

Slavery and Human Trafficking Statement

Financial year ended March, 2019

Introduction

This statement is being published in accordance with Section 54 of the Modern Slavery Act, 2015 (**MSA**) and sets out the initiatives that Vedanta Resources Ltd. (**Vedanta** or the **Company**) has taken to prevent occurrence of slavery and human trafficking (**Modern Slavery**) in our business & supply chain.

This is our fourth slavery and human trafficking statement since 2016. MSA Statements for 2016, 2017 and 2018 are uploaded on our company's website. This year we explain what we have done in 2018-19 to strengthen our policies and performance in line with the requirements of the UK Modern Slavery Act. The information in this statement has been approved by the board of Vedanta Resources Ltd and covers our operations worldwide which includes our subsidiaries.

Overview of our business

Vedanta Resources Limited ("Vedanta") is a diversified global natural resources Company. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland and Australia. With an empowered talent pool globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of trust, sustainability, growth, entrepreneurship, integrity, respect and care. Our products are sold worldwide; we are headquartered in London, United Kingdom. Vedanta Resources Limited is the holding company for Vedanta Limited and Konkola Copper Mines, which in turn have multiple subsidiaries. We are run by a unified board and management.

Some of the ways we contribute include:

- **Employment and careers:**
Directly and indirectly we employ over 88,000 people
- **Contributions to governments:**
We contributed US\$ 6.2 billion to our host governments through direct and indirect taxes and royalties in 2018-19
- **Social investments:**
We have invested US\$ 45 million in community development initiatives

The resources we process are used to improve and enhance people's lives and deliver long-term value. Healthy children and empowered women will eradicate poverty and malnutrition, and make a prosperous nation. Vedanta has signed a MoU with the Ministry of Women and Child Development to construct 4000 early childhood education centers "Nandghars" for children's education and skill development of women.

Our Supply Chain

The commercial teams of various business units manage the majority of our supplier relationships. In 2018-2019 Vedanta worked with nearly 6500 suppliers covering spend in excess of \$ 9.5 Million. This includes community suppliers. When measured by value, the majority of our payments are made to suppliers in India but we work with suppliers in each of the countries in which we operate. We also

procure from countries where we do not have large operations; in recent years we have expanded procurement from suppliers in market countries such as China. In line with our procurement approach we help strengthen communities wherever we operate, in part by developing and buying from local suppliers.

Policies and Governance

At Vedanta, we are committed to the principles of sustainable development including protecting human life, health and environment, promoting social well-being & adding value to the communities in which we operate. Protecting and respecting human dignity is central to our everyday business operations. We conduct our businesses in a fair and equitable manner, meeting our social responsibilities as an organization & respect the human rights of all our stakeholders.

Our Sustainable Development Framework includes Human Rights policy and Supplier & Contractor Management policy, relevant standards, which are aligned to the UN Guiding Principles on Business and Human Rights and includes prohibition of employing child, forced or compulsory labour – either directly or through contract labour.

Our commitment to human rights has also been outlined in **Vedanta Code of Business Conduct & Ethics** and **Vedanta Supplier Code of Conduct**. Vedanta Code of Business Conduct & Ethics gives general guidelines for conducting the business of the Group consistent with the highest standards of business ethics. Through the code of conduct, we seek to promote high standards of ethical behavior and integrity, deter wrongdoing & support compliance to applicable laws & regulations. Our senior management regularly communicates with employees regarding the importance of ethics and compliance.

Our Supply Chain is a significant contributor to our performance. Our Suppliers' Code of Conduct communicates our requirements for our suppliers to operate in compliance to all legislative requirements, and align to our policies. Vedanta encourages its suppliers to implement policies and practices comparable to its own including the Supplier code of Conduct and vendor due diligence process. In addition it requires suppliers to implement systems to mitigate risks related to Modern Slavery and confirmation is sought from suppliers on adherence on an annual basis.

We have dedicated policies and systems in place in relation to **Whistle-blower & Grievance Redressal**. Regular communication is done to create awareness about this amongst our employees and external stakeholders. We believe that the “tone from the top” combined with our compliance training & regular communications throughout the year helps to create an ethical and compliant culture.

We have also **embedded clause related to Modern Slavery Act in our contract templates** as a means to further enhance our control on Modern Slavery in our supply Chains.

In order to mitigate risks of Modern Slavery through improving transparency in our supply chains, we are encouraging a **direct engagement with Original equipment manufacturers** instead of dealing through middlemen. This has helped us establish direct relationship and improve transparency in our supply chain.

Another focus area this year has been **consolidation of contracts and suppliers** through initiatives such as Annual Rate Contracts. This consolidation helps us in focusing on key partners thereby

enhancing our supplier relationships and working with partners who have established processes and policies related to compliances.

Risk Assessment and Due-Diligence

With the objective of responsible procurement and vendor partnerships, we seek to work with suppliers and service providers who can share similar values around human rights. Our Supplier Code of Conduct embodies certain principles against slavery and servitude.

In line with the governance framework and the Global Slavery Index, we conduct risk categorization of our suppliers on an annual basis. For high risk vendors a detailed audit, either through third party or directly by businesses, is conducted and followed up for improvement. Key aspects around implementation of policies, whistle blower, sexual harassment, labour laws and other human rights related issues are covered during these audits. Various actions, ranging from close supervision to blocking the vendor, is exercised based on case to case evaluation of the vendors' demonstration to meet our expectations of zero tolerance towards Human rights non-compliance.

Our businesses have engaged reputed firms to conduct due diligence checks with on our active vendors. This due diligence also covers human rights and modern slavery issues. The due diligence process for supplier on-boarding has been refined with inclusion of assessment of human rights and labour compliance management.

This year we have enhanced our due diligence process by introduction of third party online platforms for vendor due diligence. With the help of such tools, our procurement teams are able to take business decisions based on the information available about the companies, which includes labour and human rights related issues.

We have made progress on the vendors audit program this year. We have improved our understanding of the systems & practices at our vendor's establishments and identified areas of improvement. Our commercial and sustainability teams are engaging with the suppliers to build capability and address the identified areas. Internal Audits are conducted from time to time to ensure compliance to these policies and process.

Training & Capacity Building

We regularly conduct internal training of our Vedanta Code of Business Conduct & Ethics, Vedanta Supplier Code of Conduct and Human Rights Policy with our procurement, commercial & human resources managers. We continue to expand the coverage of human right compliances and aspects related to Modern Slavery Act in the suppliers training framework. Training has been imparted to concerned stakeholders across business units on aspects related to Modern Slavery. Dedicated sessions on the topic of Modern Slavery Act are conducted with our vendors during the vendor conferences and meetings held during the course of the year. We conducted several vendor meets this year with the objective to educate our partners on Modern Slavery. In addition, flash messages are sent to suppliers on the Modern Slavery Act as a means to reinforce our zero tolerance approach. We will continue to reinforce this with our suppliers through training and regular communications.

We are also working on enhancing the level of awareness related to modern slavery within the organization especially to our fresh and lateral recruits, creating a strong foundation of values.

From time to time we engage with Global consulting organizations with expertise in Modern Slavery to support us in training, benchmarking and bringing in best practices. This year we conducted group wide workshop on the topic of Modern Slavery to reinforce the understanding and bring in best practice in our supply chains.

The risk of slavery & human trafficking in our organization is mitigated as a result of above mentioned policies & procedures as well as the oversight built into our business operations. We understand that Modern Slavery risk is evolving and we will continue adapting our approach to mitigate this risk.

This statement has been approved by the Board of Vedanta Resources Ltd.

Signed



Srinivasan Venkatakrisnan
Chief Executive Officer
Vedanta Resources Ltd.