

Nov'2021



Resourcing India's rise
Responsibly

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ESG



- Commit towards becoming net zero carbon by 2050
- Embedding ESG to make Vedanta truly future-ready

Operational Performance



- Steady volume performance across business segments
- Sustained margins on strong commodity prices

Financial Performance



- Highest Revenue and EBITDA for Q2 and H1
- Robust Balance sheet and liquidity position

Shareholder Return



- Interim Dividend paid Rs 6,855 crore (₹18.5/share)
- Good track record of rewarding shareholders

World-Class Natural Resources Powerhouse

- Diverse portfolio, strong exposure to right commodities – Al, Zinc, Silver, Oil & Gas
- Tier-1 low-cost assets with margin stability through commodity cycle
- Strong management team with track record of delivering growth
- Long-life assets with exploration upside

Competitive position in Indian and Global market

- Well-placed to benefit from growing Indian economy, favorable regulatory environment
- Natural benefit from large market size and supply-demand gap

Delivering growth by capacity expansion

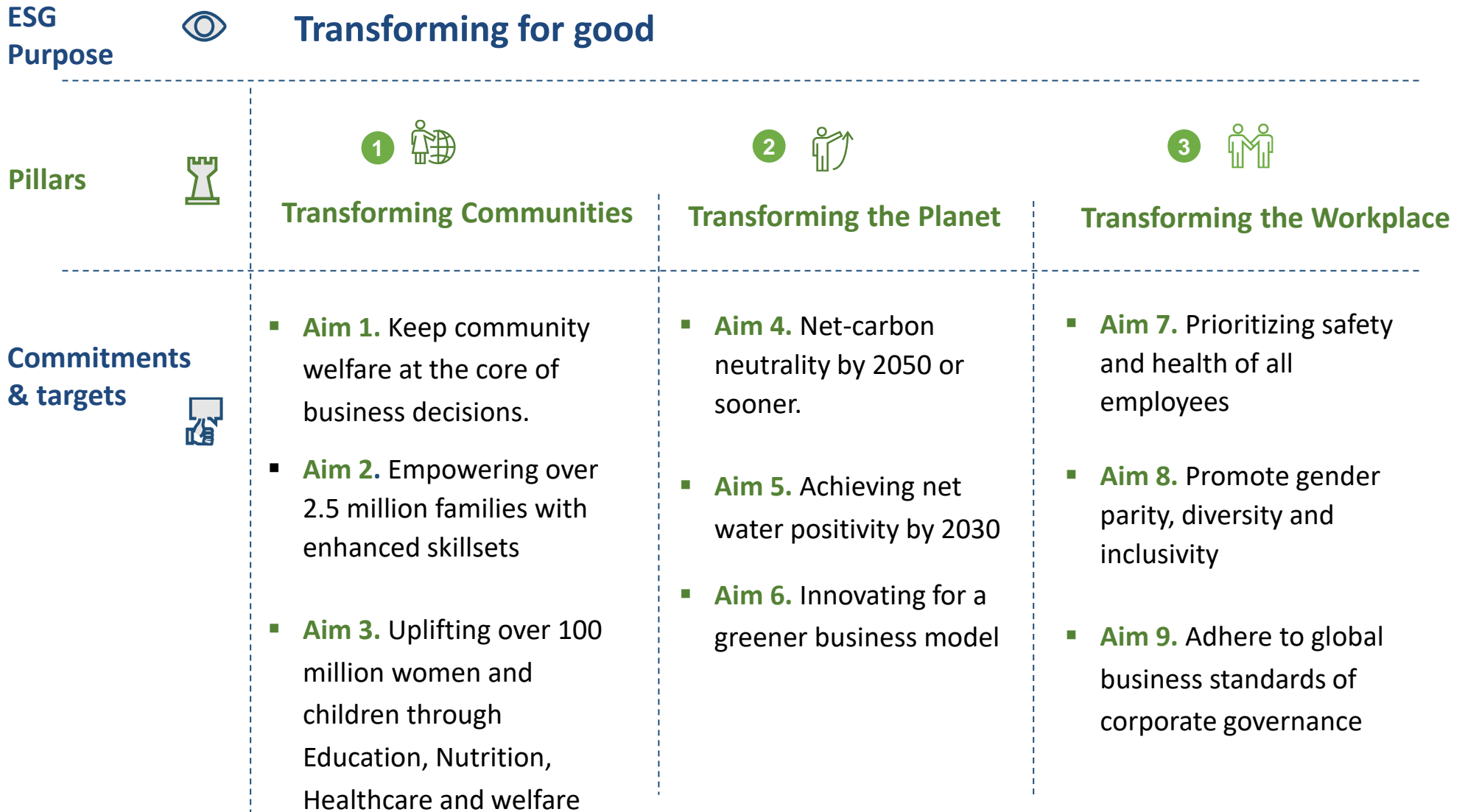
- Production ramp-up across all businesses
- Unlock operating efficiencies through technology and digitalization
- Turnaround performance of acquisition assets

Contributing to a sustainable development

- Net-carbon zero by 2050; reduce 25% carbon emissions by 2030
- Net water positive by 2030
- Channeling innovation for a greener business model
- Uplifting lives of people where we work and beyond
- Contributed ~₹ 21,607 crore to exchequer in H1 FY22



- 1 ESG**
 - Disproportionate focus on sustainable ways of working
 - Upgraded sustainability board committee to ESG board committee
- 2 Centre of Excellence set up**
(R&D, Asset health, Innovation and Quality)
- 3 Digital transformation**
- 4 Business Potential Mapping**
- 5 Partnership with government**
- 6 Brownfield Expansion**
- 7 People focus and Performance culture**
- 8 Resources & Reserves**



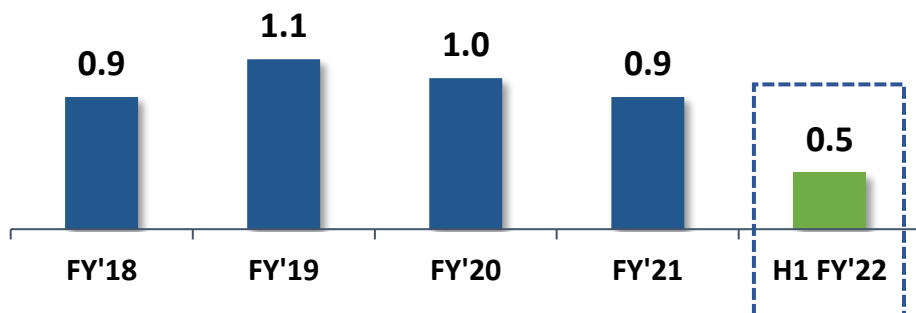
- 1 Net Zero Carbon by 2050 or sooner
- 2 Use 2.5 GW of Round-The-Clock RE and reduce absolute emissions by 25% by 2030 from 2021 baseline
- 3 Pledge US\$ 5b over the next 10 years to accelerate transition to Net-Zero
- 4 No additional coal-based thermal power and coal-based power only till end of power plants life
- 5 Decarbonize 100% of our Light Motor Vehicle (LMV) fleet by 2030 and 75% of our mining fleet by 2035
- 6 Commit to accelerate adoption of hydrogen as fuel & seek to diversify to H2 fuel or related businesses
- 7 Ensure all our businesses account for their Scope 3 emissions by 2025
- 8 Work with long-term tier-1 suppliers to submit their GHG reduction strategies by 2025 and align with our commitments by 2030
- 9 Disclose our performance in alignment with TCFD requirements
- 10 Help communities adapt to the impacts of climate change through our social impact/CSR programs

Revenue	EBITDA	EBITDA Margin ¹	Attributable PAT (before exceptional items)
₹ 58,153 cr	₹ 20,613 cr	40%	₹ 8,924 cr
Up 59%	Up 96%	Industry leading margin	Up 389%
ROCE ²	Cash and Cash equivalents	ND	ND/EBITDA
c.26%	₹ 30,650 cr	₹ 20,389cr	0.5x
Up more than 2x	Strong liquidity position	Lower 26% y-o-y	Lowest in last 4 years

1. Excludes custom smelting at Copper Business.

2. ROCE is calculated as EBIT net of tax outflow divided by average capital employed.

Net Debt / EBITDA – lowest in last 4 years



▪ Liquidity:

– Cash and cash equivalents at ₹ 30,650 crore

▪ Net Interest:

- Interest Income – Returns ~4.8%.
- Interest Expense – Maintained ~8.2%

▪ Average term debt maturity at ~3.5 years

▪ Credit Rating:

- CRISIL rating at AA- with positive outlook
- India ratings at AA- with stable outlook

Debt Breakdown

(as of 30th Sep 2021)

Debt breakdown as of 30th Sep 2021

	(in \$bn)	(₹ in 000' Cr)
Term debt	6.5	48.1
Working capital	0.2	1.8
Short term borrowing	0.1	1.1
Total consolidated debt	6.9	51.0

Cash and Cash Equivalents

4.1 **30.7**

Net Debt

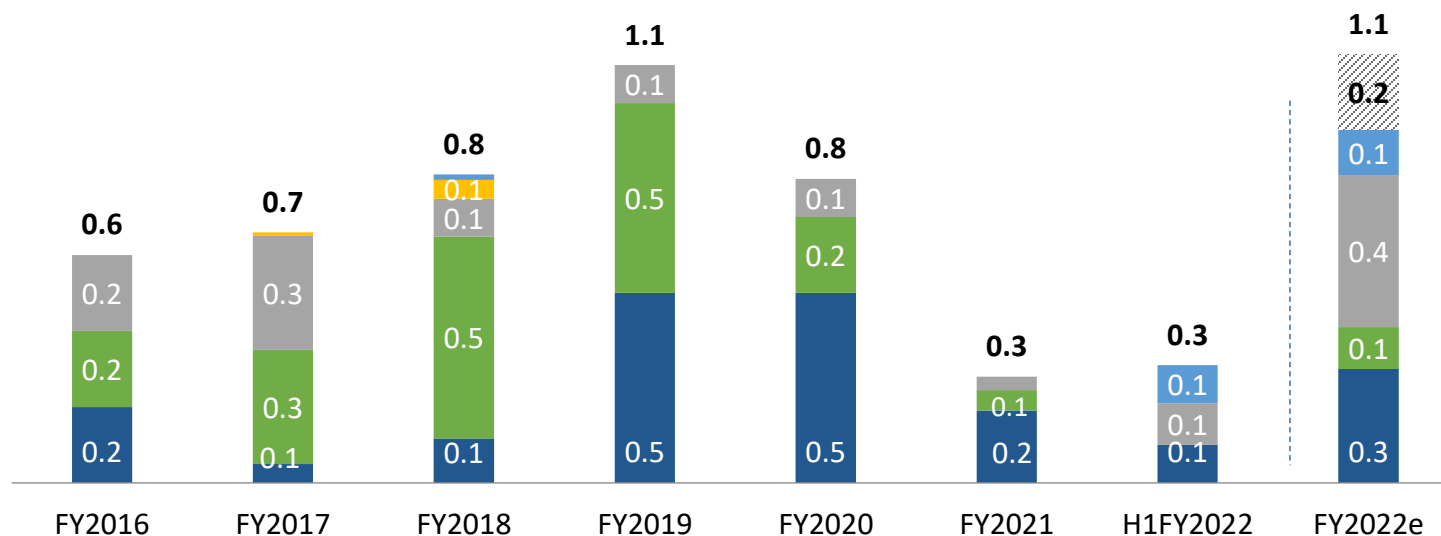
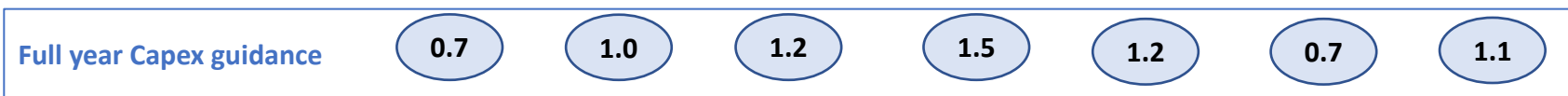
2.7 **20.4**

Debt breakup (\$6.9bn)

- INR Debt	89%
- USD / Foreign Currency Debt	11%

Growth CAPEX Profile, \$bn

■ Oil & Gas
 ■ Zinc
 ■ Al & Power
 ■ Copper
 ■ Other
 ▨ Optionality



FCF pre capex, \$bn	2.4	2.8	2.0	2.8	~1.8	~2.2	~1.6
ROCE ¹	~5%	~15%	~17%	~13%	~11%	~19%	~26%

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



Continue Focus on World Class ESG Performance



Augment Our Reserves & Resources Base



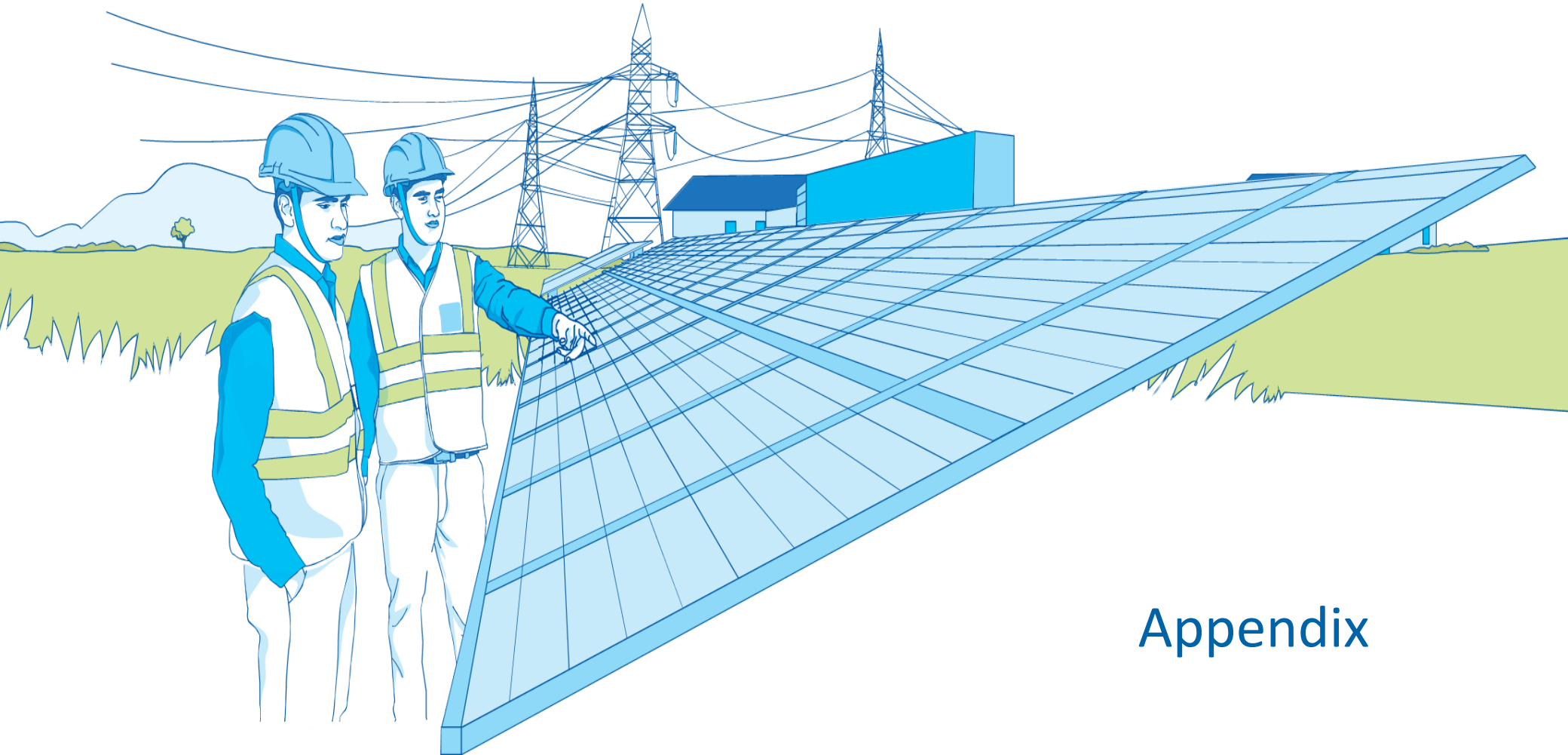
Operational Excellence and Cost Leadership



Optimise Capital Allocation & Maintain Strong Balance Sheet



Delivering on Growth Opportunities



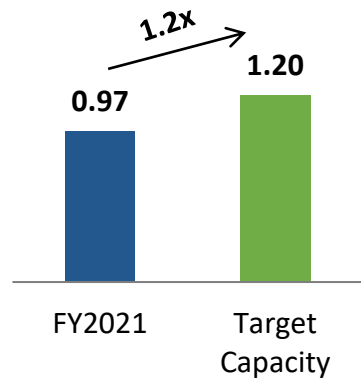
Appendix

Low Costs Assets Leading to Significant Production Ramp-up across all Businesses

Zinc India

- ✓ All expansion projects related to 1.2mtpa mined metal capacity are completed

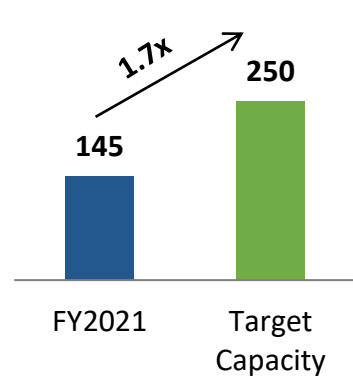
(mined metal Mtpa)



Zinc International

- Gamsberg on track to realise full capacity

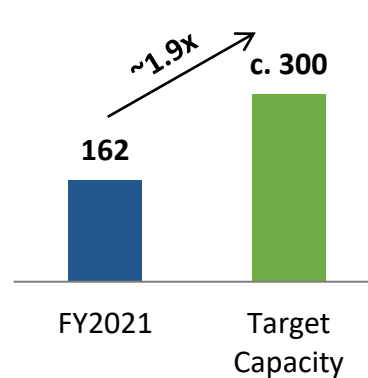
(Gamsberg mined metal kt)



Oil & Gas

- Growth projects including:
- EOR
 - Tight Oil & Gas
 - Infill and upgrade projects
 - Exploration incl OALP

(kboepd)

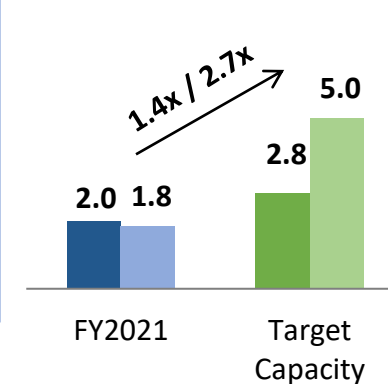


Aluminium

- Ramp-up of Jharsuguda II total smelter from 2.0 Mtpa to 2.3 Mtpa
- Ramp-up of Alumina from to 2.0 Mtpa to 5.0 Mtpa

(kt)

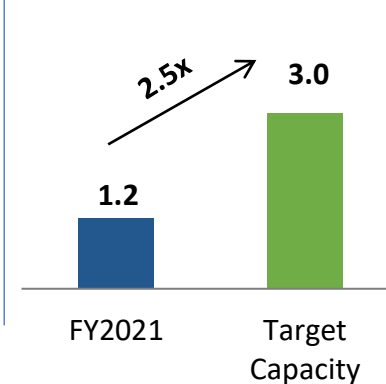
■ Aluminium
■ Alumina



Steel

- Achieved 1.5 Mtpa hot metal production run rate
- Expansion to 3.0 Mtpa

(kt)



Aluminum

- ✓ **Largest aluminum capacity in India** with captive power and an alumina refinery
- ✓ **9th largest Aluminium producer globally** in terms of smelting production¹



Zinc & Silver

- ✓ One of the **Largest integrated zinc- lead smelter**
- ✓ Rampura Agucha – **largest* underground mine globally**
- ✓ 6th largest silver producer globally
- ✓ Gamsberg - **one of the largest zinc deposits in the world**



Oil & Gas

- ✓ **India's largest private-sector crude oil producer**
- ✓ **One of the lowest cost producers** in the world
- ✓ Strong exploration fundamentals supports **reserves and resources growth** (OALP 51 blocks having >5.5 mmbbl with 65,000 sq km average)



Iron & Steel

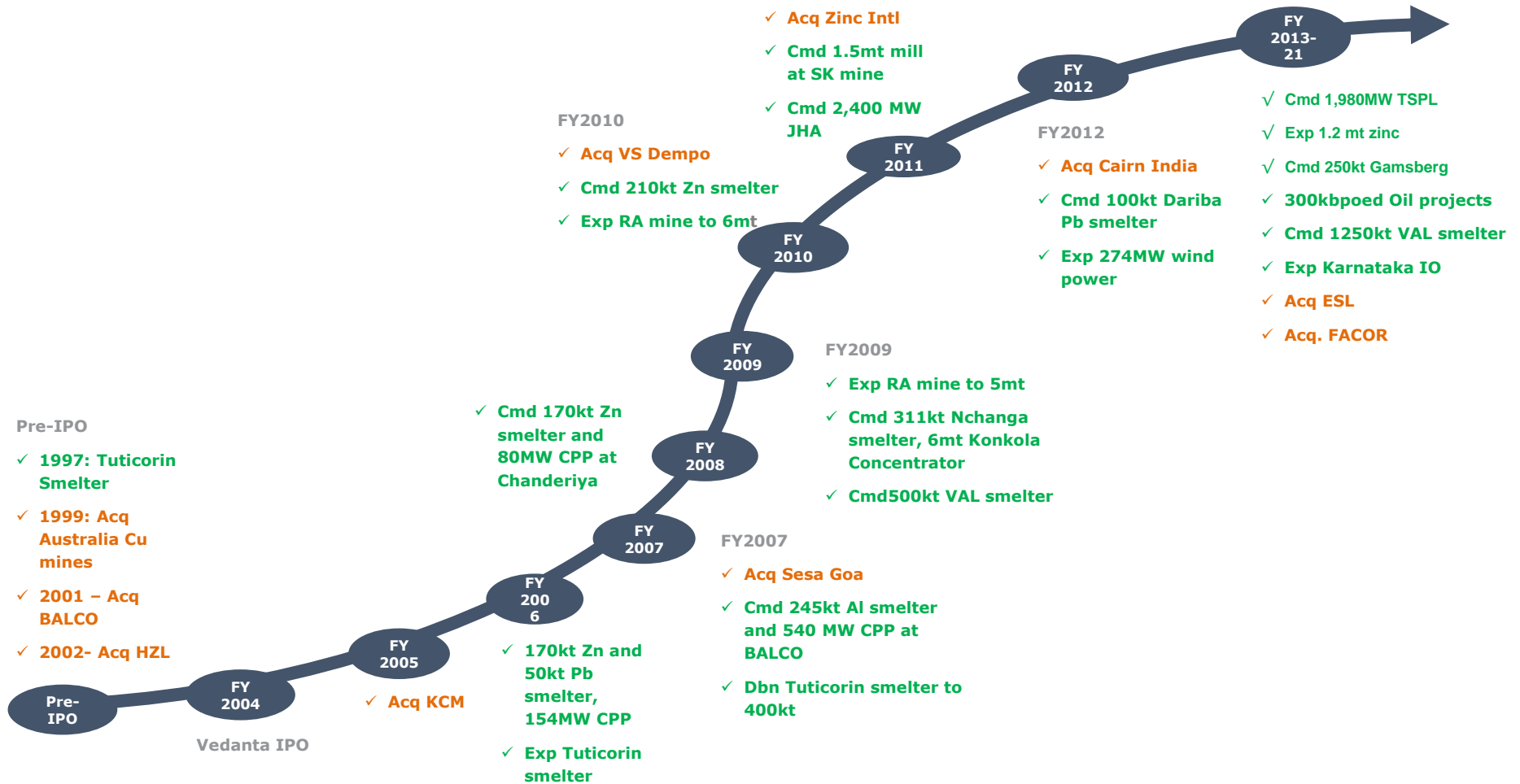
- ✓ **India's largest private sector** exporter of iron ore since 2003, according to the Federation of Indian Mineral Industries
- ✓ ESL Steel is engaged in the manufacturing of steel with a total current capacity of 1.5 Mt per year and **the potential to increase to 3 Mt per year**



Complemented by other key business segments including Copper & Power

**Source: Wood Mackenzie.*

Well Invested And Consolidated Assets : Driving Growth



Color Key
 Organic
 Inorganic

Vedanta has spent more than **₹ 2,000 crore** in the last 5 years in CSR

Footprint: Over **75 Lacs people to be benefitted** in next 5 years

Launch of **Swasth Gaon Abhiyaan**

Working with **Global Partners**

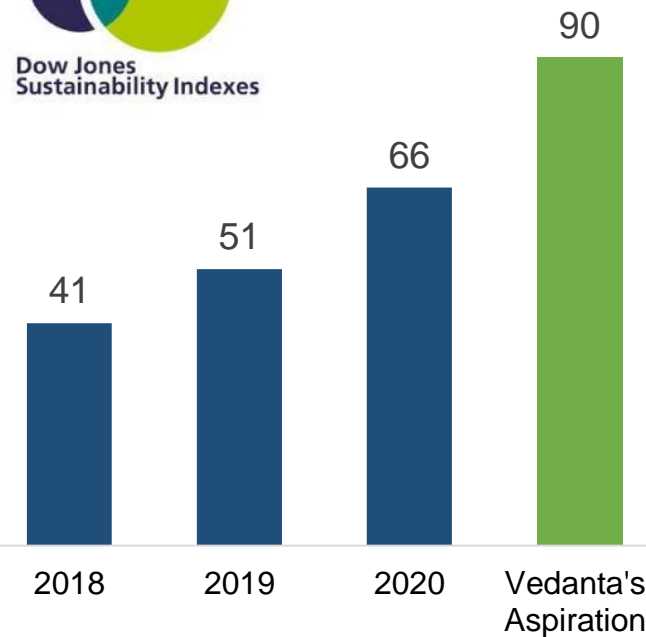
Health Care	Women & Child Development	Animal Welfare	Sports	CSR across Business Units
20 Lakh people to be benefitted	25 Lakh women and children to be impacted	World Class Veterinary Care	Benchmarked to World Class training infrastructure	32 Lakh beneficiaries from communities
<ul style="list-style-type: none"> ▪ Priority towards COVID relief ▪ Super specialty cancer Hospital (VMRF) 	<ul style="list-style-type: none"> ▪ Nand Ghar: Flagship project ▪ Women empowerment, early childhood care 	<ul style="list-style-type: none"> ▪ India's first of its kind animal welfare project 	<ul style="list-style-type: none"> ▪ Promoting grass root level sports for encouraging youth to become globally competitive 	<ul style="list-style-type: none"> ▪ Education ▪ Skills ▪ Water and Sanitation ▪ Agriculture

Themes

Actions already taken

Renewable Energy	RE adoption across BUs (40 MW solar & 273 MW Wind at HZL)
Fleet Electrification	MoU signed up with Normet, Epiroc at HZL ESL adopted EVs for local transportation
Water Positivity	HZL already certified water positive
Waste Management	94% recycling for high volume-low toxicity waste; MoUs to improve waste utilization: TERI, NCBM, IIT Roorkee, IRC, etc
Employee diversity	11.3% gender diversity ratio; Multiple recruitment, retention, wellness programs for women employees
Community Welfare	42 Mn lives positively impacted via: Nand Ghar and CSR programs

Resulting into rating improvement in last few years



1



Tapping Global Expertise in Vedanta's DNA

- **Partnered with world's leading companies** to develop a robust roadmap to be a Global leader in ESG space
- **Mentored** by Mr. Kuldeep Kaura on ESG
- Onboarded Dr Raj Aseervatham and Mr. Peter Sinclair as **ESG experts**

2



Dedicated ESG Structure

- Established **Board level ESG Committee.**
- Implemented **uniform ESG governance structure** – across the organization.
- Established **dedicated forums** for regular management oversight at all levels
- **ESG-themed communities** at each BU and SBU to own projects and drive timely implementation

3



World-class Enablers

- **World's first ESG Academy** for in-house competency creation of top 100 leaders
- Vedanta **sustainability venture fund** to support and harness external innovation
- New '**green**' **business build strategy** to leverage attractive adjacencies like green metals, renewables, green hydrogen, recycling etc.
- ESG **Centre of Excellence** for regular monitoring and continuous improvement

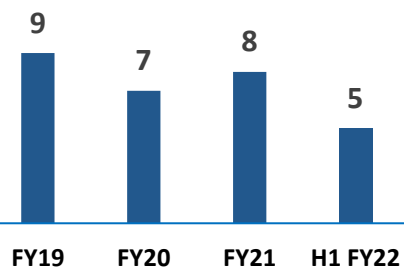
Safety Update

- Q2 Fatality**
 - 3 fatalities at ESL Steel
- Leadership in Safety**
 - CEOs are driving critical risks across Vedanta.
 - Expert for Critical Risk Management implementation with prior experience in ICMM member companies will be onboarded.
 - SMRITI initiative by CEOs to revisit the learnings of incidents on the Fatality Anniversary.
- Digitalization**
 - Camera Based Surveillance (Detect Technology)
 - Safety Alert Online Tracker
 - Digitalization of Safety Standards
- People & Business partner management**
 - Cross Business audit to improve on-ground implementation of VSS.
 - Du Pont Engagement for improving the Safety Culture

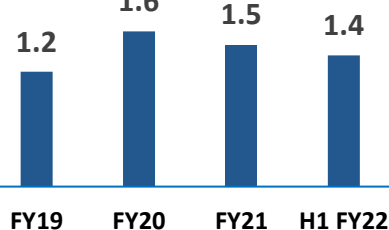
Environment Update

- Tailings**
 - Digitalization of tailing dam at HZL & VZI completed and in progress at Aluminum
 - Second assurance of tailing dams completed ATC William
- Training**
 - Community of Practice for water created
- Certification and awards**
 - Vedanta Ranked 8th (Overall) ET-Futurescape Sustainability Index Report 2021
 - Vedanta has won the coveted “Leadership in Waste Management Award” at ESG India Leadership Award 2021
- Carbon**
 - Risk assessment in progress, while Vedanta aims to develop a net zero roadmap

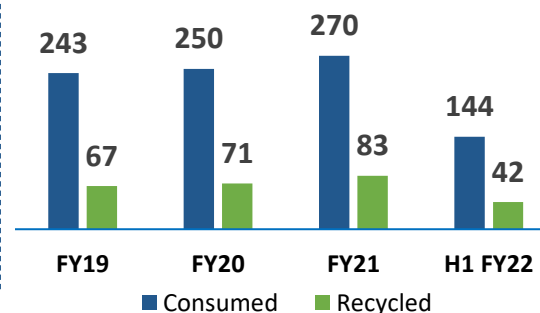
Fatality



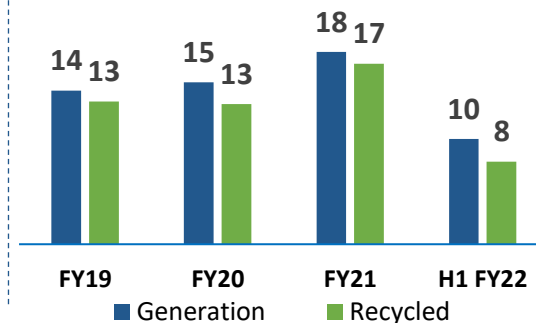
TRIFR



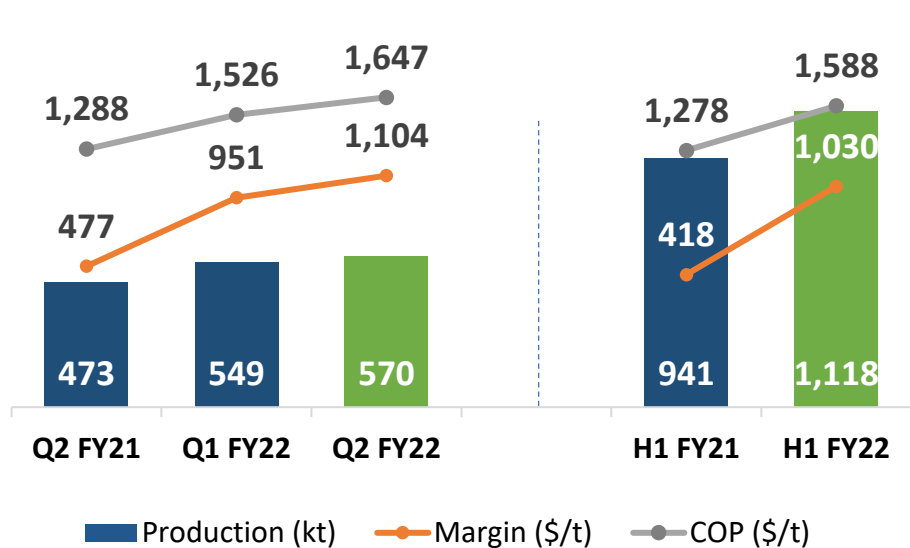
Water Consumed & Recycled (mn m³)



Waste Recycling (mMT) (High Volume Low Toxicity)

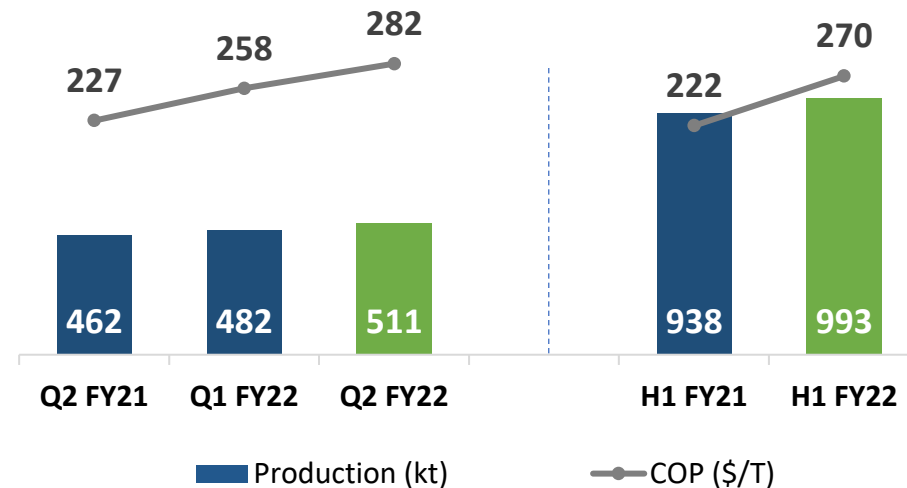


Highest Ever Aluminium Production



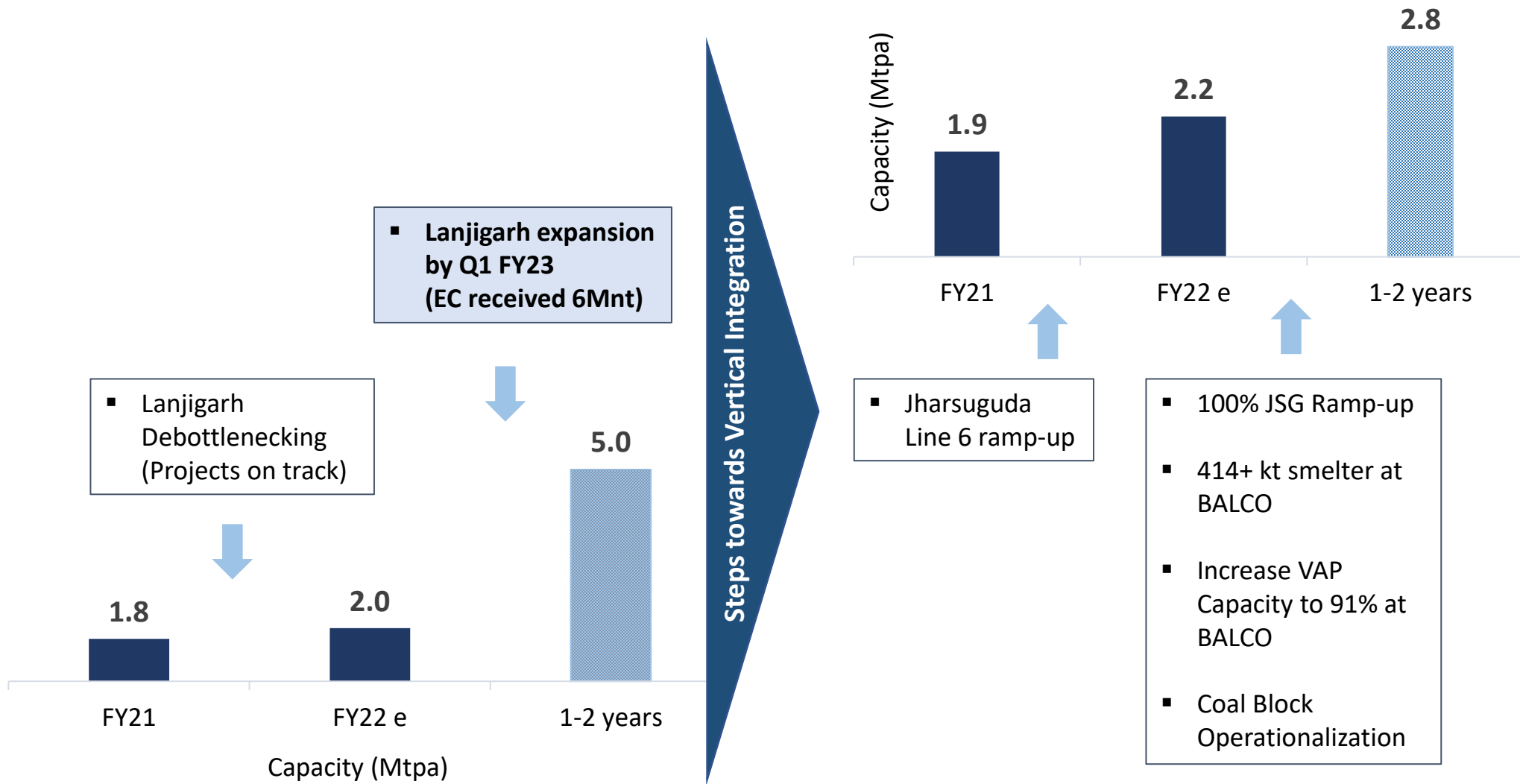
- **Best-ever quarterly aluminium production** up 21% y-o-y and 4% q-o-q in line with pots ramp-up plan
- **Best ever H1 aluminium production** up 19%
- CoP at Q2 and H1 impacted by higher input commodity prices and power cost

Alumina Production & COP



- **Highest ever quarterly production**, up 11% y-o-y and 6% q-o-q
- **H1 production up 6% due to operational efficiencies**, continues to operate at 2Mtpa run rate
- **Lanjigarh Expansion:** EC received for 6 Mnt , site progress on track

COP Reduction potential ~\$150–200 /t



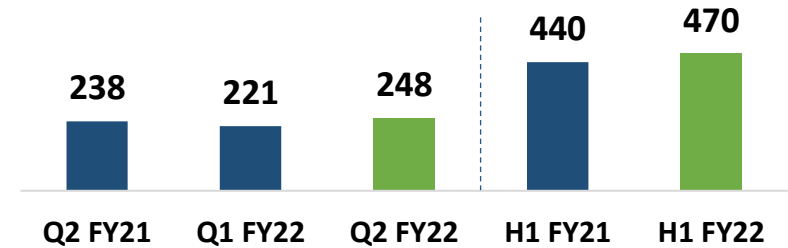
Key Highlights:

- **Record-High# Q2 and H1 mined metal Production** - higher ore treatment and improved recovery
- Metal Production in Q2* down due to planned maintenance shutdown; up 2% in H1
- Silver Production in Q2 and H1 in line with lead production
- Higher CoP in Q2 and H1 due to higher input commodity prices and mine development, partly offset by operational efficiencies
- **Environmental Authorizations (EA) for expansion of Zawar mines from 4.8 Mtpa to 6.5 Mtpa granted**

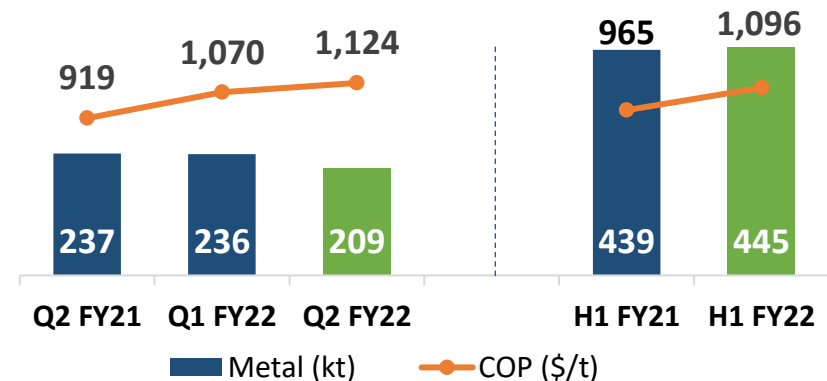
Key Levers of H2 Performance:

- Smelters ready to operate at full capacity post maintenance shutdown
- Technology assisted mine plans to improve grades
- Improve Equipment reliability

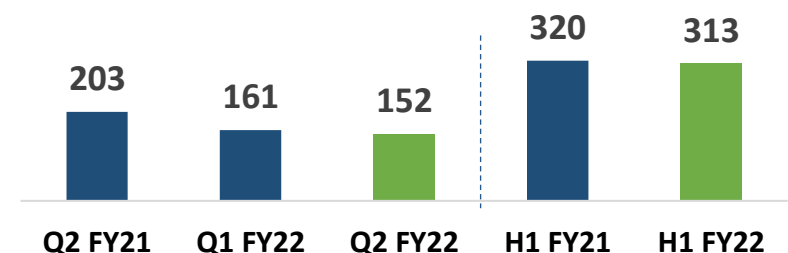
Mined metal Production (kt)



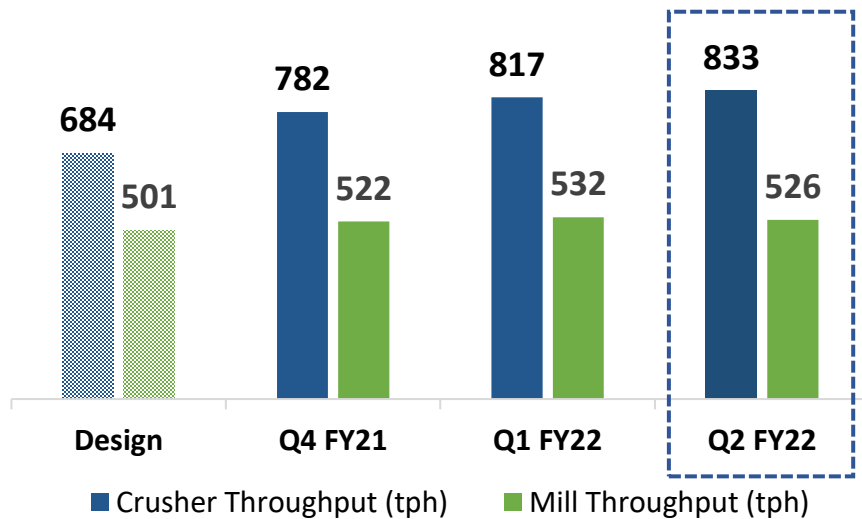
Metal Production and COP



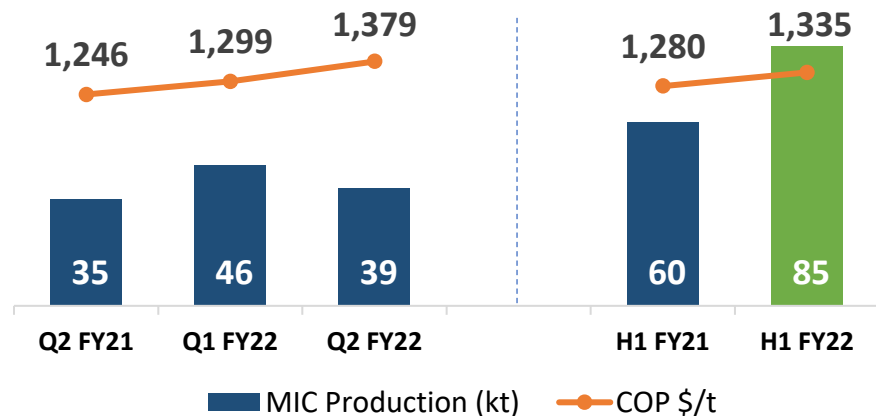
Silver Production (tonnes)



Consistently Achieving Better than Design Throughput



Stable Operational Performance



Key Highlights:

- **Highest excavation at Gamsberg in Q2** (5.9Mt per month), post successful onboarding of business partner in Q1
- Q2 Production up 10% y-o-y and down 17% q-o-q due to plant equipment failure
- Higher CoP in Q2 due to lower MIC volume and in H1 due to higher mining volumes and ex rate appreciation

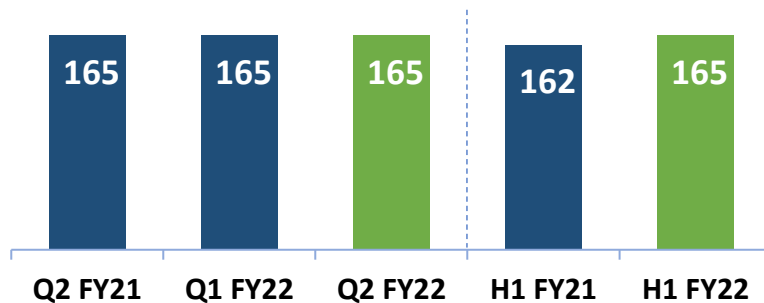
Key Levers of Q3 Performance:

- 3 Major projects completion in October to ensure plant capacity ramp-up and improved mill reliability
- 4 other A-class initiatives for:
 - Enhancing recovery by ~3%
 - MIC improvement by ~2kt per month

Operations

- **Production:** Maintained at Q4 FY21 levels of 165 kboepd in H1 FY22
- **Opex:** Operating cost at \$9.1/boe in Q2 FY22 vs \$8.4/boe in Q1 FY22, primarily due to increase in polymer prices & consumption

Gross Production (kboepd)



Development Projects

- **Mangala Wells :** 3 new wells drilled & complete, 7 new wells put on production
- **Infill Drilling to start in Q3 FY22:**

Project	No of Wells	EUR (mmboe)
Tight Oil- ABH	5	2.9
Tight Gas- RDG	27	17.3
Satellite Field- NI	3	1.4
Offshore- Cambay	4	10.5

Exploration Projects

- **OALP:** 15-Wells drilling program ongoing across basins. 6 Wells drilled till date
 - **RJ:** Extended Well testing Operations ongoing for KW-2
 - **Cambay: Discovery notified (Jaya-1).** Early production evaluations ongoing



ASP

>300 mmboe¹

- Modularized approach for accelerated volumes
- Pilot in Bhagyam & Aishwariya
- Full field implementation



Exploration (OALP + PSC)

600 mmboe²

- Portfolio prioritization
- Investment partnerships
- Exploration drilling & early monetization



Shale

300 mmboe³

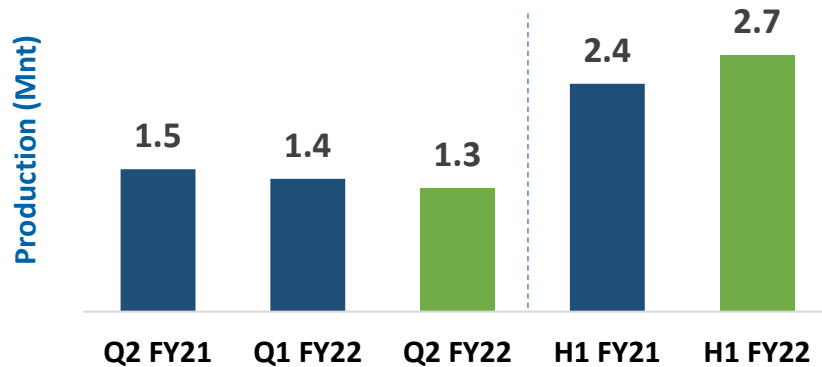
- Partners engaged on studies
- Pilot program under planning

1 - Contingent Resource (across MBA) to be developed

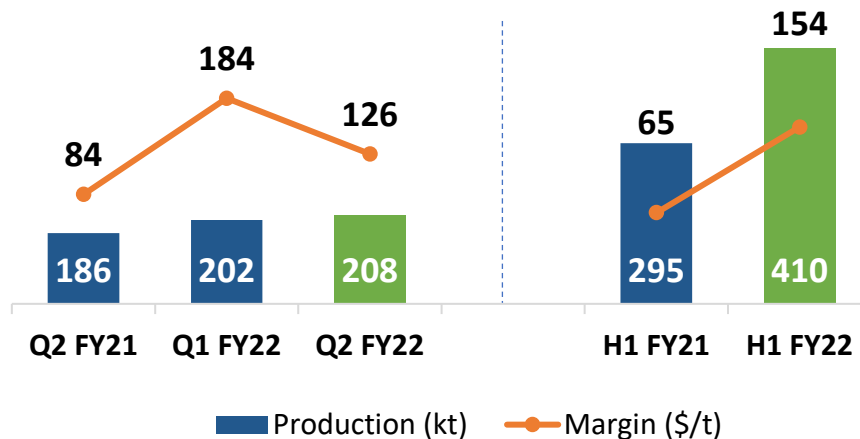
2 - Potential, Target Prospective Resource (PR)

3 - Potential Prospective Resource (PR) to be established

Highest Ever six months production at Karnataka



Record Performance at VAB



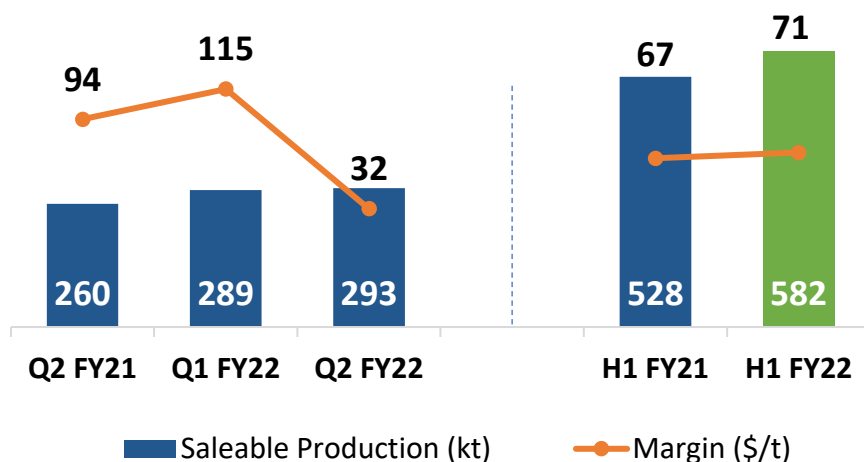
Key Highlights Q2:

- **Record Hot metal production** at VAB through productivity improvement initiatives
- VAB Margin up 50% y-o-y and down 32% q-o-q due to higher coking coal and Iron ore prices

Key Highlights H1:

- **Highest Hot Metal production** at VAB through productivity improvement initiatives
- **VAB achieved 2.4x jump in margins** in H1 FY22
- **Sesa Coke – Vazare (Maharashtra) has achieved Highest H1 production** of 51kt
- **Commercial production started in Sesa-Coke Gujarat**; ramp up to full capacity by early Q4 FY22

Consistent Performance



Key Highlights H1:

- **Saleable Production up 10%** through improvement of furnaces
- Margin up 5%

Hot Metal capacity expansion project:
BF#3 debottlenecking is planned in Dec'21

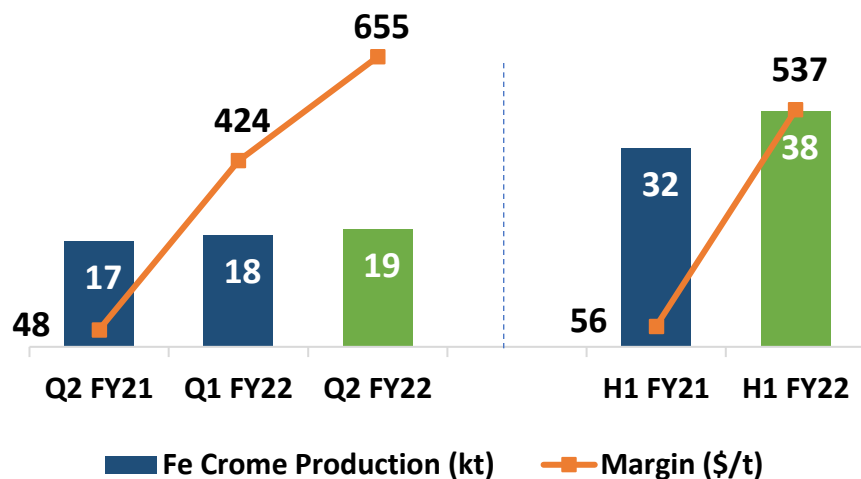
Key Highlights Q2:

- **Hot Metal production up 11% y-o-y and 1% q-o-q**
- Saleable Production up 12% y-o-y and 1% q-o-q through improvement of furnaces post shutdown in Q2 FY22
- Margin down 66% y-o-y and 72% q-o-q due to plant shutdown and higher commodity prices

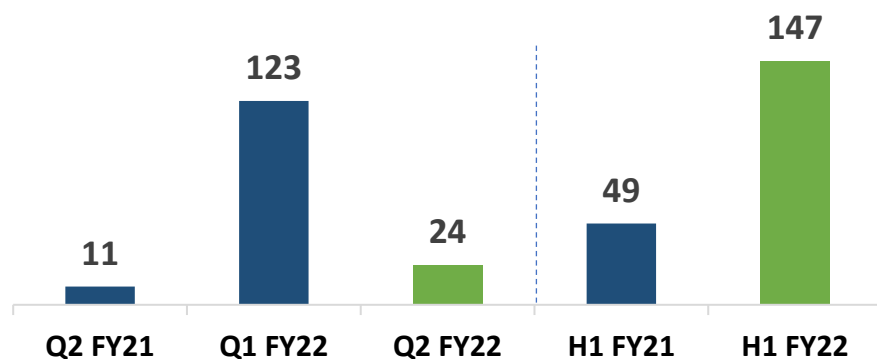
Key Levers of H2 Performance:

- Won 2 iron ore mines in Odisha which increases the raw material security and price stability
- Improvement in operational efficiencies at sinter, coke oven and blast furnaces post maintenance shutdown in Q2

Strong Performance Continues



Ore Production (kt)



Key Highlights Q2:

- Achieved highest quarterly Fe Chrome production; plant productivity enhancement by ~10%
- Highest quarterly EBITDA margin ~14x y-o-y and 54% q-o-q supported by increase in NSR
- Ore production up 119% y-o-y through continuous operations of both the mines and down 81% q-o-q due to monsoon

Key Highlights H1:

- Fe Chrome production up 17% with **Record Ore production 3x**
- Highest EBITDA margin ~9.6x

FACOR is reviving its project for another furnace to increase production by 60 ktpa