

CHAIRMAN'S STATEMENT

ENABLING A WELL-RESOURCED FUTURE



“ With ample natural, human and technological resources and strong reform-focused democratic governance, India holds out hope that in the post-COVID era global businesses and investors look at reducing dependency on China. This will mean more jobs, more investments, rapid development and a great boost to the government’s ‘Make in India’ initiative. ”

Anil Agarwal
Chairman

Dear Stakeholders,

It is a great honour for me to share my thoughts with you as your Company's Chairman. This year, the Board welcomed and appointed me as the Non-Executive Chairman of Vedanta Limited. It is with great pride that I say, your Company has always been on a continuous journey of growth and expansion with best-in-class safety, benchmarked technology, and cost efficiency. We continuously ensure that we have the right management in place to drive our business and take the organisation to the next level. In line with this vision, we are pleased to announce that your Company will now be run by a guided Management Committee comprising of your Group Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO) and Chief Commercial Officer (CCO).

I sincerely wish and pray that you all are safe at your homes. Your safety matters to us, as the world is currently grappling with an unprecedented health crisis that we all are fighting together. These are undoubtedly testing times, but it also brings to the fore the undaunted and ingenious human spirit that prevails against all challenges. We, at Vedanta, salute this human spirit and solidarity of citizens and nations across the world, and reaffirm our commitment to work towards a self-reliant and sustainable future for all.

India's COVID response continues to be undoubtedly exemplary by global standards, and the Government of India, along with all state governments are coordinating effectively to flatten the curve. We, at Vedanta, are doing our bit in a modest way to help save lives and livelihoods. You will be happy to know that your Company has contributed ₹101 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES)

Vedanta Contributed ₹101 crore to the PM-CARES Fund. The Company will also fund up to ₹200 crores in providing relief measures to communities across India.

Fund. Your Company will also fund up to ₹200 crore in providing relief measures to communities across India. The contribution to PM-CARES Fund will complement Vedanta's earlier commitment of creating a ₹100-crore corpus to cater to three specific areas - livelihood of the daily wage workers across the nation, preventive healthcare, support to its employees and contract partners across its plant locations.

PERFORMANCE DURING THE YEAR

As we have seen, the year was challenging, which tested our organisational mettle amidst a turbulent macro environment. However, our Company emerged stronger at the end of it, paving pathways for accelerated future growth.

The year saw us accomplishing robust production volumes in multiple segments and continued building our asset base, while improving asset integrity. We have further strengthened the Company with strong operational and productivity focus, enhanced our capital allocation framework to create long-term shareholder value and delivered a sound set of financial outcomes. It is gratifying to note that we remained cashflow positive, while maintaining a resilient balance sheet. Our work continued in an uninterrupted manner across all key result areas. As a testimony to our efforts, we also



Harnessing wind power at Hindustan Zinc

received well-accredited recognitions across governance, safety and environmental parameters, including moving up in the rankings of in the Dow Jones Sustainability Index (DJSI).

To summarise, it was a year where we could yet again validate the confidence vested in us by everyone.

A GRADUAL ECONOMIC RECOVERY

In CY2019, the global economy seemed to be on a path to recovery. This was primarily led by the bottoming out of manufacturing activity and global trade and monetary policy easing by central banks the world over. This sentiment was further bolstered at the start of CY2020, in light of the progress in US-China trade talks and Brexit deal.

In what was expected to be a year of continued recovery, CY2020 now has a fresh challenge to combat in the form of the COVID-19 pandemic. Although it is early to ascertain its impact on global supply chains, consumer behaviour, overall business sentiment and supply-demand equations in the short term, we will have more clarity only over the medium term.

A PRO-GROWTH, PRO-BUSINESS ENVIRONMENT IN INDIA

For India, FY2020 was characterised by several developments, including the re-election of the ruling party with an even larger mandate; the systemic identification, restructuring and tidying up of prevailing issues in the financial services sector; and the announcement of a slew of policy measures by the government.

While the clean-up applied temporary brakes on growth owing to a credit crunch, the fiscal and monetary policy announcements acted as a counterbalance, along with focus on keeping inflation under permissible limits. At the juncture that we are in, India faces its own unique opportunities and the priorities that come with it.

As we stand today, we have the reasons to believe that we are better positioned than any other nation with a visionary government, young working population, a conducive business environment and rising public expenditure.

CHAIRMAN'S STATEMENT CONTINUED...

The government's announcements made through the year and as part of the Union Budget 2020-21 are directed at setting the stage for India's future growth. Among these, the National Infrastructure Pipeline with a projected total investment of ₹102 lakh crore (US\$1.44 trillion) during the period FY2020-2025 deserves a special mention. It reinforces the government's commitment to build an India of the future with better connectivity and better resilience. It also has a direct and positive impact on heavy industries such as ours, with expected short- to medium-term buoyancy in demand. Other measures, such as a corporate tax cut, 100% FDI in coal mining, and merger of public sector banks are also noteworthy, which are directed at boosting the business climate in the country.

METALS AND MINING – PROPELLING INDIA'S GROWTH

With large-scale infrastructure spend on the horizon, the metals and mining sector is expected to receive a boost in demand both over the short as well as longer term. This growth will be further facilitated by the National Mineral Policy 2019, launched to ensure transparency, better regulation and enforcement, and to ensure a balance between social and economic growth. The Policy touches upon contemporary issues and guides on the adoption of scientific mining, technology and innovation, and environmental and social priorities. As Vedanta, we are well aligned to these guidelines and continue to set new benchmarks in good mining practices.

VEDANTA - READY TO SERVICE THE NATION'S NEEDS

As India grows, so will its needs and aspirations. At Vedanta, we are focused on providing vital commodities that facilitate the everyday lives of Indians and service their needs. Vedanta as India's only diversified natural resources group is presented with a unique opportunity to provide the vital commodities the country needs for infrastructure development, asset creation, mobility, housing, consumer goods and general consumption. Together with everyone, we can harness the

potential of natural resources in the most sustainable manner to fuel the nation's progress. It is with this objective that we have reinforced our positioning as 'Vedanta, Desh ki Zarooraton ke liye.'

CONTRIBUTING TO NATION-BUILDING

At Vedanta, our business performance contributes directly to the nation's economy. With over 40% of revenue being contributed to the national exchequer, we continue to deliver on our commitments, in the most transparent and ethical manner. We also employ closer to 80,000 on-roll and contractual personnel, thus creating a multiplier effect on the economy. According to a recent report by Institute for Competitiveness, a subsidiary of IFC (part of the World Bank Group), Vedanta's operations contribute around ~1% to India's GDP.

As we grow further, we continue to play a pivotal role in India's social development stage, and maintain a strong social engagement through our corporate responsibility initiatives. During FY2020, we spent ~US\$41 million, to touch the lives of over 3.26 million people.

Our core impact areas are education, health, sustainable livelihoods, women empowerment, sports and culture, environment and community development. Each of our Group companies have their own CSR agenda and they undertake associated interventions in one or more of the above impact areas. For example, BALCO actively supports the fight against cancer through its 170-

bed Medical Centre in Chhattisgarh, under the aegis of Vedanta Medical Research Foundation. Our flagship CSR programme, Nand Ghar, is aimed at building modern community resource centres through the length and breadth of the nation. Conceived in association with the Ministry of Women and Child Development (MoWCD), the Nand Ghar initiative targets the empowerment of 8.5 crore children and 2 crore women across 13.7 lakh Anganwadis in India. 2019 was a milestone year for this initiative, as we witnessed the inauguration of our 1,000th Nand Ghar. By FY2021, we are planning to quadruple the number of these centres, with an unwavering commitment to giving back to the society.

A FIRM FOCUS ON SUSTAINABILITY

Our sustainability approach is strongly driven by the need to address the expectations of our stakeholders while delivering strong business performance. As a Company we are attuned to global expectations and endeavour to contribute to the fulfilment of the United Nations Sustainable Development Goals (UN SDGs).

Our sustainable development agenda straddles four major pillars of Responsible Stewardship, Building Strong Relationships, Adding and Sharing Value, and Strategic Communications. These are developed in line with our core values, internal and external sustainability imperatives and global relevant frameworks. Our Environmental, Social and Governance (ESG) priorities are well aligned to our enterprise goals and towards this end,



Vedanta employees participating in awareness building team activities

we are working with a target-based approach to foster an inclusive and sustainable future for all. We ensure the safety of our workforce with its associated programmes on Visible Felt Leadership, deeper engagement on safety with our business partners, and managing critical safety tasks.

We are also managing our environmental impact through associated programmes on GHG emissions intensity reduction, tailings dam management, and recycling of our high-volume-low-effect wastes such as fly ash. We have defined a social performance framework for the organisation to secure our social licence to operate assessing the maturity of our business in the context, and driving community development activities across multiple spheres such as child education, women's empowerment, medical infrastructure development, and sports, among others.

EMPLOYEE SAFETY, HEALTH AND WELLBEING

The safety, health and wellbeing of our employees continue to be a highly critical focus area for us. However, I regret to inform that even with a razor-sharp focus on occupational health and safety, we witnessed seven fatalities this year. One life lost is too many for us, and we have redoubled our efforts to effectively enforce a safety culture and avoid any untoward incident, going forward.

TOGETHER WE WIN

Ever since we began our journey, our culture has always been people-centric, because we believe we are only as resourceful, resilient and future ready as our people. We are committed to provide our people a safer, sustainable, inspiring and inclusive culture.

Our culture enshrines our core values and nurtures innovation, creativity and diversity. We align our business goals with individual goals and enable our employees to grow on the personal as well as the professional front. Being an equal opportunity employer, and a meritocracy – all our decisions regarding employees are based on their contribution, attitude and potential.



Teamwork at Barmer, Cairn Oil & Gas.

CHANGES IN LEADERSHIP

With a heavy heart, I would like to announce that Srinivasan Venkatakrishnan (Venkat) stepped down as the CEO and Director of the Company with effect from 5 April 2020, for personal reasons and will be re-joining his family in South Africa. Over the last two years, I have enjoyed working with Venkat to drive our vision for the Company and the country at large.

I admire Venkat for his passion, dedication, ability to connect with people and his grasp of business. Venkat is a committed leader and will be remembered for his passion for sustainability, asset integrity, development and positioning Vedanta in global markets. We would like to acknowledge and express our deep appreciation and gratitude to Venkat for his immense contribution to the Company. This year, we also had to bid adieu to Ajay Kumar Dixit, our Cairn Oil & Gas business CEO and Deshnee Naidoo, our Zinc International business CEO. Ajay superannuated from the Company at the end of his five-year term this May, while Deshnee had to leave us for personal reasons. Both led respective businesses with great zeal and passion.

We wish them the best for all their upcoming endeavours. It is my pleasure to welcome Sunil Duggal – our interim CEO, a mature and proven leader who has held key leadership positions across the Group in the last 10 years. Sunil is an industry veteran and an active member of several industry and advocacy forums. He is passionate about safety, environment and ESG. We look forward to Sunil taking the Company to greater heights. I also want to place on record my thanks to the 80,000+

Currently, 3.1 million people benefit from Vedanta's US\$ 41 million CSR programme. 2019 was a milestone year for our flagship Nand Ghar initiative, as we witnessed the inauguration of our 1,302nd Nand Ghar at Barmer, Cairn Oil & Gas.

people who make up the Vedanta family and who, during this year, have innovated, broken records, and driven up our output with ever-increasing efficiency.

WAY FORWARD

I sincerely believe that the post-COVID world will bring huge opportunities for India to secure a better place in the emerging global economic order. I also believe the ultimate 'Make in India' moment for our country is soon to arrive. With ample natural, human and technological resources and strong reform-focused democratic governance, India holds out hope in the post-COVID era global businesses and investors look at reducing dependency on China. This will mean more jobs, more investments, rapid development and a great boost to our 'Make in India' initiative.

As I look back at Vedanta's journey so far, I can say with reasonable confidence that we have steadily grown and evolved to be an organisation creating disproportionate value for citizens of India. Even amidst a short-term environment of uncertainty, I have well-founded belief in our fundamentals, our strategy and our people, which taken together, is a powerful force to reckon with. My outlook remains positive for the country and for the Company and we are equipped to fulfil every commitment we have towards our stakeholders.

On behalf of the Board and the entire leadership team, I solicit your continued cooperation for all our present and future endeavours.

Best regards,
Anil Agarwal