



Slavery and Human Trafficking Statement

Financial Year ended March 2021

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 sixth slavery and human trafficking statement since 2016. The most recent MSA statement for 2020 has been uploaded on our company's website. This year we explain what we have done in 2020-21 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 aluminum, 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:

- Contributed \$4.6 billion to Exchequer in FY21
- Touching the lives of 42 million people through our various CSR programs with a Social Investment of \$44.5 million
- Direct and indirect employment of 70,000+
- Skilling to improve employability of 60,000 youth by 2025

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. In India, Vedanta has made a huge impact in the lives of 70 million children and 20 million women through 1.4 million modern children and women care centres (known as Nandghars), which are equipped with televisions for e-learning, solar panels for reliable power, safe drinking water and clean toilets.

Our leadership applies our values, strategy, sustainable development model and sound corporate governance to grow our company in such a way that it delivers long-term value to shareholders; safe and rewarding careers to the people who work for us; better conditions for the communities in which we operate; and a well-cared-for environment.

Our Supply Chain

The commercial teams of various business units manage most of our supplier relationships. In 2020-2021 Vedanta worked with nearly 7900 suppliers covering spend in excess of \$6.7 billion addressable

spend. When measured by value, most of our payments are made to suppliers in India, but we also 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 our procurement from suppliers in market of countries such as China and Middle East. In line with our procurement approach, we help strengthen communities wherever we operate, in part by developing and buying from local suppliers. In our efforts to support the communities where we operate, this year we have strengthened our local procurement policy encouraging participation by local communities.

We recognize the concern that the COVID-19 pandemic has increased the risk of slavery and human trafficking. We have therefore taken specific steps this year to assess the implications due to the COVID-19 pandemic. We continue to engage with key suppliers around the world to understand and assess their strategies around combatting slavery and human trafficking. In order to improve our visibility and control on our supply chain, we consolidated our vendor count from 10,600 to 7,900. Further, we have taken several initiatives to battle the Covid-19 pandemic, right from opening covid hospitals - 100 bed hospitals in 10 cities near our operations and vaccination drives to providing medical support to our employees and business partners.

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 & respecting 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 labor – either directly or through contract labor. These policies were drafted in consultation with subject matter experts to fit our business context and complement international frameworks and best practices.

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 to our suppliers to operate in compliance with 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 for 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** to further enhance our control on Modern Slavery in our supply Chains and only those suppliers conforming to the same are eligible to participate in tenders.

Each of our business partner categorized as medium risk or above category, have submitted a self-declaration on their adherence to the UK Modern Slavery Act. Vedanta's zero tolerance to human rights violation is also included in the Terms & Conditions accompanying the tenders and acceptance to them is a pre-requisite for award of such contracts.

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.

This year we have continued our efforts towards **consolidation of contracts and suppliers**. 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.

In our continuous efforts to sensitize our partners and communicate our values on human rights, a group-wide program on senior leadership connect with our business partners has been launched. Through such meetings we endeavor to engage with top leadership of our business partners and share values related to human rights. To further enhance our visibility and controls in the supply chains, we have restructured our commercial function, bringing the entire commercial organization (BU & Group teams) under a single Integrated Organization. This initiative was conducted with support from a leading consulting organization based in Industry benchmarking to introduce best practices.

We have Human Rights policy committed to the principles of sustainable development including protective human life, health, and environment, promoting social well-being and adding value to the communities we operate in. Measures are taken to ensure adherence to this policy and regular progress reporting is done on periodic basis to ensure ongoing management of human rights. Vedanta is an equal opportunity employer where each and every employee, including our contractual employees, is treated with respect and dignity.

Risk Assessment and Due-Diligence

At Vedanta, we recognize the importance of being vigilant to identify risks and address any potential impact associated with slavery and human trafficking. 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, labor laws and other human rights related issues are covered during these audits. Various actions, ranging from close supervision to blocking the vendor, are 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 continued to engage with reputed firms to conduct due diligence checks 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 labor compliance management.

We continue to improve our due diligence process by identifying and integrating the due diligence process in our vendor prequalification and selection process. This year we have enhanced our due diligence process by building in automation through use of online third-party tools. With the help of such platforms, our procurement teams can take business decisions based on the information available about the companies, which includes labor and human rights related issues.

Due to the outbreak and subsequent lockdowns in 2020, it has been difficult to carry out site audits, which we have conducted diligently in previous years. Additionally, as a consequence of the outbreak, we also reduced the number of new suppliers inducted into the business and continued to engage with our long-standing trusted suppliers to minimize any risk. Virtual meetings have been conducted with many suppliers and will continue on the same way until it is safe to resume physical site audits. We will continue to undertake such activities throughout 2021 to effectively monitor and assess our supply chains. 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. The stakeholder engagement exercise carried out across the group, helps assess Human Rights risk due to the business operation. Due to lockdown, limited engagements exercises were carried out.

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 for the same. Dedicated sessions on the topic of Modern Slavery Act have been conducted with our vendors during the vendor conferences and meetings held over the previous year. We conducted several vendor-meets in previous years with the objective to educate our partners on Modern Slavery. However, this year COVID-19 was an obstruction on these physical meetings. With everyone adapting to the virtual setup, we are looking into replacing the annual

meetings and conferences with webinars. Additionally, e-mails and messages are sent to suppliers on the Modern Slavery Act 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.

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

Last year, we launched a pilot program on Business partner capability development which has been expanded across the Group. This transformation project aims to assess our supplier's capability and support in skill enhancement of the contract labors working at our mine sites by providing adequate training and support through focus on HSE, Asset Optimization, Management In Place and Skill Enhancement. The program aims at covering all our major business partners in the coming years. In the coming year we will work towards further enhancing this program covering a larger base of suppliers.

Year on year, we continue to make progress in the area of Modern Slavery Act. Finding and acting on modern slavery in our supply chains is a huge challenge, which requires sustained effort over time. 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



Sunil Duggal
Chief Executive Officer
Vedanta Resources Ltd.