

One year on: Review of progress by Vedanta Resources on EIRIS' ESG recommendations

Introduction

At Vedanta's AGM on 28 July 2010, the Company faced severe criticism from NGOs and activist investors for its poor environmental, health and safety and indigenous and human rights performance.

Prior to the 2010 AGM, global responsible investment research provider EIRIS had prepared a paper compiling what it felt to be the most important environmental, health and safety and human rights issues at the Orissa mine in India and presented seven recommendations to Vedanta to improve its governance of responsible business practices¹.

One year later, this paper will review Vedanta's progress in addressing those recommendations. The assessment was based upon publicly available documents such as the Company's latest sustainability and annual reports and communication between EIRIS and the Company.

Both this paper and the paper in which the original recommendations were made were commissioned by Aviva Investors. Aviva Investors have been involved in the ongoing engagement with Vedanta Resources around these issues.

There has been some progress by the company on a number of the recommendations. Some have been partially addressed or the Company has put activities into motion that could lead to them being met, so EIRIS has been able to assess six of the seven as being at an 'Amber' status. However Vedanta still has a long way to go to meet the full recommendations. Recommendation 5 has been assessed as 'Red'.

The seven EIRIS recommendations

1. Widen the remit of the HSE committee to make clear that it includes all ESG issues. The committee should have responsibility for oversight of the development of human rights and indigenous rights policies (based on international norms). The committee should have oversight of stakeholder engagement generally. Additional members skilled in these areas should be recruited. It should report to the Audit Committee on risks.
2. Train and allocate responsibility at board level on the full range of the company's ESG risks.
3. Create a transparent link between both board directors' and senior executives' remuneration and ESG performance, starting with pollution, safety and community.
4. Set up complaints/grievance mechanisms at all operations.
5. Improve risk management systems available to the Board including: a) setting up a panel of external experts to assess the Orissa operations against international norms relating to human rights, indigenous rights and the environment and b) commissioning independent environmental and human rights impact assessments and publishing these and committing to issuing a public response to the recommendations.
6. Support voluntary self-regulation standards, such as the OECD Guidelines for MNEs, UN Global Compact, EITI, ICMM, and the Voluntary Principles on Security and Human Rights.
7. Strengthen systems for monitoring compliance with ESG policies and publicly report on any non-compliances and remedial action taken.

Notable events relating to Vedanta Resources' operations since August 2010

12 August 2010

Vedanta Resource's reveals its intention to purchase a majority stake in Cairn Energy's Indian assets. A dispute over royalty payment has delayed approval of the transaction. In April 2011, the country's cabinet again deferred the decision and referred the deal to a panel of ministers.ⁱⁱ

16 August 2010

A panel of four experts headed by National Advisory Council member NC Saxena investigating violations of the Forest Rights Act and environmental norms by Vedanta in the Niyamgiri Hills recommends that the Union government should not give final clearance to Vedanta's bauxite mining project. The panel states in its report that 'the Vedanta Company has consistently violated the Forest Conservation Act, the Forest Rights Act, the Environment Protection Act and the Orissa Forest Act in active collusion with the State officials'.ⁱⁱⁱ

24 August 2010

India's environment ministry rejects a proposal by Vedanta Resources to mine the aluminium ore in the Niyamgiri Hills^{iv}. In a statement, the Indian Minister for the environment, Mr. Shri Jairam Ramesh refers to the 'shocking' and 'blatant disregard' shown by Vedanta for protected tribal groups. His statement said that there had been 'very serious' violations of the Environment Protection Act, the Forest Conservation Act and the Forest Rights Act by the Company.^v

21 October 2010

India's environmental ministry orders Vedanta to halt all construction work aimed at expanding its aluminium refinery in the state of Orissa. Mr Ramesh, India's environment minister, said that Vedanta had started work to expand the refinery's capacity to 6m tonnes a year without obtaining the

required environmental clearances and that 'the ministry asked the Orissa government to take legal action against Vedanta'.^{vi}

6 November 2010

Vedanta Resources appoints a Chief Sustainability Officer, Anthony Henshaw.

17 November 2010

Scott Wilson review of Vedanta's approach to sustainable development and assessment of the social and environmental issues in relation to the (VAL) Lanjigarh alumina refinery is published.

30 June 2011

India's Cabinet approves the Vedanta – Cairn Energy deal. However, the government requires Cairn India's new owner to take on more of the oilfields' royalty burden, which until now has been borne by the state-owned Oil & Natural Gas Corp.^{vii}

28 June 2011

The Company publishes its 2011 annual and sustainability reports which are now aligned on the same fiscal year for reporting.

2 July 2011

The Indian Ministry of Environment and Forests (MoEF) indicates in a press release that reports on environmental clearances being granted to Vedanta at Niyamgiri hills were incorrect. The Ministry asserted that the Expert Appraisal Committee (EAC) for non-coal mining had submitted its recommendations to the MoEF which was then examining these recommendations.^{viii}

6 July 2011

The Indian Environment Ministry announces that there will be a change to the law so that the Ministry will now carry out the Environmental Impact Assessments (EIAs) for large projects, replacing the current system of the project proponents being required to get the EIA conducted through an accredited agency.^{ix}

Scott Wilson report^x

Scott Wilson Ltd was appointed by the bank lenders to Vedanta Resources in September 2010 to review the Company's approach to sustainable development and to assess the social and environmental issues in relation to Vedanta Aluminium Limited's (VAL) Lanjigarh (India) refinery and its proposed expansion.

The Company made the report public through its website in November 2010. Many of the points raised by the Scott Wilson report overlap with the seven EIRIS recommendations.

The main points are:

- Developing policies reflecting best international practice
- Adopting a specific human rights policy and implementation procedures that demonstrate its commitment to the UN Declaration of Human Rights
- Developing a standardised approach to community consultation and disclosure on new developments that reflects the IFC Guidelines
- Changing the title of the Health and Safety and Environment (HSE) committee to the Sustainable Development Committee and expand its term of reference
- Adopting a specific policy in relation to engagement with and assistance to social groups that may be vulnerable to change
- Ensuring that there is a simple and accessible grievance mechanism by which villagers can identify any concerns about the operation of the mines/plants

Summary Table of progress on the seven EIRIS Recommendations

Below is an analysis of Vedanta's 2011 sustainability report. Also taken into account is any new information published on the Company's website as of 7 July 2011, its 2011 annual report and any additional communication that EIRIS has had with the Company. Each recommendation has been given a Red, Green or Amber status in the Assessment column based on the degree to which EIRIS assesses the company as having met the recommendation.

Recommendation	Vedanta's progress	Assessment
1 - Widen the remit of the HSE committee (should include human rights and indigenous rights policies)	In March 2011, the Board approved the appointment and new mandate of the Sustainability Committee (previously HSE committee). In a letter to EIRIS, the Company states this includes oversight for human rights as well as 'socially vulnerable groups' and 'stakeholder engagement'. However, it remains unclear whether 'socially vulnerable groups' includes local indigenous peoples and tribes and therefore indigenous rights nor whether 'stakeholder engagement' also relates to Company activities other than just its CSR related programs.	Amber - Partly addressed
2 - Train and allocate responsibility at board level on ESG risks	The Company has appointed a Group Chief Sustainability Officer (CSO) in 2010. Its Sustainability Committee has oversight of health and safety, the community and the environment. However, it remains unclear whether the Committee also has responsibilities for indigenous rights. As far as EIRIS was able to ascertain, the Company has not planned training on ESG issues at board level.	Amber - Partly addressed
3 - Create a link between both board directors' and senior executives' remuneration and ESG performance	In its 2011 annual report, the Company has indicated that its Remuneration Committee is putting in place remuneration policies which 'will support the continued successful growth of the business whilst managing risks inherent in running a global mining business including those relating to health, safety and the environment'. In a letter to EIRIS, Vedanta has given further details on the development of this policy and stated it expected to use the policy during the next financial year (2011-12).	Amber - Planned for 2011-12
4 - Set up complaints/grievance mechanisms at all operations	The Company is working on adopting procedures to ensure that all requests for information from stakeholders are dealt with in a timely manner. It is in the process of trying to formalise this within its sustainable development framework.	Amber - Planned for the future

Recommendation	Vedanta's progress	Assessment
	<p>The Company has indicated that developing a standardised approach to community consultation and disclosure on new developments that reflect the IFC Guidelines is 'one of the nine policies under revision to formalise its existing framework'.</p> <p>Vedanta also reports that it has a grievance mechanism pilot project at its VAL-Lanjigarh facility, through which local people can raise concerns about the Company's operations. The stated aim is that once developed the mechanism will become a Group practice.</p>	
<p>5 - Improve risk management systems available to the Board including a) setting up a panel of external experts to assess the Orissa operations against international norms and commissioning independent environmental and human rights impact assessments and b) publishing these and committing to issuing a public response to any recommendations</p>	<p>The Company has a CSR Advisory Board in Orissa to guide and periodically assess CSR performance. However, this relates to the Company's CSR programs rather than to the impact of its operations.</p> <p>Scott Wilson Ltd was appointed by the bank lenders to Vedanta Resources in September 2010 to review the Company's approach to sustainable development and to assess social and environmental issues in relation to Vedanta Aluminium Limited's (VAL) Lanjigarh (India) refinery and its proposed expansion. This panel assessed Vedanta's operations against international norms and the Company issued a public response to the recommendations through its 2011 Sustainability report.</p> <p>However, this cannot be considered as a panel of external experts carrying out an assessment of the Company's operations in Orissa against international norms.</p> <p>The Company should commit to commissioning independent environmental and human rights impact assessments.</p>	<p>Red - Unaddressed</p>
<p>6 - Support voluntary self-regulation standards, such as the OECD Guidelines for MNEs, UN Global Compact, EITI, ICMM, and the Voluntary Principles on Security and Human Rights.</p>	<p>Vedanta states that it 'fully supports the principles of the ICMM'. The Company's Code of Conduct makes reference to human rights but there is no specific commitment to, for example, the United Nations' Declaration of Human Rights.</p> <p>The Company has conducted an Environmental Impact Assessment (EIA) gap analysis and commissioned work on a supplement to address the issues identified in producing and testing EIAs and environmental management plans against IFC Performance Standards and ICMM best practice.</p>	<p>Amber - Some elements partly addressed and some are planned for the future</p>

Recommendation	Vedanta's progress	Assessment
	<p>In reference to the Scott Wilson recommendation on 'undertaking an independent audit of Group and subsidiary environmental and social performance against international standards (IFC, ICMM, OECD etc) within 12 months of implementing other recommendations', the Company states that this is to be completed within the required timescale.</p>	
<p>7 - Strengthen systems for monitoring compliance with ESG policies and publicly report on any non-compliances and remedial actions taken.</p>	<p>The Company plans to align its monitoring and reporting with international best practice standards. This includes reporting in line with the Global Reporting Initiative's G3.1 Sustainability Reporting Guidelines.</p> <p>Vedanta reports that its SD framework will include 'supporting its subsidiaries in compiling and maintaining a register of major social and labour incidents at their plants'.</p> <p>In relation to 'undertaking an independent audit of Group and subsidiary environmental and social performance against international standards (IFC, ICMM, OECD etc) within 12 months of implementing other recommendations', the Company states that this is to be completed within the required timescale.</p>	<p>Amber - Planned for the future</p>

Analysis of progress

EIRIS recommendation 1 – *Widen the remit of the health and safety and environmental (HSE) committee to make clear that it includes all ESG issues. The committee should have responsibility for oversight of the development of human rights and indigenous rights policies (based on international norms). The committee should have oversight of stakeholder engagement generally. Additional members skilled in these areas should be recruited. It should report to the Audit Committee on risks.*

Assessment: Amber - Partly addressed

The Company has indicated in its 2011 sustainability report that 'the Board approved the appointment and new mandate of the Sustainability Committee at its meeting on 17 March 2011'.

Also in the report, it adds that 'it was one of the main recommendations of the Scott Wilson Report that the remit of the Health, Safety and Environment Committee (...) should be broadened to embrace the full range of the Group's sustainability activities, including the welfare of the communities affected by its operations.'^{xi}

The Company says that the Sustainability Committee has been formed to 'advise the Board in helping it meet its responsibilities for health and safety, the community and the environment' and that its 'mandate covers all aspects of sustainable development including policies, commitments and the approval of this [sustainability] report'. The Committee will also 'advise on the law and expected standards of governance and review management systems to ensure that sustainability issues are assessed and managed effectively. It will also review sustainability targets and assess progress made against them'.

Regarding its structure, the Company indicates that it 'has three members, comprising one Non-Executive Director who acts as chairman, one Executive

Director and Group CEO, and one CEO from the Group's operations outside India; other operational CEOs have a permanent invitation to attend.

Currently the Committee chairman, Mr N Chandra, also sits on the Audit Committee, ensuring a fully integrated approach to risk management across the Group. The other members are MS Mehta, Group CEO, and Jeyakumar Janakaraj, CEO of KCM. The Group Chief Sustainability Officer acts as Secretary to the Committee'.^{xii}

The members are appointed by the board and the Committee reports directly to the board though, as the Company indicates, one member of the Committee sits on the Audit Committee. As a minimum standard the Sustainability Committee should report formally to the Audit Committee. Apart from the Committee secretary, it is not known whether its current members are skilled in the new issues covered by the Sustainability Committee nor whether the Committee intends to recruit additional members skilled in the areas being discussed.

Furthermore, using publicly available sources, it remains unclear to EIRIS whether the Company is referring to human rights or indigenous rights as well as to 'the welfare of the communities affected by its operations'. In a letter to EIRIS dated 13 July 2011, the Company indicates that the remit of this Committee includes human rights as well as 'socially vulnerable groups'. However, it remains unclear whether 'socially vulnerable groups' includes local indigenous peoples and tribes and their rights. EIRIS considers that the Company should make an explicit statement to say that the Committee has responsibility for oversight of the development of indigenous rights policies.

Similarly, EIRIS' recommendation that the Committee should also 'have oversight of stakeholder engagement', does not seem to have been included in the Committee's remit according to public documents. Indeed, the Company's

definition of stakeholder engagement might not relate to Company mining operations but only to the Company's CSR programs.

For example, in its sustainability report 2011, the Company states that: 'as a key part of the community engagement process, Vedanta personnel attended 3,973 village meetings and recorded 266 relevant community issues of which 241 were successfully resolved during the year. Other means of engagement included health camps, awareness drives, cultural festivities, tournaments, (...). Communicating our plans, programmes and achievements within local areas is a top-20 material issue for the Group'.^{xiii}

However, in a letter to EIRIS dated 13 July 2011^{xiv}, the Company states that the Sustainability Committee 'has met and considered the Vedanta Sustainability Framework which includes (...) Stakeholder Engagement'. However, it has not detailed what was meant by stakeholder engagement. This needs to be clarified.

Consequently it is difficult to ascertain whether Vedanta's definition of stakeholder engagement or 'the welfare of the communities affected by its operations' refers to communication and engagement related to its CSR programs rather than its mining activities and how these impact local communities and indigenous communities. If it is the former it would mean that local stakeholders are only consulted on CSR programmes rather than on the Company's impact on the environment, local communities and indigenous rights.

In order for EIRIS to consider this recommendation as addressed, it should be made absolutely clear that the Sustainability Committee covers indigenous rights and that it is also responsible for stakeholder engagement including local community engagement related to Company operations. The Company should also state whether it will be recruiting additional members skilled in the new issues covered by the

Committee or whether the Committee intends to recruit additional members skilled in these areas.

EIRIS recommendation 2 - *Train and allocate responsibility at board level on the full range of the Company's ESG risks.*

Assessment: Amber - Partly addressed

The Company appointed a Group Chief Sustainability Officer (CSO) on 8 November 2010. It has also allocated responsibility at board level on some of the Company's ESG risks through its Sustainability Committee. However, it remains unclear whether the Committee also has responsibilities for indigenous rights.

As far as EIRIS has been able to ascertain from publicly available sources, the Company has not planned training on ESG issues at board level. In its 2011 annual report, it only states that 'during the year, the Directors receive legal and regulatory updates. In particular this year a full briefing was given on the new UK Corporate Governance Code and UK Bribery Act'. However, this is not the same as providing training on the full range of ESG issues at board level.

In a communication with EIRIS^{xv}, Vedanta states that 'awareness building programmes focussed on the IFC and other international guidelines are being developed for senior management and for sustainability specialists within the different businesses'. However, it has not indicated whether board members would be provided with these 'awareness building programmes'.

As previously stated, the Company should make it clearer whether the newly created Sustainability Committee covers indigenous rights and stakeholder engagement on its own operations. It should also develop training on ESG issues at board level and have named board members with responsibility for specific ESG issues.

EIRIS recommendation 3 - *Create a transparent link between both board directors' and senior executives' remuneration and ESG performance, starting with pollution, safety and community.*

Assessment: Amber - Planned for 2011-12

In its 2011 annual report, the Company has indicated that 'the objectives of the Remuneration Committee are therefore to put in place remuneration policies which will support the continued successful growth of the business whilst managing risks inherent in running a global mining business including those relating to health, safety and the environment'.^{xvi}

The Company has given further details on this through communication^{xvii} with EIRIS, stating that it has begun 'a process with KPMG to design and implement a scorecard, including sustainability measures, for each of its subsidiary CEOs and their key team members. A second project, with McKinsey, has begun work to recommend to management the best way to link performance to remuneration at this level. This process is expected to be used for bonuses paid for the year 2011-12'.^{xviii}

EIRIS recommendation 4 - *Set up complaints/grievance mechanisms at all operations.*

Assessment: Amber – Planned for the future

The Company has indicated that it is working on the Scott Wilson report recommendation of 'adopting internal procedures to ensure that all requests for information from stakeholders are dealt with in a timely manner' and that it is trying to formalise this in its sustainable development framework.

In reference to the Scott Wilson recommendation to 'develop a

standardised approach to community consultation and disclosure on new developments that reflects the IFC Guidelines', Vedanta has reported that this is 'one of the nine policies under revision to formalise its existing framework'.

Similarly, on the recommendation related to 'supporting subsidiaries in developing a simple and accessible grievance mechanism through which local people can raise concerns about their operations', the Company has indicated that 'this is being piloted at its VAL-Lanjigarh facility and, once developed, it will become a Group practice'.^{xix}

The Company should provide details of its current pilot project at the VAL-Lanjigarh facility as well as indicate the timeframe for the implementation of the grievance mechanism Company-wide.

EIRIS recommendation 5 - *Improve risk management systems available to the Board including: a) setting up a panel of external experts to assess the Orissa operations against international norms relating to human rights, indigenous rights and the environment and b) commissioning independent environmental and human rights impact assessments and publishing these and committing to issuing a public response to the recommendations.*

Assessment: Red – Unaddressed

The Company indicates on its website that 'a CSR Advisory Board in Orissa comprising eminent personalities to guide and periodically assess CSR performance' has been established.^{xx} However, this relates to the Company's CSR programmes rather than to the impact of its operations or its risk management systems. In a communication with EIRIS^{xxi}, the Company also states that 'covering its Orissa operations, it has appointed a dedicated advisory board' but it is thought that this refers to the same CSR advisory board.

As noted earlier, Scott Wilson Ltd was appointed by the bank lenders to Vedanta Resources to review Vedanta's approach to sustainable development and to assess social and environmental issues in relation to Vedanta Aluminium Limited's (VAL) Lanjigarh (India) refinery and its proposed expansion. This panel assessed Vedanta's operations against international norms and the Company issued a public response to the recommendations through its 2011 Sustainability report. However, this cannot be considered as a panel of external experts to assess the Orissa operations against international norms as it only reviewed Company policies.

In order for EIRIS to consider this recommendation as addressed, the Company would need to have an expert panel assessing the impact of the Orissa operations on the environment and on human and indigenous rights. It should also commission independent environmental and human rights impact assessments of its operations in Orissa, as well as publishing the results and commit to issue a response to the recommendations.

The 6 July 2011 decision by the Indian environment ministry to take responsibility upon itself for EIAs for large projects is a salient development. However, it is unclear if this will be done by the Ministry for existing projects such as Vedanta's (VAL) Lanjigarh (India) refinery.

EIRIS recommendation 6 - *Support voluntary self-regulation standards, such as the OECD Guidelines for Multinational Enterprises, UN Global Compact, Extractive Industry Transparency Initiative (EITI), International Council on Mining and Metals (ICMM), and the Voluntary Principles on Security and Human Rights.*

Assessment: Amber - Partly addressed

The Company has indicated on its website that as 'part of the metal and mining industry, Vedanta fully supports the principles of the ICMM'.^{xxii}

The Company says that 'it has conducted an Environmental Impact Assessment (EIA) gap analysis and has commissioned work on a supplement to address the issues found'^{xxiii} to produce and test environmental impact assessments (EIAs) and environmental management plans against International Finance Corporation (IFC) Performance Standards and ICMM best practice. It also commits to include in this SD framework the 'training in relation to the IFC Performance Standards and Guidelines, human rights, vulnerable groups and the GRI Mining and Metals Sector Supplement.

Similarly, in regards to the Scott Wilson report recommendation on adopting a 'specific human rights policy and implementation procedures that demonstrate its commitment to the UN Declaration of Human Rights', Vedanta states that its human rights policy is 'one of the nine policies under revision to formalise our existing framework'. However, the Company's Code of Conduct, which was revised in March 2011, does not have a commitment to support self-regulation standards nor does it include a statement to support the UN Declaration of Human Rights.

Related to the Scott Wilson report's recommendation on 'undertaking an independent audit of Group and

subsidiary environmental and social performance against international standards (IFC, ICMM, OECD etc) within 12 months of implementing other recommendations', the Company reports that this is to be completed within the required timescale.

The Company says that it supports the principles of the ICMM. However, as far as EIRIS was able to ascertain from public documents, the Company has not committed to implementing the ICMM Sustainable Development Framework which would demonstrate a strong statement in support of the ICMM. The Company should also commit to implementing the OECD Guidelines for Multinational Enterprises or become a signatory to the Voluntary Principles on Security and Human Rights or to the UN Global Compact.

EIRIS recommendation 7 - *Strengthen systems for monitoring compliance with ESG policies and publicly report on any non-compliances and remedial actions taken.*

Assessment: Amber – Planned for the future

In relation to the Scott Wilson report recommendation of 'communicate to all stakeholders the environmental monitoring regime at plants, highlighting their environmental and social performance and benchmarking it against international standards such as the IFC Guidelines and reporting in the 2012 SD report', the Company states that 'in future reports and on its website, it plans to further align its reporting with international best practice standards. This information will also be made available on individual Company websites'.^{xxiv}

The Company says that its sustainable development framework will include 'supporting its subsidiaries in compiling and maintaining a register of major social and labour incidents at their plants' (which was another Scott Wilson report recommendation).

Finally on the Scott Wilson recommendation of 'undertaking an independent audit of Group and subsidiary environmental and social performance against international standards (IFC, ICMM, OECD etc) within 12 months of implementing other recommendations', it states that this is to be completed within the required timescale.^{xxv}

In its 2011 annual report, the Company states that it intends to report its sustainable development activities in line with the Global Reporting Initiative's G3.1 Sustainability Reporting Guidelines and has already started to do so in the report.

Future assessment by EIRIS on the progress being made by the Company against this recommendation will be based upon its success in implementing these commitments.

Conclusion

Recommendations for investors

Investors are likely to welcome the progress achieved by Vedanta Resources to date whilst recognising that the Company still has a long way to go in order to meet the ESG standards set by best in class companies in the extractives sector.

In order to monitor the Company's progress investors should continue to assess the ongoing implementation of the commitments made by the Company in its sustainability report and its progress against the seven EIRIS recommendations.

Going forward, those recommendations for which the Company is currently developing policies and systems, such as a policy linking remuneration to ESG performance, grievance mechanisms, and alignment with international standards, need to be monitored by investors to see how well they are being implemented in practice.

Recommendations for the Company

Whilst recognising that some progress has been made the Company needs to continue to improve its governance of corporate responsibility issues.

In order to allow a clear assessment of the extent of the progress made, the Company should clarify the exact remit of the Sustainability Committee (previously HSE committee), particularly whether it covers responsibility for indigenous rights as well as stakeholder engagement, including local community engagement related to Company operations.

Vedanta should also respond regarding those recommendations that it has not fully addressed yet. This includes Vedanta's intentions on

recruiting additional members skilled in the new issues covered by the Sustainability Committee and the provision of training on ESG issues at board level.

To help prevent the recurrence of some of the environmental and social problems which occurred in the past at Vedanta's Orissa operations, Vedanta should establish an independent expert panel assessing the impact of the Orissa plant on the environment and on human and indigenous rights; as well as to commission independent environmental and human rights impact assessments of its operations in Orissa.

Given the additional material the Company has provided to EIRIS through its letter dated 13 July 2011, for example with regards to the development of its remuneration policy, we would encourage the Company to make this communication public as it shows the progress it is making in this area. The Company should also consider seeking further dialogue with investors, for example regarding remuneration arrangements.

EIRIS would like to thank Aviva Investors for supporting the preparation and production of this report as part of their work to explore the most effective means by which shareholders can protect and enhance shareholder value with regard to sustainability issues. The content of the report is however the responsibility of EIRIS and nothing in it or its recommendations should be taken as a statement of Aviva Investors' views.

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- ⁱ EIRIS paper 'Improving Vedanta Resources' governance of responsible business practices. <http://www.eiris.org/files/research%20publications/EIRISVedantaReport2010.pdf>
- ⁱⁱ The Telegraph, 06/04/2011. <http://www.telegraph.co.uk/finance/newsbysector/industry/mining/8432801/Royalty-dispute-hits-Vedanta-Cairn-deal.html>
- ⁱⁱⁱ Indian Economic Times, 16/08/2010. http://articles.economictimes.indiatimes.com/2010-08-16/news/27582687_1_niyamgiri-hills-dongaria-kondh-kutia The Hindu, 16/08/2010. http://articles.economictimes.indiatimes.com/2010-08-16/news/27582687_1_niyamgiri-hills-dongaria-kondh-kutia
- ^{iv} The Guardian, 24/08/2010. <http://www.guardian.co.uk/business/2010/aug/24/vedanta-mine-plan-halted-indian-government>
- ^v <http://www.france24.com/en/20100824-india-backs-tribes-vedanta-mining-ruling>
- ^{vi} The guardian, 21/10/2010. <http://www.guardian.co.uk/business/2010/oct/21/india-tells-vedanta-stop-refinery-expansion>
- ^{vii} Financial Times, 30/06/2011. <http://www.ft.com/cms/s/0/117bf166-a327-11e0-a9a4-00144feabdc0.html#axzz1Rsaogiq2>
- ^{viii} <http://moef.nic.in/downloads/public-information/vedanta-020711.pdf>
- ^{ix} <http://www.hindustantimes.com/Ministry-to-conduct-impact-study/Article1-718120.aspx>
- ^x Scott Wilson report. <http://www.vedantaresources.com/sustainability/Vedanta%20Summary%20Report%2006%2012.pdf>
- ^{xi} Vedanta's 2011 Sustainability report. http://www.vedantaresources.com/sustainability/files/VEDANTA_Sustainable_Development_Report%202010-11.pdf
- ^{xii} Vedanta's 2011 Sustainability report. http://www.vedantaresources.com/sustainability/files/VEDANTA_Sustainable_Development_Report%202010-11.pdf
- ^{xiii} Ibid, page 26.
- ^{xiv} Letter from Vedanta to EIRIS 13/07/11
- ^{xv} Letter from Vedanta to EIRIS 13/07/11
- ^{xvi} Vedanta's 2011 Annual report. <http://www.vedantaresources.com/uploads/vedantaarfy2010-11.pdf>
- ^{xvii} Letter from Vedanta to EIRIS 13/07/11
- ^{xviii} Vedanta letter to EIRIS, 13/07/2011.
- ^{xix} Vedanta's 2011 Sustainability report. http://www.vedantaresources.com/sustainability/files/VEDANTA_Sustainable_Development_Report%202010-11.pdf
- ^{xx} http://www.vedantaresources.com/sustainability/working_with_communities.html
- ^{xxi} Letter from Vedanta to EIRIS 13/07/11
- ^{xxii} http://www.vedantaresources.com/sustainability/human_rights.html
- ^{xxiii} Vedanta's 2011 Sustainability report. http://www.vedantaresources.com/sustainability/files/VEDANTA_Sustainable_Development_Report%202010-11.pdf
- ^{xxiv} Vedanta's 2011 Sustainability report. http://www.vedantaresources.com/sustainability/files/VEDANTA_Sustainable_Development_Report%202010-11.pdf
- ^{xxv} Ibid

About EIRIS (www.eiris.org)

EIRIS is a leading global provider of independent research into the environmental, social, and governance, (ESG), and ethical performance of companies. With over 28 years experience of conducting research and promoting responsible investment strategies, EIRIS now provides services to more than 100 asset owners and asset managers globally. In the last ten years new EIRIS research has focussed on the risks and exposure of companies in key ESG areas, and how companies are responding. EIRIS works with clients to create their own ESG ratings and rankings, to engage with companies and to create specific funds for their clients. EIRIS has a multinational team of over 60 staff in London, together with offices in Boston and Paris. The EIRIS network includes research organisations in Australia, France, Israel, Germany, Spain, Mexico and South Korea, and now covers around 3,000 companies globally.

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