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Independent Assurance Report to Vedanta Resources plc's 2009-10 Sustainable Development Report

KPMG was engaged by Vedanta Resources plc ('Vedanta') to provide assurance over Vedanta's 2009-10 web-based / online Sustainable Development Report (the Report). The assurance is based on the report content provided by Vedanta and can be accessed at the following url – <http://www.vedantaresources.com/sustainability/>

Assurance Scope

The assurance is provided for the data and information under the limited assurance scope for the period 01 April 2009 to 31 March 2010. We have covered all sustainability performance indicators defined by Global Reporting Initiative's G3 Guidelines for Sustainability Reporting, subsequently adopted and mapped in Vedanta's site level sustainable development protocols. Site visits for verification of data / information were carried out to Vedanta's Indian operations at

- Hindustan Zinc Limited: Udaipur and Chanderia, Rajasthan.
- Vedanta Aluminium Limited: Lanjigarh, Orissa.
- Sesa Goa: Panaji, Goa.
- Sterlite Industries Limited: Tuticorin, Tamilnadu.
- Bharat Aluminium Company Limited: Korba, Chattisgarh.

For the operations that were not visited, we verified the correctness and reliability of the data provided at Vedanta's corporate office in Mumbai.

Limitations / Exclusions

This Assurance Report has been provided on the basis of the following limitations / exclusions:

- Assurance was not provided over any data or information presented in the Report other than that mentioned in the Scope above.
- Data / information pertaining to Vedanta's financial performance indicators, which was sourced from Vedanta's 2009-10 annual report was excluded from the assurance.
- Data / information outside the reporting period (01 April 2009 to 31 March 2010) was not subject to any verification.
- Any statement indicating intention, opinion, belief and / or aspiration by Vedanta was excluded from the scope of assurance.

This Assurance Report is based on the content provided by Vedanta and as assessed by KPMG on 15 February 2011. Any subsequent update(s) to any of the web pages after the mentioned date are not covered by this assurance.



Assurance Standard and Independence

We conducted our work in accordance with International Federation of Accountants' (IFAC) International Standard for Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information]. We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

Assurance Process

We obtained all the evidence, information and explanations that we considered necessary in relation to the assurance scope mentioned above. Our work included a range of evidence-gathering procedures which are further explained below:

- Observations on Vedanta's site level stakeholder consultation processes and the methodology adopted for determining the material issues.
- Interviews with the CEO, Senior management, Sustainability core group and staff at site level.
- Checking the Report's content to ascertain the application level criterion as mentioned in the Global Reporting Initiative's G3 Guidelines for Sustainability Reporting and adherence to the United Nations Global Compact Principles.
- Assessment of systems and procedures used for data collection, collation, and analysis;
- Visits to operations as described in the Scope above.
- Interaction with data owners at Vedanta's corporate office.
- Review of the Report's content to ensure that there are no disclosures that are misrepresented or inconsistent with our findings.

Responsibilities

The Management of Vedanta is responsible for preparing the Report's content and the information and statements within it. Vedanta is responsible for identification of material sustainability issues; establishing and maintaining appropriate performance management and internal control systems; and derivation of performance data reported.

Our responsibility is to express our conclusions in relation to the Assurance Scope. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and financial information and with experience in similar engagements in the metal and mining sector.

This Assurance Report is made solely to the Management of Vedanta in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Vedanta those matters for which we have been engaged to state in this Assurance Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vedanta for our work, for this Assurance Report, or for the conclusions we have reached.



Conclusions

Based on our review, nothing has come to our attention to indicate that the information contained in the Report is inconsistent with our findings as described below:

- ***Vision and strategy***
 - The vision and strategy addressing sustainable development have been articulated in the web report as “Vedanta Way” and the performance against targets has been reported. Going forward, Vedanta may consider developing a well defined sustainability roadmap clearly indicating goals, targets and action plans and implementation milestones.
 - The Report’s content has been defined using the principles for defining report content as mentioned in the Global Reporting Initiative’s G3 Guidelines for Sustainability Reporting and is consistent with Vedanta’s sustainable development strategy.

- ***Materiality and stakeholder engagement***
 - Vedanta has deployed a formal process for identification, prioritization and reporting of material issues that is linked to its sustainable development strategy.
 - There are established processes for engagement with key stakeholders like employees, communities and suppliers at site level along with appropriate documentation of discussions. Going forward, the focus can be on creating an issue based stakeholder engagement, by linking it with the “Vedanta Way”.

- ***Sustainable development performance indicators***
 - The information systems used for collection, collation, analysis and communication of sustainable development performance indicators are reliable.
 - During the course of verification, data transcription errors were detected and subsequently corrected.
 - The report covers the GRI G3 core indicators along with the Metal & Mining Sector Supplement indicators in detail.
 - There is a need to create a Board level sustainable development dashboard of select performance indicators at Vedanta, appropriately linked to the “Vedanta Way”.
 - The approach and practices adopted by Vedanta around its Resettlement and Rehabilitation program have been adequately covered in the Report.

- ***Adherence to GRI and UNGC***
 - The Report complies with requirements of ‘A+’ application level criteria as per the Global Reporting Initiative’s G3 Guidelines for Sustainability Reporting.
 - The Report’s content is aligned to the 10 Principles of United Nations Global Compact.

Arvind Sharma
Director
KPMG

15 February 2011