

SECURING OUR FUTURE



SUSTAINABILITY DEVELOPMENT REPORT 2014-15

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VISION & MISSION

- To be the preferred investor and partner of choice
- To enhance our contribution to the Namibian GDP
- To produce 150 ktpa of SHG Zinc beyond 2015 in a safe, sustainable and cost-effective manner

VALUES

Trust
Entrepreneurship

Innovation
Excellence

Integrity
Respect

Care

Producer of Choice

- Quality
- Cost effectiveness
- Sustainability

Partner of Choice

- Reliability and Predictability
- Transparency
- Focus on mutual benefit

Employer of Choice

- High performance culture driven by Leadership, Engagement and Trust



We are glad to present to you our 2nd Annual Sustainability Report, which captures our performance for the year 2014-15. This covers accomplishments and financials associated with our business performance; endeavours to meet commitments for the environment; and efforts to keep promises made to society. The report is a perfect amalgamation of our strategic sustainability aims and objectives, supported by relevant technical and quantitative information.

Audience

This report intends to be useful to our employees, local communities, the Government, Media and those with business interests in our company (e.g. shareholders, business partners and industry associates).

Scope and Boundary

This report covers all operations of our company, Skorpion Zinc (Pty) Ltd. We have two units of operation – Skorpion Mining Company (Pty) Ltd, involved in mining of zinc ores from the mine site and Namzinc (Pty) Ltd, refinery, involved in the production of Special High Grade Zinc ingots. Both entities are located in Rosh Pinah in the //Kharas Region.

Report Content

This report discloses sustainability data from 1st April, 2014 to 31st March, 2015. While last year's Sustainability Report 2013-14 – “Galvanising Africa. The Story We Mine” – was compiled as per GRI G3.1 guidelines, this year's report has been developed as per the fourth generation guidelines of GRI “in accordance” with comprehensive criteria, including the technical protocols of the Mining and Metals Sector Supplement. We have discussed the material aspects identified at a company level and the attempts to manage these aspects effectively. We have also reported the progress on the long-term goals and targets that were set in the last reporting period. For these material aspects, we have attempted to project our targets for the coming year as well.

The data has been reviewed for completeness and accuracy at the operations level. Unless otherwise stated, we have reported the data using the metric system and the currency has been reported as US Dollars. There are no specific restatements of the information and no significant changes in terms of acquisition and physical boundaries from the previous reporting period. The GRI Index on pages 54-66 provides a list of GRI indicators and Disclosures (as per GRI G4 guidelines) and their locations within this report.

For further details

➤ Please visit <http://www.vedanta-zincinternational.com/operations/skorpion-zinc/>

Or

✉ email us at nndopu@vedantaresources.co.na or lahuja@vedantaresources.co.za



MESSAGE FROM THE CEO



I was appointed as CEO designate in November 2014 and as of February 2015 formally assumed full responsibility in the role. Though I did not witness most of the reporting year's operations first hand, I do have the advantage of a fresh perspective. Having spent my entire career in the mining industry, I have seen that one of the first significant differentiators of the Vedanta Group philosophy is an emphasis on Sustainability and the Environment. What impressed me was the specific focus on 'Preserve, Retain, and Replace'. In addition, I have a few observations on Skorpion Zinc, in particular, which I would like to share with you, with regard to the key highlights of the reporting year.



Safety - Zero Harm

Skorpion Zinc has had an impeccable record of safety. However, we regrettably announced a fatality at Skorpion Zinc after this reporting period. Lukas Shikongo lost his life on 27 May 2015 whilst on duty. Lukas was a rigger with us at Skorpion since 2001 - he knew the operation well, he knew his job well and was known to everyone. Yet he succumbed to this tragedy. More than that though, he was a husband, a father, a brother and a son. One fatality is one too many. I would like to offer my deepest sympathy once again to his family, friends, and colleagues.

Safety is a habit of excellence that we strive to maintain on an on-going basis and we need continued focus on safety. We must not let up on achieving our goal of zero-harm to our people - because we want you to return home safely to your families at the end of each day. We will therefore continue to strive towards this goal - focusing efforts on eliminating fatalities and injuries. We are now going deeper and wider into the mine and as such encountering issues that have not been faced before, such as water. This means that the workforce is now dealing with new challenges. We need to ensure that they are well-equipped

in terms of training on how to deal with these issues. Another factor is the aging infrastructure. With this we need much more maintenance and the safety drill needs to increase significantly commensurate with changing risks.



Environment

As an extension of Vedanta's commitment to Environment, we consider it our moral obligation to conduct our operations without compromising the essentials of the surrounding biodiversity. As the Skorpion Zinc mine is located amidst one of the world's 25 biodiversity hotspots - the Succulent Karoo Biome, and in the vicinity of the Speredbiet National Park - we have a Biodiversity Action Plan (BAP) backed by a Biodiversity Policy which emphasises the necessary interventions for us to operate in licensed areas. As a result of this, we have protected approximately 13.3Ha of habitat by demarcating and restricting entry in the Karoo Biome. In line with our life after mine vision and based on our forward-looking approach, we are storing the topsoil for biodiversity restoration/rehabilitation initiatives post mine closure. We have also made attempts to rehabilitate the original plant species - to this end, we have been maintaining a nursery that preserves these rare species.



Life of Mine Extension

Through a focussed drilling programme as well as optimising the reserves and resources available, we have managed to extend the life beyond the plan of all our operations. At Skorpion Zinc, in particular, our drilling programme has identified a high grade zone beneath the current pit which has made an additional pushback an attractive proposition. With this, we have extended the Life of Mine by a further two years to FY2018/19.



Extension of Life of Refinery

Another constant commitment for business is the objective to extend the life of the Refinery beyond the life of the mine helping to preserve jobs and sustain the economic contribution to the region. We intend to do so by the integration of the Skorpion Refinery Conversion Project together with the Gamsberg Project. The Refinery Conversion Project is currently in the feasibility stage. The conversion to the existing refinery will enable the treatment of sulphide concentrate in addition to the oxide ores from the existing Skorpion Mine.



Community and Economic Development

Our objective is to contribute to the economic development of Namibia and specifically the //Kharas Region. Our community initiatives are linked to providing effective

solutions to meet their needs. From enhancing school infrastructure in and around Rosh Pinah to promoting development of local vendors, we believe in creating sustainable growth for our local community.

We are focussed on optimising our mining and refining production without compromising on safety. As we do that, we are trying to tap into our Group's knowledge management for best practices under new, emerging challenges. Overall, we see challenging, yet exciting times ahead.

Deshnee Naidoo,

Chief Executive Officer, Zinc International





MESSAGE FROM THE GM (ACTING)



I would like to present to you our Sustainability Report for FY 2014-15. Though I took charge as Acting General Manager post the reporting period, I have been part of the Skorpion Zinc team as a member of Exco during the FY 2014-15 reporting period. At the outset, let me begin by sharing our performance for the year 2014-15. Though I took charge as Acting General Manager post the reporting period, I have been part of the Skorpion Zinc. At the outset, let me begin by sharing our performance for the year 2014-15. We produced 102 kt of refined zinc metal during the reporting period. Amidst various adversities, we have been successful in prospecting avenues for value generation by targeting reduction in cost of production; maintaining a relatively competitive advantage through operational excellence and maximizing shareholder return; and increased revenue without compromising safety or quality. Our focus for sustainable growth during FY 2014-15 continued with some areas getting prioritised further to help us 'Secure our Future.'



Safety - Zero Harm

Though, Safety has always been our priority, we were shattered by the first fatal incident in Skorpion Zinc's history that occurred immediately after the reporting period. We lament the separation of our very old associate – Lukas, who lost his life while on duty. I extend my heartfelt condolences to his family and friends.

This incident, occurred at a time when we were well aware of the consequences in the context of safety. Throughout FY 2014-15, we tried to improve our systems to ensure safety as we dealt with new challenges of encountering water in the mines and dealing with the aged infrastructure of our refinery. Our SHEQ team was involved in identifying high risk sections/work areas by successfully implementing our safety risk tools. We embarked on a predictive approach for mitigation, and applied the necessary critical controls (for identifying the possibility of high potential incidents); encouraged efficient incident reporting with continuous employee engagements; and

maintained the legal documentation necessary to be the best in the class of safety. In spite of all our efforts during the reporting period and beyond, the fatal incident in May 2015, compelled us to revisit our safety approaches and modify them further to meet the existing or current risk profile.



Environment

Dewatering the pit, was a new challenge which we encountered during the reporting period. To mitigate the same, we are in the process of developing a plan for effectively managing the water including transporting it from the pit and channelising it to a water course as well as exploring the possibilities of reusing the water. This would be implemented after confirming the water quality and considering the associated environmental effects, if any. We continued to maintain our pledge to our surrounding biodiversity rich habitat inline with our Biodiversity Action Plan. Our constructive efforts continued for minimizing our energy usage and channelizing the waste streams. We incurred small savings in electricity consumption by connecting plant outdoor lights to daylight sensors (46.88 GJ) and installing LED lights instead of fluorescent tubes (4.2 GJ) in the receiving clerk's office. We also insisted on maximizing resource utilization and focussed on reuse potential of the generated wastes. We also worked towards updating our plans for the closure of the mines that is a little more than couple of years away.



Local Community

Creating value for the community that hosts us, has been integral to our sustainability. Local economic development of the //Kharas Region remains our constant endeavour. We continued with our existing plans for our community in consultation with our NGO partners and the Government. Education was our top most priority for FY2014-15 and 43% of our CSI spent was attributed to it. To enhance the quality

of education and make it more accessible and affordable to all, we undertook programmes to support schools in the nearby community, encouraged Science Fairs and provided financial support to bright and deserving students. We also invested our time and money for infrastructural development, healthcare, sports and skills development amongst the local community. To generate more livelihood opportunities, we have advanced with the //Kharas Region Twinning Agreement which has been initiated to foster inter-Governmental cooperation on various mutually-beneficial projects between the //Kharas Region in Namibia and the Northern Cape Province of the Republic of South Africa.



Extension of Life – Future Projects

With the reserves of our pit depleting fast we have been involved in looking for avenues to continue our business by extending the Life of the Mine and as well as the Life of the Refinery. We are glad that our extensive drilling programme has confirmed that we can continue mining until FY 2018-19. For extending the life of the Refinery, we have already initiated the 'Refinery Conversion Project' which is in its feasibility stage, to enable it to treat a wide

variety of zinc containing ores. We are also partnering with our Zinc International subsidiary, Black Mountain Mining (Pty) Ltd, to purchase ores extracted from its newly announced Gamsberg Project, for our Refinery.

We also continued our efforts to recognize the full resource potential on the mine lease and near mine explorations by systematically compiling all available historical exploration data; investigating identified targets as well as newly generated targets. Through a conceptual study, we also plan to attempt for investigating the economic potential for possible mining and treatment of copper.

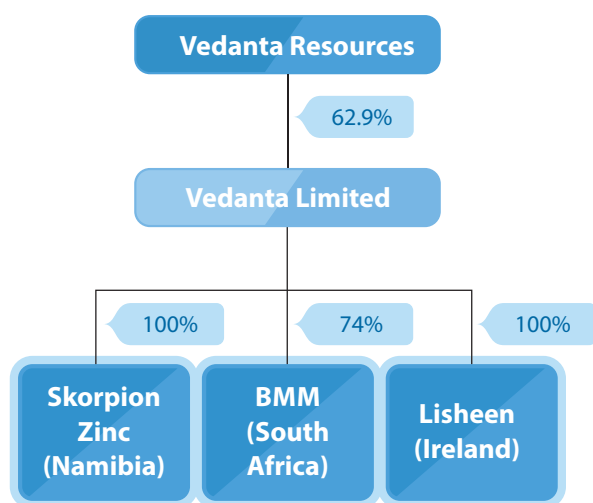
Our pursuit of economic development and business conduct is underpinned with by our focus on the health, safety and well-being of our people, our environment and our local community. We will strive to explore every opportunity to ensure that we continue with our 'Sustainability Journey' and 'Secure the Future' for all our stakeholders.

Lance Williamson
General Manager (Acting), Skorpion Zinc





Skorpion Zinc, is an integrated world-class Mining and Refinery operation, that has been a significant contributor to the Namibian GDP, amongst the mining entities. It forms part of the Vedanta Zinc International portfolio. Vedanta Zinc International (ZI) is a grouping of the zinc assets, in southern Africa and Ireland, of Vedanta Limited (a listed subsidiary of Vedanta Resources plc). The ZI business includes Black Mountain Mining (South Africa), the Lisheen Mine (Ireland) and Skorpion Zinc (Namibia) and has its corporate headquarters in Johannesburg, South Africa.



We have a nameplate capacity of producing 150 ktpa of Special High Grade (SHG) Zinc with 99.995% purity. Our product – branded 'SZ' – is registered on the London Metal Exchange (LME). Located near Rosh Pinah in Southern Namibia, we reach out to international markets, primarily European markets, through the nearest port – Lüderitz. One-fourth of our manufactured products are also sold to galvanisers and other end users operating in the South African Customs Union (SACU) Region.

With a continuous rise in global demand for zinc, we are exploring ways to meet the industrial need. Currently, we have been successful in extending the Life of Mine by two years. We plan to tap additional zinc reserves from greater depths; the target being to almost double the mining

depths by 2018-19. Simultaneously, we are working on plans to continue the life of the Refinery beyond closure of the mining activity.

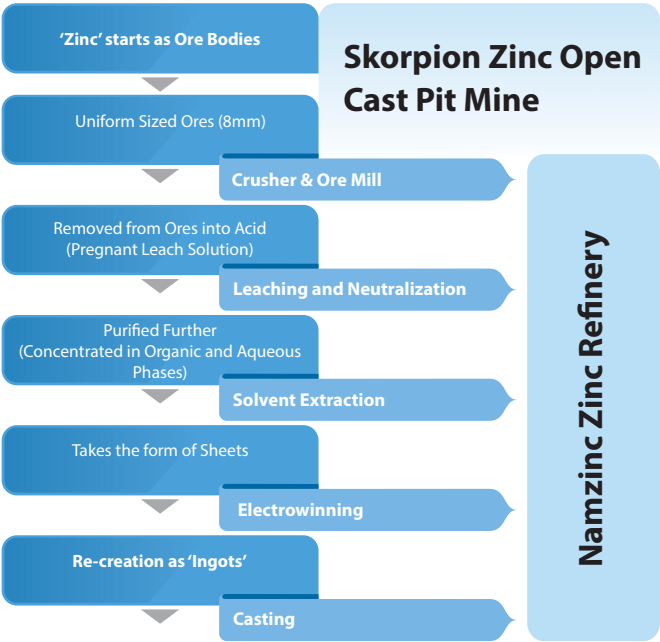
Production Technology

Skorpion Zinc employs state-of-the-art technology together with the skills of a highly motivated workforce to mine and refine zinc oxide to produce SHG zinc ingots.

Skorpion Zinc's process flowsheet begins with the homogenisation of feedstock material. Due to the variability of the zinc grade and other properties of the Skorpion Zinc orebody, blending (during mining) and homogenising of plant feed is important. The Skorpion Zinc design incorporates a semi-automatic stacker/reclaimer system with two stockpiles to homogenise crushed feed ore prior to milling. Each of the two stockpiles has a capacity of 25,000T, allowing plant feed at the designed rate for five days. This is necessary to achieve consistent plant operation and constant zinc production.

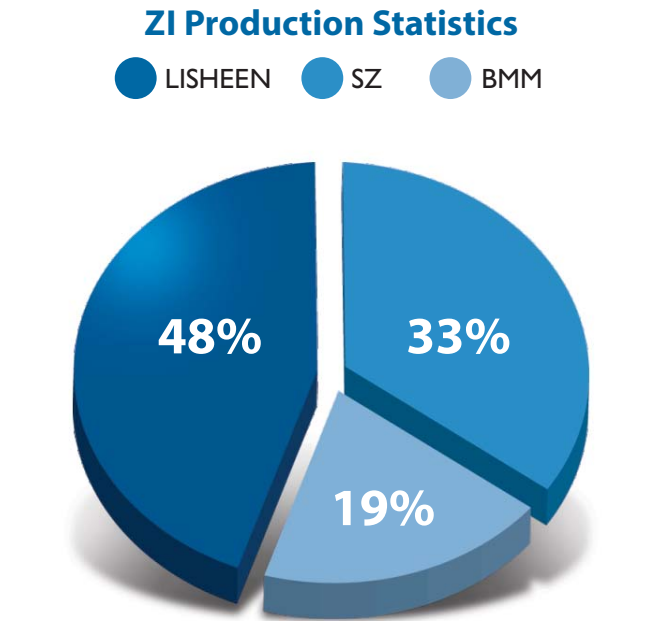
The homogenised and blended ore makes its way to the Refinery. The ore deposit of Skorpion Zinc is unique as it is a primary oxide/silicate/carbonate zinc deposit, which cannot be concentrated by flotation. The absence of sulphur offers an advantage in that no sulphur or sulphuric acid disposal is required. The ore is leached directly in sulphuric acid to produce zinc sulphate. It is not possible to directly electrowin zinc from the sulphate solution due to the high chlorine and fluorine levels, and other impurities contained in the Skorpion Zinc ore, which cause anode and cathode corrosion, and cathode stripping problems. Solvent extraction provides a buffer against chlorine and fluorine, and effectively prevents any carry-over into the purified electrolyte solution. The use of solvent extraction for zinc simplifies the overall treatment route, compared to conventional roast-leach-electrowinning circuits. The purified and extracted zinc is plated as sheets by electrowinning, which finally takes the shape of 25kg ingots after the casting process. The ingots

are strapped into 1MT Jumbo bundles for supply to galvanisers and other end users. Sulphuric acid and copper cement are the two by-products generated in the process.



Production Performance

During FY 2014-15, our production was 102kt, which was about 33% of the total ZI production volume. Our production performance was lower by 18% compared to FY 2013-14. This was a consequence of lower zinc feed grade and 23 days shutdown of the Refinery during January 2015 due to a fire accident in the cell house, which led to 23,000 tonnes decrease in production of refined zinc metal.



PRODUCT QUALITY ASSURANCE

- COMPLIANCE TO REACH REGISTRATION
- LABORATORIES ACCREDITED TO ISO 17025

Product Quality

Our product quality is our identity in the global markets. Our LME-registered 'SZ' brand and our diligent services to our customers underpin our high standard of quality. We owe our product quality to the efforts of all our functions, the quality of input materials and appropriate Management controls. With very little marketing communications and engagement only with specific customers, we are able to sustain our position globally by adequately meeting the premium demand of our product. We are registered and comply with the Regulation (EC) °1907/2006 of the European Parliament and of the Council of 18th December, 2006, concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Integration of quality standards at all levels and an ISO 17025 accredited on-site laboratory further help us achieve the quality of our product. We also conduct periodical assessments of our products and services from quality and health & safety aspects. The Material Safety Data Sheet (MSDS) that accompanies our SHG SZ ingots contains detailed information related to the product like Product Identifier, Relevant Uses, Composition, Hazard Identification, Supplier Details including Emergency Contact Details, etc. We also engage with our customers and take their feedback on our products and services, through both – formal and informal modes. During 2014-15, we conducted a Customer Feedback Survey, and we are happy to share that we received many positive responses. More details on this feature in “Customers' Speak”, below. We were not subjected to any kind of legal action for anti-competitive behaviour, anti-trust or monopoly practices during the reporting year. There were no instances of non-compliance with laws related to the use of the company's products and services and marketing communications; no complaints on breaches of customer privacy; and no monetary or any other penalties levied upon us during the reporting period.



Customers Speak - Souvenir of our services.

In our effort to strengthen our relationship with our customers, we interacted with them through a web-based customer survey to improve the quality of services provided to them and understand their needs and to understand whether SZ meets the customers expectations.

The Customer Survey was circulated to ten of our customers. Their opinion on several aspects relating to Customer relationship was obtained. The responses obtained were analysed and the conclusion arrived at was used as a base to further develop the relationship with our customers.

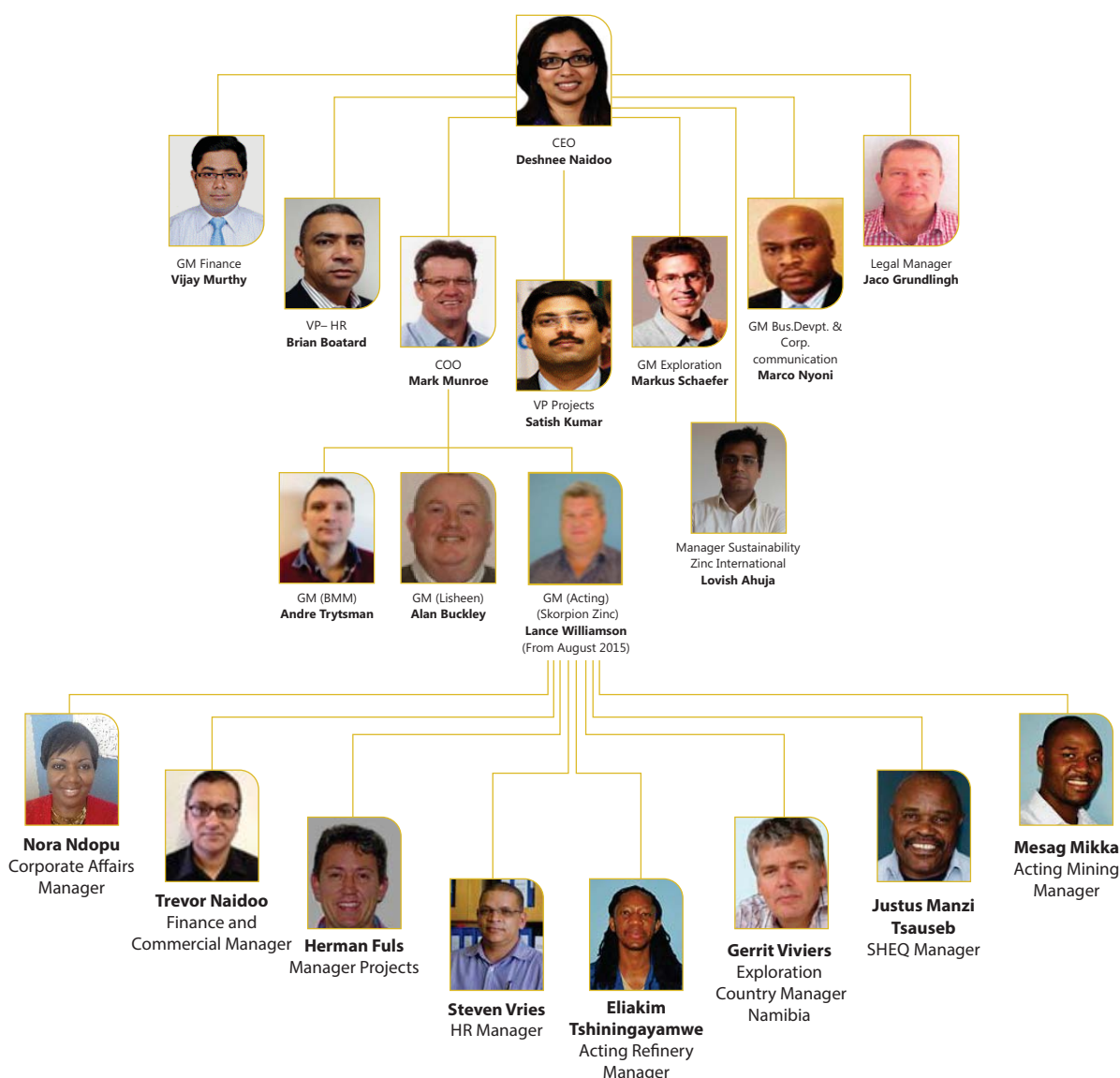
A total of four of our customers responded out of the ten that were contacted for the survey feedback. The responses based on a rating from unsatisfactory to excellent was computed. The survey results show that all our customers are happy about our turn-around times and most of them are satisfied about the quality of our product. There is further scope for improvement in the professionalism of our personnel. There are no significant issues regarding customer satisfaction and therefore **“SZ satisfies the customers requirements”**.

Aspect	Customers Speak (the maximum rating)
Quality/Reliability of test results	50% of Customers rated as “Good”
Turn-around times of COA	100% of Customers rated as “Good”
Response to technical questions and concerns	50% of Customers rated as “Good”
Quality of phone and email communications with marketing staff	50% of Customers rated as “Good”
General professionalism of Skorpion Zinc personnel	25% of Customers rated as “Good”
Communication of Skorpion Zinc Laboratory on any changes of services	50% of Customers rated as “Good”
Skorpion Zinc meeting supplier criteria	75% of Customers rated as “Good”
Testing services provided by Skorpion Zinc Laboratory	50% of Customers rated as “Excellent”
Need to peruse the validation parameters of the accredited analytical methods.	100% of Customers denied



Governance Structure

Our governance structure is in accordance with the Vedanta Corporate Governance system. The General Manager, who heads the company, is supported by an EXCO team that includes the Senior (Executive Committee) Management of all the functions, i.e. Finance & Commercial, Human Resources (HR), SHEQ (Safety, Health, Environment, Quality), Exploration, Mining, Engineering, Refinery, Corporate Affairs and Projects. The EXCO team reports to the GM who in turn reports to the COO - ZI. The organisational structure and governance framework at ZI Group level, headed by the CEO, ensures accountability to operational management within the purview of business strategy, policy guidelines and standards laid down by the Board of Directors (Vedanta Resources Plc).



Zinc International

Skorpion Zinc

Committees

The details of various committees constituted at the level of the Board of Directors of our parent company – Vedanta Limited and its ultimate holding company Vedanta Resources plc. – for various aspects of governance of the company are listed in the corporate governance section of the company's Annual Report for the year 2014-15.

Sustainability Committee

The Sustainability Committee at ZI steers the sustainability agenda at Skorpion Zinc. It ensures that there are appropriate mechanisms in place to meet the Sustainability goals. By way of extensive reviews and meetings on a quarterly basis, the committee evaluates performance as against the set objectives & targets. Changes in policies and procedures are recommended based on the performance.

Engagements at Site

- Quarterly meetings chaired by Sustainability Head (GM)
- Site evaluates performance as determined by set objectives and targets, and recommends changes to policies and procedures

Engagements at Corporate

- Monthly meetings at ZI and Vedanta Corporate chaired by Sustainability Head (COO)
- Group performance discussed on set targets, incident learnings shared, platform to roll out uniform standards for sustained application in Vedanta group

Responsibility of Sustainability Committee	Promote sharing of best practices on sustainability across ZI
	Advise sustainability policies and framework, clearly setting out the commitments to manage matters of Sustainable Development effectively
	Facilitate transferring of skills, knowledge and competence amongst Sustainability Professionals (Safety, Environment, Health and CSR) within ZI
	Review benchmarking of sustainability performance amongst Vedanta companies
	Recommend initiatives required to institutionalize a sustainability culture through involvement of leadership, employees and communities at all
	Provide information and raise awareness among our employees and other stakeholders to enhance knowledge and understanding of biodiversity and conservation issues

Remuneration Committee

For all the ZI operations, remuneration is linked to sustainability performance. The Remuneration Committee of the Board of Directors reviews the performance of each operation on the dimensions of safety, business, financial

and other sustainable development parameters. This is used as the basis for setting the annual performance payments and incentives for the Senior Management. The variable remuneration system for executives is linked to company and unit performance on profits, safety performance and other key drivers of performance. Safety performance is also a factor applied to individual performance for the evaluation and reward of the final incentive.

Code of Business Conduct

At Skorpion Zinc, we uphold the highest standards of business integrity, ethical values and professionalism in all our activities. We follow a statutory document, the Code of Business Conduct and Ethics of our parent holding – Vedanta Resources plc. This document is based on the values that we embarked on and is a unified protocol for all aspects of business performance encompassing legal compliances; aspects of health, safety & environment, whistle blower policy, conflicts of interest, insider trading law compliance, corporate opportunities, competition and fair dealing, gifts and entertainment, protection and use of company assets, information management, external communications and corporate social responsibility.

We ensure that all our employees acknowledge and sign the company's Code of Conduct as soon as they become a part of the Skorpion Zinc family. Apart from this, employees get several opportunities to interact with the Senior Management and we ensure that they understand the organisation's culture and way of functioning. We also have an exclusive Supplier Code of Conduct that defines our relationship and conduct with our business partners – suppliers, vendors, agents, contractors, joint venture partners and third parties.

Bribery and Corruption

Indulgence in bribery and corruption is considered to be a serious offence at Skorpion Zinc. We follow the Vedanta group's policies based on the UK Bribery Act of 2010, to discourage such practices amongst our employees and business partners. All our executives are briefed on the company guidelines against bribery and corruption, and they are signatories to these guidelines. However, we have not provided any specific training yet on anti-corruption policies. We assess all our business units for risks related to corruption, and have an internal auditor and SOX auditor onsite who are vigilant about such risks. We have a confidential hotline process in place for reporting incidents of corruption. During the reporting period, no incidents of corruption were reported.

Human Rights

Protecting and respecting human rights is central to our everyday business operations. We respect the human rights of all our stakeholders and hence, consider human rights across all aspects of our operations, as this would eventually reflect in the sustainability of our organisation. We have developed an exclusive Human Rights Policy respecting the United Nations Declaration on Human Rights. We adhere to this policy for protecting the rights of our employees and all stakeholders; for preventing any form of forced, compulsory or child labour directly or through our contractors; and for preserving the culture and heritage of the local communities. During the reporting period, there were no reported cases of forced, compulsory or child labour. As no indigenous community lives in the vicinity of our operations, there is no scope for violation of their human rights.

Human rights training is an integral part of the Vedanta Sustainability Framework implementation. During FY 2014-15, 66% of our employees received training on human rights owing to 61861 training hours. However, we do not have any exclusive formal training for our security personnel on human rights.

We also expect our contractors and suppliers to support our approach, and our contract terms and conditions insist on compliance with respect to regulations on minimum wages, contract labour and worker compensation as per the requirement of the Namibian Government. Through periodic checks, we ensure that they do not employ or engage any forced or child labour.

Whistle-blower Mechanism

To formalise our commitment to running an ethical business, we have several systems in place that enable our employees and other stakeholders to make their grievances reach the Senior Management.

This covers a broad spectrum of concerns, including ethical, criminal, supplier relationships, health & safety and

human resource issues. Unethical practices can be reported by contacting an independently-run centre via a toll free number. Reports received are kept strictly confidential and are referred to appropriate line managers within the Group for resolution. Appropriate actions are taken to address the issues raised.

Whistle Blower (WB) Hotline: We also encourage employees/business associates/or any other stakeholder to report any suspicious activity to the company by calling a WB Hotline number. Cases of fraud/corruption/theft, procurement irregularities, unfair labour practices, safety practices, unfair treatment to business associates, etc., can all be communicated to the Senior Management using this mechanism.

Grievance Policy: We provide our employees and all external stakeholders with a readily accessible procedure for addressing any problems or concerns they may have at work. By way of an exclusive Grievance Policy, we try and ensure fair, expedient and equitable treatment of all employees and provide a mechanism for the impartial solution of problems. The policy also aims to minimise potential causes of employee dissatisfaction.

The implementation of the policy is done at three levels. It is initiated at an informal level through interaction with the employee to resolve the issue by mutual discussion. The next level involves a four-stage formal procedure for intervening into the case and paving a working pathway. The final level includes a joint forum discussion, which acts as a common platform to address the issue of a particular employee and seek the opinion of the masses for the same. During FY 2014-15, no external grievances were reported. With regard to external stakeholders, there have been no grievances related to ethnicity, community matters, environmental issues, as there are no tribal areas or communities in the vicinity of the operation.

Awards & Recognitions

CHAIRMAN'S AWARDS

1st Runner-up: Best Performing Business Unit Q1 2014/15

PMR AFRICA

Diamond Arrow Award Highest rated in the Business Sector: Mining 2014/15

EXHIBITIONS / SHOWS

Overall Best Stand: Mining Expo and Conference 2015

Best Corporate Company: Made in Namibia Expo 2014

2nd Best Exhibition Stand: Made in Namibia Expo 2014



Our business strategy builds on high standards of governance, safety and social responsibility in our operations in order to deliver excellence in performance. We believe these operational drivers would enable us to sustain our business into the long term, and also support us during adverse scenarios. We adhere to the Vedanta Sustainable Development Model, for ensuring the sustainable future of our business operations, meeting our growth targets, and creating long-term value for all our stakeholders.

Vedanta Sustainability Development Framework

- **Responsible Stewardship**
It is our responsibility to respect natural and human resources, at all stages of a project.
- **Building Strong Relationships**
Connecting with stakeholders helps us build a business fit for the future.
- **Adding and Sharing Value**
We have a purpose beyond profit and make an important contribution to socio-economic development.
- **Strategic Communications**
We are committed to complete transparency and emphasise our principles of community dialogue and mutual respect.

Implementation of Sustainability Strategy

Our sustainability objectives are in line with the Vedanta Sustainability Framework requirements and we constantly monitor performance at regular intervals. We strive to meet the goal of our parent company to disseminate the framework to all our employees and embed it in every decision we take, ensuring that what we do is safe, ethical and transparent. Our approach to achieve the sustainability targets is implemented in consultation with our group Sustainability Committee. The Committee oversees and reviews the sustainability performance of the company through the EXCOs. We try to update our approach in the context of changing market



trends, the local milieu and stakeholder feedback. We use the Vedanta Sustainability Assurance Programme (VSAP) as our internal sustainability risk management tool to ensure Framework compliance. Results and action plans are reviewed by our Sustainability Committees and EXCOs on a regular basis.

Stakeholder Engagement

We believe that stakeholders are key to the success of any business. Therefore, we constantly strive to understand our stakeholders' needs and engage with them effectively, to make a positive impact on both our business and their needs. The description of our stakeholders and the modes of engagement with them are listed in the next page:

Stakeholder Groups and Engagement Modes			
Category of Stakeholder	Description of Stakeholder	Stakeholder	Modes of Engagements
Primary	Stakeholders that can make decisions that will impact Skorpion Zinc's performance	<ul style="list-style-type: none"> Government Unions (MUN, NUNW) SZ Employees 	<ul style="list-style-type: none"> Minimum: Quarterly engagement Preferred: bi-Monthly Meeting notes circulated & archived
Secondary	Stakeholders that can influence Skorpion Zinc's business and / or whose support will be critical to the overall project & business proposition	<ul style="list-style-type: none"> Chamber of Mines Namibia Contractors Suppliers Government //Kharas Regional Council (Governor's Office) 	<ul style="list-style-type: none"> Minimum: semi-annual engagement Preferred: Quarterly Meeting notes circulated to internal stakeholders to whom the subject matter has relevance & archived
Others (Notification required-direct/ indirect)	Stakeholders that need appropriate and timeous notice of developments that may impact / influence them Notification can also be indirect, i.e. through other stakeholders	<ul style="list-style-type: none"> National Media RoshSkor //Kharas Regional Council (Governor's Office) Government 	<ul style="list-style-type: none"> Generally engaged as and when required Quarterly review required; i.e. may need to 'make up' an engagement for some stakeholders Meeting notes archived

Materiality Determination

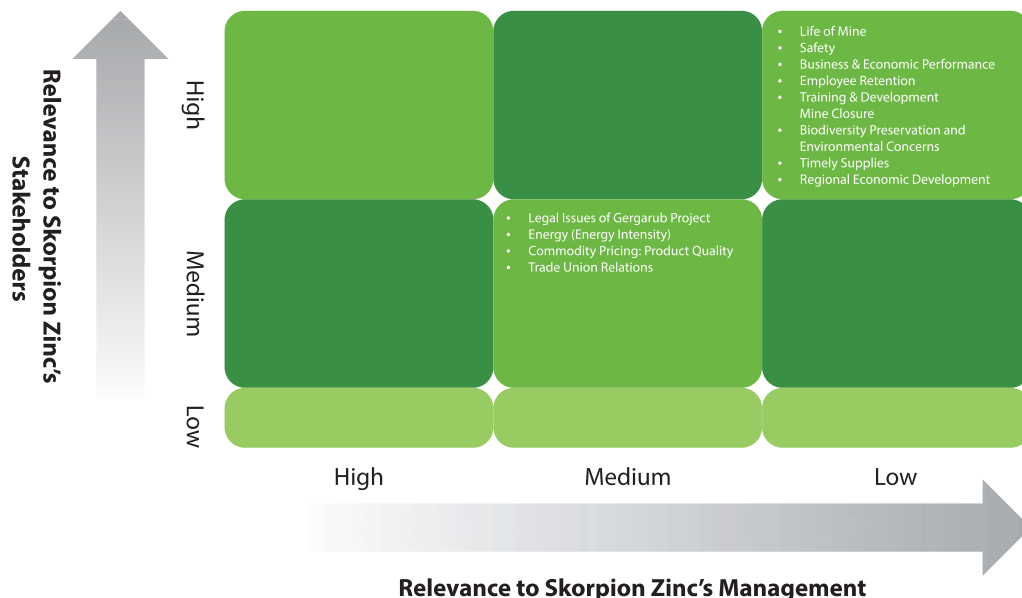
We arrived at our materiality matrix for FY 2014-15 by collating the perspectives of the Skorpion Zinc Management team and the stakeholders on material issues. The materiality process began with identification of sustainability topics that were of relevance, followed by prioritisation of these topics on a high to low scale, and verification of our analysis with the performance indices for 2014-15.

Stakeholder priorities were included by considering the outcomes of stakeholder engagement meetings throughout the year and also by interactions with an external consultant by way of employee-focused group discussions, interviews with functional teams and personal interviews. The exercise resulted in identification of seven stakeholder groups: FII & Shareholders, Suppliers & Contractors, Government, Employees, Trade Unions, Local Community and Customers. The Management perspective emerged out of a materiality workshop conducted by an external consultant through a rigorous materiality exercise, which focused on prioritisation of material issues to be managed, measured and disclosed through our sustainability reporting process.

Stakeholder Perspective			
Stakeholders	Ranking of Material Issues by Stakeholders		
	Low	Medium	High
FII & Shareholders			<ul style="list-style-type: none"> Financial Sustainability
Suppliers & Contractors		<ul style="list-style-type: none"> Payment 	<ul style="list-style-type: none"> Timely Supplies
Government		<ul style="list-style-type: none"> Diversity CSR 	<ul style="list-style-type: none"> Legislation in all functions Govt. Exemptions & Rebates EPZ status
Employees		<ul style="list-style-type: none"> Culture Assessment & Relations (Inclusive Culture) 	<ul style="list-style-type: none"> Training & Development Remote Location
Trade Unions		<ul style="list-style-type: none"> Relations 	
Local Community			<ul style="list-style-type: none"> GW Contamination Dust Pollution Noise
Customers			<ul style="list-style-type: none"> Deliveries

Management Perspective		
Ranking of Material Issues by Management		
Low	Medium	High
<ul style="list-style-type: none"> Biodiversity (topsoil removal) (low) 	<ul style="list-style-type: none"> Legal Issues of Gergarub Project Energy (Energy Intensity) Commodity Pricing Product Quality 	<ul style="list-style-type: none"> Life of Mine Employment (retaining talent) Safety (Linked to Loss of talent) Mine Closure Business or Economic Performance <ul style="list-style-type: none"> Aging Infrastructure Dewatering Falling grades of Ores Biodiversity Preservation and Environmental Concerns

Materiality Matrix for FY 2014-15



Risk Analysis and Mitigation Plans

Our top key risks for FY 2014-15 and mitigation plans are detailed below:

Safety

With increasing numbers of high potential incidents and near misses, safety is our primary concern. To reduce injuries and avoid fatalities, we are motivated to improve the safety culture at SZ. By increasing training on ZIP and safety risk management; redefining the SHEQ KPIs for management; and creating awareness on industrial hygiene we intend to bring about a complete transformation to the safety system at SZ. Aging of the Refinery infrastructure adds to our concern and we are considering a complete revamp for increasing the longevity of the units.

Employee Retention

Remote location and limited facilities pose the challenge of retaining employees at SZ. This impacts adversely while we try to meet our production targets. By engaging with

employees we plan to know of their needs and subsequently improve amenities to fulfil their needs.

Business Continuity

With the life of SZ mine reaching the end by FY2018-19, the obvious consequence of termination of mining operations is inevitable. The Gergarub project, currently with a pending status, makes it imperative to find alternatives for continuity of business. The adverse impacts on the Rosh Pinah community, and the economy of the region as a whole, can be evaded by exploring business alternatives. We are strengthening our near mine exploration and working on extending the life of the Refinery. We are currently in the process of finalising the Definitive Feasibility Study for the Refinery Conversion Project - this project will enable the co-treatment of the zinc sulphide concentrate from Gamsberg in addition to the existing oxides that we are currently treating at the refinery. The Refinery Conversion Project entails installing a roaster and an acid plant.

Mapping the Sustainability Indices

ZI Sustainability Charter

- Promote Zero Harm
- Behavioural safety interventions and Visible Felt Leadership
- Management of Change
- Emphasis on leading indicators of safety- sectional risk assessments
- Deliver safe and environmentally responsible project execution
- Updation and implementation of closure plans
- Robust Stakeholder engagement and Corporate Social Initiatives/Social & Labour plans

Performance of SZ FY 2014-15

- Highlights**
 - Focus on behavioural safety through ZIP training
 - Roll out revised contractor management policy in line with Vedanta Sustainability Framework
 - Updated Biodiversity Action Plan
 - Zero occupational diseases reported during the year
 - Spent 5,70,956.7 USD on CSR activities
- Lowlights**
 - High numbers of LTIs
 - Serious safety HIPOs



In this report, we are reporting our sustainability progress for FY 2014-15 by mapping our performance against the triple bottom line concept of Sustainability. Our sustainability indices, as aligned to the Vedanta Sustainability Framework, depict our Blueprint of Sustainability Performance. The sections following are structured as per the thematic areas of the triple bottom line and our performance in FY 2014-15 is also reported, elucidating our conformity to the Vedanta Sustainability Framework.



PEOPLE

- **Responsible Stewardship**
 - Safety Risk Management
 - Employee Retention
- **Building Strong Relationships**
 - Visible Felt Leadership
 - Community Engagement Activities
- **Adding and Sharing Value**
 - Employee Trainings
 - Community Initiatives
- **Strategic Communications**
 - OHSAS 18001
 - ISO 17025
 - Sustainability Report



PLANET

- **Responsible Stewardship**
 - GHG Reduction
 - Water Management
 - Waste Management
- **Building Strong Relationships**
 - Restoring Biodiversity
- **Adding and Sharing Value**
 - Mine Closure
- **Strategic Communications**
 - ISO 14001
 - ISO 9001
 - Sustainability Report



PROSPERITY

- **Responsible Stewardship**
 - Increased Contribution to Namibian GDP
 - Safe Production of 150 ktpa of SHG beyond 2015
- **Building Strong Relationships**
 - Extension of Life of Mine
- **Adding and Sharing Value**
 - Gergarub Mines and Refinery Conversion Project
 - Integrated Skorpion Zinc-Gamsberg Project



SECURING OUR PEOPLE

People are the most prized asset of any organisation. We owe a responsibility to our workforce – whose efforts translate to growth of the company, our supply chain – who support us in all our activities, and our community on whom we rely for most of our needs. As a company, we feel that Securing our People's Future is Securing our Future.

Our Workforce

The culture of a company and the value it adds to society depends on the quality of the workforce it engages. Competent, passionate and empowered employees build a competitive atmosphere and work objectively to expand business horizons. Creating an enthused work culture is paramount to our human resource strategy. With our vision to be a preferred 'Employer of Choice', we constantly develop management models based on the ground realities of our business and endeavour to attract and retain talent in our organisation. Our focus for 2014-15 has been the health & safety of our workforce, and addressing the needs of our employees in order to retain them. Securing their work environment, as well as their future careers, is our priority for our people.

Our Human Resource Strategy

To meet our target production of 150 ktpa, we need a skilled, enthusiastic workforce that is motivated to face challenges and successfully achieve set targets, irrespective of any unfavourable situation. Our strategy to attain this is driven at the corporate level, and we plan to utilise the following tools:

- Manpower Optimisation
- Organisation Development

Even as we are approaching closure in a couple of years, the safety of our people occupies the highest position on our priority list. We do not intend to compromise on any safety aspect, even as we endeavour to meet our high production targets. Providing a safe work environment is our responsibility and to ensure this, we will proactively



HIGHLIGHTS: 2014-15

- HEALTH AND SAFETY
- EMPLOYEE RETENTION

implement all relevant Management tools. Retaining talent is next on our priority list. Remoteness of our location, combined with limited facilities in the community township, poses a potential threat to retain a skilled and motivated workforce. At this juncture, we plan to focus on improving amenities and addressing the needs of our people.

Workforce Profile

Skorpion Zinc is a major employer in the //Kharas Region of Southern Namibia, engaging over 813 employees. We offer our employees a comfortable life in the Rosh Pinah community and a wide range of benefits, along with competitive salaries. We owe economic development to the community around and hence, we provide the local community with several sub-contracting services such as transportation, house-keeping and security services.

Employees and Contractors

During FY 2014-15, we had 685 employees and 650 contractual workers spread across different workforce levels and across both our units (Mine and Refinery). Most of our workforce falls in the age group of 30-50 years. 38% of our EXCO members are Namibian citizens. Skorpion Zinc strives to ensure that the number of Namibians in Management and Executive positions grows in accordance with Namibian laws which poses preference to be given to the locals in the company's management.

Workforce Statistics									
Categorisation	2014-15			2013-14			2012-13		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
By Employee Category									
Executives	1		1	9	0	9	6	0	6
Non-Executive (Technical)	151	10	161	546	59	605	570	50	620
Non-Executive (Non-Technical)	560	91	651	54	40	94	55	67	122
By Employee Type									
Permanent	593	92	685	609	99	708	631	110	741
Contract	543	107	650	-	-	584	-	-	582
By Age									
<30	184	42	226	179	45	224	-	-	-
30-50	492	57	549	491	70	561	-	-	-
>50	37	1	38	2	48	50	-	-	-

Governance Body Composition (2014-15)						
	Less than 30 years		Between 30-50 years		Above 50 Years	
	Male	Female	Male	Female	Male	Female
Middle Management	13	8	24	6	3	0
Senior Management	3	0	23	4	4	1
Top Management	8	1	0	0	0	0

Employee Retention

New Hires & Employee Turnover

During FY 2014-15, a total of 193 employees joined the organisation and 51 employees resigned from the organisation. The rate of new employee hires and employee turnover for the reporting period was 23.7% and 6.3%, respectively. Of the employees who resigned from the services, two had joined SZ during the same year. Retaining talent has been a challenge during the reporting period, due mainly to factors like the remoteness of our location and limited options for education, healthcare and recreation. The fire accident at our premises also aggravated concerns, in spite of our prompt actions and focus on the health and safety of employees. Frequent resignations and new recruitments are also a challenge to manage the manpower contingent essential for productive mining. This affects production adversely and is directly correlated to the growth of our company. We are currently making proactive efforts to understand the needs of our employees, in order to have them stay longer in our organisation. We aim to recruit the best talent available also by offering competitive compensation packages.

Statistics of New Employee Hires (by Category, Age, and Gender)									
Category	2014-15			2013-14			2012-13		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
By Employee Category									
Executives	2		2			0			0
Non-Executive (Technical)	28		28	9	1	10	20	0	20
Non-Executive (Non-Technical)	141	22	163	27	7	34	19	5	24
By Age									
<30	82	16	98			0	17	3	20
30-50	84	7	91			0	21	2	23
>50	4		4			0	1		1
Total	171	22	193	36	8	44	39	5	44

Statistics of Employee Turnover (by Category, Age, and Gender)									
Category	2014-15			2013-14			2012-13		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
By Employee Category									
Executives	0	0	0			0			0
Non-Executive (Technical)	19		19	20	1	21	22	2	24
Non-Executive (Non-Technical)	22	10	32	29	16	45	42	12	54
By Age									
<30	4	3	7	12	8	20	22	6	28
30-50	31	7	38	32	9	41	39	8	47
>50	6		6	5		5	3	0	3
Total	41	10	51	49	17	66	64	14	78

TESTIMONIAL



Second Home Coming Steven Vries

I finished my Grade 12 in 1991; unfortunately I did not get any bursary for further studies and therefore started working from 1992. I started as a financial clerk and then went to do a Diploma in Finance. After working in Finance for 10 years, I obtained a Degree in Business Management using distance learning.

I joined Skorpion Zinc in March 2011 as Remuneration and Services Manager (I was working in Rio Tinto prior to that). That was a time when Vedanta had just taken over Skorpion Zinc from Anglo American. My stint then was for a brief two-year period. But those years were the best period of my career in terms of learning and development. I didn't learn as much in an entire decade than what I learnt in the first two years at Skorpion Zinc – Vedanta!

I love Vedanta's 'high performance culture'. A truly multi-national company, it enabled me to widen my perspective. The training that Vedanta puts you through, the exposure you get to real world challenges results in a truly holistic development. Another thing I have experienced is that Vedanta truly cares for its people. I have seen many instances where the company has gone beyond conventional norms to support its employees during difficult times. Unfortunately for me, my kids (I have 2 young boys and a lovely daughter) had to go to high school, and currently there are none around Skorpion Zinc. So we packed our bags and I joined a public utilities company.

However, the lack of a high performance culture got me extremely fidgety. I was so used to the speed of execution at Vedanta that all else paled in comparison! So, no sooner had my elder son finished his Grade 12, we settled my younger son in a hostel and I moved back to Skorpion Zinc as HR Manager!

I always tell people that, if you haven't been to Skorpion Zinc, you're missing some of the best things at work.

For me, all I can say is –

"I am willing to retire at Vedanta!"

Diversity and Equal Opportunity

We do not discriminate amongst our employees on the basis of gender, race, religion, age, disability and HIV/AIDS. We believe in the principle of participative management of employees and encourage them to get involved in all major discussions about the company. We recognise the importance of gender sensitivity and take special care to protect the interests of our female employees and address issues/grievances raised by them. We encourage our female employees to take up leadership roles and, hence, provide them with the best opportunities at work. A remarkable fact at Skorpion Zinc is that the Fleet Management team in our mine is predominantly managed by women operators.

There is no discrimination in remuneration amongst employees based on gender and the ratio of basic salary of men to women is 1:1. There were no cases of discrimination based on race/colour, gender, religion, political opinion or social origin reported at Skorpion Zinc during the reporting period.

TESTIMONIAL



Christina Ortman's Mining Journey

Born in Keetmanshoop, it wasn't even a farfetched dream for Christina that she would end up working at a mine after school. She started her challenging career with Skorpion Zinc as a water tanker operator in 2002. Then began the quick progression to haul truck operator, operating the drill rig, grader, front end loader, machine operator and currently Pit Controller.

Being a person of high enthusiasm with the yearning to learn new things in life, she accomplished her duties in each role with the highest proficiency. She reminisces about her experiences during the initial days:

"It was very new to me and I did not think I would be able to operate the equipment. During the time that I was a water tanker operator, I would see truck operators tip material on the dumps and it would terrify me. I wanted to resign immediately when I knew that I had to move from the water tanker to the haul truck. But, once I started to progress, I realised that it only seemed impossible because I was not trained to do so."

Christina admits that working in a male-dominated industry can be quite tricky. She realised that though she outperformed her male colleagues on several instances, there were some specific tasks that were performed better by men, mainly because of their built. She states that she often took the help of her male colleagues to change hammers as a drill rig operator. In the process, she built a strong relationship with her co-workers and that helped her to work as a good team member.

She is happy about her stay and work culture at Skorpion Zinc and would like to continue here.

"I am looking forward to working with Dispatch and plan to learn more, to excel at my job as a Dispatcher."

Employee Rights and Benefits

Employee representation

We enjoy a harmonious relation with the labour unions. We strongly believe that harmony between Management and employees is pivotal in achieving higher growth and maintaining good industrial relations. 73% of our employees are represented by the Mineworkers Union of Namibia. All employees are notified on any operational changes and a statutory notice time period of 4 weeks applies as agreed with the Union. The Management and the Union had a difference of opinion on overtime issues during the reporting year. More facts and the current status are provided in the section 'Overtime Issues – Facts and Status'.



Overtime Issue – Facts and Status

Skorpion Zinc currently operates on a continuous cycle, wherein workers have 12-hour shifts on a 7-day on and a 7-day off cycle from Wednesday to Tuesday. Since Skorpion is in a remote location and has limited accommodation, the shift system, which allows employees to travel to their homes during their 7 days off is favoured by the majority of the workforce.

However, since the Labour Act prohibits employees from working more than 9 hours per day and more than 10 hours of overtime per week, companies and their employees that operate longer shifts are required to apply for an exemption from this regulation.

Skorpion Zinc has, since 2004, attempted to engage the Union, in order to make a joint application to the Minister of Labour for such an exemption. Whilst agreement(s) was reached with the Union on two occasions, in August 2004 and again in May 2008, on submitting a joint application for the exemption, the Union reneged on both occasions.

The Union has subsequently brought a legal action against the company, claiming additional overtime payments. The matter has been referred to a court-accredited mediation.

Employee Benefits

At Skorpion Zinc, our employees are our biggest asset. We ensure that our employees enjoy maximum benefits with our organisation – both, during and after employment. We have a structured compensation and benefit scheme for all full-time employees, as well as those appointed on a contractual basis. The standard benefits provided to all employees include life insurance, healthcare coverage, disability/invalidity coverage, maternity leave, annual leave, sick leave and retirement provision. We provide retirement benefits to employees through an independent retirement fund plan – the Skorpion Zinc Provident Fund. The fund is a defined contribution fund and has been registered in Namibia in terms of the Pension Funds Act.

Employee Benefit Plans			
Benefit Plans	Contributions to Benefit Plans (in USD)		
	2014-15	2013-14	2012-13
Provident Funds and Other Funds	3,859,975.1	2,476,642	2,679,325
Staff Welfare Expenses	67,253.7	2,509,071	2,538,948
Total	3,927,228.8	4,985,713.0	5,218,273.0

Our remuneration is consistently higher than the stipulated minimum wage levels. The ratio of the standard entry level wage compared to the local minimum wage is 1.57:1. Our women employees are provided with 3 months paid maternal leave as per the law. Although the employees are entitled to statutory social security benefits, we pay full salary for the duration of maternity. 14 employees were recorded as having taken 3 months maternity leave during the reporting period. The return to work rate and retention rate after availing parental leave was 100% during FY 2014-15.

Capacity Building

Training & Development

Our commitment to employee development is built on our strong, inclusive culture of collaboration, experiential learning and meritocracy. It has always been our endeavour to encourage employees to realise and develop their full potential through a continuous learning environment. We believe that effective training and development benefits the individual and organisation as a whole, and contributes to the achievement of the objectives of the company. During FY 2014-15, 29 employees were trained.



Training Programmes

Bursary Scheme: Allocation of full scholarships for studies at internationally recognised tertiary institutions.

Graduate Trainee/development positions: Identification of graduates with high potential to progress within the organisation due to cognitive abilities with degrees/diplomas.

Study Assistance Scheme: Providing internal employees with financial assistance towards formal training resulting in acquisition of degrees/diplomas.

Internal recruitment/promotions: Appointment and promotion of internal talent thereby enhancing responsibility and skills.

Understudy development programs: Appointing local employees for every expatriate employee for knowledge transfer.

The details of training hours by category and gender are provided in the table on Training Data. We provide the required internal training and even financially support our employees for training outside our operations. The internal training provided to our employees includes technical training, soft skills training, induction programmes and safety training. However, we do not have any transition assistance programme in place for employees who are either about to retire or have been terminated from service.

Training Data (2014-15)									
Category of Employees	No. of Employees Trained			No. of Hours of Training			Average hours of training per year per employee		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Middle Management	19	8	27	216	72	288	11'4	9	20'4
Senior Management	2	0	2	16	0	16	1.5	0	1.5
Total	21	8	29	232	72	304	12.8	9	21.8

Performance Appraisals



We plan, track and review the performance of executives and other categories on an annual basis. At the start of the business year, managers and employees agree on their key performance indicators. At the end of each business year, a performance appraisal is conducted. Individual Development Plans form part of the performance management system. The in-scope employees who are defined as the non-bargaining unit employees are eligible and the employees who fall within the in-scope population are expected to have a performance contract. During the reporting period, performance appraisals were received by 100% of the employees.

Performance Reviews (2014-15)			
	Male	Female	Total
Total Number of Employees	66	17	83
Total Number of Employees receiving regular performance appraisals	66	17	83
Percentage	100%	100%	100%

Employee Engagements

We believe in an inclusive culture where both Management and workforce join hands and perform together. We have thus created several formal and informal occasions, where the employees can interact with the Senior Management directly and the Management in turn considers it their responsibility to communicate the company's progress to employees and invoke transparency. During the reporting year, the GM interacted with the employees on numerous occasions formally through the – GM's Monthly Briefs (held every

2nd Thursday of the Month) and the annual GM's Roadshow. The GM also uses Special Communication Sessions to relay urgent and important messages that impact the business. This apart, the employees get along for various awareness drives. Visible Felt Leadership (VFL) is yet another engagement process where safety issues are addressed. More details of VFL are present in the Employee Health and Safety Section.

GM's Monthly Briefs

These are monthly information sessions scheduled for every 2nd Thursday of the month. A cross section of employees is selected by the HoDs to participate in the session. The purpose is to communicate the business performance of the previous month.

GM's Special Communication Sessions

The special communication sessions were conducted to re-emphasise the message on the tough challenges the company was facing and the Project Future Ready strategic plan that was set up to ensure that the Company performs well. The GM dwelt upon the thought that the company was likely to face a tough time in the future and urged the team to take ownership, cut down on expenses and work together to see the company through the coming two years. This session was conducted at various sites of the operation between 26th January 2015 and 31st January 2015. The attendance was good, with around 52% employees participating in these sessions.



Skorpion Knights Cleanliness Drive

Littering – the small activity that occupies the priority list of issues contributing to global climate change – is what we tried to combat with a small initiative. Skorpion Knights participated in the campaign for the clean-up of Skorpion Zinc premises. The teams picked over 4,500 cigarette butts, as well as sweet wrappers, to mention but a few items. Cigarette butts, which take around 10 years to decompose while infiltrating toxic elements such as cadmium, lead and arsenic into the soil and waterways, is one of the most common litter items. This drive achieved success in getting all smokers to do so in designated areas and throw the butts in the ashtrays provided.



International Women's Day Celebration

We celebrated International Women's Day, themed "Make it Happen". The celebration began with a message from Deshnee Naidoo, CEO, ZI, that was read on her behalf by the General Manager. This was followed by talks by Heleen van Zyl, PPS Accredited Financial Advisor and Desert Diamond Bluestar Award Holder, who inspired our women by sharing their ideas on "More Women in Leadership Roles" and "Increased Financial Independence of Women" respectively. An ice breaker game and a lucky draw added buzz to the event. The event was not only attended by the Skorpion Zinc female employees but also by the female spouses of the SZ employees.

Employee Health & Safety

The Health and Safety of our people is our top most priority. We strive to ensure that every employee returns home safely from work. With our goal to deliver business with 'Zero Harm' to people, we continuously work on improving our safety standards and escalating the safe work culture across all functions, inclusive of our employees and our contractors. The safety record at Skorpion Zinc has been good, with no fatalities since inception. The lost time injuries (LTIs) have also been decreasing over the past few years. Our concerns are the high potential incidents and the near-misses that are quite high. All our systems are geared to track and deal with them.



EHS TARGETS AND ACTIONS (2014-15)		
Targets	Activities	Projects
<ul style="list-style-type: none"> Fatalities = 0 Lost Time Injuries Frequency Rate (LTIFR) = 0 Reduction in Total Injuries = 10% reduction from 2013-14 Maintain Certification & Accreditation: ISO9001, ISO14001, ISO17025, OSHAS18001 	<ul style="list-style-type: none"> Improving safety culture within the organisation – need to address complacency Continue rolling out Risk Management training (A1, A2, Incident investigation, SHEQ Rep) to employees Reviewing SHEQ KPIs for Management employees Rolling out ZIP for Refinery Process & Engineering employees Training employees in environmental management Training employees in Industrial hygiene & OH Vedanta Sustainability compliance drive 	<ul style="list-style-type: none"> Develop SRMP training material for high level employees Implement proactive fatigue management systems for Mining i.e. ASTID system Complete multi-casualty ER programme for bus transported employees SAP HSE integration with existing systems

Safety Performance

During the reporting year, we achieved a reduction in the total number of injuries recorded, compared to the previous year, FY 2013/14. In spite of all our efforts, there was a serious accident where two of our employees were exposed to sulphuric acid fumes. Our SHEQ department was deeply affected as this accident had the potential to lead to fatality. We are thus strengthening our systems to deal with such unprecedented situations.

Safety Statistics (2014-15)		
Safety Indices	Male	Female
No. of Injuries	3	1
Occupational Disease Rate (ODR)	0	0
Lost Day Rate (LDR)	0.84	0.28
Absentee Rate (AR)	44.2	3.9
Fatalities	0	0

International accreditations are all renewed and maintained – OSHAS 18001, ISO 14001, ISO 9001 and ISO 17025. Safety training is a primary and integral part of our operations. Emphasis on safe production processes is laid down in our formal agreements with Unions. Our dedicated SHEQ team drives safety programmes by

innovating methods to encourage the participation of every individual employee in contributing to ideation, implementation and monitoring of safe and healthy practices at the workplace. SIP (SHEQ Improvement Plan) and Safety Risk Assessment tools are used to develop an essential Safety Framework.

Zero Incident Process (ZIP)

We continued training our employees on ZIP through SENTIS. This behaviour-based safety management system has been a success in the past. Its role in empowering employees with a deeper insight about safety issues and taking responsibility of their own lives has been remarkable.





Safety Armours Strengthened

On 3rd March 2015, Mushi-Ann – a Refinery Acid Plant operator, while doing her regular duty at the acid tanker loading area, was stunned when the flexi hose ruptured and the acid sprayed over her. This happened when she pulled the pipe back to hook it in position with the chain. Fortunately, she had her PPEs on, which saved her from a severe accident. She and Nicholas Neels, who was also slightly injured by the acid fumes, were rushed to Cape Town for specialist treatment.



The flexible hose, installed under tension at the bend, ruptured to acid degradation. Acid leaks could not be detected since the sock covering the flexible hose was clamped on both sides. Hence, the acid that accumulated between hose and sock under pressure led to rupture of the hose.

There was an immediate alert in the refinery and the loading of acid was suspended till the case was verified. The hose specifications were reviewed and new ones were installed. It was decided to provide a protective screen between the hose and operators, and alter the positioning of the new pipe to eliminate any bends and hence, any acid leakages. Risk Assessment and HAZOP were conducted and the complete acid loading procedure was reviewed (including PPEs). Drain pipes with drain valves at the bottom were recommended and it was decided to redesign the acid loading area. It was also decided to install an additional safety shower at acid loading platform.



Special training on the use of PPE was also provided to all acid plant operators. A list of safety precaution activities has also been planned to avoid such negligence:

- Regular equipment visual inspections by maintenance – improve to weekly from 3-monthly
- 6-monthly replacement programmes on flexible hoses
- Reposition winch
- Acid plant corrosion/structural integrity specialist to inspect whole plant once a year
- Order acid hoodies
- Safety shower installation on top of stairs

Health Aspects

Over 75% of our workforce is represented in formal joint Management-worker health and safety committees that help monitor safety at the workplace. Emphasis on safe production processes is laid down in our formal agreements with the Union. We conducted Occupational Hygiene Monitoring at the exploration site outside Tsumeb, as well as Spot Hygiene Inspection. There has been no record of any illnesses due to Occupational Health at Skorpion Zinc during the reporting year. This is owing to a risk-based medical surveillance conducted on the job-

specific minimum medical standards of Fitness. Hazards are identified much earlier and remediated, resulting in Zero Harm to our workforce.

We lay great emphasis on HIV awareness and control. During the reporting year, no new cases of HIV were registered. Through our Voluntary Counselling Test (VCT), carried out regularly at the clinic in Rosh Pinah, we ensure zero discrimination against people living with the HIV virus. Both employees and contractors are encouraged to follow this programme.

We celebrated World AIDS Day 2014 in collaboration with Rosh Pinah Zinc Corporation. We also launched a 'Movember' campaign to raise awareness about men's health issues. The campaign was organised by the Wellness Educators of Skorpion Zinc. Men were encouraged to go for regular health check-ups and the top six men's health issues that were discussed included:

- Heart conditions, including ischaemic heart disease, stroke and arterial disease
- High blood pressure
- Cancer (lung and trachea cancer, prostate cancer, stomach, oesophageal and pancreatic cancer)
- Respiratory disorders
- Digestive disorders, and
- Kidney disorders



World AIDS Day Celebration



We celebrated World AIDS Day on 5th & 6th December 2014 at the Skorpion Zinc Sports Park, where our Wellness Educators hosted a soccer tournament. It was celebrated in high spirits and 10 local soccer teams took part in the games. The event was graced by Mrs. Monica Namuonde, who has been living with HIV for more than 18 years and is a well-known HIV activist in Oranjemund. Speaking at the opening of the tournament, Mrs. Namuonde encouraged the members of the Rosh Pinah community to get regular check-ups and warned them against stigmatisation, which could hamper the progress being made in the fight against HIV/AIDS.

Safety systems overview

Safety being our top most priority, we have a pre-emptive approach, where we focus on identifying problems long before they become potential hazards. Simultaneously, we also work on amending our systems to the needs of the operation and deal promptly with any unexpected situation. We follow the Plan-Do-Check-Act principle to integrate all our Safety Systems. A brief of the tools & systems implemented at Skorpion Zinc follows:



Golden Rules of Safety

Safe systems of work and the provision of timely, appropriate safety and health information underpin all activities.

Hazards are identified and risks commenced before activities commence.

Hazards and Risks are reviewed whenever processes, people or natural circumstances change.

All persons are trained authorized and are fit to perform their duties.

Personal Protective Equipment, as defined by Risk Assessments and minimum site requirements, are used.

Emergency Response plans, developed from a review of potential emergency scenarios, are in place before commencement of work.

Stop work that is unsafe.

SHEQ Improvement Plan (SIP)

At Skorpion Zinc we believe in “Zero Tolerance, Target Zero”. To this we effectively implement our strategy for safe life and healthy life by our SHEQ Improvement Plan (SIP). We abide by the seven Golden Rules of Safety for improving the safety at our work places.

The key Interventions of SIP include promotion of Safety & health behaviours; Housekeeping; Safe work planning; Critical risk identification and control; Training; Contractor management; Legal compliance; Communication and Corrective action implementation. We execute our SIP through input strategies, such as, Critical Risk Control Standards, Incident Performance, Employee-EXCO Engagements, Safety maturity journey analysis and Legal compliances. Our SIP overview for FY 2014-15 is as follows:

Critical Risk Control Standards

- Vedanta critical control standards rolled out

Incident Performance

- Incidents reported mainly due to ageing plant (sulphuric acid plant incident)
- Process safety controls launched

Employee Engagement Contributions

- Requirement of additional risk officer identified due to increase in mining employees and fleet
- Defects identified to long lead times to repair
- Lengthy procurement processes identified as cause for delay in work progress
- Employees getting complacent and discipline needs to be enforced
- Contractor controls need to be improved in terms of safety controls towards employees
- Employee training needs to be increased

Safety Journey maturity analysis

- Training & competency
- Job & task planning
- Coaching and mentoring
- Safety accountability
- Management leadership and commitment

Legal Compliances

- EIA Zinc oxide importation
- EIA Zinc concentrate
- EMP update Refinery conversion
- Dewatering management plan





Leadership in Action

VFL (Visible Felt Leadership), a programme aimed at infusing safety behaviours to reduce lost time injuries and accidents, is being practiced at Skorpion Zinc for almost a decade now. The uniqueness of this concept is that it combines the Management prerogative on safety with the responsibility of the workforce – the usual victims of hazards.

This annual programme is designed to create an open platform for interaction between the Senior Management (including CEO and COO of Zinc International) and the employees and contractors. Discussions and exchange of views on safety issues at the workplace are on the agenda for this meeting. Based on the Golden Rules of Safety, this programme identifies all employees as 'Safety Leaders' and holds each one accountable for his/her safety.

During FY 2014-15, the programme was successful in creating good employee relations and better understanding of the organisation by the employees. It has also encouraged increased reporting of near misses.

Risk Management Practice at Skorpion Zinc

We have adopted a predictive approach to mitigate risks even before they actually occur. Our approach involves proactively steering Management efforts in identifying high risk sections/work areas. We have developed an in-house risk tool that can be useful to Management in measuring performance or creating risk profiles of specific aspects of the business entity.

Our Risk Tool

Our risk tool is a three step process where the experiences of the working functions are transformed to quantitative estimations to measure the safety standards. This is used to arrive at Management initiatives that predicts the controls to be implemented in the year ahead across all functions.

Step 1: Identification

Causes of High Potential Incidents are identified across all functions. The identified probable causes at Skorpion Zinc are: Lockout & isolation, working at heights, lifting operations, ground control, and hot work/hot molten materials management.

Step 2: Prioritisation and Evaluation

For each of these identified High Potential Incidents, the 'Possible Unwanted Events' are listed and evaluated by using a 5X5 risk matrix. The matrix with 'Consequences' and 'Likelihood', with 1 to 5 scores aligned perpendicularly with each other, is used for rating the Possible Unwanted Events. Based on this rating, they are evaluated as High, Medium or Low Risk Events.



Step 3: Prediction

The evaluations are conducted every quarter and the average rating is considered for implementing safety measures through the year. The implementation plan is decided based on the scores accumulated for each event.

5x5 RISK MATRIX					
LIKELIHOOD	5	4	3	2	1
	5	10	15	20	25
	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
CONSEQUENCES					
	1	2	3	4	5

■ High
■ Medium
■ Low

<60%	Eliminate, avoid, implement specific action plan/ procedures to manage/ monitor
61 - 74%	Proactively manage
+75%	Monitor and manage as appropriate

Implementation and Prospects

To be the 'best in class of safety', we have used this tool effectively in our operations. For the tool to be successfully used, we encourage our teams to be vigilant about any practice that could lead to potential incidents and involve them in decisions about the safety measures to be implemented. Our designated Risk Officers also make use of this tool. We see more value to be realised should such a risk-based measurement criteria be applied in organisational performance appraisal systems. Opportunities for improvement exist in viewing the work area risk profiles in real time, thereby assisting Management in creating strategies to immediately address work areas presenting a high risk profile.



Our Valued Business Partners

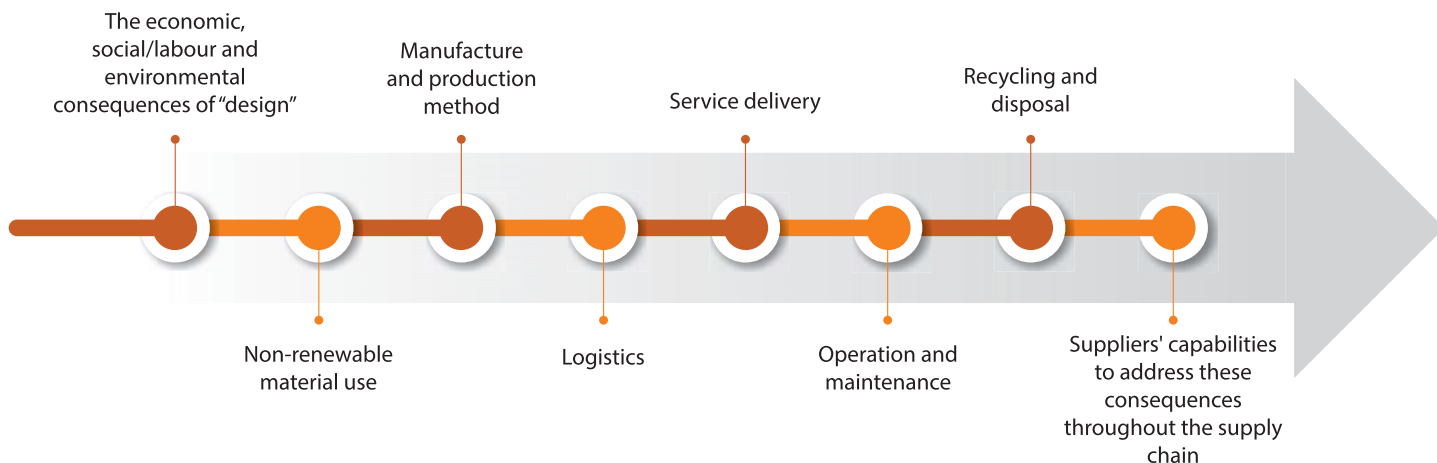
We are dependent on our huge supply chain for goods and services. We conduct procurement practices with utmost transparency and are guided by our Supplier Code of Conduct to leverage markets and produce more sustainable goods and services. We also focus on looking beyond the initial purchase price and short-term costs, to realise the long-term value for our organisation and for society. We target to achieve complete transparency and broaden our supplier base, recognising equality and diversity amongst our suppliers. A total of 115 new suppliers were included in our supply chain and our annual procurement spends for FY 2014-15 was 7,790,031 USD. 51% of our supplier spending was local, with the majority of our suppliers being from Namibia. All of this helps in securing the future for our valued business partners.

Supplier Agreements

- Fixed Price Agreements (FPA) with vendors supplying various types of material/equipment/consumables/parts etc.
- Vendor Held Material vendors receiving request for supplies and then distributed by themselves to requesting party
- SLA's – Service Level Agreements with Service Providers - Normal procurement involving purchase requisition, purchase order, receipt of material/service and payment to supplier.

Our Sustainable Approach

We focus on sustainable procurement, for which we consider several aspects that would contribute to better resource efficiency and a more sustainable economy. Our emphasis is laid on the economic, social and environmental aspects, and the capabilities of our suppliers to handle these aspects throughout the supply chain.

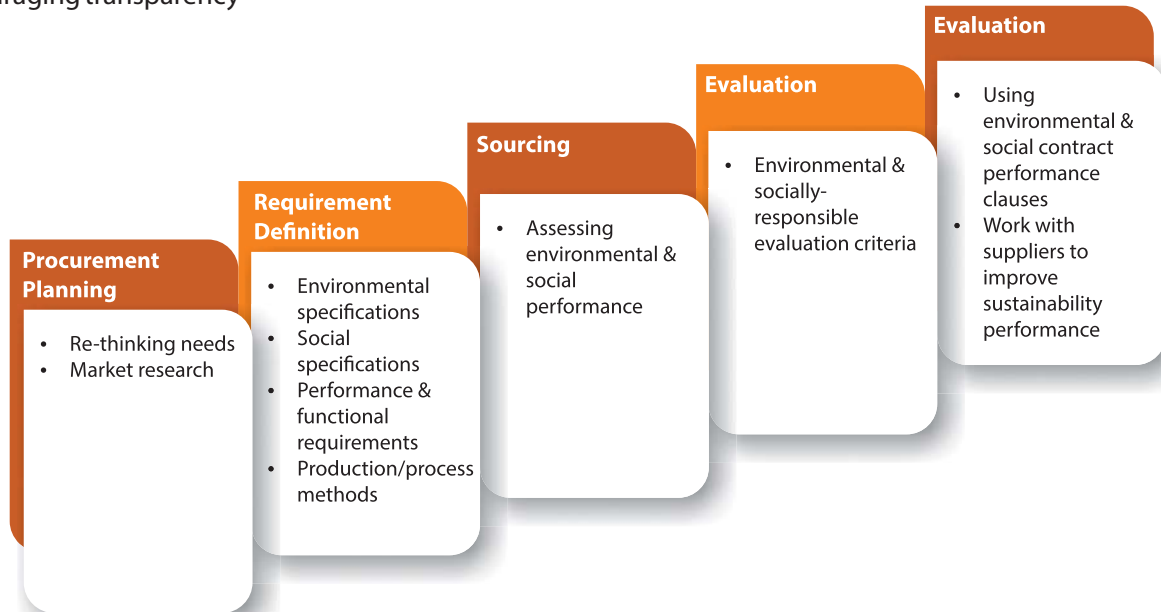


We expect our suppliers to meet our human rights requirements and ensure this by the following approach:

- All suppliers are taken through our code of conduct, sustainability policies, standards and systems
- All suppliers are reviewed for performance and compliance, and are monitored regularly
- All suppliers are put through inspections and audits, and any breaches identified are noted and reported back to the suppliers
- Vedanta's Supplier Relationship Management (SRM) enables suppliers to register with this system, thus encouraging transparency

Supply Chain Challenges

The common challenges that we encounter during procurement are the high establishment costs for on-site service providers due to the remote location of our mine and the service quality, high freight costs and long lead time for delivery of materials. We are working towards broadening our local supplier base, escalating our monitoring standards, and maximising freight opportunities with regard to inbound and outbound freight. We are also currently working with the Namibia Chamber of Mines to further develop the local (Namibian) supplier base.



Our Community

We owe our community – our extended family – for all the support they provide for our ventures. We consider it our responsibility to secure their future by empowering them. This starts by identifying their challenges and understanding their specific needs. We take steps to provide practical solutions to their problems and help them have a comfortable living, in and around Rosh Pinah.

Our CSR function interacts with the local community, assesses their needs and co-ordinates planning and implementation of projects for the benefit of the community. Our strategic aim of 'Adding and Sharing Value' – the third Sustainability Pillar of Vedanta – is fulfilled by constructive efforts on an annual basis. With our vision for overall local economic development of the //Kharas Region, we work closely with our NGO partners and in consultation with the Government. Our objective is to find immediate, yet long-term solutions for our community and also create platforms for benefitting society even beyond the life of our mine. During FY 2014-15, there were no grievances reported by the community.

For FY 2014-15, we progressed with CSR ventures under five focus areas: Education, Health, Infrastructure, Sports, and Livelihood Upliftment (including Skills Development).

While some of our projects were a continuation from the past, many others were initiated during the reporting period.



EDUCATION



- School support program
- Kharas Regional Science Fair; National Science Fair
- Tutungeni Centre for Hope
- Skorpion //Kharas Governor's Bursary Project
- School Nutrition Project

HEALTH



- Dental Health Campaign
- HIV Aids
Welwitschia School of Nursing

INFRASTRUCTURE



- Rosh Pinah Academy School Expansion
- Hoeksteen Combined School Kitchen
- Donation of Beds to Blouwes Community Hostel

CSR VENTURES: A SNAPSHOT (2014-15)

- U/17 National Soccer Tournament
- CAF 2014 Africa Women Football Championship
- Local Sport Clubs Support



SPORTS

- Goat Project Support
- OBIB Skills Development
- Community Health Workers Garden Project
- Kharas Region Twinning Agreement



LIVELIHOOD UPLIFTMENT

Education

Support for education has a major share in our Corporate Social Investments. Through our various projects, we try to increase the quality of education and make it more accessible and affordable to all. During the reporting period, we undertook programmes to support schools in the nearby community, encouraged Science Fairs and provided financial support to bright and deserving students. We worked closely with two NGOs – Tutungeni Centre for Hope and RoshSkor (OBIB) for these projects. We also consulted the Ministry of Education (Regional and National levels) and //Kharas Regional Governor's Office for implementing these projects.



School support program	Beneficiaries - 1404 Investment - 208,009 USD
Science Fairs	Beneficiaries - 270 Investment - 7,369 USD
Tutungeni Centre for Hope	Beneficiaries - 50 Investment - 4,748 USD
Skorpion //Kharas Governor's Bursary Project	Beneficiaries - 16 Investment - 25,584 USD
School Nutrition Project	Beneficiaries - 164 Investment - 766 USD

Programmes for Supporting Schools

We supported two pre-primary schools – the Kabouterland Kindergarten and Stepping Stones Pre-Primary School, and two primary and junior secondary schools – Rosh Pinah Academy and Hoeksteen Combined School (State-owned) by providing monthly support for their functioning and for the children's benefit. We

continued our support through the School Nutrition Project to Kabouterland Pre-Primary School, Aus, for daily meals for school children, and the community school for catering to the nutritional requirements of 34 orphans and vulnerable children. We also extended our support through an “After School Care” programme, where orphans and vulnerable children in the Rosh Pinah community are offered a meal as well as a safe and conducive environment to do their homework and get the necessary assistance to excel. This project was executed through the Tutungeni Centre for Hope.

Science Fairs

We promote events such as the //Kharas Regional Science Fair and National Science Fair for students. Such events allow them to display their talents and develop their creative abilities. They also help build interest and a better understanding of subjects like Maths and Science. Through this initiative, we reached out to 24 primary and secondary schools in the //Kharas Region. Our //Kharas Regional Team made it to the top at the National Science Fair competition. Two students of our local Rosh Pinah Academy (also adjudged as 'Best Primary School' at



Skorpion //Kharas Governor's Bursary Project

The Bursary Project is a combined venture of Skorpion Zinc with the Govt. of Namibia, which has been running successfully for years now. Under this project, we aim to award deserving bursaries of the //Kharas Region and from disadvantaged communities, to pursue tertiary education. The funds provided are adequate to cover tuition, accommodation and transportation for the duration of study. There were 6 beneficiaries of this project for 2014-15 and we are glad to convey that two of the student beneficiaries from previous years are graduating in 2015.

Health

We continuously interact with our community to keep track of the status of our community health centres and invest in upgrading the existing healthcare facilities. We also conduct awareness campaigns on health aspects for the wellbeing of the community. During the reporting period, we carried out Dental Health Awareness campaigns at all schools and amongst the community. Free dental check-ups and treatment in collaboration with the Ministry of Health in the //Kharas Region and dentists were provided. A total of 2,000 people, including 705 children, were treated. This included around 462 tooth extractions and 454 fillings. Skorpion Zinc provided accommodation and meals to the dental team, and also assisted them with logistical arrangements on the ground to make the campaign a success.

Dental Health Campaign	Beneficiaries - 2000 Investment- 313 USD
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Infrastructure

During FY 2014-15, we contributed towards the expansion of Rosh Pinah Academy. Two classrooms and a strong room were constructed to allow the school to offer classes for National Junior Secondary Certificate level (Grade 10). Funds were also provided to the school to upgrade the science laboratory equipment, and buy more computer lab equipment and new fittings for all classrooms with ICT equipment facilities.

We also provided financial support for the renovation of the Hoeksteen School Kitchen to ensure a hygienic environment for the preparation of mid-day meals supplied to around 250 students daily. Along with kitchen renovation, picnic benches were installed for the children to enjoy their meals while seated.

Under another project, we donated 80 used single beds to the rural Blouwes Community Hostel, where children from

poor subsistence farming communities reside around the Government-run Blouwes Primary School.

Rosh Pinah Academy School Expansion	Beneficiaries - 1404 Investment - 208,009 USD
Hoeksteen Combined School Kitchen	Beneficiaries - 270 Investment - 7,369 USD
Donation of Beds to Blouwes Community Hostel	Beneficiaries - 50 Investment - 4,748 USD



Sports

We encourage sports for the welfare of our community residents. We support tournaments and championships to enhance sporting talents and achieve our bigger goal of helping our country meet its youth development goals. Such events not only help in building capacity, but also National Soccer Tournament and also co-sponsored the CAF 2014 Africa Women Football Championship, which was held in Windhoek, Namibia. Through our CSR initiative to support local Sport Clubs, we ensure that youngsters are encouraged towards sports and keep the local community meaningfully occupied. This also helps strengthen social bonds within the community. A variety of sporting activities ranging from football, netball, rugby, darts, fishing, shooting, horse-riding, etc. are supported throughout the year.



U/17 National Soccer Tournament	Beneficiaries - 260 Investment- 114,041.5 USD
CAF 2014 Africa Women Football Championship	Beneficiaries - 200 Investment- 22,610.1 USD
Local Sport Clubs Support	Beneficiaries - 250 Investment- 1,980.6 USD

Livelihood Upliftment

We believe that opportunities of livelihood upliftment created should enable higher living standards and a better quality of life. More specifically, in a community like Rosh Pinah, which is completely dependent on the existent mines, it is essential to cultivate alternative livelihood avenues that would come to their rescue post the closure of mining activities. During FY 2014-15, we encouraged several initiatives in this direction.

Livestock Breeding- The Goat Project

Veterinary medicine and nutritional supplements continue to be distributed to Skorpion Goat Project beneficiaries to prevent loss of livestock due to drought and ensure high lambing rates.



Goat Beneficiaries

KARASBURG	SEX	FARM NAME
Benedictus Brandt	M	Rooiburg
Collin Adams	M	Khuigabises
Dorthea Waters	F	Langpomp
Katrina Rooi	F	Gabes

BERSEBA	SEX	FARM NAME
Maria Cloete	F	Snyfontein
Johannes L. Pieters	M	Skoengat
Maria Fleermuys	F	!Nausabeb
Francis Swartbooi	M	Rooikrans

TSES	SEX	FARM NAME
Ludwig Mahure	M	Edwardsrus pos
Matoline Nuses	F	Jakkalsvlei
Christina Kusch	F	Aub/gaos
Rosalia Basson	F	Koegas

BETHANIE	SEX	FARM NAME
JReinardt Richardt	M	Sniprivier pos
Fritzina Boois	F	Misgind pos
Antonia Uth	F	Floorshein pos
Moses Gariseb	M	Daberos

Goat Project	Beneficiaries - 16 Investment- 8,526 USD
OBIB Skills Development	Beneficiaries - 22 Investment- 15,646.2 USD
Community Health Workers Garden Project	Beneficiaries - 20 Investment - 1,980.6 USD
//Kharas Region Twinning Agreement	Investment -1,808.8 USD

Benefits to Beneficiaries

- 16 families of the Beneficiaries are directly afforded a Sustainable Entrepreneurial opportunity to improve their Livelihoods through Goat farming. (31 goats worth 3,497.3 USD for each family)
- These Poverty reducing interventions impact is spread across all four communal areas of the region and more families will receive similar chances over the years thanks to the sustainable design of the project. (3rd year – 4 new beneficiaries, 4th year – 6 new, 5th year – 7 new, perpetually)
- The beneficiaries are visited monthly by AET's and mentored to keep their goat production a business enterprise and their success will be used as best practice examples to other farmers in their areas by Agriculture Extension services.

- The enhanced income of this families due to earnings from their goat business ensures that health and education services become more accessible to the family members.

Vocational Trainings

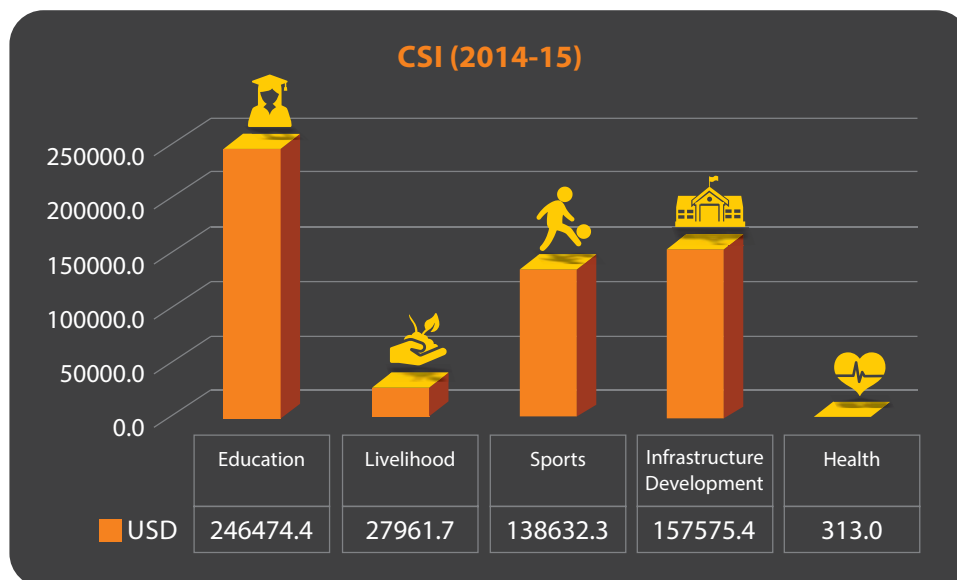
We favour the local community to obtain vocational training for various skills development, so that they can be self-reliant and also support their family. Under our OBIB Skills Development Project during FY 2014-15, we provided financial support to 10 students who graduated in Hospitality and 10 who trained in Tailoring. Seven of the Hospitality graduates have taken up jobs with the catering company CCM this year. All our Tailoring graduates were given sewing machines so that they could start an enterprise on their own. Two of our beneficiaries underwent Karakul carpet weaving training. The Community Health Workers Garden Project was another initiative aimed at improving the livelihoods of women, who were mostly unemployed. The women volunteering for this project were supported to ensure profitability and their sustainability.

//Kharas Region Twinning Agreement

This interesting initiative was intended to foster inter-Governmental cooperation on various mutually-beneficial projects between the //Kharas Region in Namibia and the Northern Cape Province of the Republic of South Africa. Such an agreement is likely to generate more livelihood opportunities not only in Namibia, but also in the Northern Cape Province.

Community Investment

During FY 2014-15, 570,956.7 USD were spent for various community development projects. 93% of our total CSR budget has been utilised. 4,960 beneficiaries have benefitted from our endeavours.





SECURING OUR PLANET

As a custodian of the environment, dedicated to safeguarding the future of our planet, we make sincere efforts to follow Vedanta's pillars of sustainability. Our Environmental Management Plan, strengthened with specific policies for energy, water, carbon and waste, directs us to achieve targets and mitigate negative impacts. To ensure compliance with environmental norms and standards, all our units are certified for ISO 9001, ISO 14001 and OHSAS 18001. Although we realise that our extractive industry cannot completely eliminate impacts on the environment, we are confident that our planned and well-co-ordinated initiatives will minimise and moderate the impacts of our action. We are always willing to address the grievances of stakeholders on environmental impacts due to our activities. However, during FY 2014-15, there were no reported grievances.



OUR CHECKLIST FOR ENVIRONMENT IN FY 2014-15

- Dewatering Management
- Environment Footprint Regression
 - Reduced Use of Resources
 - Optimization of Discharge Streams
- Biodiversity Conservation

During FY 2014-15, we continued to evolve mechanisms aimed at negating our environmental footprint by reduced usage of resources and responsible channelisation of waste streams, maintaining our relationship with biodiversity by conserving nature's creation at Karoo biome, and preparing for the closure of the mines, which is only a few years away. We have a dedicated team – SHEQ (Safety Health Environment Quality) that works towards executing our Environment Management Plan, which is underwired by our Carbon and Energy Policy, Water Management Policy and Biodiversity Action Plan. Our Environmental Junkies are at work continuously, creating awareness amongst our employees by way of innovative and interesting activities, campaigns, posters etc.



SUSTAINABILITY HIGHLIGHTS

- DEWATERING MANAGEMENT PLAN
- REDUCED ELECTRICITY USAGE
- SO_x EMISSIONS DECREASED
- CERTIFICATIONS
(All units)
 - ISO 14001
 - ISO 9001

Dewatering Management

As we invest efforts to increase the Life of Mine by another two years, we have faced issues that were unknown at Skorpion Zinc. Digging deep beyond 170m we have encountered water in the pit, and our focus has been to manage this water effectively. Dewatering Management has several environmental dimensions that need attention. While establishing a system to transport volumes of water from the pit to the surface is essential, we also need to find out ways for safe disposal of this water after adequate treatment. Our efforts this year have been to put a proper Dewatering Management Plan in place, considering all our environmental yardsticks. We intend to transport the water from the depths to the surface with minimum energy use. The water quality would be adequately checked and that would be an important parameter to decide the next steps. If the water quality permits subsequent usage after treatment, we intend to use it for our refinery and dust suppression activities. Further, excess water (if at all) would be discharged as per environmental norms. Although this endeavour is currently only in a feasibility stage, we will soon build up the structure for dealing with this newly-encountered problem at our mining operation.

Environment Footprint Regression

Our strategy to fade our environmental footprint has been to consciously reduce resource consumption and make planned efforts to reduce waste quantities. Additionally, we work towards allocating appropriate disposal routes for the various waste streams arising out of our activities.

Reduced Resource Use

We continuously attempt to reduce consumption of resources (energy and water) in our operations. Reduced usage of resources accounts for decreased environmental impact. Our efforts to use less energy would end in reduced GHG emissions and eventually reflect our impact on global climate change. Likewise, a good estimation of adequate water usage would save significant quantities of water going down the discharge channel. Our intent has always been to maximise utilisation, minimise waste streams and reuse water wherever possible. In the long run, this would help us to ensure availability of water for an extended duration.

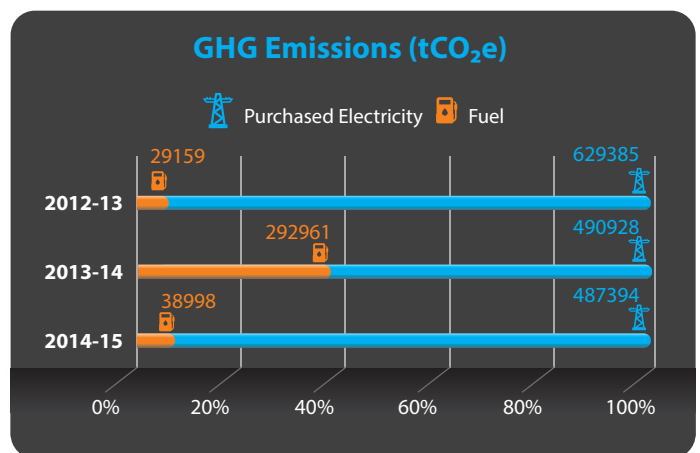
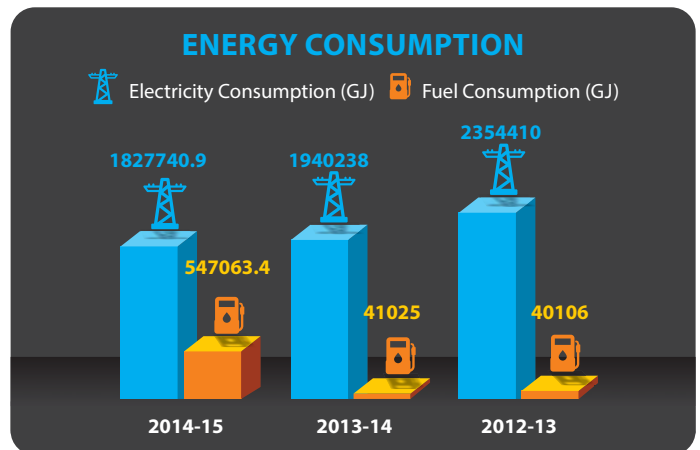
Energy

Diesel fuel for our haul trucks, loaders, excavators and transportation, and LPG for our mining and refinery operations account for our direct energy use, and electricity usage throughout our unit operations accounts for our indirect energy consumption. With our constant monitoring efforts we have recorded usage of 2374804.3 GJ of total energy and an energy intensity of 23.3 GJ/T for FY 2014-15. Whilst we have witnessed a gradual decreasing trend of our indirect energy usage for the past three years, we found a significant hike in our direct energy consumption for the reporting period. Our reduced usage of electricity has been a combined effect of implemented energy-saving initiatives and conscious efforts of our employees to achieve it. Some of the energy-saving initiatives that we took were: Planted outdoor lights connected to daylight sensors, which led to electricity saving of 46.88 GJ, and LED lights installed instead of fluorescent tubes in the receiving clerk's office, which saved 4.2 GJ of energy.

Carbon Footprint

We are conscious of our carbon imprint and work diligently as per our Environment Management Plan supported by our Carbon and Energy Policy to lessen our impact on the environment. Our constructive efforts have shown a decreasing trend in our Scope 1&2 GHG emissions for FY 2014-15. We achieved a reduction of 253,963 tCO₂e for our Scope 1 emissions and 3,534 tCO₂e for our Scope 2 emissions with a GHG intensity of 5.2 tCO₂e/T. We do not have a proper inventory for recording

our Scope 3 emissions at our unit operations, but we have initiated efforts on this at our corporate level.

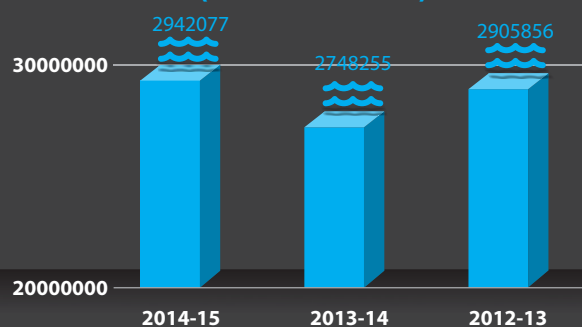


Water

Water requirements are integral to our processes. More than half of our water consumption is for adequate treatment of tailings, and the remaining is needed for our refinery processes, dust suppression, potability and domestic purposes.

During FY 2014-15, our total water consumption was 2,942,077 m³. The water was sourced from ground water (393,671 m³) and also from the local municipal water supplies (2,548,406 m³). The water sources were not affected due to water withdrawal from them. As part of our recycling and reusing practice, we recycled 182,500 m³ of water, which was about 6.2% of the total water used. Although we did not achieve our target of reducing water consumption, we strengthened our efforts to monitor and optimise water usage. These efforts have also been extended to our Rosh Pinah community and we ensured that water meters were installed in each home. Management of water has been taken up by exclusive committees of both our employees and community, which work together for preserving this precious natural resource.

TOTAL WATER CONSUMPTION (CUBIC METRES)



Raw Materials

The primary input materials to our process stream are the ore bodies and limestone. Other materials in the refinement process trail comprise Sulphur (for acid plant) and a list of semi-manufactured goods as detailed in the table on Raw Material Data. Packaging materials – polyester straps and seals – are the inputs to the terminal unit of the process.

Raw Material Data			
Types of Raw Materials Used	2014-15	2013-14	2012-13
	(Tons/Year)		
Input Material			
Ore received at refinery	1365639.6	1442286.1	1236231.3
Limestone	190540.2	187197.5	159950.3
Associated press materials			
Sulphur	68152635	64027.8	65945.5
Semi-manufactured goods or parts			
Zinc Dust	753	687	622
Mill balls - ore	567	705.7	549
Flocculant - PN 2000	132.8	85.2	35.2
Flocculant - FRG029	116.3	123.6	53.9
Strondium	211	213.3	93.9
Sodium chloride	381	280.4	147
Hydrated lime	6144.1	8945	14.5
Activated Charcoal	84	268.2	140
Diluent (Kerosene)	969	661.2	299.2
Flux	91.14	112.1	52.5
Manganese Metal	2254	205	282
Packaging material			
Polyester strapping	932875	826478.8	406075
Seals	278000	281445.2	167000

Optimization of Discharge Streams

Zero discharge is practically unachievable for an operation like ours. However, we make sincere attempts to improve processes to generate and divert less quantities towards the discharge streams. Profiling of releases from our operations identified two distinct discharge streams: the waste streams (characterised by hazardous wastes, solid wastes and effluents), and the air emissions. We take complete responsibility for these discharge entities and ensure their appropriate and safe disposal.

Waste Management

Solid Waste

Three solid waste categories prominent at our facilities are Industrial Waste, Domestic Waste and E-Waste.

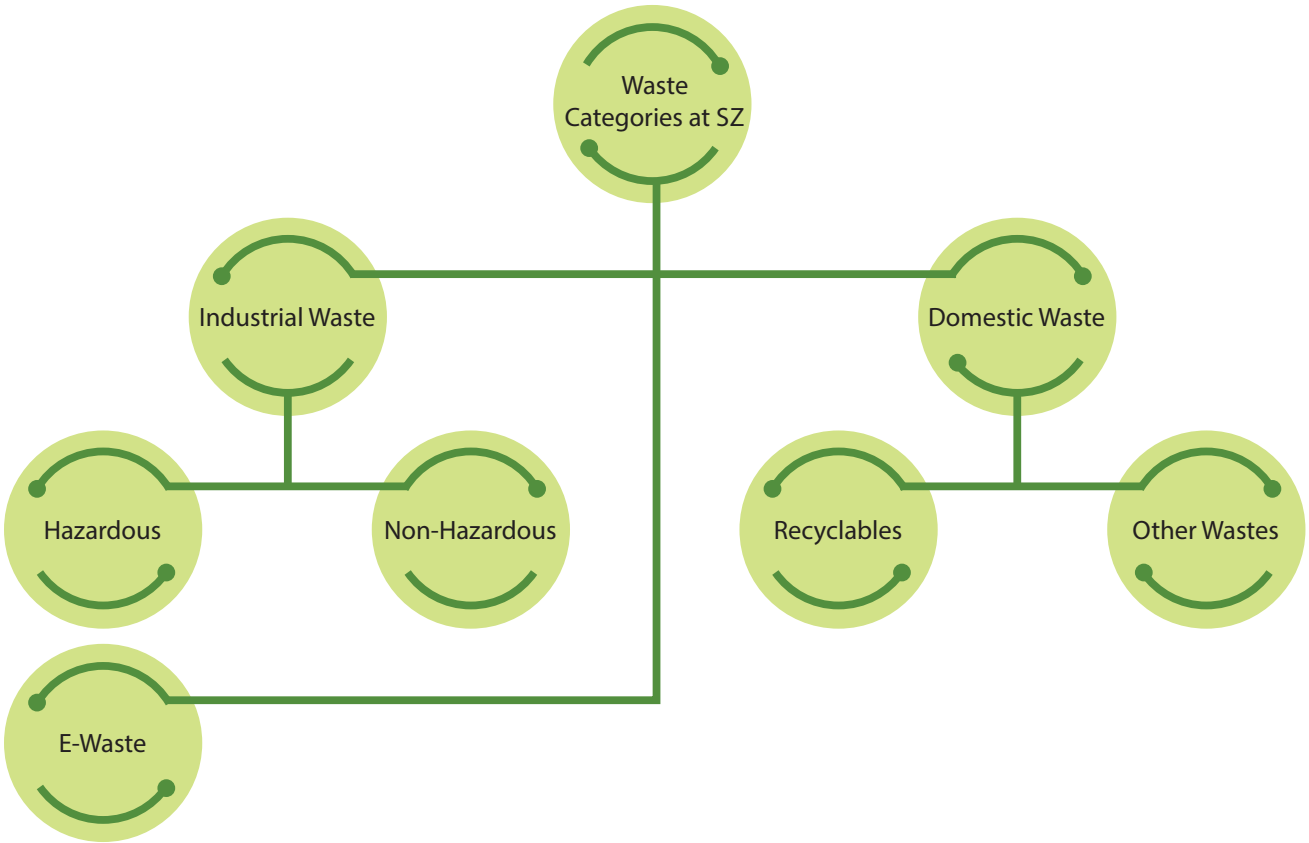
Both hazardous and non-hazardous wastes are generated in our industrial units. Crud and Manganese are the two major hazardous wastes generated, which are directed for treatment at our tailings facility (TSF). These wastes are not deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII. During FY 2014-15, 247.8 MT of hazardous waste was generated and this added to the decreasing trend of wastes for the past three years. We transported 22.1 metric tons of hazardous waste during the reporting period. We have a hazardous waste

management system in place, as part of our EMS, which comprehensively directs the management of hazardous waste, its transport and storage, use as well as disposal.

Non-hazardous wastes comprise overburden/waste rocks, tailings, metal scraps, HDPE and other industrial wastes. These wastes are appropriately handled at different facilities (refer table on Waste Generation and Disposal Modes). A significant decrease in the quantities of these wastes was evidenced in FY 2014-15.

Domestic wastes, classified as recyclables and other wastes, are also appropriately handled. Recyclable wastes, such as scraps, paper, tins, cans, plastics, glass, etc., are collected in colour-coded bins kept at various places around our facility. These wastes are handled by a local business dealer who has been contracted for managing these recyclables appropriately. The remaining domestic wastes, after segregation of the recyclables, make their way to the municipal landfill run by Rosh Skor.

We also attend to the E-waste generated in our premises by a well-defined E-waste Management System which is based on Waste Minimization and Resource Recovery. In our extended effort to minimize waste quantities, we have also incorporated a criteria in our Supplier Code of Conduct where it is mandatory for all our suppliers to take back their packaging, drums, pallets, containers etc.



Waste Generation and Disposal Modes				
	2014-15	2013-14	2012-13	
Types of Waste	Amount of Waste Generated (MT)			Disposal Site
Crud	80.9	139	225	TSF
Manganese	166.9	203	219	TSF
Overburden/ Waste rock	18423626.7	4015735		Waste rock dam
Metal scraps	19.38	247	124	Scrap yard
Tailings	1609162.2	4694115	1891747	TSF
HDPE	5.34	234	39	Scrap yard
Industrial Waste	466.9	72695	375	Industrial waste site

Waste water

We monitor our effluents on a continual basis and ensure that they are treated before being discharged outside our premises. The effluent is exposed to secondary treatment in a Sewage Trickling Filter Plant and is then reused for the artificial bird pond. The treated effluent has caused no negative impacts on the bird pond, which rehabilitates local endangered bird species. During FY 2014-15, 16,200 cubic metres of water were discharged outside the mine premises, after attaining the required statutory environmental standards.

Air Emissions

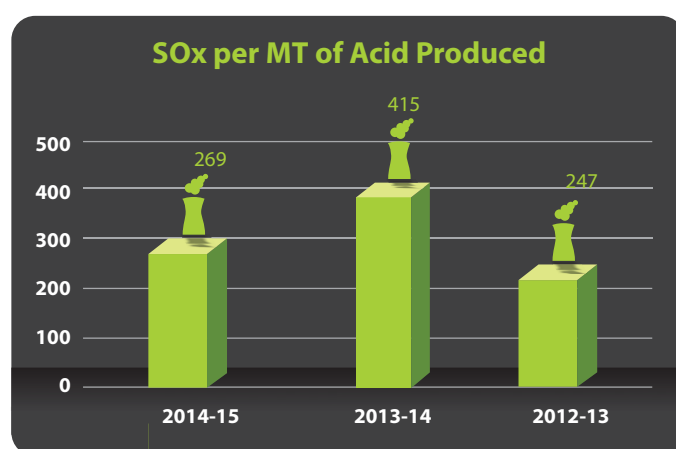
Mining activity also has huge impacts on the air quality due to fugitive emissions of criteria pollutants such as SOx, and Dust emissions. As part of our EMS, we continuously monitor the air quality which helps to maintain the emissions within the limits. We do not emit any ozone depleting substances from our processes. We also take care to purchase equipments which are free from CFCs, halons and MCFs.

SOx Emissions

Our acid plant, which sources acid to the Leaching circuit of the refinery, emits significant quantities of SOx. We operate the plant as per design specifications during no-fog periods, ensuring that no abnormal operating conditions persist for extended periods of time. We record real-time SOx generations from stack emissions by passive diffuse sampling. During FY 2014-15, 216 MT of SOx were emitted, which was nearly half the quantity emitted during the previous reporting period. Our continuous monitoring efforts help us to retain the SOx limits below the World Bank emissions guidelines.

Dust Emissions

Fugitive dust emissions are prevalent throughout our mining area due to various activities. The crusher unit,



although enclosed, emits significant dust to the surroundings. To mitigate this problem, we have deployed various dust suppression mechanisms, including water sprinkling on roads and surrounding areas, washing wheels of trucks, covering the ores with tarpaulin sheets during transport, preventing overburden and covering dumps. In addition, dust baskets are also placed throughout the area in a way that is best suited to pick up fallen dust.

Biodiversity Conservation

Located amidst one of the world's 25 biodiversity hotspots – the Succulent Karoo Biome, and in the vicinity of the Spermgebiet National Park, we consider it our moral obligation to conduct our operations without compromising with the essentials of the surrounding biodiversity. We have a Biodiversity Action Plan (BAP) that directs our actions for conserving the natural ecology and biodiversity. Backed by a Biodiversity Policy, our BAP emphasises necessary interventions for us to operate in Skorpion Zinc licensed areas.

Commit to the integration, identification, evaluation and management of biodiversity issues throughout the business cycle

Achieving a net positive effect on biodiversity through minimizing negative impacts and contributing to conservation

Improve biodiversity knowledge and better understand the mine's impacts on biodiversity

Comply to national and international legal and other requirements in land management and biodiversity conservation

Work towards the conservation of threatened / rare and endemic species and high priority conservation areas

Provide information and raise awareness among our employees and other stakeholders to enhance knowledge and understanding of biodiversity and conservation issues

We have protected approximately 13.3 Ha of habitat by demarcating and restricting entry in the Karoo biome. The area is home to two faunal IUCN Red List species and national conservation list species, which are Brown Hyena (*Hyaenabrunnea*) – Vulnerable and Cape Fox (*Vulpeschama*) – Vulnerable. There are 55 identified plant species of high conservative importance. High priority has been given to inselbergs.

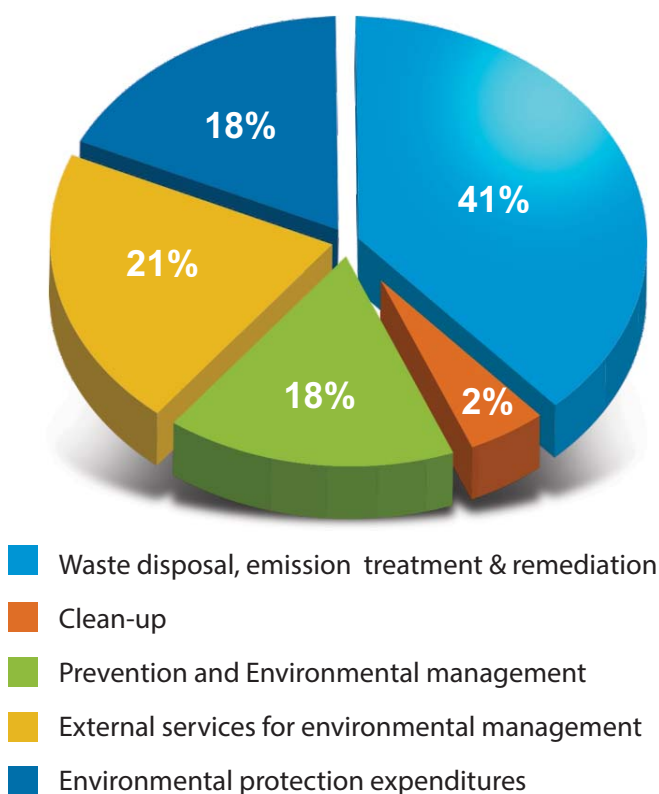
Through our BAP, we attempt to minimise impacts on any flora and fauna of the area, and ensure the safety and conservation of these species. We have also undertaken studies to understand any possible negative effects due to SOx emissions on the succulent vegetation of the Karoo biome. Our impacts on the hotspot have been assessed and we have arrived at the conclusion that there are no negative impacts due to any of our direct and indirect (throughout supply chain) activities.

With a futuristic approach, we are storing the topsoil for biodiversity restoration initiatives post mine closure. We have also made attempts to rehabilitate the original plant species, for which we have been maintaining a nursery that preserves these rare species. During the reporting year, one of the major activities was the repair of the nursery sprinkling system. Our artificial bird pond, which we created a few years back to provide a resort for the local bird species, is thriving. Removal of the reeds from the bird pond was a major project that we were engaged in, during the reporting year.

Environmental Investments

During the reporting period, a total environmental expenditure of 71,175 USD was incurred. This included costs for waste disposal, emissions treatment and remediation (49,175.7 USD), clean-up (2,467 USD), prevention and environmental management (21,132.9 USD), external services for environmental management (25,575 USD), and environmental protection (22,000 USD). No fines have been imposed arising from non-compliance of environmental laws and regulations during the reporting year.

Environmental Investments in USD





SECURING OUR PROSPERITY

The intent of all our hard work is to secure our business for a longer period, as well as the prosperity of our people and community, without damaging the environment. The irony is that the Mining industry has only a finite lifetime. At this juncture, when we are on the verge of closure of our mines, we are compelled to chalk out alternatives to continue our business, whilst planning for a progressive closure. During the reporting period, we have understood our problems in depth, analysed alternatives and discovered avenues for continuing and expanding our business through the extension of current projects and initiating new ones.

Economic Performance

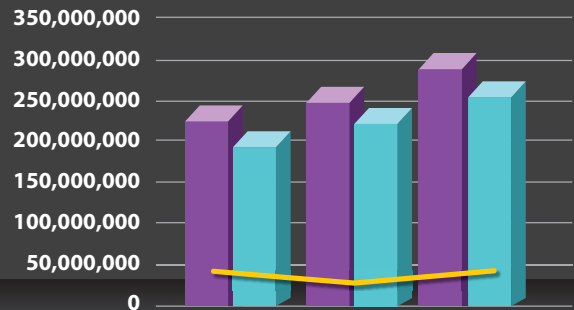
We generated a revenue of 238,869,353 USD during FY 2014-15, including both our Mines and Refinery unit, and combining all our core and other businesses. The low revenue generated is attributed to less production of 23,000 tonnes of refined metal. This, as previously discussed, was mainly due to degrading quality of the feed grades. Although the revenue generated was less compared to the previous year, the economic value added was higher compared to the last reporting year. We have not received any other significant financial assistance from the Government, other than exemption of the Namzinc refinery from Income Tax under the Export Processing Zone Act 1995. The details can be found in the table on economic performance.



HIGHLIGHTS: 2014-15

- EXTENSION OF LIFE OF MINE
- GERGARUB PROJECT AND REFINERY CONVERSION PROJECT
- INTEGRATED SKORPION ZINC GAMSBERG PROJECT

Economic Performance



- Economic Value Generated (USD)
- Economic Value Distributed (USD)
- Economic Value Added (USD)



Economic Performance			
USD			
Direct Economic Value generated (A)	2014-15	2013-14	2012-13
Revenue (through core business segments)	231,693,776	258,136,023	299,144,782
Other Income (through other sources)	7,175,577	2,341,931	2,977,888
Total	238,869,353	260,477,954	302,122,670
Economic Value Distributed (B)			
Operating cost	174,442,686	205,691,887.00	233,161,545.00
Personnel expenses (wages + benefits)	30,053,445	27,434,622.00	32,571,983.00
Interest charges		-	-
Taxes and royalties (given to various Govt. wherever business units are located)	1,158,875	1,168,542	1,350,600
Dividends (payments to capital providers)		-	-
Donations (political parties/politicians)		-	-
Community development/CSR investments	419,344	586,485.00	581,633.00
Total	206,074,349	234,881,536	267,665,761
Economic value added (A-B)	32,795,004	25,596,418	34,456,909

Business Continuity

Considering the continuity of our business, we have currently resolved to extend the Life of Mine. We also plan to retain the functioning of our Refinery even after the closure of the mines. We are pursuing the legal aspects of the Gergarub project and are hopeful that we will reach a settlement in the coming year. These accomplishments will ensure our business thrives for many years to come and we will continue to support the local community as always.

Life of Mine Extension

When we had almost reached the end of our pit, we realised that there was much more in reserve deep down. As the Gergarub Project was taking time to start, we decided to extract going deeper into the pit. Currently, we have extended the Life of Mine by two more years. We target to reach double the depths in the next two years and extract the available resources to the maximum. Due to tapering of the pit as we advance to the depths, we expect to reach our target in the short span of two years. Although the Life of Mine has been extended, it is still only a couple of years away. Hence, we have started thinking of focusing our endeavours on a progressive closure.

Refinery Conversion

Another idea for the business continuity of Skorpion Zinc is a plan to continue the Refinery activities by equipping it with additional units to purify zinc sulphide ores. Currently, the Refinery's capability is restricted to handling only zinc oxide ores. This conversion was initially planned to enable the Refinery to process the Gergarub extracts. However, this modification could also be harnessed for purification of ores from other external sources. The conversion project, which was initiated two years ago, is still in its feasibility stage and the necessary background documentations are in progress.

Extension of Life of Refinery

Our other thought for business has been to retain the Refinery post closure of the mines. We intend to do this by sourcing the input externally. In this context, we have progressed in alliance with our Group Company – BMM, for the produce of their new project – Gamsberg. More details about this project can be found in the section 'Integrated Skorpion Zinc-Gamsberg Project'.



“The output from Gamsberg, coupled with the extending the life of the world class refinery at the Skorpion mine in Namibia, will make the Southern African region one of the most important suppliers of refined zinc globally”

Mr. Tom Albanese, CEO Vedanta



Integrated Skorpion Zinc-Gamsberg Project

The integration of the Gamsberg Project and the Skorpion Zinc Refinery Conversion Project has unlocked value for both Gamsberg, by offering a solution to the treatment of the high manganese contained in the concentrate, and importantly for Skorpion Zinc Refinery, by extending the life of the refinery well beyond the life of mine. In November 2014, the Vedanta Board approved a capital investment of 782 million USD for the integrated project.

Implementation of the project would have the advantage of trained and efficient manpower at BMM and Skorpion Zinc. The refinery conversion project, will enable the refinery to adequately process the zinc concentrate produced from Gamsberg. Thus, there will be optimal use of existing assets that will yield benefits for all stakeholders, increased economic linkages and cooperation.

Sustainable Value Expected

In view of Vedanta's vision to create Sustainable Communities, this project is likely to render benefits to all stakeholder groups and thus accomplish long-term Sustainable Value.

Capital Investment

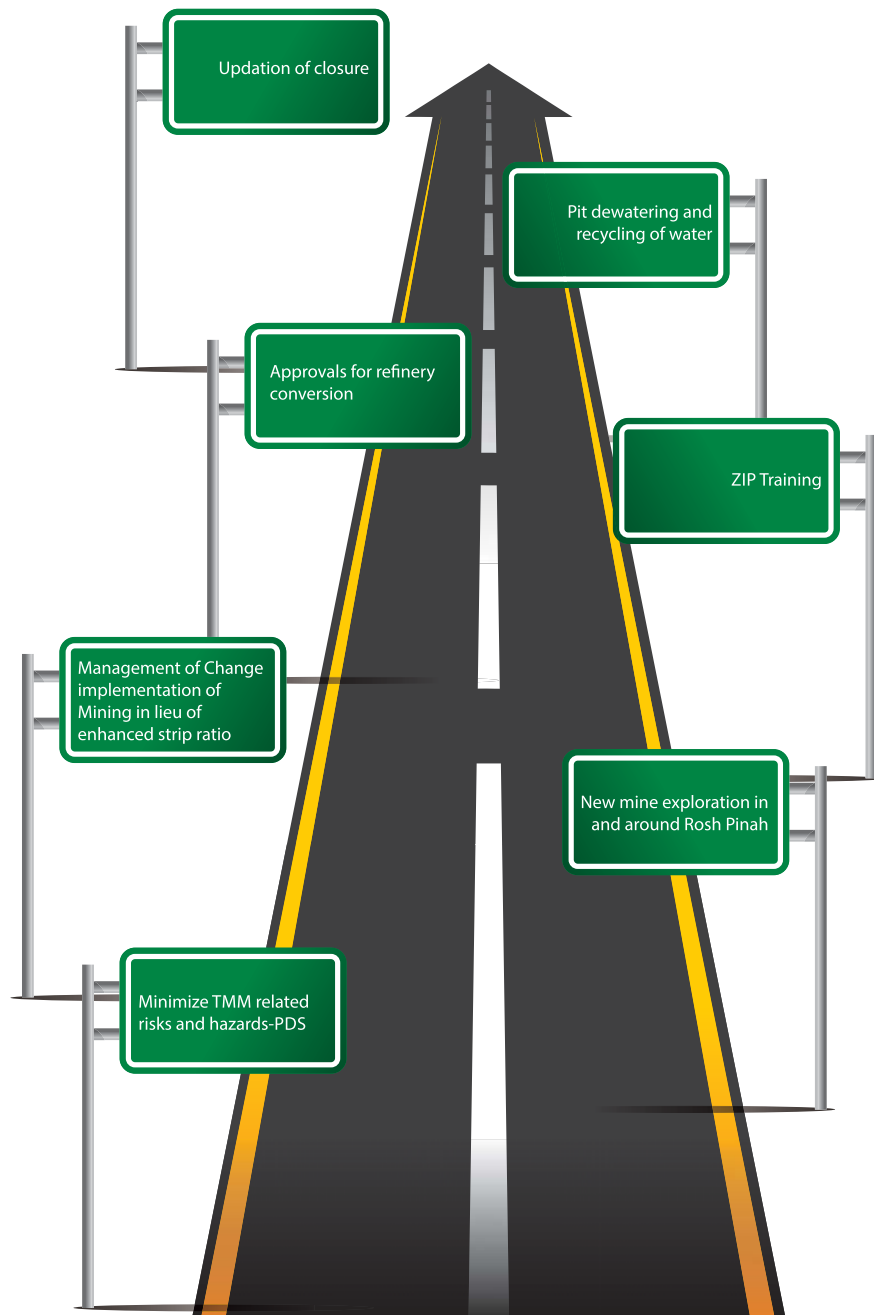
- Approximately 152 million USD investment for Refinery Conversion
- Approximately 630 million USD investment for mine related infrastructure
- Substantial foreign direct investment and positive impact on regional and national GDP

Employment Generation

- Preserving jobs at Skorpion
- Approximately 500 new permanent jobs at Gamsberg
- Potential to create 500 - 800 jobs among supply chain and support activities

Social Benefits

- Increase the scope and duration of Vedanta's support for local economic development
- Sustaining the life of operations beyond the current life of mines in South Africa and Namibia



The road ahead is built on the deep-seated foundation created by us in the past; the future goals and targets are to augment it further; to ultimately reach the pinnacle of Sustainability at Skorpion Zinc by broadening our vistas in all aspects possible.



GLOSSARY

%	Percentage
AR	Absentee Rate
BAP	Biodiversity Action Plan
BMM	Black Mountain Mine
CEO	Chief Executive Officer
CFCs	Chlorofluorocarbons
CO ₂ e	Carbon Dioxide equivalent
COA	Certificate of Authenticity
COO	Chief Operating Officer
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
EC	European Council
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMS	Environmental Management System
EPZ	Export Processing Zone
ER	Emergency Response
EXCO	Executive Committee
FII	Federated Investors Incorporations
FY	Financial Year
GDP	Gross Domestic Product
GHG	Green House Gas
GJ	Giga Joules
GM	General Manager
Govt.	Government
GRI	Global Reporting Initiative
GW	Groundwater
Ha	Hectare
HAZOP	Hazard and Operability Study
HDPE	High Density Polyethylene
HIPO	High Potential
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HR	Human Resources
HSE	Health, Safety and Environment
ICMM	International Council on Mining and Metals
ICT	Information Communication Technology
IFC	International Finance Corporation
IR	Injury Rate

ISO	International Standards Organisation
Kg	Kilogram
KPIs	Key Performance Indicators
Ktpa	Kilo Tonnes per annum
LDR	Lost Day Rate
LED	Light Emitting Diode
LME	London Metal Exchange
LSE	London Stock Exchange
Ltd	Limited
LTi	Lost Time Injuries
LTIFR	Lost Time Injuries Frequency Rate
m ³	Cubic metres
MCFs	Methyl Chloroform
MSDS	Material Safety Data Sheet
MT	Metric Tonne
NGO	Non-Governmental Organisation
Nov	November
NYSE	New York Stock Exchange
ODR	Occupational Disease Rate
OECD	Organisation for Economic Co-operation and Development
OHSAS	Occupational Health and Safety Assessment Series
plc	Private Limited Company
PPE	Personal Protective Equipment
Pty	Private
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
Rep	Representative
SACU	South African Customs Union
SAP	Systems, Application and Products
SHEQ	Safety, Health, Environment, Quality
SHG	Special High Grade
SIP	SHEQ Improvement Plan
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SOX	Sarbanes Oxley
SO _x	Sulphur Dioxide
SRM	Supplier Relationship Management
SRMP	Safety Risk Management Plan
SZ	Skorpion Zinc
t	Tonne
TSF	Tailings Facility
UK	United Kingdom
USD	United States Dollar
VCT	Voluntary Counselling Test
VFL	Visible Felt Leadership
VSAP	Vedanta Sustainability Assurance Programme
WB	Whistle Blower
ZI	Zinc International
ZIP	Zero Incident Process



GRI INDEX

GENERAL STANDARD DISCLOSURES			
GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-1	Statement from the most senior decision-maker of the organization	5-8	
G4-2	Description of key impacts, risks, and opportunities	18	
G4-3	Name of the organization	9	
G4-4	Primary brands, products and/or services	9	
G4-5	Location of the organization's headquarters	9	
G4-6	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	9	
G4-7	The nature of ownership and legal form	9	
G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	9	
G4-9	The scale of the organization including total no. of employees, total no. of operations and net sales	9, 20, 48	
G4-10	The total number of employees by employment contract, position and gender and any significant variations in employment in the reporting year	20-21	
G4-11	The percentage of total employees covered by collective bargaining agreements.	24	
G4-12	Description of the organization's supply chain	35-36	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain		None
G4-14	How the precautionary approach or principle is addressed by the organization	15	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	15	
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates	36	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents	48	
G4-18	a. The process for defining the report content and the Aspect Boundaries b. Explanation on how the organization has implemented the Reporting Principles for Defining Report Content.	19	
G4-19	The material Aspects identified in the process for defining report content.	18	
G4-20	The Aspect Boundary within the organization for each material Aspect	17-19	
G4-21	The Aspect Boundary outside the organization for each material Aspect	17-19	
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.		None
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		None
G4-24	List of stakeholder groups engaged by the organization	15-18	
G4-25	The basis for identification and selection of stakeholders with whom to engage.	15-16	
G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	15	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting, and the stakeholder groups that raised each of the key topics and concerns.	17	
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	4	
G4-29	Date of most recent previous report	4	
G4-30	Reporting cycle	4	
G4-31	The contact point for questions regarding the report or its contents.	4	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-32	The 'in accordance' option the organization has chosen and the GRI Content Index for the chosen option	4	
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report.		Our data is audited during the report assurance process of our parent company - Vedanta Resources plc.
G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	12	
G4-35	The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	13	
G4-36	Has the organization appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body?	13	
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	13	
G4-38	The composition of the highest governance body and its committees	12-13	
G4-39	Whether the Chair of the highest governance body is also an executive officer	12	
G4-40	The nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	13	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	13	
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	13	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	13	
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	13	
G4-45	a. The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities and due diligence processes. b. Was stakeholder consultation used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities?	13	
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	13	
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	13	
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	13	
G4-49	The process for communicating critical concerns to the highest governance body.	13	
G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	13	
G4-51	The remuneration policies for the highest governance body and senior executives	13	
G4-52	The process for determining remuneration.	13	
G4-53	Are stakeholders' views sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable?	13	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-54	The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	13	
G4-55	The ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	13	
G4-56	The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	13	
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	14	
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	14	
SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMIC			
ASPECT: ECONOMIC PERFORMANCE			
G4-EC1	Direct economic value generated and distributed	48-49	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	42	Financial implications not included; We currently do not have systems in place for calculating those but in future we will endeavour to establish it.
G4-EC3	Coverage of the organization's defined benefit plan obligations	25	
G4-EC4	Financial assistance received from government	48	
ASPECT: MARKET PRESENCE			
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	26	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	21	
G4-EC7	Development and impact of infrastructure investments and services supported	37, 39, 41	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	37-41	
ASPECT: PROCUREMENT PRACTICES			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	35	
CATEGORY: ENVIRONMENT			
ASPECT: MATERIALS			
G4-EN1	Materials used by weight or volume	44	
G4-EN2	Percentage of materials used that are recycled input materials		None
ASPECT: ENERGY			
G4-EN3	Energy consumption within the organization	43	
G4-EN4	Energy consumption outside of the organization	43	
G4-EN5	Energy intensity	43	
G4-EN6	Reduction of energy consumption	43	
G4-EN7	Reductions in energy requirements of products and services	43	
ASPECT: WATER			
G4-EN8	Total water withdrawal by source	43-44	
G4-EN9	Water sources significantly affected by withdrawal of water	43-44	
G4-EN10	Percentage and total volume of water recycled and reused	43-44	
ASPECT: BIODIVERSITY			
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	46-47	
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	46-47	
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	46-47	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-EN13	Habitats protected or restored	46-47	
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria the number (percentage) of those sites with plans in place.	46-47	
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	46-47	
ASPECT: EMISSIONS			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	43	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	43	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	43	
G4-EN18	Greenhouse gas (GHG) emissions intensity	43	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	43	
G4-EN20	Emissions of ozone-depleting substances (ODS)		None
G4-EN21	NOX, SOX, and other significant air emissions	46	
ASPECT: EFFLUENTS AND WASTE			
G4-EN22	Total water discharge by quality and destination	46	
G4-EN23	Total weight of waste by type and disposal method	45-46	
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	45-46	
G4-EN24	Total number and volume of significant spills	30	
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	45	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	46	
ASPECT: PRODUCTS AND SERVICES			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	42-47	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	44	
ASPECT: COMPLIANCE			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	10	
ASPECT: TRANSPORT			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	43	
ASPECT: OVERALL			
G4-EN31	Total environmental protection expenditures and investments by type	47	
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	35	
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	35	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	42	
CATEGORY: SOCIAL			
SUB CATEGORY: LABOUR PRACTICES & DECENT WORK			
ASPECT: EMPLOYMENT			
G4-LA1	Total number & rates of new employee hires and employee turnover by age group, gender and region	20-22	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	25	
G4-LA3	Return to work and retention rates after parental leave, by gender	26	
ASPECT: LABOUR/MANAGEMENT RELATIONS			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	24	
MM4	Number of strikes and lock-outs exceeding one week's duration by country		None
ASPECT: OCCUPATIONAL HEALTH & SAFETY			
G4-LA5	Percentage of total workforce represented in formal joint management-worker health & safety committees that help monitor and advise on occupational health & safety programs	30	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
G4-LA6	Type of injury & rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender	29	
G4-LA7	Workers with high incidence of high risk of diseases related to their occupation	30	
G4-LA8	Health & safety topics covered in formal agreements with trade unions	30	
ASPECT: TRAINING AND EDUCATION			
G4-LA9	Average hours of training per year per employee by gender and by employee category	26	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	26	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	26	
ASPECT: DIVERSITY & EQUAL OPPORTUNITY			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	21	
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	23	
ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES			
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	35	
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain	35	
ASPECT: LABOUR PRACTICES GRIEVANCE MECHANISMS			
G4-LA16	Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms	14	
SUB CATEGORY: HUMAN RIGHTS			
ASPECT: INVESTMENT			
G4-HR1	Total number & percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	14	
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	14	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
ASPECT: NON-DISCRIMINATION			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	14	
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	14	
ASPECT: CHILD LABOUR			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	14	
ASPECT: FORCED OR COMPULSORY LABOUR			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	14	
ASPECT : SECURITY PRACTICES			
G4-HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	14	
ASPECT: INDIGENOUS RIGHTS			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	14	
MM5	Total number of operations taking place in or adjacent to indigenous people's territories, and number and percentage of operations or sites where there are formal agreements with indigenous people's communities		None
ASPECT: ASSESSMENT			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments		None
ASPECT: SUPPLIER HUMAN RIGHT ASSESSMENT			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	35	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	14	
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	14	

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
SUB CATEGORY: SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	37	
G4-SO2	Operations with significant actual or potential negative impacts on local communities	37-41	
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples		None; since there are no indigenous communities in the vicinity
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	14	
ASPECT: ANTI-CORRUPTION			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	13	
G4-SO4	Communication and training on anti-corruption policies and procedures	13	
G4-SO5	Confirmed incidents of corruption and action taken	13	
ASPECT: PUBLIC POLICY			
G4-SO6	Total value of political contributions by country and recipient/beneficiary	49	
ASPECT: ANTI-COMPETITIVE BEHAVIOUR			
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	10	
ASPECT: COMPLIANCE			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	10	
ASPECT: ARTISANAL & SMALL-SCALE MINING			
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.		None
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.		None

GRI G4 Indicator	Description	Page (s)	Omissions (if any and reason for omitting)
ASPECT: CLOSURE PLANNING			
MM10	Number and percentage of operations with closure plans	48	
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	35	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	35	
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
G4-SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	14	
SUB CATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: CUSTOMER HEALTH & SAFETY			
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	10	
G4-PR2	Total number of incidents for non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle by type of outcomes	10	
ASPECT: PRODUCT AND SERVICE LABELING			
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	10	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	10	
G4-PR5	Results of surveys measuring customer satisfaction	11	
ASPECT: MARKETING COMMUNICATIONS			
G4-PR6	Sale of banned or disputed products		None
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising promotion, and sponsorship, by type of outcomes.	10	
ASPECT: CUSTOMER PRIVACY			
G4-PR8	Total number of sustainability complaints regarding breaches of customer privacy and losses of customer data.	10	
ASPECT: COMPLIANCE			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	10	



TESTIMONIAL



Home is where the heart is!



Skorpion Zinc is more than just a mere employer for us. Both my wife Nicolene and I have advanced our careers here. I am an Exploration Geologist and Nicolene is working as a HRBP (Human Resources Business Partner). We always found the right kind of support and requisite training to help us grow professionally.

On the personal front, our three kids, Jerry, Joseph and Juliana, call Rosh Pinah home. When my wife and I go to work, we can focus our efforts there knowing that our kids are getting good education and are growing up in a safe and healthy environment, free of a lot of negative influences that are prevalent in other towns and cities.

To us, our colleagues and fellow employees are now an extended family. We all share our joys and sorrows together. The town also allows for joint celebrations during festivities and healthy competition for sports events.

In short -

"We love the SZ Rosh Pinah good life!"

-Steven Sitoka and Nicolene Sitoka



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