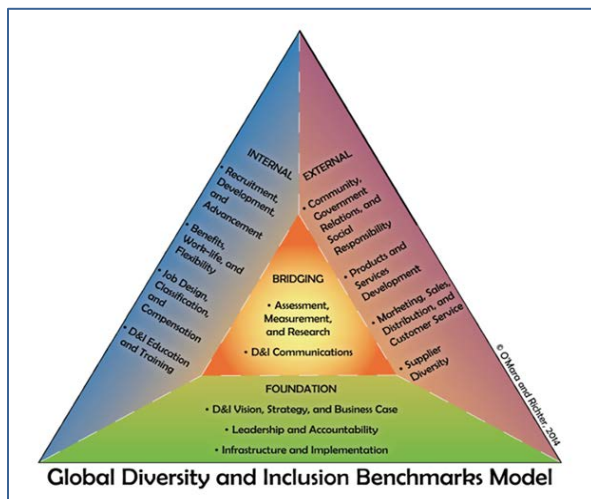
We are committed to recruiting, retaining and promoting highly talented individuals to further the Group's strategic goals. This includes:

- Employing best practices in regards to D&I initiatives, benchmarked with globally reputed companies and institutes;
- Providing an environment of equality and respect for all employees and contractors;
- Not discriminating against any individuals on the basis of their gender, age, disability, ethnicity, sexual orientation, family status, religious beliefs and abilities;
- Operating in accordance with all relevant legislation in the jurisdictions we operate in, including the Equality Act 2010;
- Ensuring fairness and avoiding unlawful discrimination in matters including remuneration, employment terms and conditions, promotions, training and development opportunities;

- Promptly and fairly dealing with complaints of harassment, bullying, or unlawful discrimination by employees, customers, suppliers and other stakeholders in the course of the Group’s activities;
- Reviewing the Group’s employment policies and practices to promote fairness and address gender bias and underlying barriers to achieving gender balance;
- Building leadership capability by providing equal opportunities for training and development of staff, as required, to harness their full potential; and
- Providing equal opportunities for all employees in respect of career progression.

We realize that achieving and sustaining an environment on founding D&I principles will need a balanced and concerted effort across the Group. In addition, we will need to need to work with key stakeholders such as communities, governments and special interest groups to further our D&I agenda. This Policy covers all employees and contractors within the Vedanta group of companies.

What is the group’s approach to diversity?



The group’s commitment to diversity and inclusion extends to all areas of our business. Promoting diversity and inclusion will need a balanced concerted effort across company’s internal values, processes, policies. Going beyond, we will need to need to work with communities, government, special interest groups. The diversity policy shall help us layout guiding principles, strategy and execution plans with defined milestones towards achieving gender parity.

The Vedanta Group proposes to employ the Global Diversity and Inclusion Benchmarks Model ©O Mara and Richter 2014. The Group’s Diversity and Inclusion initiatives focus on a holistic approach involving the

following three areas-

Foundation

- Diversity and Inclusion vision, strategy and business case
- Leadership and accountability
- Leadership and employees ’competence and diversity intelligence
- Infrastructure and execution principles

Internal processes and policies around

- Recruitment, development and advancement
- Policies on workplace conduct, benefits, work life and flexibility
- Job design, classification and compensation
- D&I education and training

External partnerships

- Community, government relations and social responsibility
- Industry bodies partnership

Bridging

- Assessment, communication and sustainability

Diversity and Inclusion: Vision, Strategy and Business Case

At Vedanta, our vision is to ultimately create an everlasting workplace culture where teams of mixed gender, ethnicity, regional affiliations, physical ability, age and orientation are representative of a variety of perspectives and experiences. We will proactively reinforce a culture where everyone feels included and respected- an environment where we value differences by providing equal opportunities to one and all.

While we recognize and promote diversity in all forms, we are **prioritizing to focus on gender diversity initiatives.**

Vedanta going forward intends to continue to strengthen its commitment towards **strengthening the vision and strategy** for Diversity and Inclusion through the significant involvement of top management and leaders through the use of best in class tools like **1) Open Space Technology and 2) Design Thinking.** This is based on extensive use of surveys, analytics and inferences and is an all-encompassing approach to strengthening the vision and strategy elements.

Additionally, we realize the importance of creating right organization structures as **Diversity and Inclusion Councils** across our business to own, implement and measure D&I initiatives. It shall be our endeavor to create these councils at all group companies. The councils shall clearly own the overall D&I agenda with calendared and measurable deliverables. The Diversity Councils shall be mandated with the agenda of building a safe workplace in terms of infrastructure, architectural designs, privacy concerns for diverse groups.

Our success in this regard shall be measured through internal surveys, independent external audits as also rewards and recognition as best practices forum in the industry. Our endeavor will be to achieve at least one prestigious award at a well-known industry forum, nationally and internationally.

Leadership and accountability

The Vedanta Group has the highest level of commitment from Board to individual advocates in the businesses. Each has a unique and valuable role to play in supporting our commitment to diversity. The board sets out the overall diversity agenda. They provide thought leadership on workplace systems, processes, practices and measurements in developing sustainable and inclusive workplace cultures.

At Vedanta, Board members and senior leadership walk the talk and lead by example. Accordingly, Board and senior management diversity is of great in our overall diversity strategy. The Vedanta Group understands and values the benefits that diversity can bring to its Board. When considering new appointments to the Board, the Nominations Committee reviews the balance of skills, experience and diversity on the Board to identify those criteria which are determined to be vital for enhancing the Board's effectiveness. These criteria form the basis of the search for new appointments to the Board. The Nominations Committee ensures inclusion of more female candidates on candidate shortlists, to address the lack of gender diversity on the Board.

The Nominations Committee will report annually, in the corporate governance section of the Vedanta's Annual Report, on the process used in relation to Board appointments. Such report will include a

summary of this Policy, the measurable objectives set for implementing the Policy and progress made towards achieving those objectives.

Similarly, appointments to Executive Committees and Leadership teams at Group level as also individual business levels are critically scrutinized and search mandates focus on diverse female candidates' mapping as an essential requirement for vacancies. The Board places a high emphasis on ensuring the development of diversity in the senior management roles within the Vedanta Group Companies and supports and oversees the Vedanta's objective of ensuring adequate representation of female executives in Business Executive Committees and Leadership grades. This objective is monitored by the Board and built into its assessment of executive performance.

Leaders and board members view the accomplishment of D&I goals and objectives as an important part of their responsibilities. They publicly support internal and external diversity-related activities. They are seen as change agents and role models when it comes to D&I, routinely discuss the importance of D&I, and provide consistent and visible D&I leadership. There are numerous examples where senior leaders have championed the cause of diversity through our anchor ship program, through participation and by leading from the front on diversity and inclusion related events. As an organization, we are committed to reinforcing and building leadership capability and commitment again through use of best practices tools as **Global Gender Intelligence**® **Assessment tool** as an example, supplemented by additional interventions on leadership coaching on building the D&I competence. Further, every leader is assessed on Vedanta Values at annual performance calibrations and are given feedback on their capabilities including that of D&I capability. Senior leaders have strong diversity building targets through our recruitment and selection, staff growth programs.

Senior leaders have the mandate to have adequate **diverse representation** in special task force teams, recruitment and interview panels, collective decision-making forums and on all such occasions which involve decision making, delegation and empowerment for the teams, departments and the larger organization.

Additionally, many business areas have dedicated diversity practitioners and committees implementing diversity initiatives, specifically to meet individual business needs. To cite an example, Internal Growth Workshops proactively identify critical and prized employees for accelerated career trajectories. The Workshops have specific mandate in terms of participation of diverse candidates and their elevation to larger and bigger roles. In line with our philosophy, the Group conducts '**Internal Growth Workshops**' which are focused on promoting internal talent across the Group's businesses and functions into leadership roles. The Internal Growth Workshops have identified over 500 new leaders, including over 100 female professionals, across the Group's businesses to date who have taken up significantly elevated roles and responsibilities.

Leadership and employees' competence and diversity intelligence

The success of any diversity and inclusion program is crucially dependent on Leaders and Managers who are ultimately responsible for managing teams. We firmly believe that for all D&I related initiatives to be successful and to see faster and greater benefits, we need to ensure that diverse employees are actively engaged in work environment without any biases. As inclusive leaders, we need to continuously work towards nurturing an environment where diverse employees are nurtured, mentored and coached to develop their potential as future leaders. We constantly introspect to ensure that we are free from any conscious or unconscious biases that guide our opinion, behavior, language, approach, stance and overall demeanor when interacting with people who are diverse in gender, thoughts, orientation etc.

Vedanta has initiated a series of workshops on Gender Intelligence. These are called “**Gender Intelligence and Leadership**” workshops aimed at covering all people managers across the organization. These workshops aim at improving diversity management capability of existing managers and leaders across the organization. The workshops elucidate how gender, personality, and cultural differences play out in the workplace. Removing barriers and increasing awareness frees employees to contribute their best and permit the team to accept each member’s contribution, so that everyone can bring greater creativity, enthusiasm, and focus to achieving corporate goals.

Cairn, the Oil and Gas business of Vedanta, has already conducted Gender Intelligence workshops for 300 leaders, and we plan to roll it out across the other companies of the group.

Recruitment Development and Advancement

The success of any D&I initiative is crucially dependent upon hiring and staffing philosophy. At Vedanta, we ensure that D&I is integrated into recruitment, talent development, advancement, and retention. A conscious effort is made to **attract applicants from different diversity dimension groups** to achieve and maintain a workforce that shows diversity across levels and functions. Search firms are required to provide diverse candidates. Advertising is targeted to diverse communities, diversity on interviewing panels is standard, and staffing/hiring managers are educated on the impact of bias. High potential talent from backgrounds not represented in a balanced way across the organization is provided with coaching, mentoring, and sponsorship opportunities. Employees are encouraged to consider development opportunities and positions outside their current functional, technical, or professional area.

We have specific recruitment goals. We aim at hiring 50% diverse employees from across campuses and mandates a healthy balance of women candidate pool for lateral hiring

The organization offers a variety of development programs and encourages employees to take advantage of them. Vedanta is introducing a **Leadership Development Program** in Q2 2018, which will look at training and development of high potential employees including the diversity talent. This program works through a period of six months for high potential leaders and imparts competencies in Strategic, Collaborative and Influential leadership skills. Further, targeted and specific programs around career mobility through job rotations, cross functional business critical projects are actively promoted by all group companies. Specific programs aimed at leadership and competence development are designed and implemented for growth and career mobility of gender diverse employees.

Going forward, the D&I efforts can focus on **Career Design Lab** which is an experiential career planning catalyst program, aimed at facilitating women employees to steer their careers forward successfully. This unique career planning methodology is designed keeping in mind the challenges faced by professional women during their mid-career phase.

Policies on workplace conduct, benefits, work life and flexibility

Our **workplace policies** play an important role in reinforcing a culture on founding principles of diversity and inclusion. Policies have a strong underpinning on the way we work and approach our lives. These policies ensure that we adhere to highest standards of professionalism and conduct at workplace. Our policies around work-life integration are best in class and are framed after extensive deliberations with impacted groups. Some of our policies are:-

Equal Employment Opportunity Policy: To achieve our business objectives, we are committed to a merit based appointment process. We have policies and practices in place that enable capable and diverse

employees access to all opportunities available with the organization, in a fair and equitable manner. We have the best in class tools and practices to ensure that we can access the broadest pool of diverse candidates, in keeping with our commitment to merit based employment.

Code of Conduct Policy: The group is committed to eliminating all forms of unlawful discrimination, harassment, bullying and victimization of persons at workplace. Our Code of Conduct policy supports our commitment to maintain a workplace where all staff can work without fear of unacceptable workplace conduct impacting them. Every year employees have to give a personal undertaking in terms of having read and signed the Code of Conduct policy. Every employee of the company has to undertake mandatory Prevention of Sexual Harassment (POSH) training.

Statement of Professional Practice: Our profession is founded on very high standards of personal integrity and conduct, which requires absolute honesty. These guidelines are reflected in Group's core values of honesty, integrity and trust.

Occupational Health and Safety Policy and Procedures: The health and safety of our people, visitors, contractors and customers are essential to our long run success. We are committed to providing a healthy and safe workplace.

Leave policies: We at Vedanta believe that our people have changing needs during different life and career stages. A range of leave options are available to employees to help them manage those changes. As a company we have the best in class practices in respect of maternity, paternity and adoption related leave and compensation policies, besides options for parental leave, career break (sabbatical) to fulfill the needs of diverse employees in our organization.

Going forward, we shall progressively evaluate the possibility of adopting **best practices** as Vedanta back to work program for women who may have taken a break on account of personal commitments.

- The Internship Experience Program: This internship program focusses on giving students and interns a memorable experience. The mission being, to build the next generation of Vedanta.
- Social media leverage policy: messaging on website and Social Media inviting Women at all levels / different generations / People with Disabilities and other diverse groups.

Job design, classification and compensation

At Vedanta, we take utmost care in ensuring that job design and classification are unbiased and compensation is equitable. The organization systematically reviews job requirements, classifications, and compensation. Job descriptions and requirements are clear and do not include non-job-related factors. The organization designs jobs to accommodate as much as possible, individual needs as well as organizational needs. Remuneration is based on merit, performance and market data.

External Partnerships

For two decades now, Vedanta has maintained that financial returns alone are not the mark of a good business. We also care passionately about the well-being of our employees and, equally, the local communities in which we operate. We are proud to say that during the year, we backed our commitment to the communities we operate in with an investment of USD 36.5 million (INR 244 crores), globally towards community initiatives. Globally we have impacted 3.6 million people through community development initiatives.

A key part of our work in this area is to empower women and to give children the best possible start in life. In India, we are committed to the Prime Minister's national vision of eradicating child malnutrition,

providing education, healthcare and empowering women with skill development. We are committed to transforming the lives of 8.5 Cr children and 2 Cr women across 13.7 lakh Anganwadis in India through **Nand Ghars**, fulfilling Hon. Prime Minister's commitment towards *Swacch Bharat*, *Beti Bachao Beti Padhao* and *Startup India* by equipping Nand Ghars with televisions for e-learning, solar panels for reliable power, safe drinking water and clean toilets. Nand Ghars are a network of Modern Anganwadis designed to address the challenges faced by the network of 13.7 lakh Anganwadis in India. With commitment of constructing 4,000 Nand Ghars across 11 states in India, the initiative aims to touch lives of around 4 million community members while directly impacting around 2,00,000 children and around 1,80,000 women on an annual basis.

Vedanta group would like to adopt a larger volunteering program for its employees to participate in CSR activities essentially to make larger societal impact in the communities that we work for.

Assessment, Communication and Sustainability

The larger roadmap towards creating and sustaining sustainable D&I model has to begin with an internal survey with larger employee base. This is to assess the perspectives prevailing in our organization in terms of where we stand in regards to some of the global companies which are known for their D&I culture and ethos. A global benchmarking survey is recommended as we embark on this exciting journey towards achieving gender balance. We will need to create the right emotional energy in the organization so that each one of us is passionate about promoting the D&I agenda in our own individual spheres of influence. Education, communication, connects, and consistent survey to benchmark our progress will be key to defining sustainability in our efforts. Each of the businesses through its D&I council will help establish the roadmap and co-opt the larger pool of employees, managers and leaders in the quest towards achieving gender parity.

Amongst best practices, there are immense opportunities towards creating a dedicated **mentorship model** to anchor female leaders. Active networking through common interest group as **Vedanta's Women's network** is highly recommended for the group companies to promote and leverage, going forward as one of the plausible action points.

Measurement and Impact

The diversity and inclusion initiatives need to be measured year on year. Each year the Board and Group Diversity Council will establish objectives for achieving gender diversity, and any other aspect of diversity nominated by the Board and Council. The Group's current diversity objectives relate to formation of business and group level diversity councils with charter and agenda, achieving agreed upon diversity hiring targets in regards to campus and lateral hiring and monitoring overall movement in diversity percentage across levels in business and overall group level.

The following gender diversity objectives have also been set for the Group and progress will be monitored and reported on each year.

- Percentage of women in senior management
- Percentage of women recruited during the year
- Percentage of total full time female employees across the Group