

ABOUT THE REPORT

Vedanta has consistently raised the bar in disclosures, surpassing the statutory requirements and adopting global reporting frameworks. This helps our stakeholders and providers of financial capital in making informed decisions. Our Integrated Report and Annual Accounts FY 2023-24 has been compiled using the Content Elements and Guiding Principles set out in the International Integrated Reporting Council's (IIRC) <IR> Framework, now a part of the IFRS Foundation.

Integrated Reporting aims at explaining how the Company creates, preserves and erodes value sustainably over time, consistent with Vedanta's values, purpose and strategy. We started this journey in FY 2017-18, with ongoing improvements and enhanced integrated thinking. Our FY 2023-24 report provides a comprehensive overview of our material issues, maintaining the highest standards of transparency and integrity. It highlights their impact on the environment and people as well as the risks and opportunities for business success, and will thus help make an informed assessment of our ability to create value over the short, medium and long term.

Scope and boundary

The Integrated Report and Annual Accounts 2023-24 covers the reporting period from 1 April 2023 to 31 March 2024, and provides holistic information on Vedanta Limited (Vedanta, VEDL), a subsidiary of Vedanta Resources Limited.

It provides an overview of operations across our business units, namely, zinc-lead-silver, oil and gas, aluminium, power, iron ore, steel, nickel and copper. Our assets are spread through India, South Africa and Namibia, and across the value chain comprising exploration, asset development, extraction, processing and value-accretion activities.

This report aims to provide a concise explanation of Vedanta's performance, strategy, value-creation model, business outputs and outcomes using an interlinked, multi-capital approach. It includes measures of engagement with identified material stakeholder groups and outlines the organisation's

governance framework, together with our risk-mitigation strategy.

Approach to stakeholder engagement and materiality

Our stakeholders include those individuals and organisations who have an interest in, and/or whose actions impact our ability to execute business strategy. We periodically engage with different stakeholder groups and actively respond to their concerns and issues. This report contains information that we believe is of interest to our stakeholders and presents a discussion on matters that can impact our ability to create value over the short, medium and long term.

Annual accounts

This report should be read in conjunction with the annual accounts (pages 384 to 631) to gain a complete picture of VEDL's financial performance. The consolidated and standalone financial statements in this report have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and have been independently audited by S.R. Batliboi & Co. LLP. The Independent Auditors' Report for both consolidated and standalone financials can be found on pages 384 and 516 respectively.

Forward-looking statements

This report contains 'forward-looking statements' – that is, statements about business expectations and forecasts that are based on future, not past events. In this context, forward-looking statements address our expected future business and

financial performance, and often contain words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', or 'will'. Forward-looking statements by their nature address matters that are, in different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and/or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of environmental, climatic, natural, political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements. These forward-looking statements involve risk and uncertainties, and although we believe that the assumption on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statement based on those assumptions could be materially incorrect.

Board and management assurance

The Board of Directors and the Company's management acknowledge their responsibility to ensure the integrity of information covered in this report. They believe, to the best of their knowledge, that this report addresses all material issues and presents the integrated performance of VEDL and its impact in a fair and accurate manner. The report has therefore been authorised for release on 18 June 2024.



A STRONGER, VALUE-ACCRETIVE VEDANTA ENABLED BY INTEGRATED THINKING



At Vedanta, an integrated and comprehensive approach to value creation, helps us grow from strength to strength. This propels our long-term growth while empowering us to contribute to the nation's growth, foster a sustainable world and create value for all our stakeholders. This model, firmly anchored in our mission and values, considers all resources and relationships, external operating factors and material issues to craft effective strategies. We have further embedded ESG aspects with our 'Transforming for Good' strategy and a more encompassing 'Transforming Together' theme to reinforce our decision-making process and bring greater resilience to our business.

Our value creation is propelled by

Mission

To create a world leading natural resources company

Values

Trust | Entrepreneurship | Innovation | Excellence | Integrity | Care | Respect

Strategic focus areas

S1 Continued focus on world-class ESG performance

S2 Augment our Reserves & Resources (R&R) base

S3 Delivering growth opportunities

S4 Optimise capital allocation and maintain a strong balance sheet

S5 Operational excellence and cost leadership

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Supported by our business activity



Exploration



Asset development



Extraction



Processing



Value addition and marketing

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And influenced by key factors in our operating environment

Megatrends and opportunities

T1 T2 T3 T4
T5 T6 T7

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Material issues

M1 M2 M3 M4
M5 M6 M7

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Risks

R1 R2 R3 R4 R5 R6 R7
R8 R9 R10 R11 R12 R13

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Resulting in an impact across the capitals and for stakeholders

Capitals



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social & Relationship Capital



Natural Capital

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Value creation for stakeholders

Shareholders, investors and lenders

Local communities

Employees

Industry

Governments

Civil societies

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HIGHLIGHTS FY 2023-24

OUR VALUE CREATION ACROSS SIX CAPITALS



FINANCIAL CAPITAL

We ensure a positive impact on the financial capital and create value over time through strategic efforts in optimising capital allocation, deleveraging and strengthening the balance sheet and ensuring cash-generative operations. All investments undergo rigorous review to maximise shareholders' returns and attain positive outcomes across all capitals.

Key FY 2023-24 outcomes

₹1,41,793 crore

Revenue

2% Y-O-Y

₹36,455 crore

EBITDA

3% Y-O-Y

1.5 x

Net Debt/EBITDA

30%

EBITDA margin¹

240 bps Y-O-Y

~23%

ROCE

240 bps Y-O-Y

₹29.5 per share

Dividend Declared

₹11,254 crore

PAT (before exceptional and one-time gain)

22% Y-O-Y

₹11,427 crore

Free cash flow (FCF) post-capex

37% Y-O-Y

₹15,421 crore

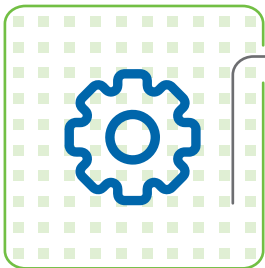
Cash and cash equivalents

Strong Liquidity Position

₹56,338 crore

Net debt

¹ Excluding custom smelting at copper business



MANUFACTURED CAPITAL

We invest in our portfolio of high-quality assets to meet dynamic market demands. Our commitment extends to acquiring cutting-edge equipment for elevated operational efficiency, safety performance and stable cash flows. We are currently undertaking various vertical integrations and expansion projects to bolster reliable and efficient operations and seize opportunities.

Key FY 2023-24 outcomes

Business highlights

Zinc India

1,079 kt

Best-ever mined metal production

2% Y-O-Y

1,033 kt

Highest-ever refined zinc-lead production

746 tonnes

Highest ever silver Production

5% Y-O-Y

Oil & Gas

128 Kboepd

Average gross operated production

Aluminium

2,370 kt

Highest-ever aluminium production

3% Y-O-Y

Power

13,443 million units

Overall power sales

25% Y-O-Y

Iron Ore

5.6 million tonnes

Highest-ever production of saleable ore at Karnataka

5% Y-O-Y

831 kt

Highest-ever Pig Iron Production

19% Y-O-Y

Copper India

141 kt

Cathode production from Silvassa

5% Y-O-Y

Steel

1.4 million tonnes

Highest-ever crude steel production

8% Y-O-Y

Ferro Alloys

80 kt

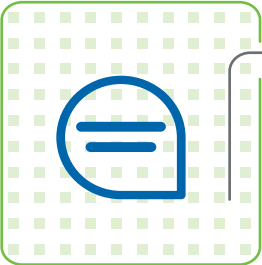
Record saleable production

18% Y-O-Y

₹12,267 crore

Growth capex

19% Y-O-Y



INTELLECTUAL CAPITAL

Our collective knowledge, skills and resources are key to ensuring optimal and sustainable operations and driving our value creation. Our ongoing investments in innovation, digital transformation and technology help strengthen our competitiveness and business resilience.

Key FY 2023-24 outcomes

₹13 crore	2	11
R&D Spend	Patents received in FY 2023-24	Patents under active application
₹160 crore		
Investment in digitalisation programmes		

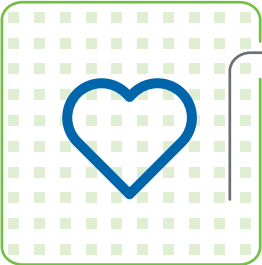


HUMAN CAPITAL

We have a rightly-skilled team, helping us achieve business goals and strengthen our position as a market-leading natural resources powerhouse. Our investments extend beyond their skilling to prioritising their health, safety and well-being, striving to achieve zero harm. Our inclusive policies and practices encourage independent thinking and creativity, ensuring a workplace where diverse individuals with unique skills thrive together.

Key FY 2023-24 outcomes

97,000+	20%	2,900
Total Workforce	Women employees	Employees covered under mentoring and support programmes
10.8%	1.30	36
Attrition rate	TRIFR - basis Full time employees	Transgender employees



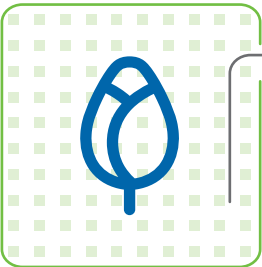
SOCIAL AND RELATIONSHIP CAPITAL

We continuously strive to engage and maintain relationships based on mutual respect and benefit with our stakeholders. These connections help ensure a positive impact of our business, strengthening our market reputation and uphold licence to operate. By actively supporting our operations, these relations are instrumental in executing strategy and enhancing value creation.

Key FY 2023-24 outcomes

6,000+	17.40 million*	₹438 crore
Nand Ghars built	Total CSR beneficiaries	Total CSR spent
13 million	4,076	
women and children benefited from CSR programmes	Youth benefited from employment-based training	

* including Direct+Indirect Beneficiaries



NATURAL CAPITAL

We own world-class mining assets in India and Africa, endowed with abundant natural resources and reserves (R&R), giving us long-term visibility to sustain operations. We effectively use these assets to generate significant social and economic value for our stakeholders. However, our operations also have associated environmental impacts, which we are striving to minimise by operating responsibly and investing in environmental stewardship.

Key FY 2023-24 outcomes

Zinc India R&R		
456.3 million tonnes	30.8 million tonnes	854.3 million tonnes
Combined R&R	Zinc-Lead metal R&R	Silver R&R
Zinc International R&R		
662 million tonnes	34.8 million tonnes	1,376 Mmboe
Combined R&R	Metal R&R	Gross proved, and probable reserves and resources
5.66 tCO ₂ e per tonne of metal	0.7x	92%
GHG Intensity	Water Positivity Ratio	HVLT waste recycled
2 million		
Trees Planted (As part of the commitment to plant 7 million trees by 2030)		

World-class natural resources powerhouse with low cost, long-life and diversified asset base



Vedanta has an extensive and diversified asset portfolio, which is characterised by global cost leadership in several core businesses enabling superior margins and free cash flow

generation across the commodity cycle. With ongoing investments in capacity creation and efforts for structural cost reduction and operational efficiency, we continue to

reinforce our cost competitiveness. Our robust commodity mix, focussed on base metals and oil, that have strong fundamentals and robust demand further gives resilience to our business.

Asset Base

Aluminium >>

1.8 MTPA

Jharsuguda Smelter

0.6 MTPA

BALCO Smelter

3.5 MTPA

Lanjigarh Refinery

5.5 GW

Captive Power

3.6 MPTA

Coal mines

Zinc-Lead-Silver >>

HZL

1,123 KTPA

Smelter Capacity

587 MW

Captive Power

Zinc International

325 KTPA MIC

BMM and Gamsberg Mine

456 million tonnes

Mine R&R

Oil and Gas >>

Total Acreage:

Footprint > 60,000 square km

R&R:

Gross 2P reserves and 2C resources of 1,376 Mmboe

Primary Oil fields:

Mangala, Ravva, Cambay, KG - On/Offshore

Iron and Steel >>

13 MTPA

Iron Ore Mines:

- > Karnataka Mines
- > Goa Mines
- > WCL

1 MTPA

Pig Iron Capacity

1.5 MTPA

Steel Capacity

150 KTPA

FACOR Capacity

Power >>

1,980 MW

TSPL

600 MW

JSG IPP

1,200 MW

Athena

1,000 MW

Meenakshi

Copper >>

216 KTPA

Silvassa Refinery

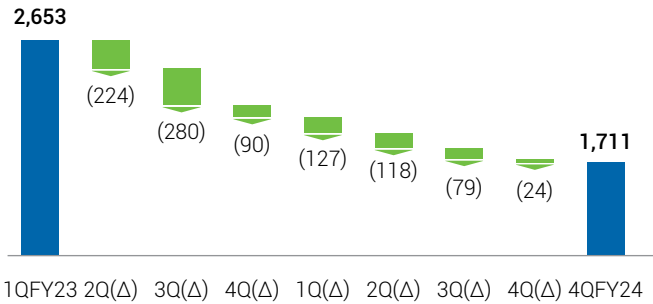
400 KTPA

Tuticorin

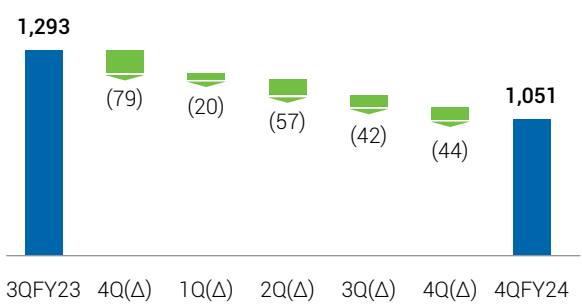


Cost Position

Aluminium Cost (US\$/t)



Zinc India Cost (US\$/t)



Vedanta continued its strong growth momentum and witnessed steady volume augmentation and cost reduction across key businesses, with aluminium and Zinc, Steel, Iron Ore, Pig Iron, Ferrochrome businesses delivering record performance.

Well-placed to contribute to and capitalise on India's growth and benefit through the cycle with an attractive commodity mix

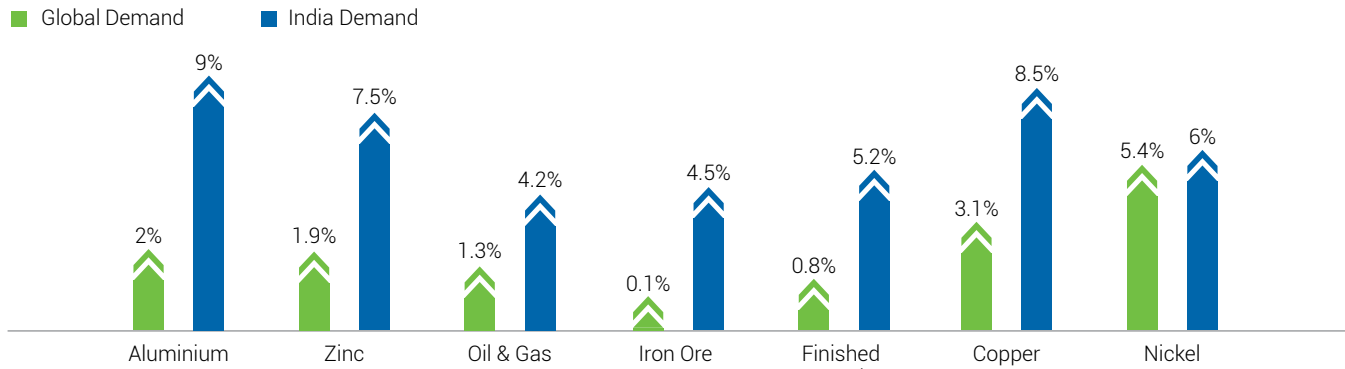


Indian economy, on the back of significant infrastructure investment and the government's focus on manufacturing and urbanisation, is growing rapidly. This alongside the emphasis on a green economy, electronics and digitalisation is likely to push the per capita metal consumption, presently below the global average. Expectation of healthy economic growth at 8.6% CAGR during 2022-2030 augurs well for the minerals demand.

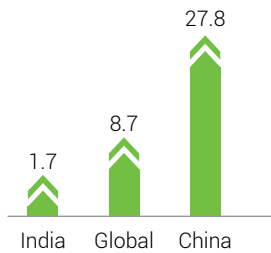
Vedanta's operations, being primarily India-focussed, are poised to benefit from the economic momentum. The following advantages position us uniquely in this market:

- > Leadership position as India's largest base metals and oil (private sector) producer
- > Extensive and scalable portfolio of commodities aligned with the nation's needs
- > Expert team with extensive Indian market experience, including project execution and fulfilling demand

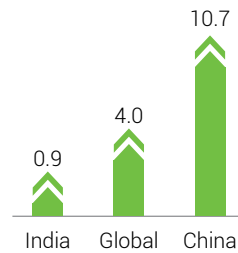
Demand 2023-2030 CAGR



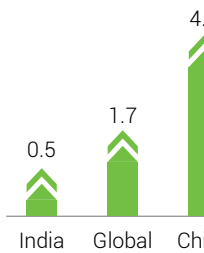
Aluminium consumption (Kg/capita)



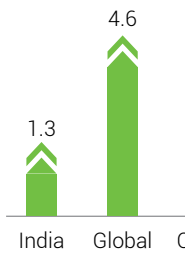
Copper consumption (Kg/capita)



Zinc consumption (Kg/capita)



Oil consumption (boe/capita)



Source: Wood Mackenzie, IHS Markit, OPEC World Oil Outlook 2023
Note: All commodities demand correspond to primary demand; figures are for 2023