

Technical Standard – Employee Consultation and Participation

Vedanta Resources Plc


Sustainability Governance System

**Technical Standard
Employee Consultation and Participation**

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1. INTRODUCTION

The purpose of this Technical Standard is to establish the programme design, risk management controls and supporting information, to ensure the consultation and participation of employees associated with sustainability matters. Arrangements for other persons (including contractors) are included in the *Stakeholder Engagement* Technical Standard TS05.

2. SCOPE

This Technical Standard is mandatory and applies to all Vedanta subsidiaries, operations and managed sites, including new acquisitions, corporate offices and research facilities and to all new and existing employees. This Standard is applicable to the entire operational lifecycle (including exploration and planning, evaluation, operation and closure).

3. DEFINITIONS

Definitions of key terms used in this document are shown in the following table.

Term	Definition
Collective Bargaining	Consists of discussions and negotiations between employers and representatives of workers' organisations for the purpose of determining working conditions and terms of employment by joint agreement. It also includes the implementation and administration of any agreements that may result from collective bargaining and the resolution of other issues that arise in the employment relationship with respect to workers represented by the workers' organisation.
Communication (in relation to management and employees)	Dialogue between management and employees. Communication is exchanging (giving and receiving) information. Communication enables Vedanta to learn about employees' needs, opinions and concerns and also allows employees to learn about the plans, goals, priorities and management activities of Vedanta.
Consultation	Consultation is not the same as communication; although both are two-way processes. Consultation is more purposeful and deliberately seeks input from its employees (as key stakeholders) in order to shape relations and the development of programmes. It involves the business, key individuals, organisations and groups affected by or interested in the development and outcomes of the issue/process being discussed. The aim is to ensure mutual understanding and for all parties to be able to manage decisions that have a potential to affect all concerned. A good consultation process needs to be supported by a strong communication programme.
Employee	An individual who is engaged to work directly for Vedanta on either a part-time or full-time basis and for a fixed period or on permanent basis and is salaried. By virtue of the individual's contract of employment, the employee is obliged to adhere to Vedanta's terms

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Term	Definition
	and conditions of employment (specific to Group or the subsidiary employing the individual), and is protected by national (where it exists) and international laws concerning labour and working conditions.
Employee Consultation Committee	A committee that includes management and employee representatives and meets on a regular basis to discuss employee health and safety issues and concerns along with broader labour and working conditions and sustainability considerations. The creation of this Committee may be a legal requirement, but in the absence of such a requirement, it will be established in line with best practice.
Employee Engagement	Includes a variety of mechanisms and processes to promote transparent, accountable, positive, and mutually beneficial working relationships between management and employees. Such mechanisms and processes include information disclosure, problem/conflict anticipation and prevention, ongoing consultation, formation of partnerships, construction of grievance resolution mechanisms, negotiated problem solving, employee involvement in project monitoring, regular reporting forums and procedures, and other management functions. It would also include the employees' involvement in continuous improvement projects and events.
ICMM (International Council on Mining and Metals)	The International Council on Mining and Metals (ICMM) was established in 2001 and seeks to drive performance improvement through its members which comprise 20 mining and metals companies as well as 30 national and regional mining associations and global commodity associations.
IFC (International Finance Corporation)	Member of the World Bank that finances and provides advice to private sector ventures and projects in developing countries.
ILO (International Labour Organisation)	International organisation responsible for drawing up and overseeing international labour standards. It is a 'tripartite' United Nations agency that brings together representatives of governments, employers and workers to jointly shape policies and programmes promoting decent labour and working conditions.
Nominated Workers Representative	An workers who is selected by fellow workers who are not members of a Workers' Organisation, to represent them and their concerns regarding labour and working conditions in discussions with their employer
Operation(s)	A location or activity that is operated by a Vedanta Company and is part of the Vedanta Group. Locations could include mines, refineries, ports or transportation activities, wind farms, oil and gas development sites, offices including corporate head offices and research and development facilities.

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Term	Definition
Records of communication / consultation	Records of communication / consultation may include key e-mails, letters, newsletters, memorandums, complaints, opportunities for improvement, records of distribution/attendance, records of formal and informal meetings and records of commitments.
Vedanta Company	A subsidiary of Vedanta Group either fully or majority owned that has its own management structure (e.g. Hindustan Zinc Limited, Vedanta Aluminium Limited, Sterlite Industries limited, etc.)
Workers' Organisation	Any organisation of workers for the purpose of furthering and defending the interests of workers with regard to working conditions and terms of employment. They are typically referred to typically as trade unions or labour unions.
Workers' Organisation Representative	An individual who is a member of a Workers' Organisation and who is selected to represent them in discussions with their employer.
Working Conditions	Refers to conditions in the workplace and treatment of employees.. Conditions in the workplace include the physical environment, health and safety precautions, and access to sanitary facilities. Treatment of employees includes disciplinary practices, reasons and process for termination of employees and respect for the employee's personal dignity (such as avoiding physical punishment or abusive language (IFC Performance Standard Guidance Note 2)).

4. PROGRAMME REQUIREMENTS

All Vedanta subsidiary companies and operations are required to follow the requirements described below with regards to the mechanisms for promoting and enabling workforce consultation and participation with respect to labour and working conditions and broader sustainability issues.

4.1. Mechanisms for Communication and Participation

The following arrangements shall be maintained by all Vedanta operations to encourage and promote internal communication and employee participation in sustainability management.

- a) Practising of an open door policy by all managers, which encourages employees to approach and communicate with their leaders.
- b) Inclusion of sustainability as a fixed agenda item on the agenda of all internal meetings to encourage discussion and participation.
- c) In many countries there is a legal requirement for the employer to create a committee for employee health and safety which includes management and employee representation. In such cases, Vedanta shall ensure that a committee is created and actively attended. Broader sustainability issues shall also be included in the standard meeting agenda. In the absence of such legal requirements, Vedanta shall adopt best practice and create a committee the

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purpose of which shall be to discuss a range of health, safety and sustainability issues. In both cases, the committee shall be referred to as the Employee Consultation Committee.

- d) Provision of training and awareness sessions that address a range of relevant sustainability considerations.
- e) Use of a range of means of communication of sustainability information including posters, memos and newsletters; notice boards; information portals; intranet, training and awareness sessions.
- f) Creation, implementation and maintenance of systems for collating and sharing sustainability and performance data, interacting with employees and monitoring and reviewing sustainability performance (e.g. auditing, inspections; sharing of performance reports, annual management system review, etc).

4.2. Workers' Organisations and Workers' Organisations Representatives

Where legal provisions exist for collective bargaining and freedom of association, and where the law is silent and no legal provisions or constraints exist, Vedanta companies shall create, implement and maintain arrangements that address the following provisions.

- a) Vedanta shall not interfere with workers' rights to form or join a workers' organisation.
- b) The right to be represented by a Workers' Organisation Representative shall be respected.
- c) To be given reasonable access to consult with their Workers' Organisation Representative on labour and working conditions and the Workers' Organisation Representatives shall be provided with reasonable access to the workers they represent.
- d) Where Workers' Organisation Representatives request in writing that a dedicated committee for labour and working conditions be formed within the workplace, Vedanta shall establish such a committee within three months of the request and ensure this requirement meets regulatory requirements on committee formation requests.
- e) Workers' Organisation Representatives shall be allocated adequate paid time to carry out their functions, and paid time as is necessary to undergo training in those functions, as is reasonable in the circumstances or legally required, and shall pay any reasonable costs to do with that training, including travel and subsistence costs.
- f) Vedanta may work with the Workers' Organisation Representatives on broader sustainability matters (beyond labour and working conditions matters) if appropriate.
- g) Vedanta shall not discriminate against workers belonging to a workers' organisation.

4.3. Nominated Worker Representatives

There may be situations where collective bargaining and workers' organisations do not exist. This may be due to: legislation that restricts or prohibits freedom of association and collective bargaining; collective bargaining agreements are permitted but have not been created; where they exist but do not cover all workers employed by Vedanta; or do not address labour and working conditions.

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In these situations, all Vedanta business units shall adopt the following measures to ensure that workers are consulted and able to participate in health, safety and broader sustainability matters of concern to them in their work including working conditions.

- a) Every Vedanta business unit shall establish and maintain arrangements for the collaborative selection by employees of colleagues who will represent them and their concerns in discussions with management and to provide feedback to those that they represent (i.e. Nominated Worker Representatives).
- b) Arrangements shall be made so that Nominated Worker Representatives receive the training they need to carry out their roles, as is reasonable in the circumstances, and shall pay any reasonable costs to do with that training, including travel and subsistence costs.
- c) All Nominated Representatives shall be given the paid time necessary to carry out their functions.

4.4. Facilities for Worker Representatives

- a) Vedanta shall provide appropriate facilities and assistance that the representatives may reasonably require to carry out their role.

4.5. Arrangements to Identify and Remove Barriers to Communication and Consultation

- a) An employee relations programme designed, implemented and maintained in consultation with employees to help ensure that pertinent sustainability information is disclosed and communicated to employees in a co-ordinated, transparent, inclusive, culturally appropriate, timely and respectful manner.
- b) The employee relations programme shall encourage two way communications.
- c) Vedanta shall ensure that employees are provided with clear and understandable information regarding their rights under national labour and employment law and any applicable collective agreements.
- d) Measures to allow for communication of information in multiple languages and in respect of cultural and social norms will be implemented where possible and needed.
- e) Employee representatives of a diverse range of nationalities and cultures shall be involved in communication and consultation initiatives.

4.6. Management System Information

- a) A Management Information System (MIS) shall be designed and implemented for the purpose of communicating the following information globally across the Vedanta business: significant and significant potential incidents; hazardous conditions and issues; best practices adopted by individual business units / sites.
- b) All sustainability personnel shall subscribe to the MIS to increase awareness of recent incidents, preventative actions and lessons learnt, and case studies and leading practices that may require sharing with their teams.

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- c) All leaders shall be encouraged to subscribe to the MIS so they are able to receive notification of items of interest that may require sharing with employees.

4.7. Grievance Mechanism

- a) A Grievance Mechanism shall be established to allow for ongoing opportunities to receive and facilitate resolution of concerns and grievances from employees. This is addressed in the *Grievance Mechanisms* Technical Standard TS04.

5. ROLES AND RESPONSIBILITIES

Vedanta Resources, subsidiaries, businesses, operations and sites shall ensure that roles and responsibilities for implementing and complying with this Standard are allocated. Key responsibilities shall be included in job descriptions, procedures and/or other appropriate documentation.

6. COMPLIANCE AND PERFORMANCE

Each Vedanta operation shall ensure they comply with the requirements of this standard. Performance against meeting the requirements of this Standard shall be assessed periodically, documented and, where required, reported to Vedanta Group. The assessment of performance shall include setting and reporting on key performance indicators (KPIs) where these have been established at Vedanta Group, Company or local level and which meet the requirements as set out in the *Sustainability Data Management* Technical Standard TS21.

The evaluation of performance shall include, as a minimum, confirmation that:

- Sustainability is an agenda item on the agenda of relevant internal meetings to encourage discussion and participation.
- The right of every worker to be represented by a Workers' Organisation Representative is respected.
- Workers are given reasonable access to consult with their Workers' Organisation Representative on labour and working conditions and the Workers' Organisation Representatives is provided with reasonable access to the workers they represent.
- Employees are consulted and able to participate in health, safety and broader sustainability matters of concern to them in their work including working conditions.
- Facilities and assistance are provided to worker representatives to carry out their role.
- An employee relations programme has been designed, implemented and maintained in consultation with employees to ensure that pertinent sustainability information is disclosed and communicated to employees in a co-ordinated, transparent, inclusive, culturally appropriate, timely and respectful manner.

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- A Management Information System has been designed and implemented for the purpose of communicating information on significant and significant potential incidents; hazardous conditions and issues; best practices adopted by individual business units / sites.

7. SUPPORTING INFORMATION

Reference	Description
ILO (International Labour Organisation)	<p>The various conventions that have been ratified by the ILO are available on the website and provide useful information and guidance with respect to a range of labour and working conditions considerations including Freedom of Association and Protection of the Right to Organise, and Right to Organise and Collective Bargaining as well as protocols, lists of conventions implemented in different countries, and other information.</p> <p>http://www.ilo.org/global/lang--en/index.htm#a1</p>
IFC (International Finance Corporation) Performance Standard PS2	<p>Details the provisions for Labour and Working Conditions that must be implemented by any organisation required to adopt the IFC standards. The standards are also useful as best practice guidance. The guidance note accompanying PS2 provides helpful information and guidance on the implementation of the PS requirements.</p> <p>http://www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards</p>
World Bank Toolkit on Core Labor Standards	<p>General information on the ILO's four fundamental principles and rights at work. The Toolkit also provides links to other useful information sources.</p> <p>http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTLM/0,,contentMDK:20224298~menuPK:584854~pagePK:148956~piPK:216618~theSitePK:390615,00.html</p>

8. REVIEW

This Technical Standard shall be periodically audited and reviewed to determine its accuracy and relevance with regard to legislation, education, training and technological changes. In all other circumstances, it shall be reviewed no later than 12 months since the previous review.

9. RELATED DOCUMENTATION

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A summary of the references and supporting documents relevant to this document is provided in the following table.

Doc. Ref.	Document name
	Vedanta Code of Conduct
TS 04	Grievance Mechanisms
TS 05	Stakeholder Engagement
TS 21	Sustainability Data Management