



VEDANTA RESOURCE LIMITED  
SEPTEMBER 2022

Investor Presentation

COMMUNITIES

PLANET

WORKPLACE

**TRANSFORMING  
FOR GOOD**



# Vedanta Resources Limited – Overview

A globally diversified natural resource powerhouse with presence across all key commodities

1<sup>st</sup> quartile cost curve positioning globally across key segments with mine life of > 25 years

Committed to ESG leadership in the natural resources sector; Net Zero by 2050 or sooner

Strong management team with > 30 years of experience; 76,000+ people employed (including contractors)

Contribution to exchequer of > \$38 bn since FY16

>\$14 bn Capex<sup>1</sup> over the last decade without raising further capital from equity markets

Partnering with 'Foxconn' to start Semiconductors production; provides a large value creation potential for our stakeholders

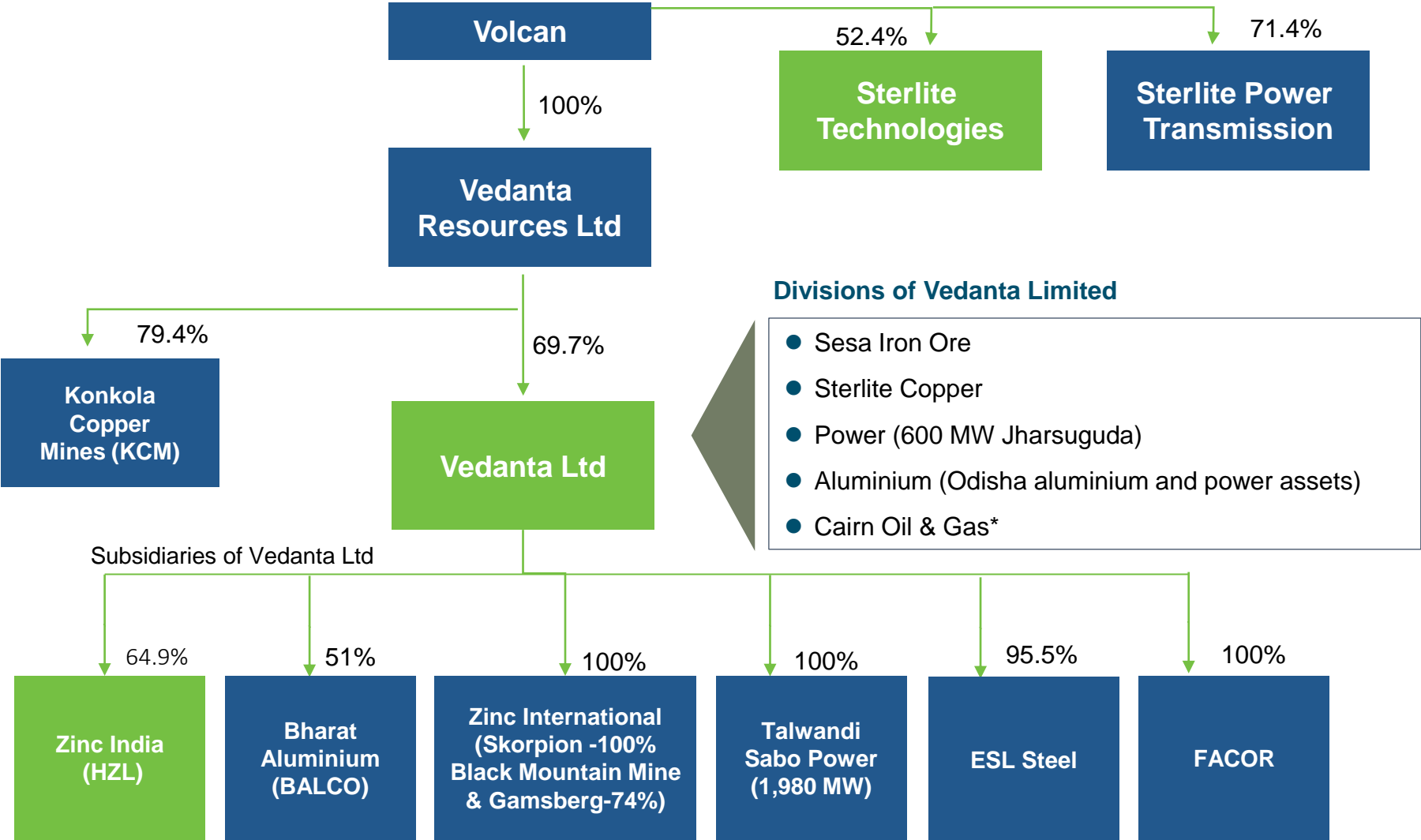
Demonstrated track record of industry leading dividend payout of >\$9 bn<sup>2</sup> over a decade; paid record a dividend of ~\$2.4 bn in YTD FY23

Impeccable track record of honoring all capital market commitments; committed to prioritize deleveraging by \$4 bn over 3 years

Achieved ~\$1.5 bn deleveraging YTD FY23; VRL's external net debt has come down to ~\$8.3 bn; comfortably positioned for Apr-May'2023 maturities



# Group structure to support diversified commodity exposure



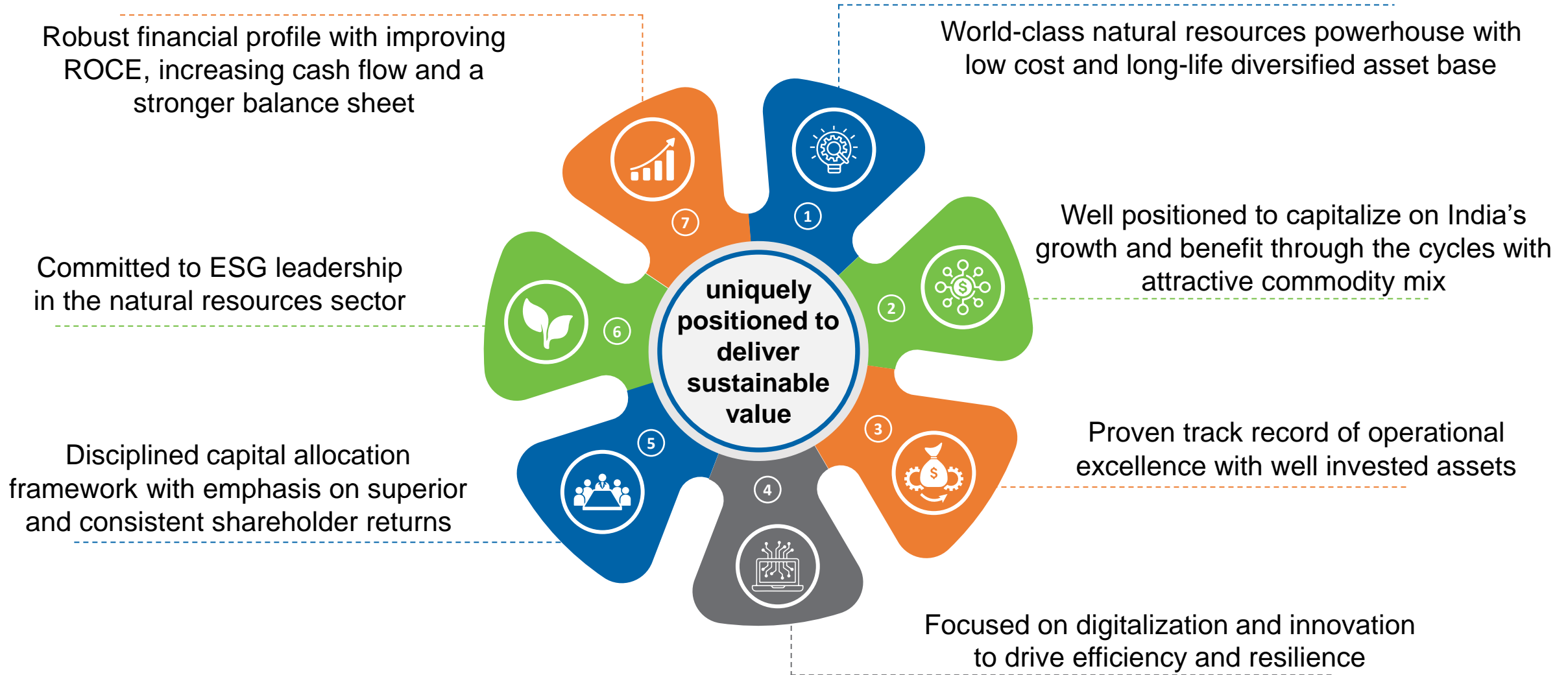
■ Listed entities  
■ Unlisted entities

### Divisions of Vedanta Limited

- Sesa Iron Ore
- Sterlite Copper
- Power (600 MW Jharsuguda)
- Aluminium (Odisha aluminium and power assets)
- Cairn Oil & Gas\*

Note: Shareholding as on March 31, 2022  
\*50% of the share in the RJ Block is held by a subsidiary of Vedanta Ltd

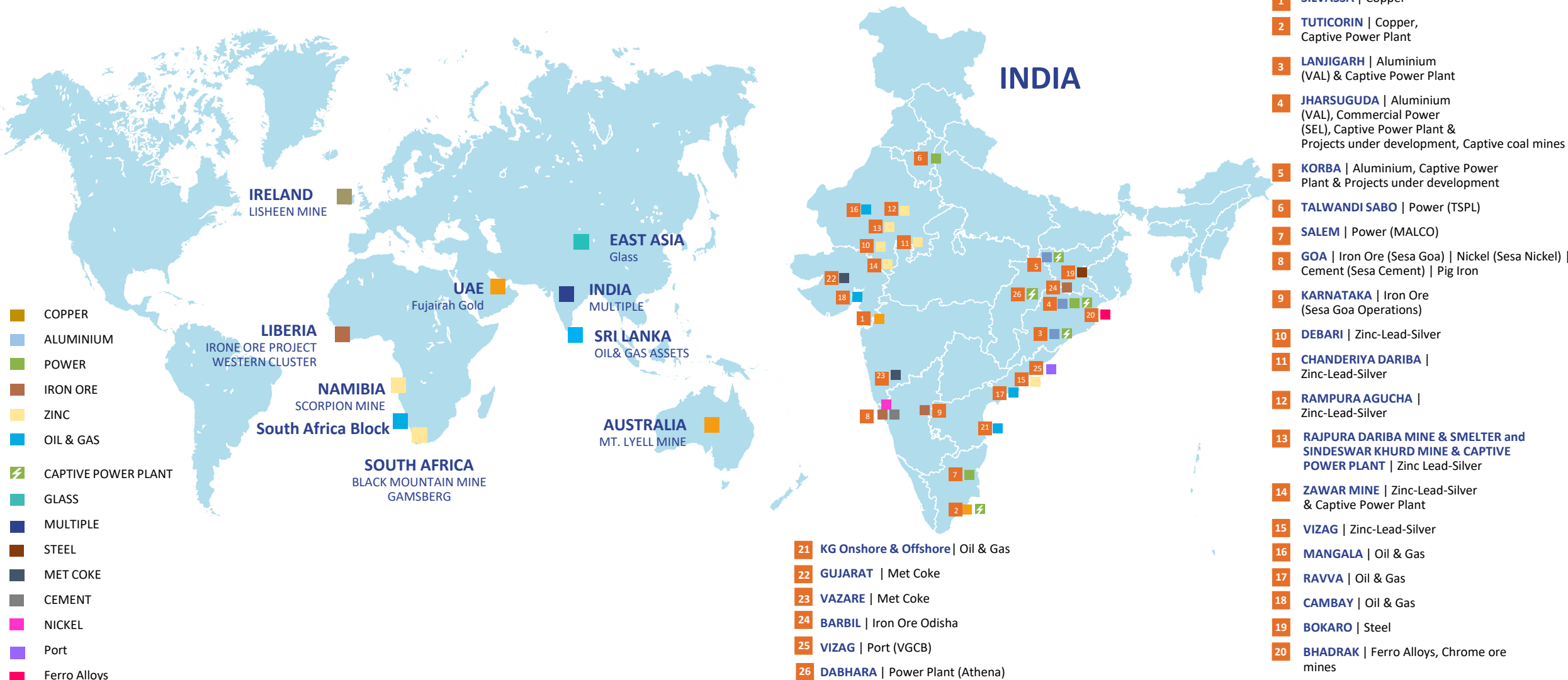
# Vedanta is uniquely positioned to deliver sustainable value





1a

# World class diversified natural resource powerhouse



Note: Maps not to scale; Lisheen mine had safe, detailed and fully costed closed after 17 years of operation in Nov'2015 and Mt. Lyell mine is under care and maintenance

**1b**

# Tier-1 low-cost assets and long-life assets with exploration upside

## POSITIONING

**Zinc India**

Largest integrated zinc-lead producer

**Zinc International**

One of the largest undeveloped zinc deposits

**Oil & Gas**

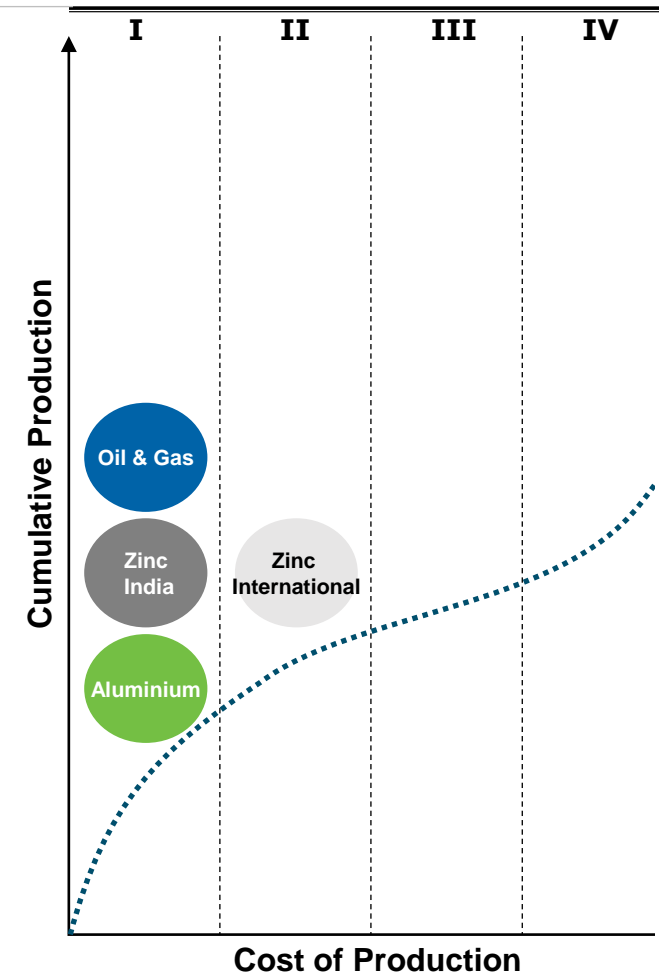
India's largest private-sector crude oil producer

**Silver**6<sup>th</sup> largest silver producers globally**Aluminium**

Strategically located large-scale assets with integrated power

**Steel<sup>4</sup>****Iron ore**

One of the largest exporter in India

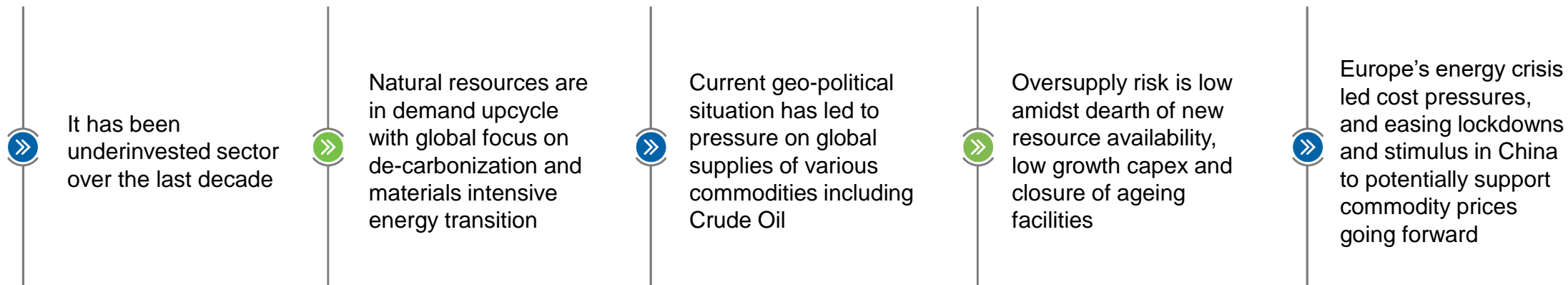
**R&R Life<sup>1</sup>****25+****30+****25+****FY2022 Production****1,017kt****223kt****161kboepd****20.8moz****2,268kt****1,355kt****5.4mnt****Full Capacity<sup>2</sup>****1.2mtpa****500ktpa****>> 300<sup>3</sup> kboepd****>> 25mozpa****>> 3.0mtpa****>> 3.0mtpa****>> 5.8mnt****Competitive Position on Cost Curve  
Quartiles<sup>5</sup>**



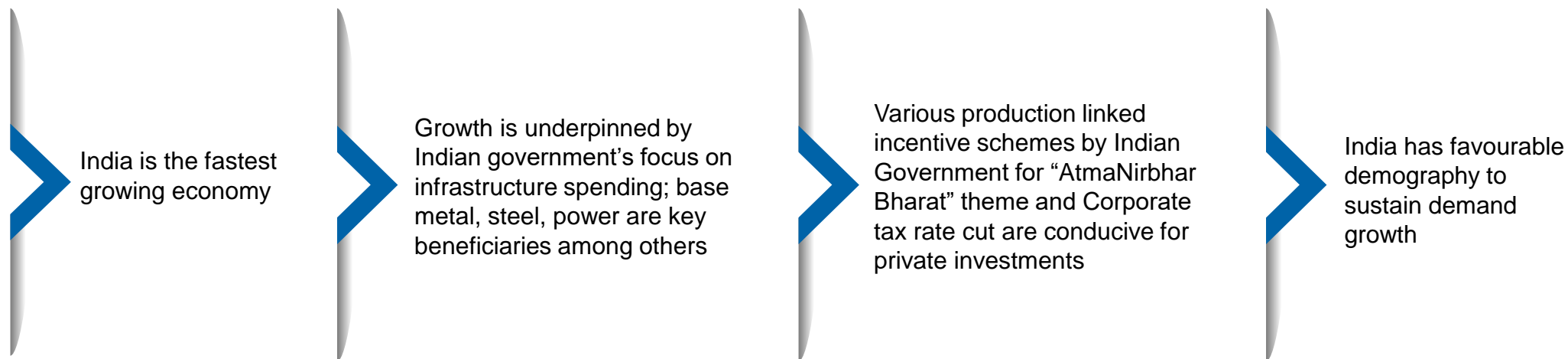
2a

# Well positioned to capitalize on global natural resource potential and India growth outlook (1/2)

## GLOBAL NATURAL RESOURCE UPCYCLE




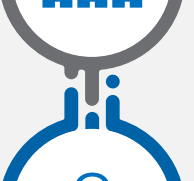


## INDIA GROWTH POTENTIAL

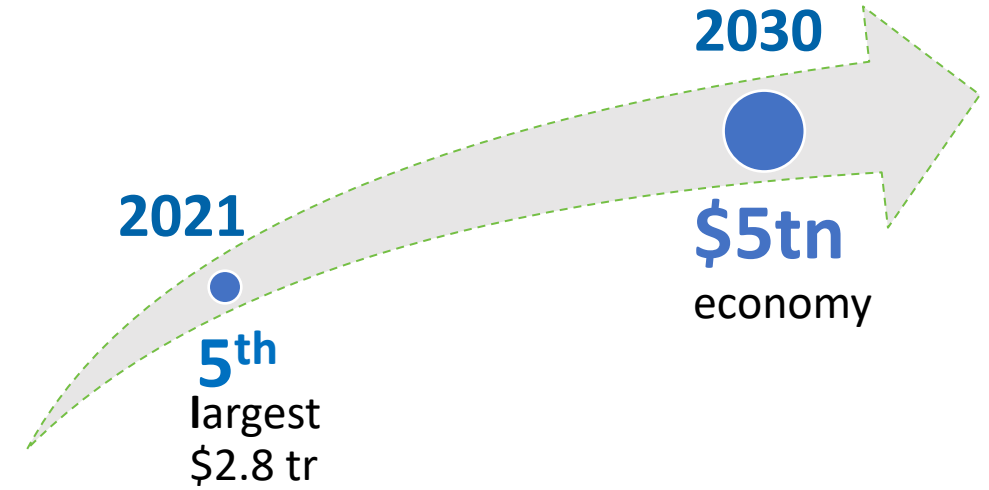


# Well positioned to capitalize on global natural resource potential and India growth outlook (2/2)

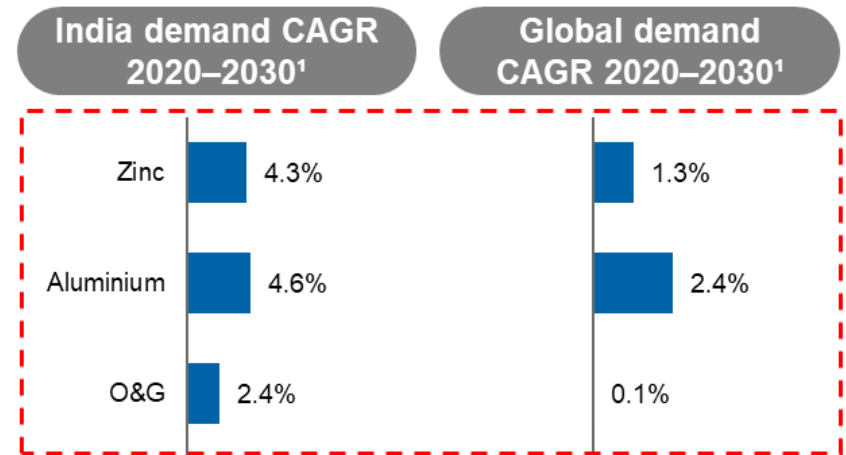
India is the fastest growing major economy in the world

-  GDP(Real)
-  Per capita income(Real)
-  Urbanization
-  Consumer market

	2021	2030
GDP(Real)	\$2.8 tn	\$4.8 tn
CAGR 6.1%		
Per capita income(Real)	\$6.8k	\$11.6k
CAGR 5.2%		
Urbanization	35%	40%
CAGR 1.4%		
Consumer market	2021 6 <sup>th</sup> largest	3 <sup>rd</sup> largest



Zinc, Aluminium and Oil & Gas contributes 90% of EBITDA\*





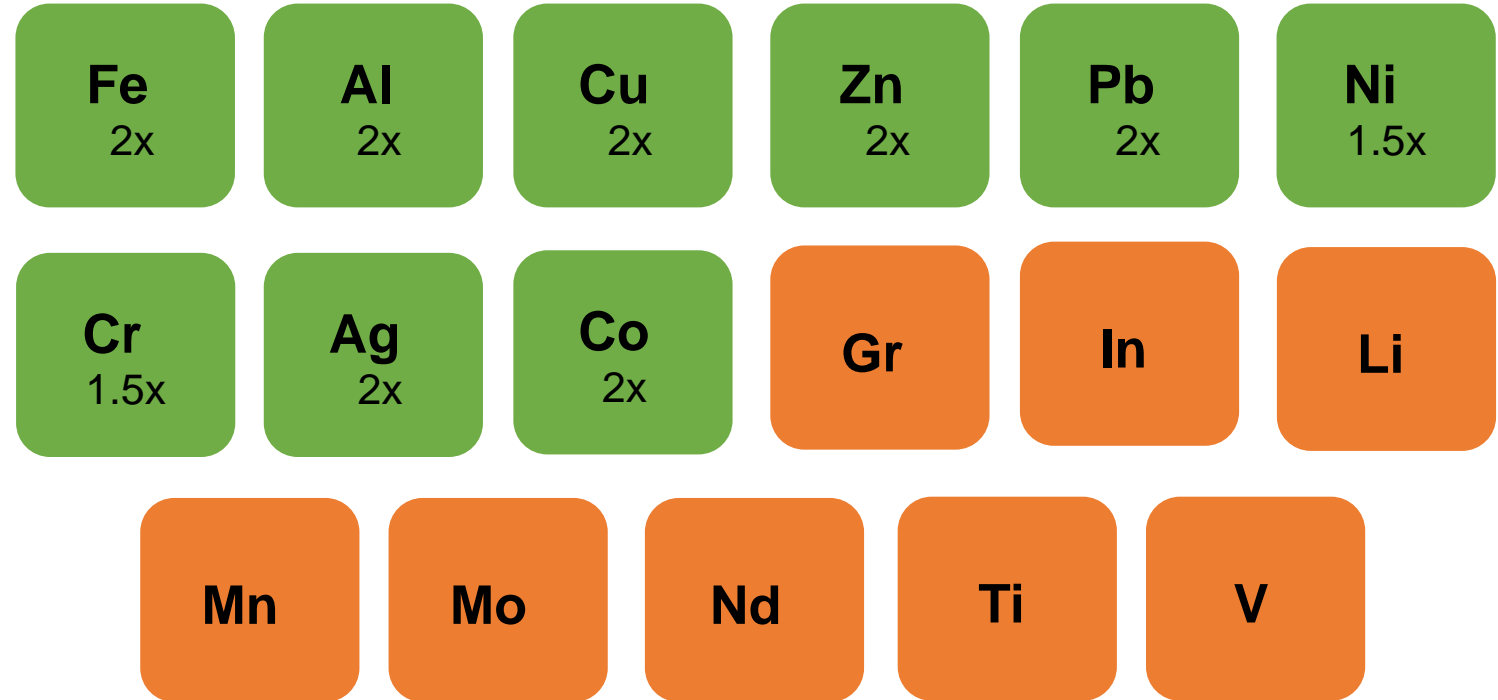
# Our portfolio with attractive commodity mix is well placed to meet the energy transition led mineral demand growth

**Clean energy shift** **Mineral intensity vs conventional tech**

Electric vehicles	5x
Solar PV	5x
Offshore wind	9x
Onshore wind	6x

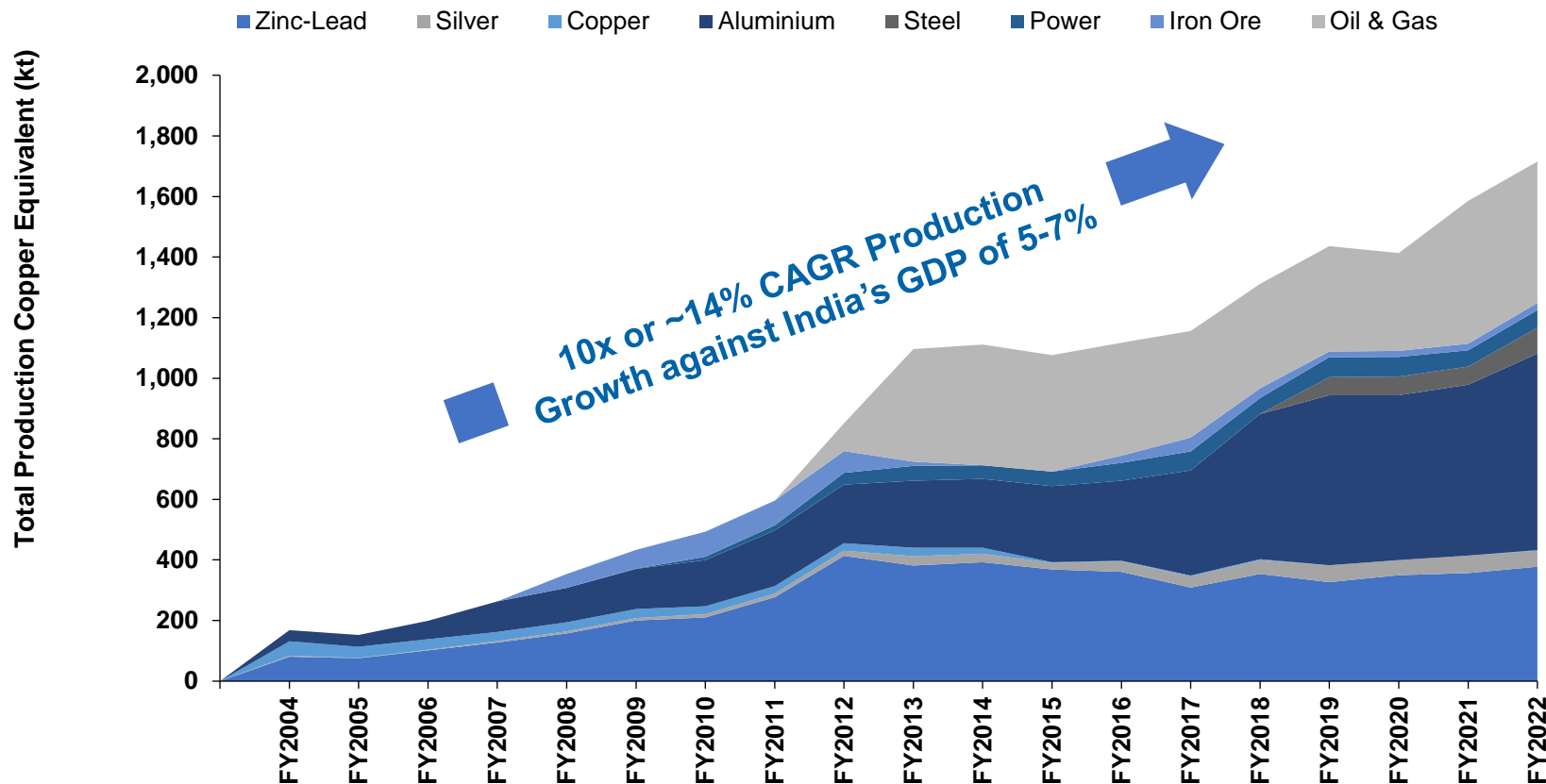
■ Vedanta's presence

## Key mineral for clean energy technologies

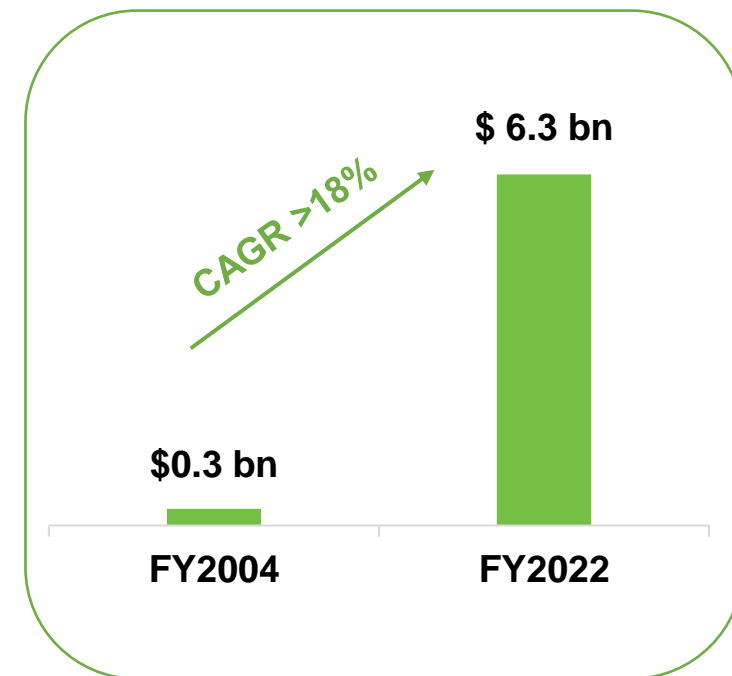




# Proven track record of operational excellence



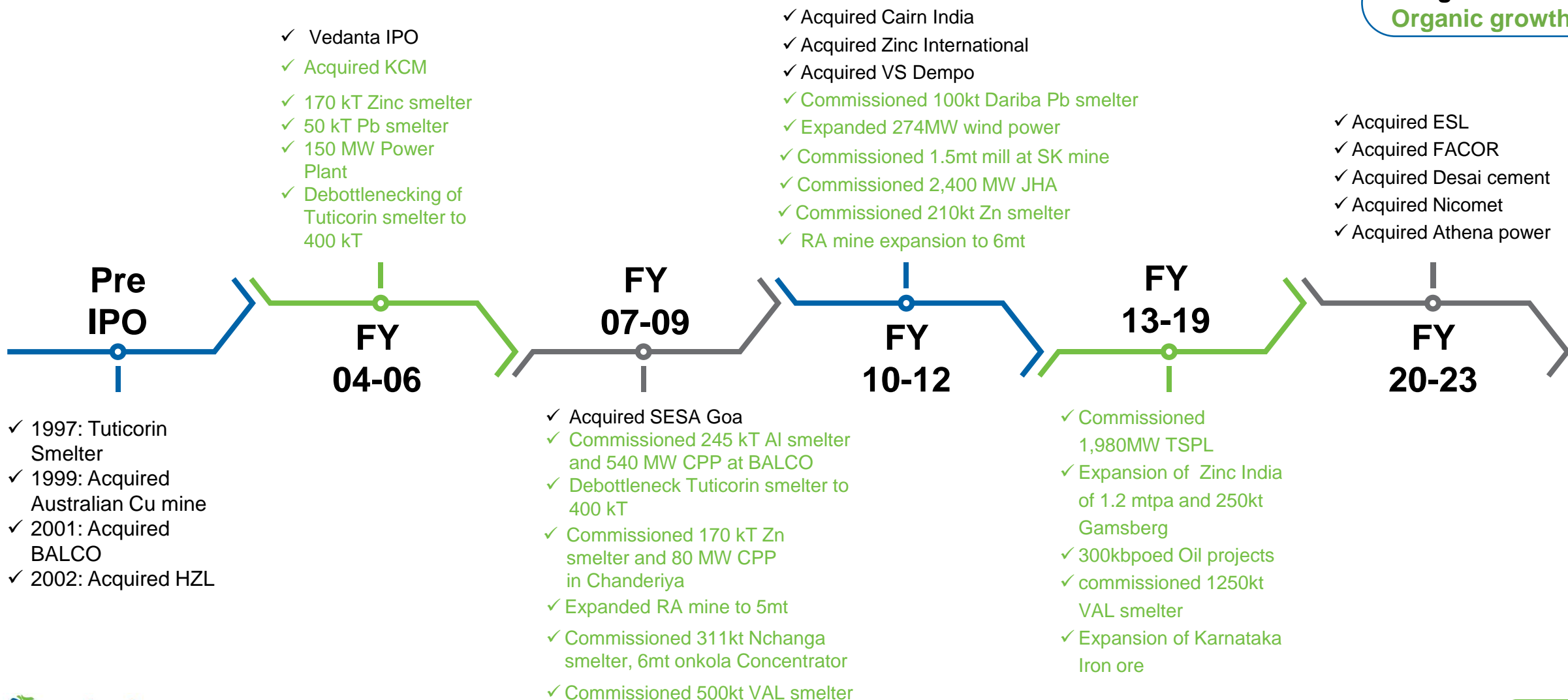
## Strong EBITDA Performance





# Well invested and consolidated assets driving growth

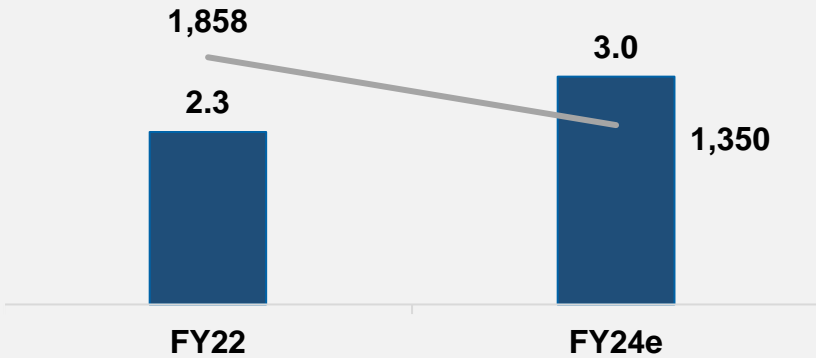
**Inorganic Growth**  
**Organic growth**



# Aluminium business: Set to be among top 3 globally\* delivering superior value for all its stakeholders

**Aluminium:** achieved record production, margins continue to improve

Aluminium Capacity ■  
Cost \$/t ■

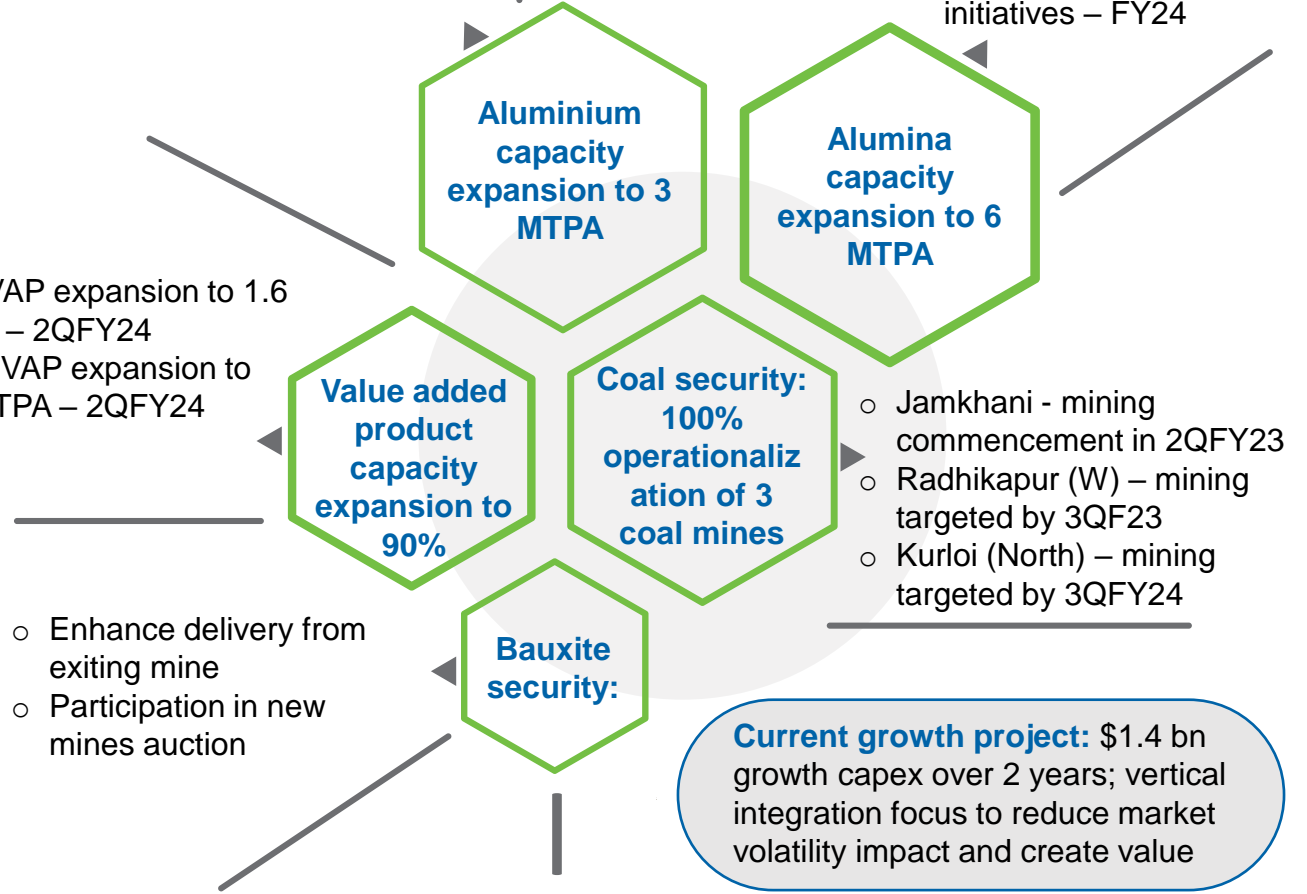


VAP capacity	60%	90%
Captive Alumina	45%	100%
Captive Coal	0%	50%
Domestic Bauxite	56%	70%

- JSG capacity ramp-up to 1.8 MTPA – 2QFY23
- Balco capacity expansion to 1 MTPA – 1QFY24
- Debottlenecking for balance 0.2 MTPA – 3QFY24

- Environmental clearance is in place
- New 3MTPA expansion project – 4QFY23
- 1 MTPA via debottleneck initiatives – FY24

- JSG VAP expansion to 1.6 MTPA – 2QFY24
- Balco VAP expansion to 1.1 MTPA – 2QFY24



**Current growth project:** \$1.4 bn growth capex over 2 years; vertical integration focus to reduce market volatility impact and create value

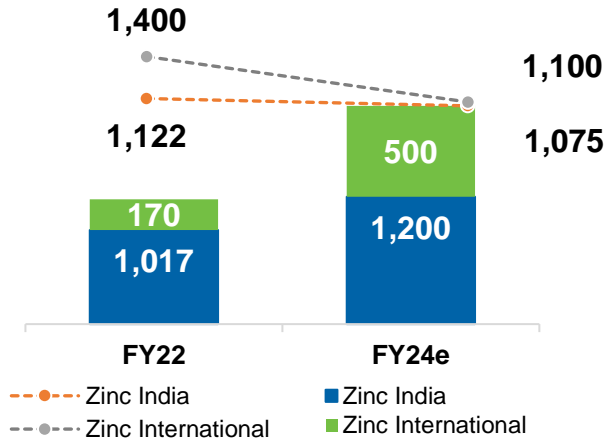
\*Ex China; FY22 number is production



3d

# Zinc Business: Transformed zinc India completely over the last decade; Zinc International poised to deliver significant value

## VOLUME (KT) & COP (\$/T)



## ZINC INDIA

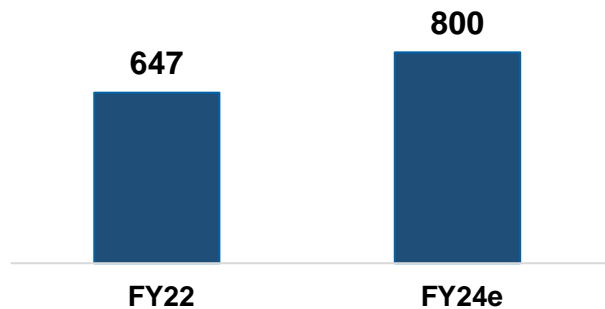
- Largest Integrated Zinc-Lead miner with >25 years of mine life
- 1st quartile in cost curve (\$ 1,116/MT)\*
- Dow Jones Sustainability Indices (DJSI) ranking^ 5<sup>th</sup> globally
- 1<sup>st</sup> in Asia Pacific\* in DJSI ranking

## ZINC INTERNATIONAL GROWTH PROJECT

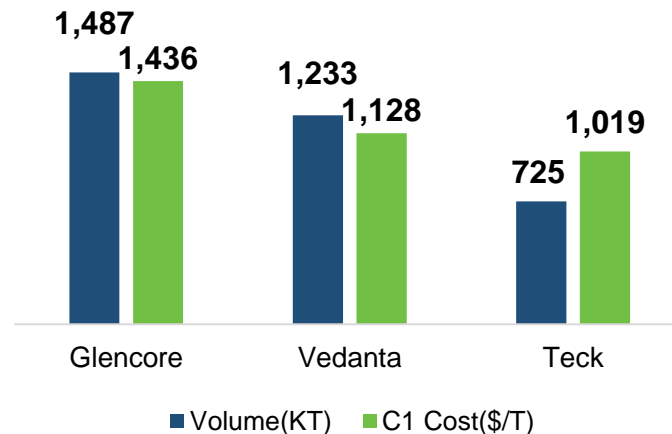
- \$466 mn capex on Gamsberg phase 2 project
- Open cast mine expansion from 4 MTPA to 8 MTPA
- New 4 MTPA Concentrator (additional 200+ kt MIC)
- Completion by 1HFY24 and commissioning in 3QFY24

## SILVER (Tonnes)

- Only Silver Producer in India
- Zero Cost – Contributes to 1/3<sup>rd</sup> of EBIDTA



## VOLUME & COST COMPARISON\* (CY21)



## KEY FACILITIES INCLUDE:

- New tailing dam with HDPE lining as per environmental regulations
- New 20km, 22 MVA power line to site
- 6.5km line for 7.5 MLD water





3e

# Oil & Gas: Rich portfolio mix spread across basins; focus on augmenting R&R and increase production volume

## Vision



> 50% of India's domestic production



Maximize resource potential of 58 blocks



Partnership models for capex and O&M



Production

500  
kboepd

3

bnboe



R&R

**Current growth project: \$687mn growth capex projects, includes \$360mn to monetize 52.6mmboe reserves and \$327mn to grow resources**

### Infill wells:

~70 wells across operating fields viz Aishwarya, Bhagyam, Tight Oil, Tight Gas and Offshore to augment reserves & mitigate natural decline

### Exploration PSC/OALP:

30 exploration wells both onshore & offshore across the PSC and OALP blocks to establish resource potential

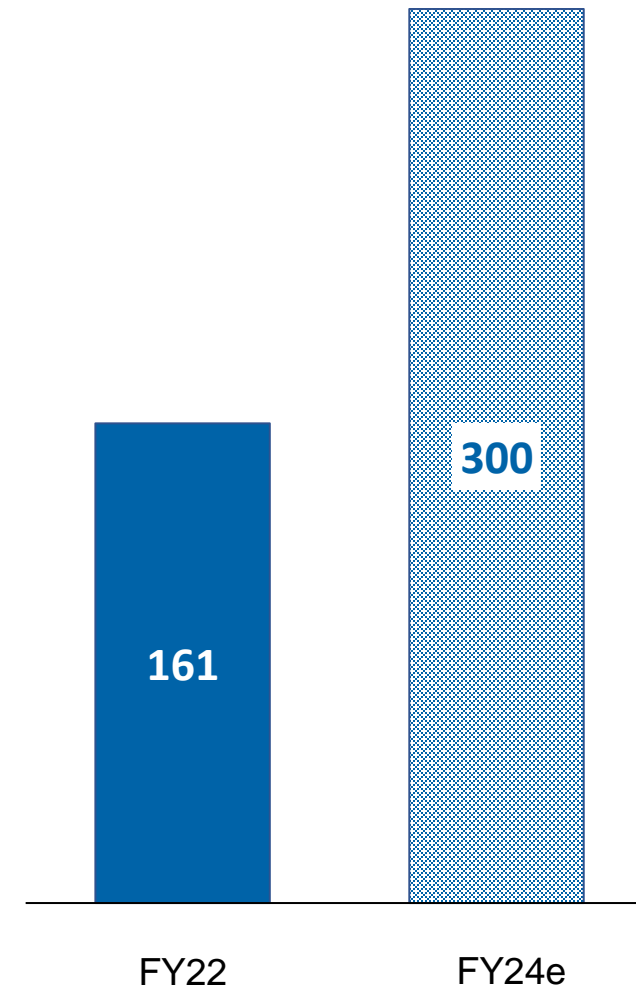
### Shale:

5 pilot wells program in Barmer, in partnership with global service providers to leverage technology, to unlock unconventional resources potential

### ASP:

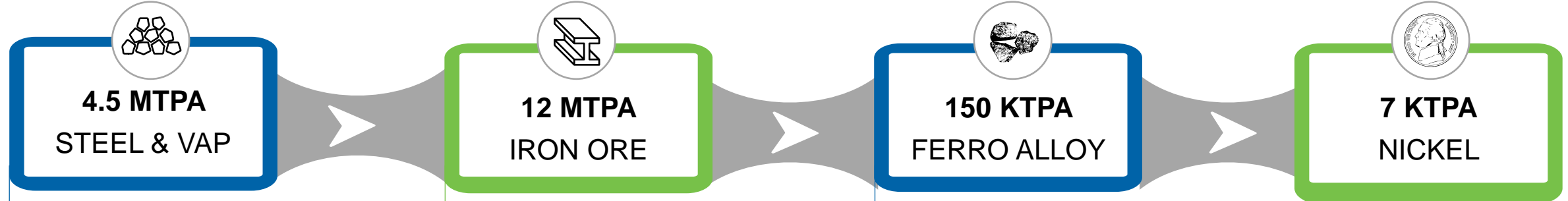
a) ASP surface facility award for Mangala field, b) Early ASP injection in select pads, c) Pilot project in Bhagyam and Aishwariya fields

**Partnership-model with leading OFS companies from concept to execution**





# Iron & steel: Potential to create long term growth



- Expansion at Bokaro / Goa
- Greenfield at Bellary
- Potential Acquisition
- Value added product (VAP) portfolio expansion
- Captive Iron Ore / Coal Mine

### Current growth project:

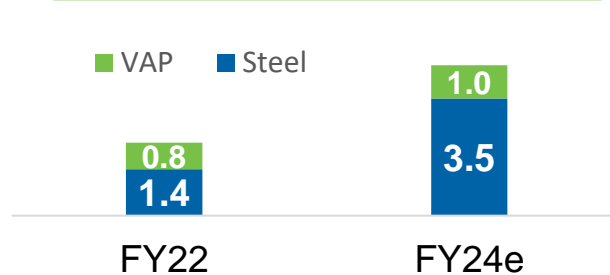
- Growth capex investment of \$348 mn
- Doubling Hot Metal Capacity to 3.0 MTPA from 1.5 MTPA
- Completion of project by end of FY23

- Starting mines in Liberia
- Reserves and Resources Augmentation through Exploration
- Restart of Goa
- New mine acquisition

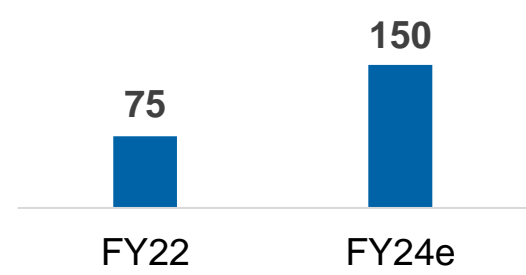
- Charge Chrome plant (CCP) Expansion
- Mine Expansion
- Reserves and Resources Augmentation through Exploration

- Starting Operations
- Debottlenecking
- Capacity Expansion
- Captive Nickel Mine

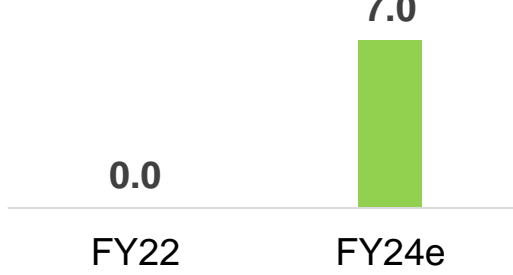
### Steel & VAP Capacity (Mnt)



### Ferro Chrome Capacity (kt)



### Nickel Production (kt)

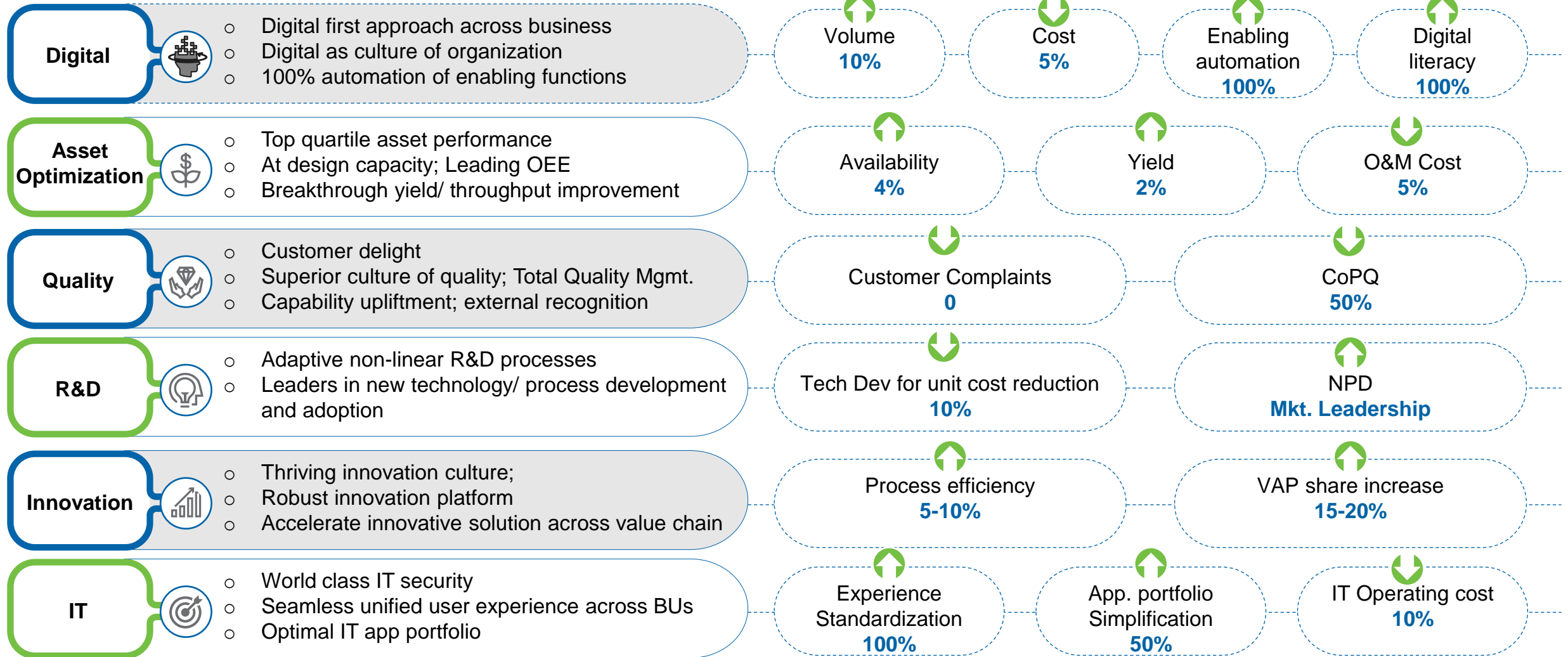


FY22 numbers are of production



# Focused on digitalization and innovation to drive efficiency and resilience

## Six core pillars of center of excellence: clear outcomes outline ambition for each pillar





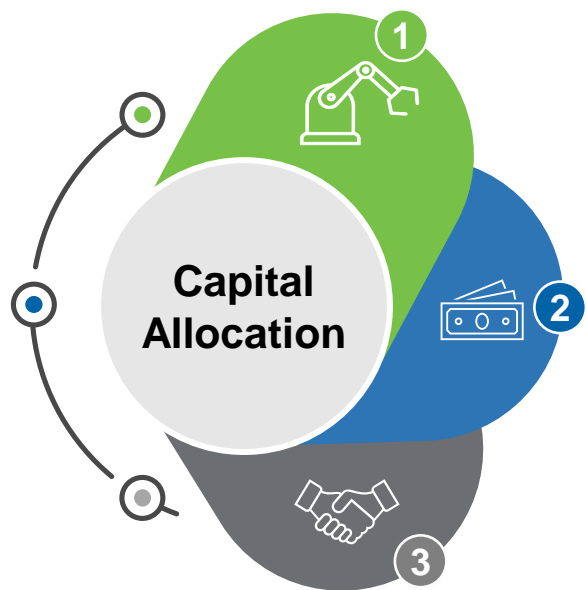


## Key Strategic Priority



### Optimize Leverage Ratio

- Intend to deleverage at group level
- Leverage ratio at Vedanta Limited should not be more than 1.5x.



**CAPITAL EXPENDITURE**

### Project Capex

- Volume augmentation, cost reduction or creating value added products are key guiding principles for all projects
- Growth projects to ensure minimum guidelines for IRR ~18%

### Sustaining Capex

- All sustaining capital expenditure to be a part of Business Plan
- Sustaining capex to be defined and tracked in \$/tonne

**DIVIDEND**

Minimum 30% of Attributable Profit after tax (before exceptional items) of Company (excluding profits of HZL)

Dividend income received from HZL will be pass through within 6 months






**MERGERS & ACQUISITIONS**

Intent to enhance value via acquiring accretive assets/business that have synergies with existing line of core businesses

## Maximize Total Shareholder's Return (TSR)



## ESG Purpose Transforming for good

<p><b>Pillars</b></p> 	<p><b>1</b> </p> <p><b>Transforming Communities</b></p>	<p><b>2</b> </p> <p><b>Transforming the Planet</b></p>	<p><b>3</b> </p> <p><b>Transforming the Workplace</b></p>
<p><b>Commitments &amp; targets</b></p> 	<ul style="list-style-type: none"> <li>▪ <b>Aim 1.</b> Keep community welfare at the core of business decisions.</li> <li>▪ <b>Aim 2.</b> Empowering over 2.5 million families with enhanced skillsets</li> <li>▪ <b>Aim 3.</b> Uplifting over 100 million women and children through Education, Nutrition, Healthcare and welfare</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Aim 4.</b> Net-carbon neutrality by 2050 or sooner.</li> <li>▪ <b>Aim 5.</b> Achieving net water positivity by 2030</li> <li>▪ <b>Aim 6.</b> Innovating for a greener business model</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Aim 7.</b> Prioritizing safety and health of all employees</li> <li>▪ <b>Aim 8.</b> Promote gender parity, diversity and inclusivity</li> <li>▪ <b>Aim 9.</b> Adhere to global business standards of corporate governance</li> </ul>

Total Beneficiaries

4.64 mn

FY22 CSR Spend

₹ 399+ crores

Villages reached

1268+

## Areas of Focus in CSR



**Healthcare**  
> 30 Initiatives



**Drinking water and sanitation**  
> 17 Initiatives



**Community Infrastructure**  
15 Initiatives



**Children's well-being and education**  
>25 Initiatives



**Environment protection & restoration**



**Women Empowerment**  
>7 Initiatives



**Sports and culture**  
>11 Initiatives



**Agriculture and animal husbandry**  
>11 Initiatives

## Key Initiatives of CSR



Nand Ghar



Saplings Plantation



Sakhi Utpadan Kendra



Agriculture



Mobile health units






Archery Academy






6a

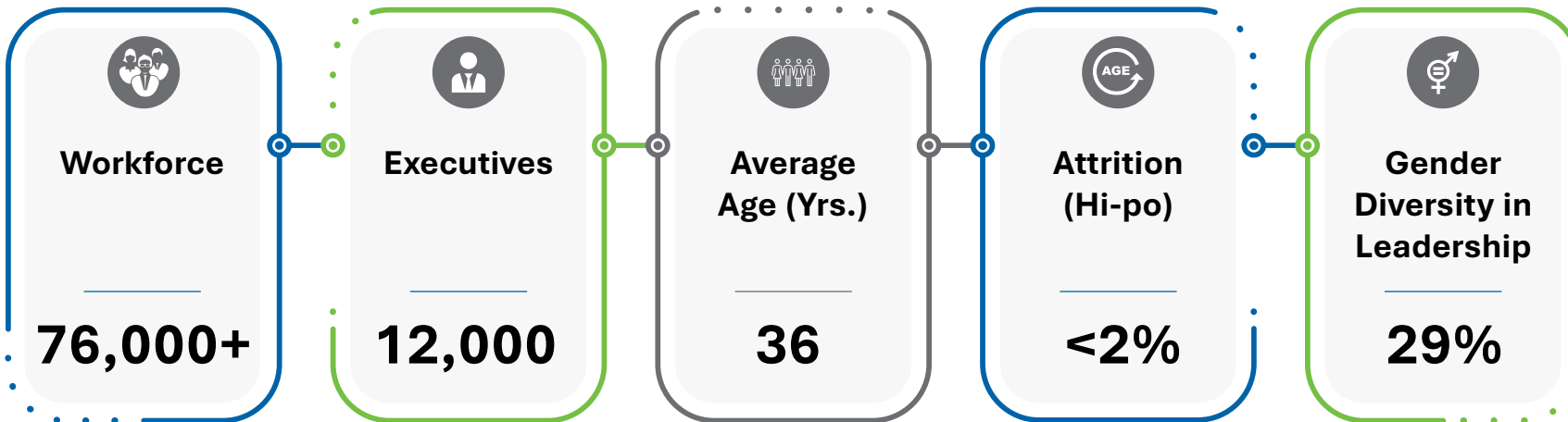
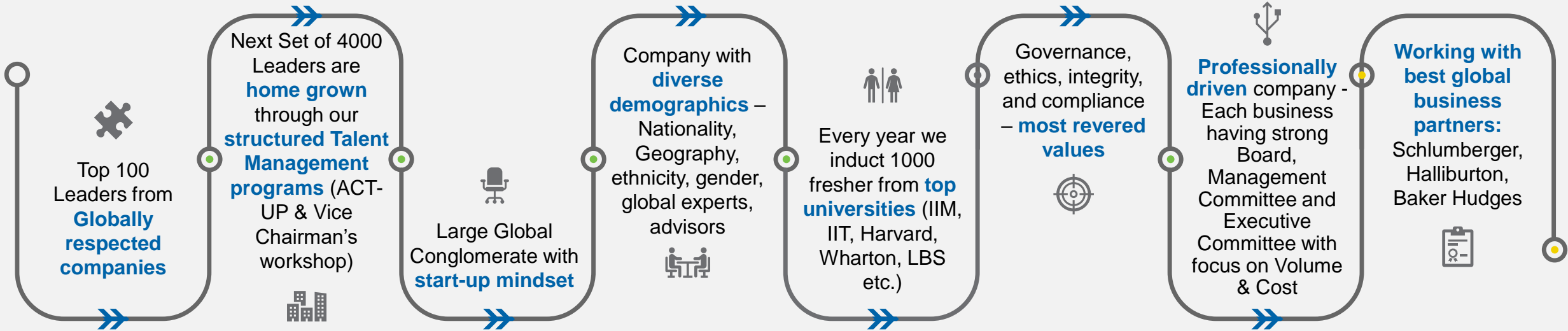
# Steadily progressing on our repurposed ESG strategy: Pillar 2 – Transforming the Planet

Our aims	Key KPIs (UoM)	Baseline (FY21)	2030 Target	Key strategic initiatives
 <b>Net carbon neutrality by 2050 or sooner</b>	Absolute GHG emissions (TCO <sub>2</sub> e)	60mn	45mn	Started Biomass usage at HZL / BALCO / Val J Procured ~ 867 Million units of RE power in Aluminium Planned 4 Turbines revamping for efficiency improvement Completed inventorisation of Scope - 3 emissions for FY21 and FY22 as per global standards Completed physical & transition risk study as per TCFD framework Internal Carbon Price to be rolled out by 2HFY23
	GHG intensity (TCO <sub>2</sub> e/T of metal)	6.45	5.2 (2025)	
	Renewables in operations (RE RTC, MW)	67	2.5 GW	
 <b>Achieving net water positivity by 2030</b>	Water recycled (%)	31	Net Water Positive	Completed water risk assessment for all business units Implemented standard operating procedure for water positivity calculations
 <b>Innovating for a greener business model</b>	Waste utilization (HVLT) (%)	94	Zero Legacy waste (2027)	Signed agreements with more cement companies for Ash offtake VAB and IIT Bombay are collaborating for development of process for hydrogen usage in Blast furnace and basic oxygen furnace steel making Committed to align with new Global Industry Standard on tailing management (GISTM) by 2025
	R&D for new technologies	-	Ongoing	

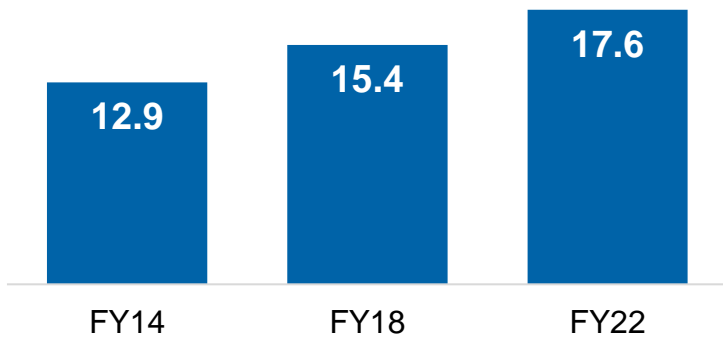
# Steadily progressing on our repurposed ESG strategy: Pillar 3 – Transforming the workplace

Our aims	Key KPIs (UoM)	Baseline (FY21)	2030 Target	Key strategic initiatives
 <p><b>Prioritizing safety and health of employees</b></p>	Fatal incidences (Number)	8	Ongoing target- Zero Fatalities	<ul style="list-style-type: none"> <li>▪ Implementing Critical Risk Controls on vehicular safety across sites</li> <li>▪ Established Community of Practice (CoP) for safety</li> <li>▪ Cross business audits to ensure best safety practices</li> <li>▪ Development of uniform procedures/guidance for VFL and SI across group is under progress</li> </ul>
 <p><b>Promote gender parity, diversity and inclusivity</b></p>	Gender diversity in organization (%)	11.2	20% women employees	<ul style="list-style-type: none"> <li>▪ V-Lead program to identify women leaders on CXO track</li> <li>▪ Vice Chairman workshops for women leaders</li> <li>▪ Launched Vedanta wide Structured Gender sensitization sessions for leadership and managers to percolate cultural transformation and foster inclusiveness</li> <li>▪ Onboarding candidates of different sexual orientation and gender expression</li> </ul>
 <p><b>Adhere to global business standards of corporate governance</b></p>	Zero controversies on corporate governance (Number)	0	Ongoing target- Zero controversies	<ul style="list-style-type: none"> <li>▪ Internal controls in place for strong governance</li> <li>▪ Updated Supplier Code of Conduct to include ESG metrics</li> <li>▪ Voluntary released 'Business Responsibility and Sustainability Report'</li> <li>▪ Initiated ICMM application journey, self assessment underway</li> </ul>

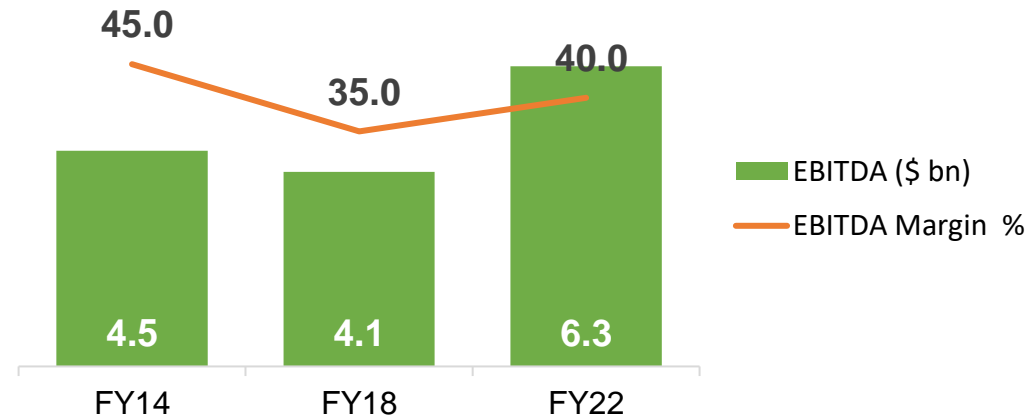
## OUR KEY FOCUS AREAS



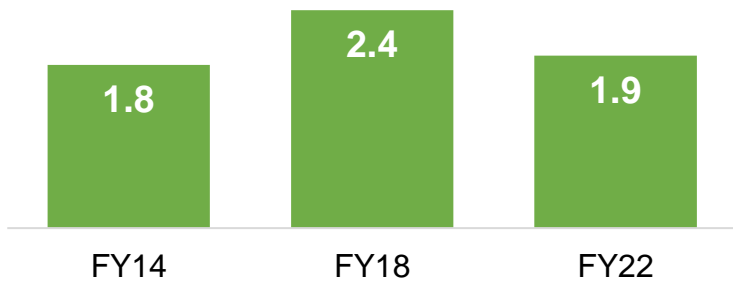
Revenue (\$bn)



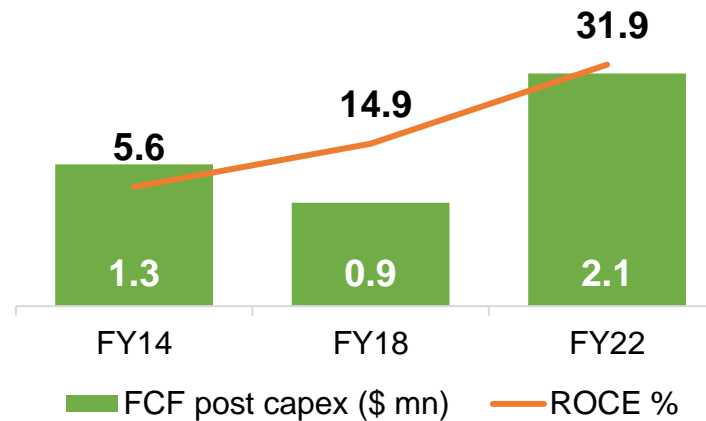
EBITDA and EBITDA Margin



Net debt / EBITDA x

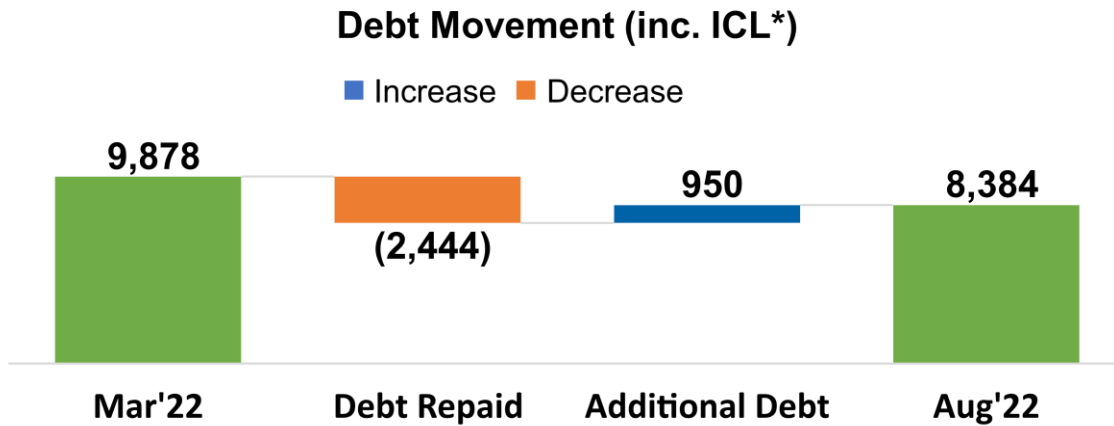


FCF post capex and ROCE



# Delivering on deleveraging commitment along with proactive refinancing

- On track to deliver on deleveraging commitment; achieved \$1.5bn YTD FY23 deleveraging at VRL including \$300mn ICL repayment

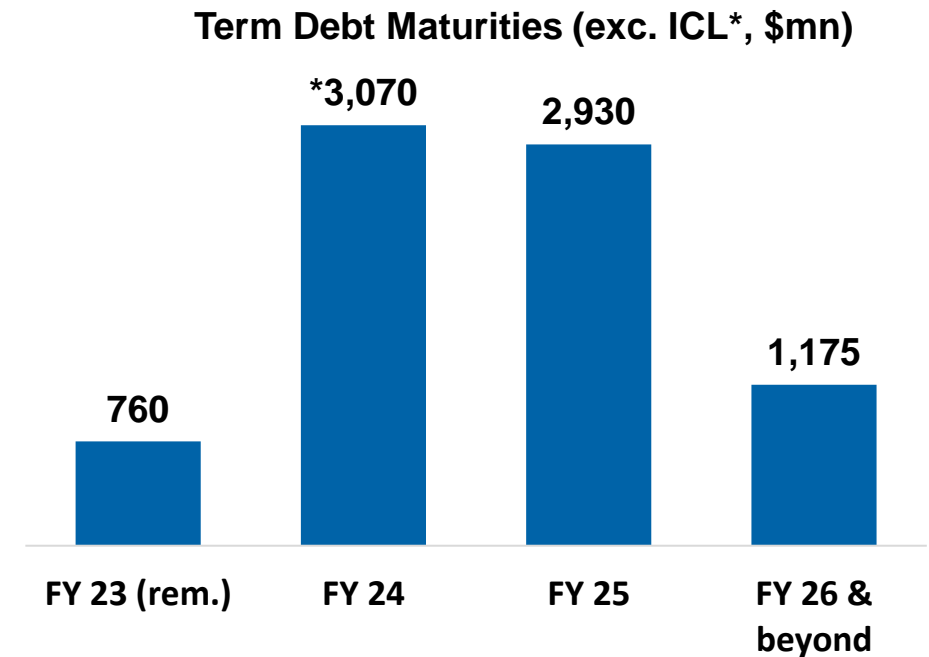


- Raised additional financing of \$950mn in YTD FY23; leveraging strong relationship with Indian PSU Banks for long term financing

Source	Amount (\$mn)	Avg Maturity (years)
SBI	500	3.50
Canara Bank	200	3.00
Others	250	0.75

- Improved corporate structure with 69.7% stake in VEDL

In strong position to proactively address maturities with a combination of deleveraging and proactive long-term financing



\*Out of \$3.07 bn in FY24, \$900 Mn bonds will be taken care of in FY23



# Strategy to enhance long term value

## STRATEGIC PRIORITIES



**Committed to ESG leadership**

- Achieve net zero carbon mission by 2050 and water positivity by 2030

**Augment reserves & resources base**

- Disciplined approach to exploration

**Operational excellence and cost leadership**

- Focus on full capacity utilization
- Improve business efficiencies
- Maintain 1st quartile cost curve positioning globally
- Digital transformation

**Optimise capital allocation & maintain strong Balance Sheet**

- Maximize Free cash flow and optimize leverage
- Disciplined capital allocation
- Proactive risk management

**Delivering on growth opportunities**

- Timely execution of growth projects
- Focus on growing our operations organically through brownfield opportunities

## FOCUS AREAS





**VEDANTA RESOURCES  
LIMITED  
INVESTOR PRESENTATION  
September 2022**

**Appendix**

# Vedanta Limited - Best ever first quarter performance in 1QFY23



## Operational

Key businesses continue to deliver strong operating performance:

- **Aluminium** production grew 3%YoY
- **Zinc India** achieved highest ever refined metal production of 260kt, up 10%YoY
- **Gamsberg** achieved record mined metal production 53kt, grew 14%YoY
- **Oil and Gas:** production was broadly stable; impact of natural decline was largely offset by infill wells and gas production
- **Iron & Steel:** Pig iron production at VAB grew 6%QoQ
- **Facor:** achieved highest ever ore production since acquisition, increased 14% YoY
- Commenced Nickel Cobalt Goa plant and Liberia Iron ore mine operations in July'22



## Financial

- Revenue of ₹ 38,251 crore (\$ 4,964 mn), up 36%YoY
- Achieved best-ever 1Q EBITDA of ₹10,741 crore (\$ 1,394 mn), up 7% YoY
- Industry leading EBITDA margin of 32%\*
- Net debt / EBITDA of 0.6x – lowest among peers
- Strong liquidity position with cash and cash equivalents of ₹ 34,342 crore (\$4,356 mn)
- Return on capital employed improved 780bps YoY to ~30%



## ESG

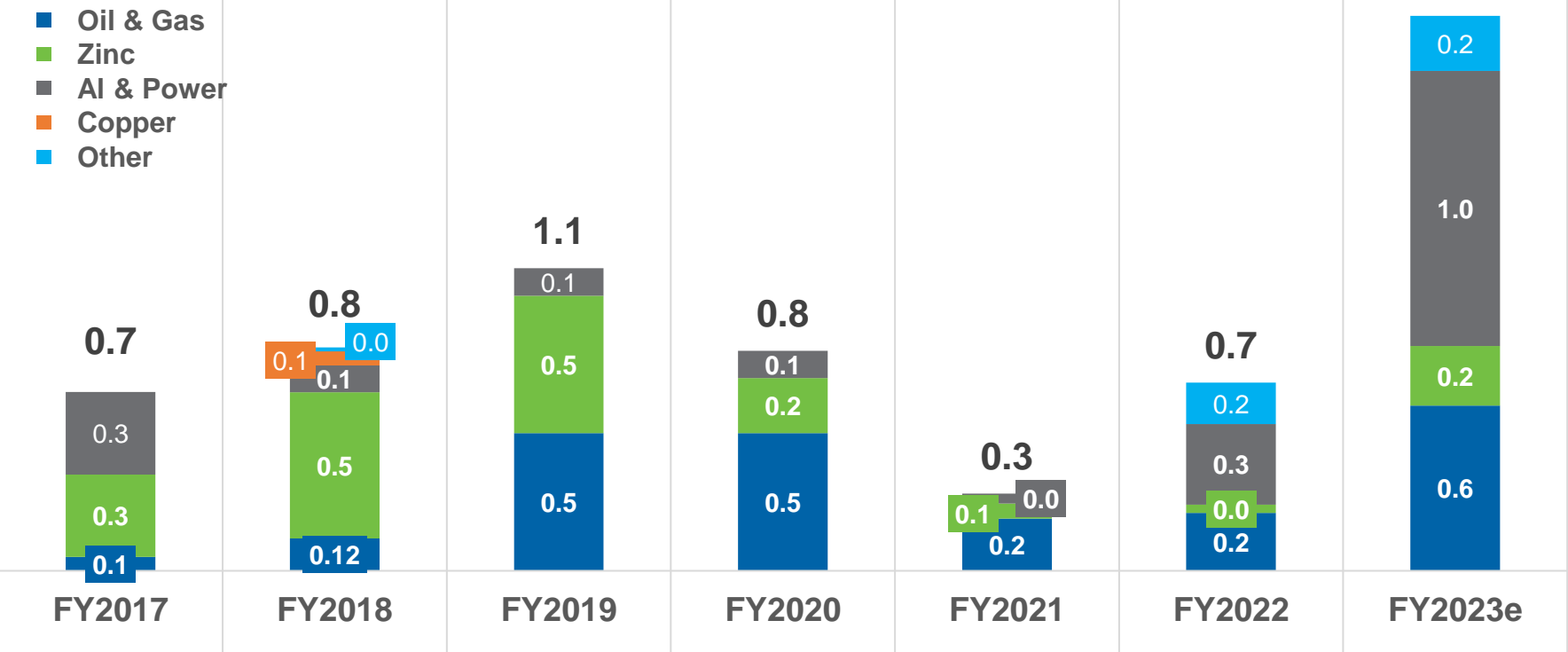
- Completed internal carbon pricing, climate risk assessment, scope -3 inventorization
- India's 1st Battery Electric Vehicle (BEV) in UG Mine introduced at HZL's Zawar mine
- Cairn signed contract to harness geothermal energy from its repurposed Oil and Gas wells
- Jharsuguda deployed India's largest fleet of electric forklifts
- Signed agreements with more cement companies to use High Volume Low Toxicity (HVLT) waste streams (Fly-ash; Red-Mud) as raw material
- Indicator of industry leading people practices:
  - Certified Great place to work
  - 29% women in decision making bodies
  - Employed 9 transgender in workforce

# Vedanta Limited - Growth capex and returns profile

\$bn

Full year Capex guidance	1.0	1.2	1.5	1.2	0.7	1.1
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## Growth Capex profile



FCF pre capex	~2.8	~2.0	~2.8	~1.8	~2.2	~3.6
ROCE <sup>1</sup>	~15%	~17%	~13%	~11%	~19%	~30%



1. ROCE is calculated as EBIT net of tax outflow divided by average capital employed on LTM basis

## Currency and commodity sensitivities

Foreign Currency - Impact of ₹ 1 depreciation in FX Rate		
Currency	Increase in EBITDA	
INR/USD	~ \$50 million/year	

Commodity prices – Impact of a 10% increase in Commodity Prices		
Commodity	FY 2022 Average price	Full Year Impact on EBITDA (\$mn)
Oil (\$/bbl)	81	68
Zinc (\$/t)	3,257	283
Aluminium (\$/t)	2,774	527
Lead (\$/t)	2,285	44
Silver (\$/oz)	25	54

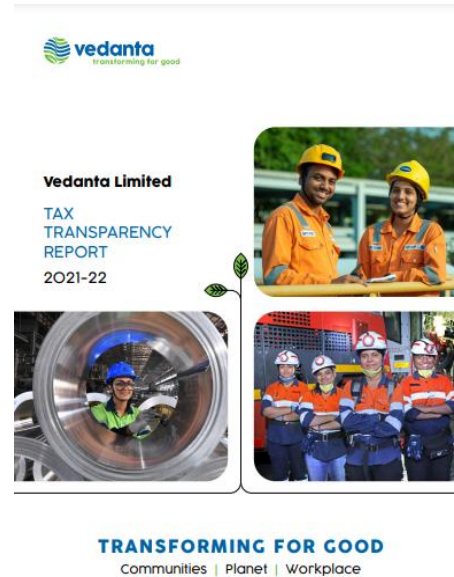
# Disclosures & publications

## Integrated Annual Report<sup>1</sup>



[https://www.vedantaresources.com/InvestorReports/Vedanta Resource\\_AR2022.pdf](https://www.vedantaresources.com/InvestorReports/Vedanta Resource_AR2022.pdf)

## Tax Transparency Report<sup>2</sup>



<https://www.vedantalimited.com/uploads/investor-overview/annual-report/Tax-Transparency-Report-FY-2022.pdf>

## Sustainability Report<sup>2</sup>



<https://www.vedantalimited.com/uploads/investor-overview/annual-report/Sustainability-Report-2022.pdf>

## TCFD Report<sup>2</sup>



<https://www.vedantalimited.com/uploads/investor-overview/annual-report/TCFD-Report-2022-AR.pdf>



United Nations  
Global Compact





Dow Jones  
Sustainability Indexes






# Key Awards and Recognitions



Our group companies received more than 100 awards in the finance, operational excellence, sustainability, CSR and HR categories

## Sustainability development & CSR



 Hindustan Zinc has been awarded the 'Most Sustainable Company in the Mining Industry – 2021' by World finance at their Sustainability Awards 2021 


 Cairn awarded the "Sustainability 4.0 Award 2021: Leaders' Award' Under Mega Large Business Sector by Frost and Sullivan & TERI 

 Hindustan Zinc ranked 5th globally, 1st in Asia Pacific and 1st Globally in Environment dimension in the Metal and Mining sector in the Dow Jones Sustainability Index 2021 

 Balco won the 'SABERA Award 2021' for its CSR efforts under the Responsible Business of the Year category 

## Finance & Operational


 Awarded with Best Corporate Finance team and Best CFO by AIAI (all India association of Industries) summit and awards 2021 



 LACP 2021 Spotlight Silver Award Winner for the Vedanta Limited Integrated Report 2020-21 



 ESL awarded the 'Best Indirect Tax Team Award of the Year' at the 5th Annual GST Summit & Awards 2022 



 Hindustan Zinc honoured with the title 'India's Largest Silver Miner and Refiner' by IGC Excellence Award Committee 

## Health, Safety & HR

 Vedanta Limited Certified 'Great Place to Work' 

 Cairn HR Team won the 'Human Capital Award' for 'Developing Future Leaders' by Frost & Sullivan 

 BALCO awarded with 'Platinum Award for Safety' at the CII National Safety Practices Competition 

 Vedanta ESL won Bronze award at the Apex India Safety Award 2021 

# Cautionary statement and disclaimer

01

The views expressed here may contain information derived from publicly available sources that have not been independently verified.

02

No representation or warranty is made as to the accuracy, completeness, reasonableness or reliability of this information. Any forward-looking information in this presentation including, without limitation, any tables, charts and/or graphs, has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Vedanta Resources limited and Vedanta Limited and any of their subsidiaries. Past performance of Vedanta Resources limited and Vedanta Limited and any of their subsidiaries cannot be relied upon as a guide to future performance.

03

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04

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# Thank you