



30 Assurance statement

Introduction

Det Norske Veritas AS ('DNV') has been commissioned by the management of Vedanta Resources Plc ('Vedanta' or 'the Company') to carry out an assurance engagement on the Company's Sustainable Development Report 2011 ('the Report') in its printed format. This engagement focused on qualitative and quantitative information provided in the Report, and underlying management and reporting processes. The engagement was carried out against DNV Protocol for Verification of Sustainability Reporting (VeriSustain)¹ including verification of application level and adherence to principles of the Global Reporting Initiative 2006 Sustainability Reporting Guidelines 2006 (GRI G3).

This assurance statement is aimed at the readers of the Report. Vedanta is responsible for the collection, analysis, aggregation and presentation of information within the Report. DNV's responsibility in performing this work is to the management of Vedanta only and in accordance with terms of reference agreed with the Company. The assurance engagement is based on the assumption that the data and information provided to us is complete, sufficient and authentic. DNV disclaims any liability or responsibility to any third party for any decisions, whether investment or otherwise, based on this assurance statement.

Scope of Assurance

The scope of DNV's assurance engagement, as agreed upon with Vedanta, included the verification of the content, focus and quality of the information presented in the Report, covering the period April 2010 to March 2011. In particular, this assurance engagement included:

- › Review of the policies, initiatives, practices and performance described in the Report
- › Review of the Report against the requirements of VeriSustain with a moderate level of assurance

- › Evaluation of the adherence to the principles set out in the Global Reporting Initiative 2006 Sustainability Reporting Guidelines 2006 (GRI G3) and confirmation of the Vedanta's declared Application Level
- › Review and assessment of the processes and tools for collecting, aggregating and reporting qualitative data inside the Report
- › Verification of the reliability of information and performance data as set forth in GRI G3 and presented in the Report.

Our engagement did not include assessment of the adequacy or effectiveness of Vedanta strategy or management of sustainability-related issues.

Verification Methodology

This engagement was carried out during April and May 2011 by a multidisciplinary team of qualified and experienced DNV sustainability report assurance professionals. The Report has been evaluated against the principles of Materiality, Stakeholder Inclusiveness, Completeness, Responsiveness, Reliability and Neutrality, as set out in VeriSustain, and the GRI G3.

As part of our verification we visited the following operations in addition to the Vedanta office at Udaipur, India:

- › Vedanta Aluminium Limited, Jharsuguda and Lanjigarh
- › Sterlite Industries India Limited, Tuticorin
- › Konkola Copper Mines Plc, Chingola
- › Hindustan Zinc Limited, Chanderiya and Rampura Agucha
- › Bharat Aluminium Company Limited, BALCO Nagar, Mainpat and Kawardha
- › Sesa Goa Limited, Panjim, Bicholim, Codli and Amona.

During the assurance engagement, DNV has taken a risk-based approach, meaning that we concentrated our verification efforts more on the issues

of high material relevance to Vedanta's business and stakeholders. As part of the engagement we have challenged the sustainability-related statements and assertions made in the Report and assessed the robustness of the underlying data management system, information flow and controls. For example, we have:

- › Examined and reviewed documents, data and other information made available to DNV by Vedanta
- › Conducted in-person and online interviews with more than 125 senior Vedanta representatives, including data owners and decision-makers from different functions and locations of the Company
- › Performed sample-based checks of the processes for generating, gathering and managing the quantitative and qualitative data included in the Report
- › Reviewed the data management processes for completeness and reliability. This included assessments of methods, practices, tools and competence used in collection, aggregation and reporting of data as it is transferred and managed at different levels of the organisation
- › Reviewed the process of acquiring information and economic-financial data from the audited consolidated balance sheet for March 2011.

Conclusions

In DNV's opinion, based on the work carried out, the Report is a fair representation of the Company's sustainability-related strategies, management systems and performance. With reference to the application levels defined in GRI G3, DNV confirms that the GRI requirements for Application Level 'B+' have been met. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

Materiality: Acceptable. The methodology of materiality determination used for the

¹ www.dnv.com/services/assessment/corporate_responsibility/services_solutions/sustainabilityreporting/order/



Report uses the perspectives of senior representatives from various functions of the Company. The outcome has not missed out any significant, known material issues, but the process should be validated with more specific inputs for each business area to bring out material issues that reflect short, medium and long-term impacts. In addition, input from external stakeholders should be included in the materiality assessment process.

Stakeholder Inclusiveness: Needs Improvement. The Company demonstrates engagement with stakeholders through various channels and is committed to improving its stakeholder engagement standards. The engagement process can be further strengthened by formally documenting the sustainability expectations expressed by stakeholders through different engagement channels.

Responsiveness: Acceptable. The Company has responded to stakeholder concerns through its policies and management systems, and this is reflected in the Report. However, Vedanta should consider assessing the key performance indicators (KPIs) and related targets reported, particularly in light of the expectations of external stakeholders and Report readers.

Completeness: Acceptable. The reporting boundary for environmental data and information excludes project sites. The Report provides partial disclosures in response to certain GRI G3 disclosure requirements; these are denoted in the GRI index. It is evident that Vedanta acknowledges the need for continuous improvement and is committed to improving the reporting scope and boundary.

Reliability: Acceptable. Although no systematic or material errors have been detected, DNV has identified some manual discrepancies in data which have subsequently been corrected. More focus to develop clearer data protocols would help improve data consistency and accuracy. Although DNV recognises that demonstration of comparability

is a challenge with expansion of geographical coverage in the Report, Vedanta should consider reporting historic data performance trends over appropriate time periods, i.e. three to five years, to enable readers to see how the Company has performed over time and enable comparison.

Neutrality: Acceptable. The information contained in the Report is presented in a neutral tone. Overall the Report is transparent in discussing the challenges faced by the organisation and bringing out the road map for improved governance and performance. The Report can further improve by providing additional disclosures related to legal issues.

Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported back to the management of Vedanta. However, these do not affect our conclusions on the Report, and they are indeed generally consistent with the management objectives already in place.

- › Implementation of systematic internal review and auditing of internal data management system will help further improve the reporting process by increasing the reliability of reported data
- › The reporting process should be expanded to include the GRI Mining and Metals sector supplement
- › There remain a number of areas that involve the manual collation and adjustment of data. Automation would help reduce the risk of errors.

DNV's Independence

DNV states its independence and impartiality with regard to this engagement. DNV confirms that throughout the reporting period there were no services provided which could impair our independence and objectivity. DNV also maintained complete impartiality towards people interviewed during the assignment.

For Det Norske Veritas AS,

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