

CLIMATE



ACTION



REPORT



FY 2025-26

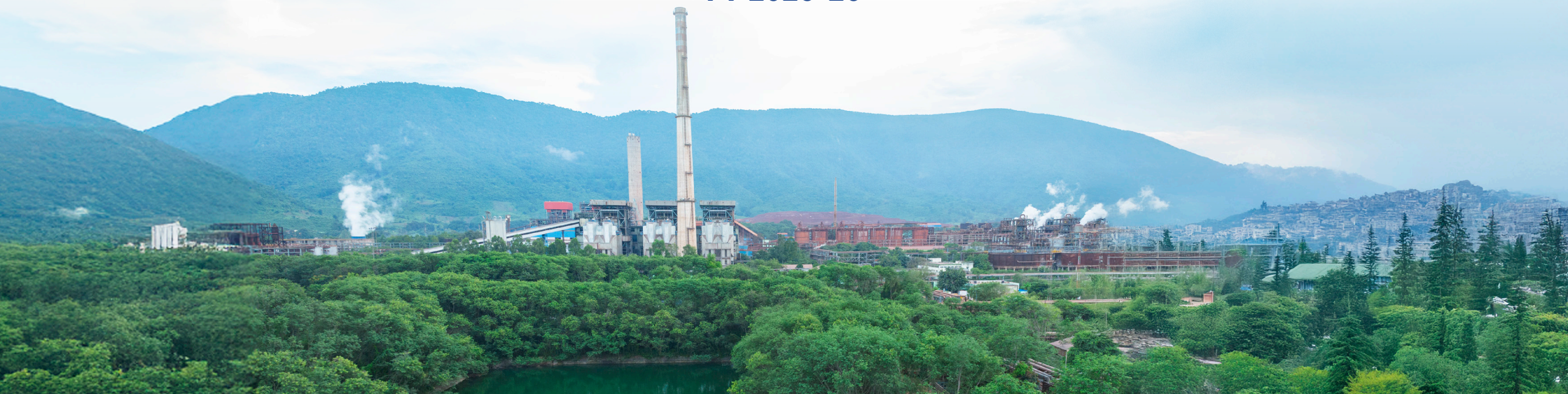




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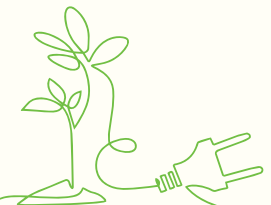
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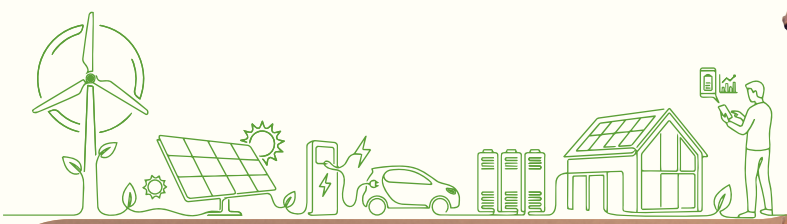
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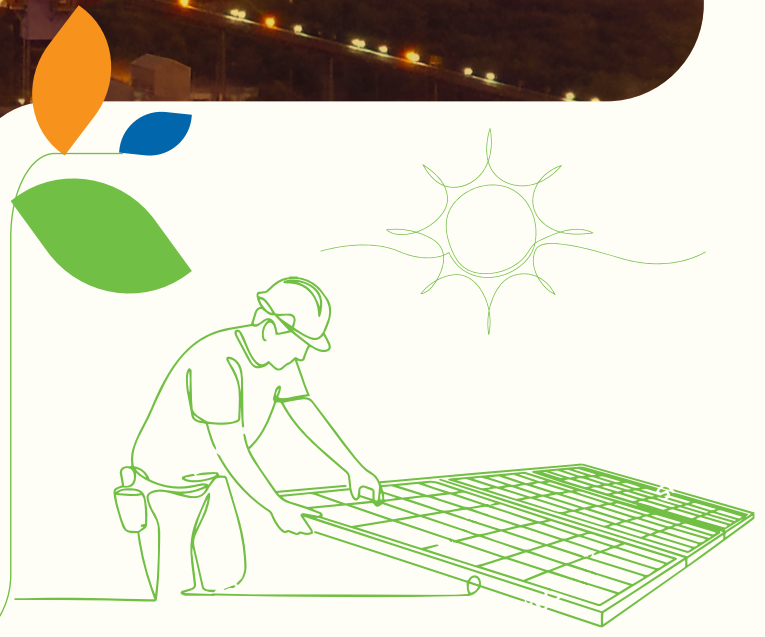
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About this Report



About the report

This is Vedanta Limited's fifth annual climate-related financial disclosure, covering the financial year ending 31st March 2026. The report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and incorporates select elements of IFRS S2.

The report outlines Vedanta's approach to climate governance, strategy, risk management, and the metrics and targets used to assess and track climate related performance across the Group.

In FY 2025-26, Vedanta implemented two significant methodological upgrades to strengthen the robustness and comparability of its climate risk assessments. For physical risks, the assessment framework was upgraded from the IPCC Representative Concentration Pathway framework to the Shared Socioeconomic Pathways aligned with the IPCC Sixth Assessment Report, enabling a more integrated assessment of climate outcomes alongside socioeconomic and policy trajectories. For transition risks, the International Energy Agency's Global Energy and Climate Model scenarios, including the Current Policies Scenario, the Stated Policies Scenario, and the Net Zero Emissions by 2050 Scenario, were adopted to strengthen alignment with global energy policy benchmarks and improve comparability with industry peers.

The scope of the physical risk assessment was also expanded from five to eight perils, with addition of wildfire, hail, and cold to the existing coverage of heat, flood, wind, precipitation, and drought. These methodological advancements represent a significant step towards fuller alignment with IFRS S2, which Vedanta will progressively enhance in future reporting periods.

The TCFD recommendations are structured around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets, each of which is addressed in this report. The cross-reference index in Annexure 1 maps each TCFD recommended disclosure and key IFRS S2 requirements to the relevant sections of the report, supporting transparency and ease of navigation.



Reporting boundary

Disclosures under this report are made on a consolidated basis. Vedanta Group comprises of Vedanta Limited, its Subsidiaries, Associates and Joint Ventures, the details of which are given in point No. 23 of Section A of Business Responsibility and Sustainability Report (BRSR) and on page 371 of the Integrated Report and Annual Accounts FY 2025-26.

While all these entities are included for Financial Consolidation, the scope of climate-related data and disclosures in this report excludes the following categories, based on operational relevance:

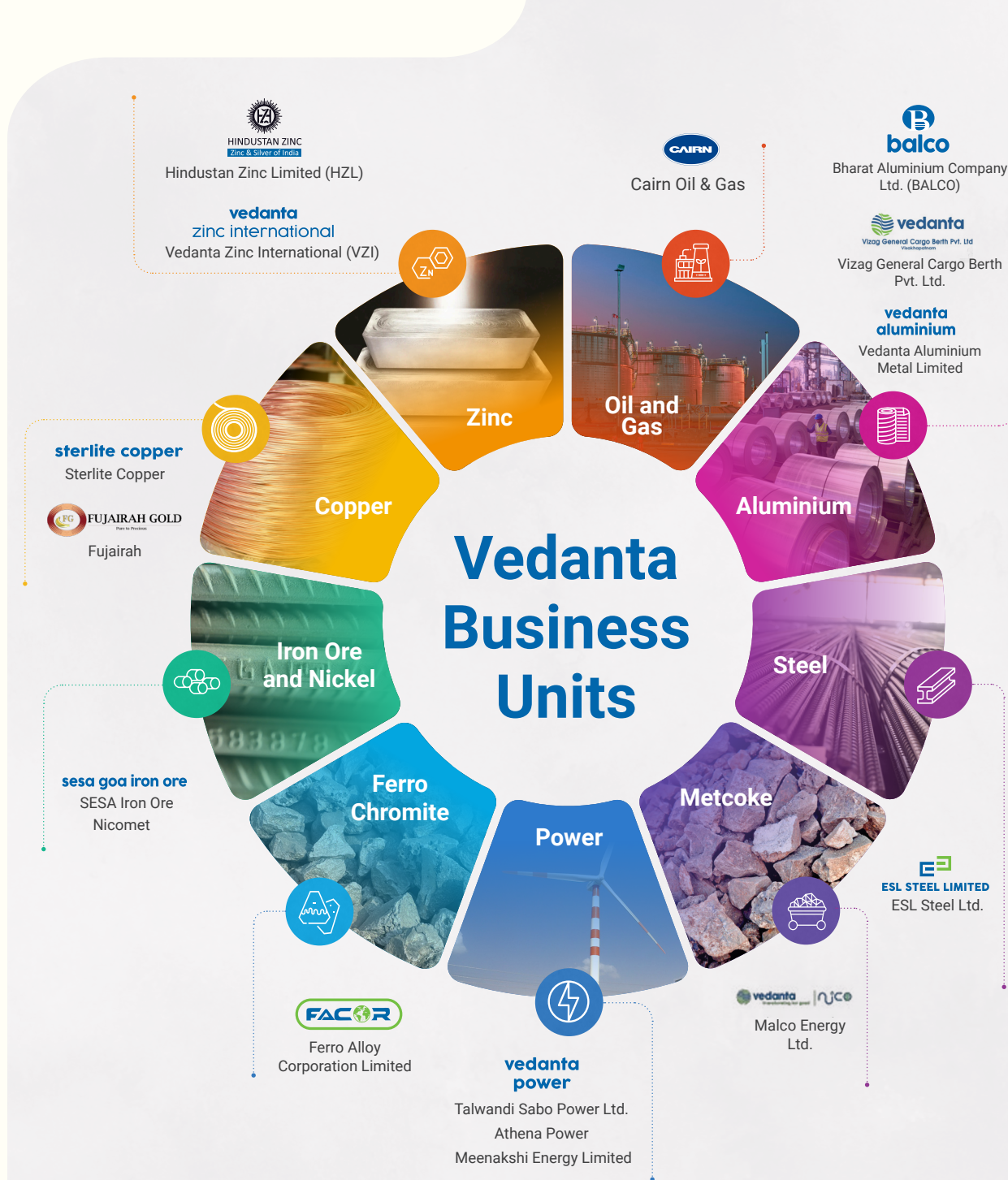
- entities or sites operational for less than 12 months
- non-operational/ intermittent operational entities/sites
- entities or sites that have been discontinued or outsourced.

In addition, certain categories have been excluded from environmental footprint reporting (GHG, energy, water, and waste), based on assessments of immateriality:

- corporate offices associated with reporting entities
- group-owned guesthouses and residential colonies

Within this defined boundary, Scope 3 emissions are categorised and disclosed based on the extent of coverage and data availability.

Hindustan Zinc Limited (HZL) is a listed subsidiary of Vedanta Limited, conducts its own independent physical climate risk assessment. The methodology applied by HZL may differ from the Group-level methodology used for Vedanta's climate risk assessment, which is conducted by a third party. Accordingly, HZL-specific risk disclosures presented in this report are shown separately and are not directly comparable with Group-level risk assessments.



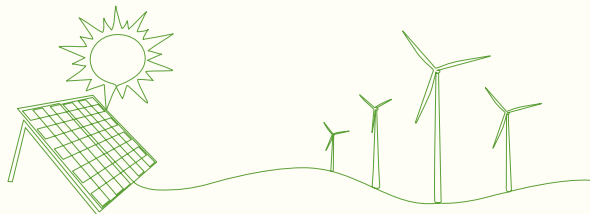


Forward-looking statement

This report contains forward-looking statements, including statements relating to Vedanta’s climate commitments, decarbonisation roadmap, scenario analysis findings, and sustainability targets. These statements reflect the Group’s intentions and expectations as of 31st March 2026, based on assumptions and information available at the time of preparation.

Forward-looking statements are subject to a range of risks and uncertainties including, but not limited to: changes in regulatory requirements and carbon pricing frameworks; variations in physical climate conditions from those modelled in scenario analysis; technological developments that may accelerate or constrain decarbonisation pathways; changes in energy market conditions; and the pace and character of the global energy transition. Actual outcomes may differ materially from those described in this report.

Vedanta does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date of this report. This report should not be read as a guarantee of future performance, an assurance of regulatory compliance, or a warranty regarding the accuracy of scenario analysis outputs.



Acronyms

TCFD	Task Force on Climate-related Financial Disclosures	CCC	Carbon Credit Certificates
IFRS	International Financial Reporting Standards	LMV	Light Motor Vehicle
OGMP	Oil & Gas Methane Partnership	CCKP	Climate Change Knowledge Portal
RE-RTC	Renewable Energy – Round-The-Clock	WRI	World Resource Institute
VSAP	Vedanta Sustainability Assurance Program	NOAA	National Oceanic and Atmospheric Administrative
LTIP	Long-TermW Incentive Plan	IBTrACS	International Best Trade Archive for Climate Stewardship
CCUS	Carbon capture and storage	ESOS	Employee Stock Option Schemes
RCP	Representative Concentration Pathways	FICCI	Federation of India Chambers of Commerce and Industry
CapEx	Capital Expenditures	FIMI	Federation of Indian Mineral Industries
OpEx	Operational Expenditures	ICP	Internal Carbon Pricing
SSP	Shared Socioeconomic Pathway	PDA	Power Delivery Agreement
B2DS	Below 2°C Scenario	PPA	Power Purchase Agreement
EU-ETS	EU Emissions Trading System	UNGC	United Nations Global Compact
CBAM	Carbon Border Adjustment Mechanism	tCO ₂ e	Tonnes of Carbon Dioxide Equivalent
CCTS	Carbon Credit Trading Scheme		



About Us



Vedanta Limited, a subsidiary of Vedanta Resources Limited, is a diversified natural resources company with principal operations in India and further assets in South Africa and Namibia. The Group's portfolio spans zinc, lead and silver, iron ore, steel, copper, aluminium, nickel, oil and gas, and power generation, serving customers in domestic and export markets.

The Group's activities extend across the natural resources value chain, from exploration and mining through smelting, refining and processing to power generation. Reserves and Resources are augmented through brownfield and greenfield development, with climate resilience and lower carbon design parameters incorporated into project evaluation. A significant proportion of the Group's electricity requirement is met through captive generation, and renewable energy capacity is being contracted under long term power delivery agreements to displace part of this supply.

During FY 2025-26, the Group progressed the demerger of Vedanta Limited into five independent, sector focused businesses under the Vedanta 2.0 restructuring. The demerger separates the Group's principal business verticals into distinct listed entities, each with its own board, capital structure and operational mandate. Upon completion, responsibility for climate commitments, decarbonisation delivery and climate related disclosure will rest with each demerged entity, supported by dedicated board oversight of sector specific risks and opportunities. The commitments and performance reported here cover the consolidated Group for FY 2025-26 and will form the baseline from which each entity carries its respective obligations forward.

Decarbonisation is a material operational and financial consideration for the Group, given the carbon intensity of aluminium smelting, captive thermal power generation, integrated steel production and upstream oil and gas extraction. This report sets out the Group's climate commitments, the decarbonisation levers being deployed, and performance against targets for FY 2025-26.



Our journey so far

Vedanta's engagement with climate change as a strategic business priority span more than a decade. What began as environmental monitoring and reporting has become a programme that shapes capital allocation, product development, operational strategy, and investor disclosure.

Each phase of that progression built on the one before it. Without the greenhouse gas inventories and energy baselines established in the early phase of our climate journey, the targets formalised in FY 2020–21 would not have had a credible foundation. Without the governance structures, internal carbon pricing, and Communities of Practice developed in the subsequent phase, the delivery commitments of recent years would have lacked the organisational capacity to execute them.

Building on this foundation, the commercial milestones achieved from FY 2022–23 onwards reflect the maturity of Vedanta's climate programme. These include growth in low-carbon product revenues, renewable energy power delivery agreements at Group scale, and methane reporting aligned with leading global standards.

The result is a trajectory in which climate action has moved progressively from the periphery of the business to its centre. It now shapes how Vedanta deploys capital, designs products, manages risk, and reports to investors. The milestones presented in this report reflect that transition.

Data Foundation

Capability Building

Carbon Strategy Alignment

Carbon mitigation focus;
collective carbon strategy across
business units

Green Power Commitment

1.635 MW green power generated;
commitment to decarbonisation
by 2050

Net Zero Commitment

Direct operations approach
Net Zero by 2050 commitment
Five climate targets set

> 2014–15

> 2018–19

> 2020–21

Sustainability Framework

Group-wide GHG
monitoring initiated;
sustainability
framework launched

> 2017–18

> 2019–20

Assurance & CDP Response

Third-party environmental
performance assurance;
CDP disclosure
commenced

Policy & Carbon Forum

Energy and carbon
policy updated;
carbon working
groups formed

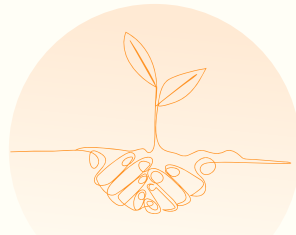
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15+ Year Journey

Systematic progress from framework development to scaled low-carbon product delivery.



Net Zero Commitment

Net Zero by 2050 with five climate targets set and 1.03 GW RE-RTC PDAs signed.



Three Strategic Phases

Driving the transition from data collection through capability building to delivery at scale.

Strategy Into Delivery

Low-Carbon Products & RE

Restora launched low-carbon aluminium; 835 MW RE-RTC announced

> 2022-23

EcoZen & OGMP 2.0

EcoZen low-carbon zinc launched; Cairn joins OGMP 2.0; 1.03 GW RE-RTC PDA signed

> 2024-25

> 2021-22

First TCFD Disclosure

Shadow carbon price introduced; TCFD-aligned disclosure published

> 2023-24

RE Construction & Pilots

835 MW RE-RTC construction begun
EV pilots, LNG truck
MOU signed

> 2025-26

Gold Standard & Scale-Up

Cairn: OGMP 2.0 Gold Standard; CapEx USD 1.0 bn; FCN deployed at Jharsuguda



Message from the Chairman



Dear Stakeholders,

The energy transition is no longer a distant goal. It is our daily operating reality, and the choices we make in this decade will shape the future of our planet.

For a company of Vedanta's size and presence, this reality brings a profound responsibility and an extraordinary opportunity.

India is central to this transition. As the world's fastest growing major economy it must balance rising energy demand with responsible resource management. India's updated Nationally Determined Contributions, which commit to a 47% reduction in emissions intensity of GDP by 2035 and 60% of cumulative electric power capacity from non-fossil sources, reflect this ambition. The metals and

energy Vedanta produces are not peripheral to this story; they are the physical foundation on which India's clean energy infrastructure will be built.

This past year, we showed the true scale of our intent by increasing our capital allocation for net-zero initiatives to one billion dollars. This proves that our climate promises are backed by real financial deployment at a materially different scale.

Operationally, progress continued to, GHG emissions intensity improved, our renewable energy portfolio expanded, and Cairn Oil and Gas achieved OGMP 2.0 Gold Standard recognition for methane reporting, becoming the first upstream company in India to do so.

As we transition to Vedanta 2.0 and evolve into five focused, independent businesses, we are moving the ownership of this Transition directly to the operational level. Each business will carry its own board accountability, climate commitments, and reporting obligations. The expectations set in this report, with clear disclosure of progress and gaps, apply equally across this structure.

The foundations built over the past decade, in governance, technology, low-carbon product development, and the capability of people managing these programmes are strong. At the same time, our FY 2029–30 require accelerated execution. Both realities must be addressed together, and this report reflects them with clarity.

Anil Agarwal
Chairman

Message from the Non-Executive Director



Dear Stakeholders,

At Vedanta, we believe that true climate governance is a shared journey of responsibility and care. It goes far beyond simply tracking targets. It is about understanding our deep impact on the planet and ensuring that our operational choices today protect the communities of tomorrow.

In FY 2025–26, the Board ESG Committee reviewed Vedanta’s climate performance at two formal meetings and through ongoing engagement with the management climate governance structure. The Committee assessed not only our headline KPI outcomes, but also the deep quality of the processes supporting them, providing the steady oversight, rigorous evaluation, and strategic clarity needed to turn our collective green aspirations into a lasting, measurable reality. This included evaluating the rigour of the climate risk assessment, the robustness of the scenario framework, the effectiveness of the internal

carbon price as a capital allocation signal, and the accuracy of the disclosures being made to investors and regulators.

From a methodology standpoint, FY 2025–26 represents a meaningful step forward. By expanding our physical risk assessments from five to eight environmental perils, upgrading to the latest global climate scenarios, and adopting advanced international energy models, we have significantly strengthened the foundation of our strategy. These changes will give us an honest review of the landscape, better guiding our strategic decision and responses.

From a performance perspective, Vedanta made meaningful progress during the year across emissions intensity reduction, renewable energy adoption, and the integration of climate considerations into investment decisions. The Group utilised more than 3.80 billion units of clean energy from renewable electricity and Waste Heat Recovery Boiler (WHRB) across our operations, corresponding to approximately 454 MW of round-the-clock renewable power and avoiding an estimated 2.5-2.7 million tonnes of CO₂e emissions. In parallel, Vedanta scaled up the use of alternative fuels, with 365 kt of biomass consumed across the Group, of which 360 kt was utilised by TSPL alone, resulting in biomass contributing more than 5% of TSPL’s fuel mix. This represents a significant milestone in reducing dependence on fossil fuels while diversifying the energy portfolio.

Growth is a journey, and in a few areas, like bringing electric vehicles into our operational fleets, we have faced some natural bottlenecks. The Board is actively engaging with management to address these challenges as we advance steadily toward our 2030 milestones.

As we transition into Vedanta 2.0, our key governance priority is ensuring that the high sustainability standards we established at the group level are strictly maintained across five independent companies. This continuity will be driven by localized board oversight, performance-linked incentives, and clear disclosure practices.

The foundations are strong and the direction is clear. The priority now is to translate this direction into delivery through focused execution and sustained governance oversight across each business.

Priya Agarwal Hebbar
Non-Executive Director



Introduction



The world we operate in

Vedanta is a diversified natural resources company with operations spanning aluminium, zinc, copper, iron ore, oil and gas, and power generation across India. In FY 2020-21, the Group made significant climate commitments: achieving net zero Scope 1 and Scope 2 emissions by 2050 or sooner; reducing absolute GHG emissions by 25% by FY 2029-30 against a FY 2020-21 baseline; 2,500 MW of round-the-clock renewable energy across operations by FY 2029-30; full decarbonisation of the light motor vehicle fleet by FY 2029-30; and USD 5 billion in capital investment in net zero initiatives over ten years. These commitments were made against a defined external context, which has evolved materially over the past five years.

Three structural forces are reshaping the environment for natural resources companies.



First, the energy transition is a materials transition

Global clean energy investment surpassed USD 2 trillion in 2024 for the [first time](#).

The IEA projects that achieving net zero by 2050 would require six times more mineral inputs in 2040 that are significantly higher than current [levels](#). The infrastructure required for this transition, spanning solar panels, wind turbines, electricity grids, electric vehicles, and battery storage systems all require large volumes of metals. Aluminium, copper, and zinc are central to this build-out, and they are core to Vedanta's portfolio: aluminium for grid conductors and electric vehicle structures, copper for power transmission and motor windings, and zinc for galvanised steel used in renewable infrastructure.

This represents structural demand growth rather than a cyclical trend. The commercial case for Vedanta's metals does not depend on economic conditions normalising; it depends on the continuation of the energy transition, driven by policy, investment, and underlying physical constraints.



Second, regulatory frameworks are tightening across every geography where Vedanta operates

The EU Carbon Border Adjustment Mechanism entered its transitional phase in 2023 and imposes definitive financial obligations on exported metals from January 2026. The UK CBAM will take effect from January 2027. In India, the Carbon Credit Trading Scheme will introduce mandatory emissions targets and a domestic carbon market for energy-intensive sectors including aluminium, steel, and ferro-alloys. Additional requirements including the Renewable Consumption Obligation, Renewable Generation Obligation, and the Petroleum and Natural Gas Rules 2025 further strengthen compliance expectations across operations.

Across these jurisdictions, the direction of travel is consistent: the cost of carbon is increasing and becoming more explicit. This represents a material transition risk, with direct implications for Vedanta's cost base, market access, and asset competitiveness over the medium term.



Third, investor and customer expectations are evolving in parallel

Institutional investors are applying climate-related screening criteria in portfolio decisions with increasing rigour. Customers in export markets, particularly in Europe, are requesting verified carbon footprint data for purchased materials, driven by their own Scope 3 reporting obligations and procurement policies. The market for lower-carbon metals is already generating commercial revenue through Restora, Restora Ultra, and EcoZen. This is not a future opportunity; it is an active and expanding market. Vedanta's ability to access premium pricing in this market is directly linked to the carbon intensity of its production and the credibility of its disclosures.

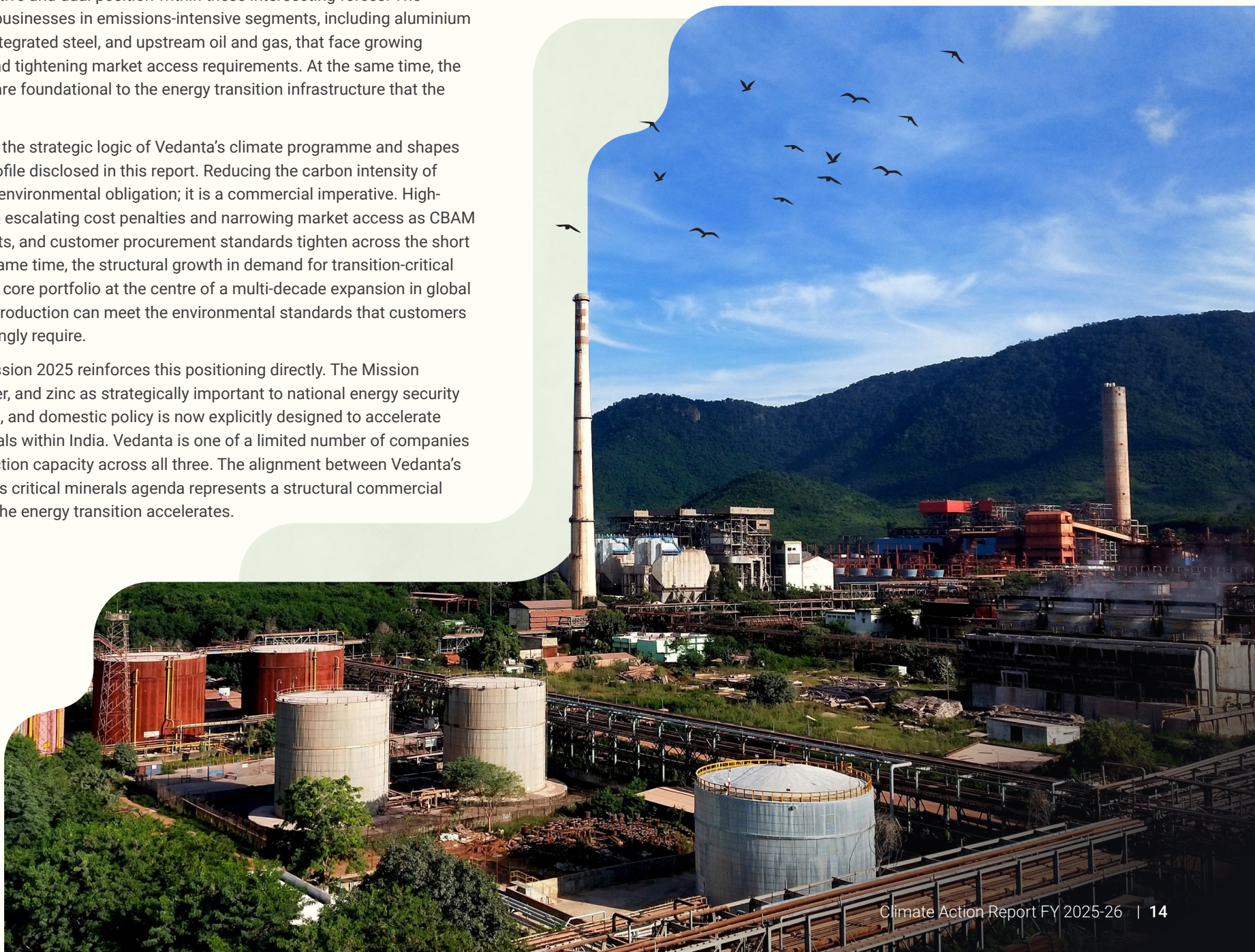


Vedanta's position in this landscape

Vedanta occupies a distinctive and dual position within these intersecting forces. The Group's portfolio includes businesses in emissions-intensive segments, including aluminium smelting, thermal power, integrated steel, and upstream oil and gas, that face growing regulatory cost pressure and tightening market access requirements. At the same time, the metals Vedanta produces are foundational to the energy transition infrastructure that the world is actively building.

This dual exposure defines the strategic logic of Vedanta's climate programme and shapes the risk and opportunity profile disclosed in this report. Reducing the carbon intensity of operations is not solely an environmental obligation; it is a commercial imperative. High-carbon production will face escalating cost penalties and narrowing market access as CBAM frameworks, carbon markets, and customer procurement standards tighten across the short and medium term. At the same time, the structural growth in demand for transition-critical metals positions Vedanta's core portfolio at the centre of a multi-decade expansion in global metals demand, provided production can meet the environmental standards that customers and regulators will increasingly require.

India's Critical Minerals Mission 2025 reinforces this positioning directly. The Mission identifies aluminium, copper, and zinc as strategically important to national energy security and industrial development, and domestic policy is now explicitly designed to accelerate production of these materials within India. Vedanta is one of a limited number of companies globally with scaled production capacity across all three. The alignment between Vedanta's existing portfolio and India's critical minerals agenda represents a structural commercial opportunity that grows as the energy transition accelerates.



Vedanta's climate action plan

The climate action plan is the operational architecture through which Vedanta's commitments are pursued. It is structured across four decarbonisation levers, governed through Board and management oversight, and assessed against performance data reported transparently each year.

In FY 2025–26, capital allocation to net zero initiatives reached USD 1.00 billion, demonstrating sustained execution of the Group's climate action plans. GHG emissions intensity across the metal's portfolio reached 5.51 tCO₂e per metric tonne, representing a decline of approximately ~14% against the FY 2020–21 baseline. **Reaching the 20% intensity target has been impacted by sector-specific infrastructure constraints, primarily Right-of-Way restrictions and regulatory approval timelines affecting the commissioning of renewable power projects, challenges that continue to affect project delivery timelines across the industry.** These are being actively addressed, and Vedanta is exiting March 2026 at a monthly emissions intensity already below the 5.2 tCO₂e per metric tonne target level, providing a strong basis for accelerated progress. The Group remains on track to achieve its overall 20% emissions intensity reduction target by FY 2026-27. Renewable energy deployment reached 454 MW, with 1.03 GW of Power Delivery Agreements committed at Group level, providing a contracted pipeline that directly supports delivery of the 500 MW target and the broader 2.5 GW ambition by FY 2029–30. Light motor vehicle fleet electrification reached 14%, with progress reflecting the current pace of domestic EV availability in the specialised and heavy vehicle categories relevant to Vedanta's mining and industrial operations, a structural constraint across the sector that the Group continues to address in partnership with vehicle manufacturers and industry bodies.

Closing the distance to the FY 2029–30 targets require continued acceleration across all four operational levers: renewable energy deployment, fuel switching, energy and process efficiency, and residual offsets. The Decarbonisation section sets out the actions being taken against each of these levers.

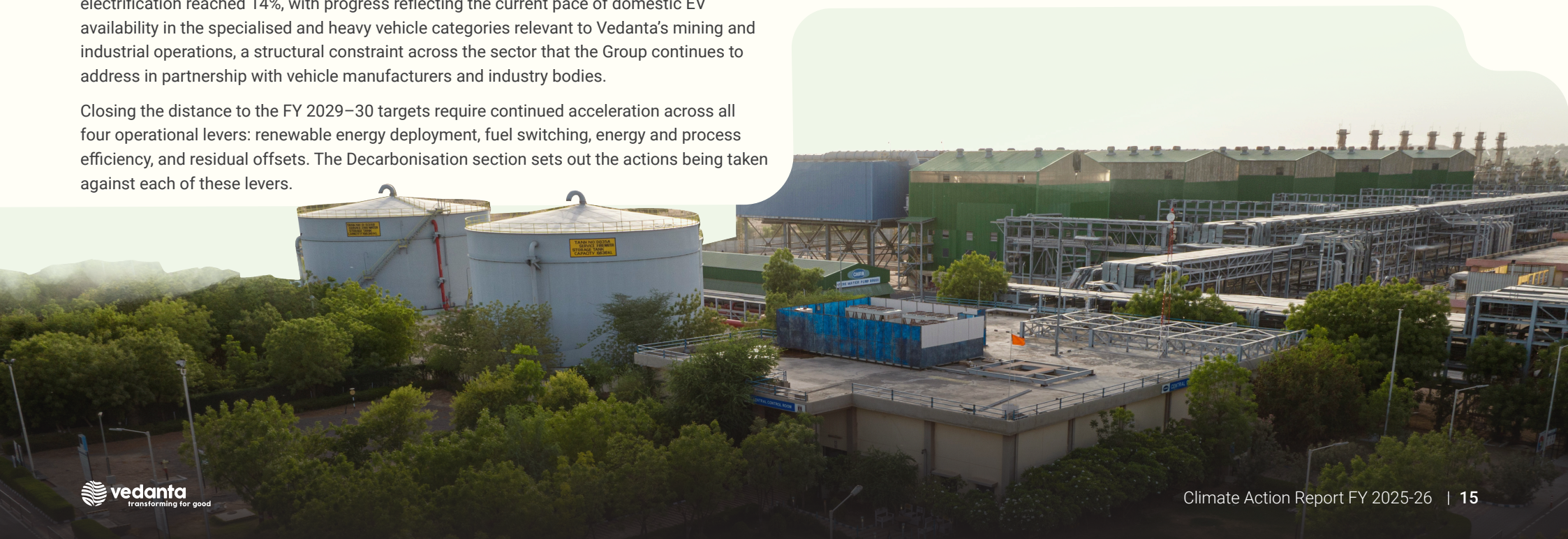
Turning climate action into business value

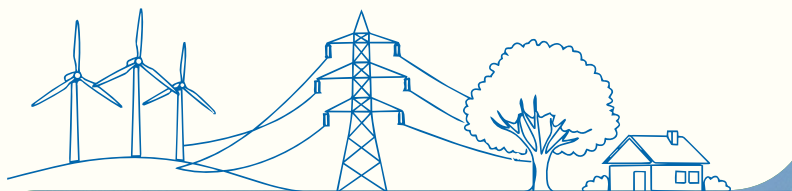
Decarbonising operations and capturing value from the energy transition are not separate objectives. The same investments that reduce emissions also build commercial positions in markets that are expanding as the global economy decarbonises.

The verified lower-carbon metals portfolio demonstrates this directly. Restora, Restora Ultra, and EcoZen generate commercial revenue from customers who need verifiable carbon credentials to manage their own Scope 3 exposure and meet emerging CBAM obligations. With CBAM imposing a financial cost on embedded carbon in imported metals from January 2026, lower-carbon products reduce the cost for the customer. Product decarbonisation therefore represents a commercial differentiator as well as an environmental outcome.

The renewable energy programme contributes in a similar way. It reduces carbon intensity while securing power through long-term Power Delivery Agreements, improving commercial resilience alongside environmental performance. Energy and process efficiency initiatives lower operating costs whilst reducing emissions, reinforcing the alignment between operational efficiency and climate performance.

Climate considerations are also embedded in capital allocation through the application of an internal carbon price of USD 15 per tonne of CO₂e across investment decisions. This ensures that the financial implications of carbon are incorporated at the point of capital deployment.





Climate Governance

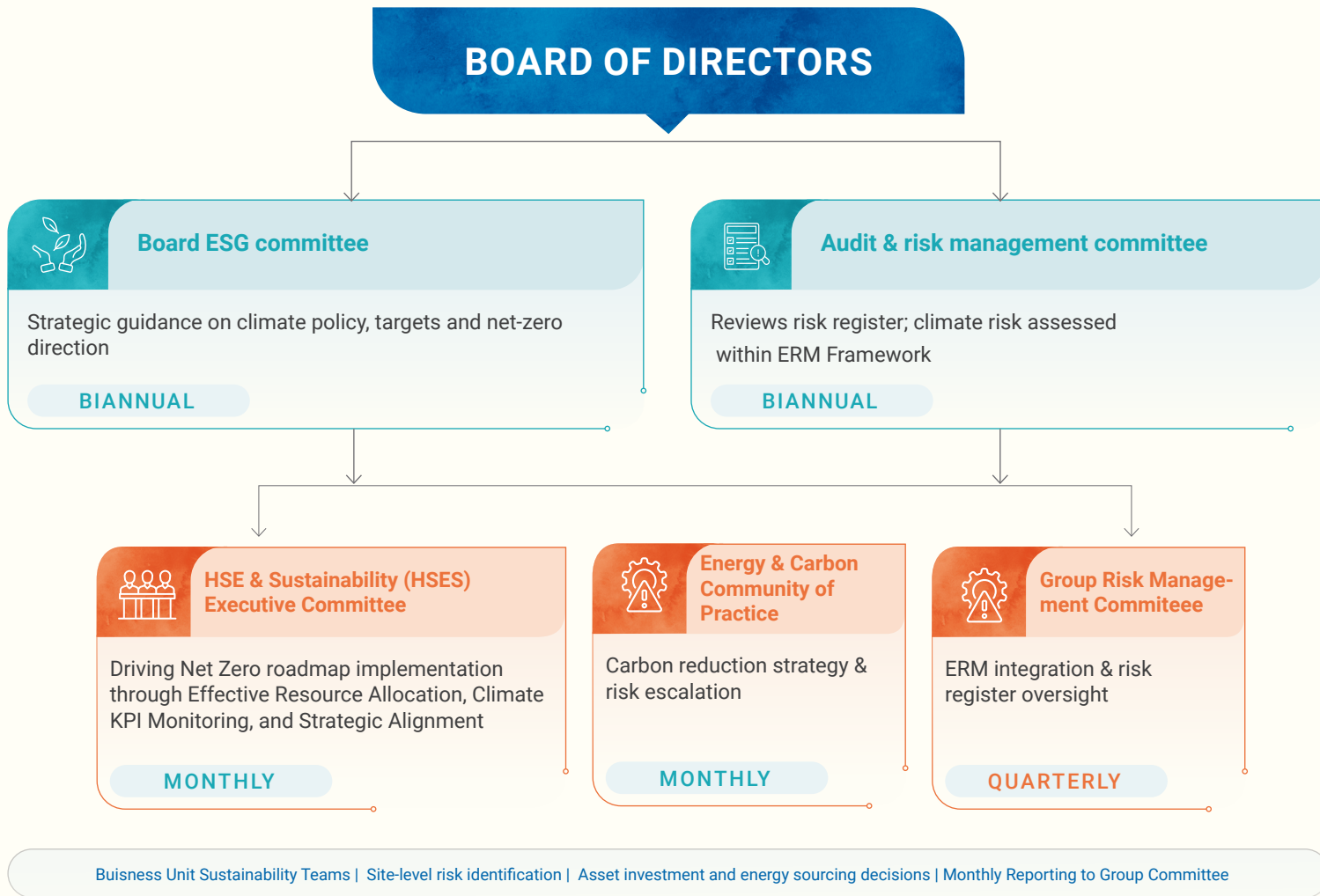
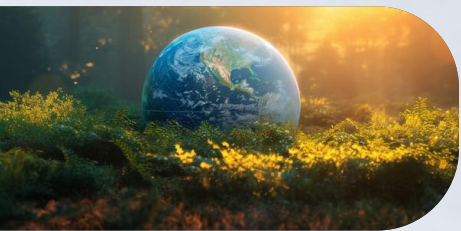


Overview of Our Governance

Effective oversight of climate-related risks and opportunities begins at Board level. At Vedanta, climate governance is embedded within the Group's core leadership and decision-making structures rather than managed as a standalone compliance function. The framework operates across two tiers: Board oversight and management execution, supported by defined mandates, structured review cadences, and clear escalation pathways.

This ensures that climate risks and opportunities are considered across all levels of the organisation, from site operations to the Board. It enables active management of climate performance, with timely identification of gaps, clear accountability for delivery against commitments, and effective translation of strategy into operational action.

Accountability is further reinforced through executive compensation frameworks that directly link financial incentives to climate and sustainability outcomes.



BOARD OVERSIGHT

MANAGEMENT OVERSIGHT

BUSINESS UNIT LEVEL

Board and Management Oversight Structure

Board Oversight

Climate-related risks and opportunities sit at the centre of Vedanta's strategic agenda. The Board of Directors holds ultimate accountability for the Group's approach to climate change encompassing the net zero commitment, the decarbonisation roadmap, the integration of physical and transition risks into Group strategy, and the adequacy of climate-related disclosures to shareholders and regulators.

The Board brings together expertise across natural resources, finance, technology, corporate governance, and public policy, providing the breadth of perspective required to assess the climate-related challenges and opportunities that a diversified natural resources group of Vedanta's scale faces. The qualifications, skills and attributes of our Board members (including ESG related) are elaborated in our Integrated Report and Annual Accounts 2025-26.

This accountability is not delegated; it is exercised directly through structured Board-level review and through two dedicated governance mechanisms that together provide strategic direction and risk oversight.

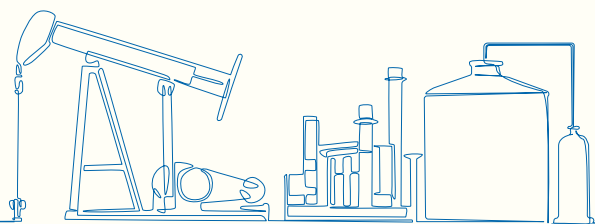
The **Board ESG Committee** provides the primary forum for climate strategy and performance at Board level. It meets biannually and comprises the Group Chief Executive Officer and Independent Directors. It is responsible for reviewing progress against Vedanta's climate targets, guiding the development and revision of climate-related policies, assessing the adequacy of climate-related disclosures, and providing direction on the Group's net zero ambition.

The Committee also reviews emerging physical and transition risks as they arise between formal assessment cycles. It also reviews the adequacy and accuracy of climate-related disclosures prior to publication, ensuring that reporting to investors and regulators reflects the Group's actual performance, including instances where targets may not have been achieved. This structured review cadence enables timely oversight of material developments and reinforces accountability for climate performance across the organisation.

The **Audit and Risk Management Committee** ensures that climate-related risks are assessed and managed within the Group's broader Enterprise Risk Management framework. The Committee reviews the Group risk register on a quarterly basis, with climate-related risks assessed and prioritised using the same methodology applied to all other principal risks.

This integration ensures that climate risk is not treated as a separate sustainability matter. It carries the same governance weight, ownership accountability, and escalation visibility as any other material business risk. The Committee reviews risk mitigation measures, monitors the adequacy of controls, and works with internal risk management bodies where strengthening of response strategies is required.

The two committees operate in complementary manner. The Board ESG Committee provides strategic direction on climate ambition and performance, while the Audit and Risk Management Committee provide structured risk oversight. Together, they ensure that climate matters receive both strategic attention and rigorous governance at Board level.



Management Oversight

Management-level climate governance is exercised through four dedicated bodies. Each carries a defined mandate, specific membership, and an established review cadence. Collectively, they translate Board-level strategy into operational action and ensure that material climate developments are escalated to Board level without delay.

Operational and investment decisions relating to climate risks and opportunities are taken primarily at business unit level, reflecting differences in asset profiles, geographic exposure, and operational context. Business unit management teams use climate risk assessments and decarbonisation planning outputs to inform decisions on asset management, energy sourcing, operational resilience, and technology deployment.

Business unit sustainability teams are responsible for assessing site level risks, implementing decarbonisation initiatives, and monitoring climate performance. These teams report through the Energy and Carbon Community of Practice and the Group Executive Committee, ensuring alignment between operational execution and Group level governance.

Where material climate related risks, regulatory developments, or emerging issues are identified between formal review cycles, they are escalated through the management governance structure to the Board ESG Committee for timely review and decision making.

Committee	Composition	Cadence	Principal Climate Mandate
HSE & Sustainability (HSES) Executive Committee	Group CEO, Group HSES Head, Sector and Business CEOs, BU ESG Heads	Monthly	<ul style="list-style-type: none"> Oversees the execution of the net zero roadmap and climate-related initiatives across the business. Integrates climate priorities into business strategy and operational planning. Allocates resources to support the delivery of climate and decarbonisation objectives. Monitors performance against key climate KPIs, including GHG emissions intensity, renewable energy deployment, and low-carbon product performance. Reviews progress, performance data, and emerging climate-related risks across operations. Escalates material climate-related risks, challenges, and performance issues to the Board ESG Committee.
Energy & Carbon Community of Practice	Deputy Head HSE & Chief Sustainability Officer, Carbon and Social Performance BU Community of Practice Heads	Monthly	<ul style="list-style-type: none"> Delivers the carbon reduction strategy across all business units. Oversees energy efficiency programmes. Consolidates site-level risk findings and escalates material risks and opportunities through the Group governance structure.
Group Risk Management Committee	Group CEO, Group CFO, Group Head MAS, BU CEOs, Group Head HSE	Quarterly	<ul style="list-style-type: none"> Evaluates and maintains the Group Risk Register, including all climate-related risks and their mitigating actions. Ensures climate risks are systematically identified, assessed, and managed within the ERM framework.

Executive Compensation Linked to Climate KPIs

Climate performance carries direct financial consequence at Vedanta across three mechanisms, creating accountability that extends from Board-level oversight to individual employee behaviour. Taken together, these mechanisms ensure that the financial interests of Vedanta’s employees and leadership are aligned with the Group’s climate commitments from the short-term delivery of annual emissions reductions to the long-term transition of the business toward net zero.

Annual Performance Bonus

Assessed annually · Reviewed by the Board Remuneration Committee

15%

of total annual bonus linked to ESG performance metrics

5%

linked to safety performance

10%

linked to sustainability achievements, including GHG reductions and resource efficiency improvements



Performance outcomes assessed through the Vedanta Sustainability Assurance Programme (VSAP) feed directly into variable pay calculations.

Long-Term Incentive Plan (LTIP)

ESOSs depends on achievement of critical sustainability targets

3 year

performance period for Employee Stock Option Scheme (ESOS) vesting

20%

GHG emissions intensity reduction – key performance criterion in the current plan



Linked to individual contributions towards predefined sustainability milestones



Electric Vehicle Kicker Incentive

Supports the Group’s LMV fleet electrification target

100%

LMV fleet decarbonisation target by FY2030

All BUs

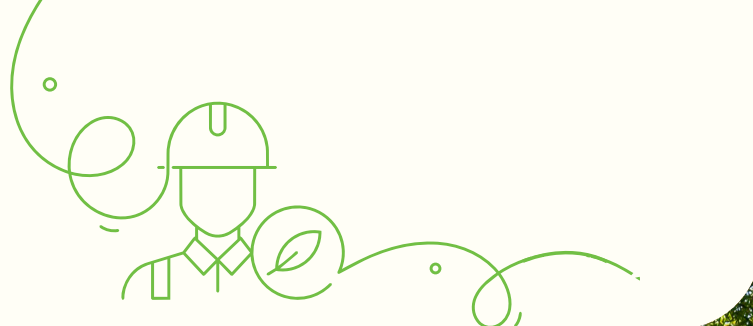
Scheme active across all business units

EV

Financial incentive for employees to select battery electric vehicles in company car allocations



Decarbonisation Strategy and Levers



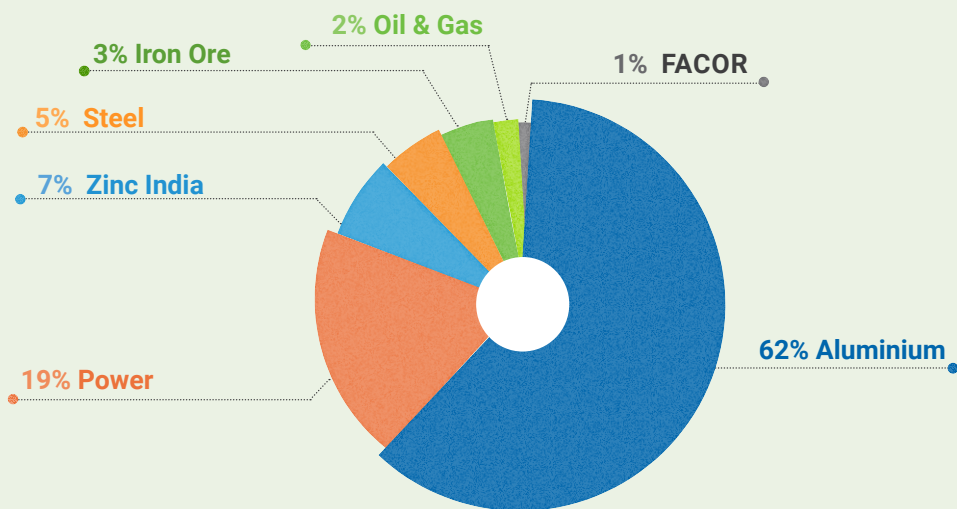


Overview of Our Emission Profile

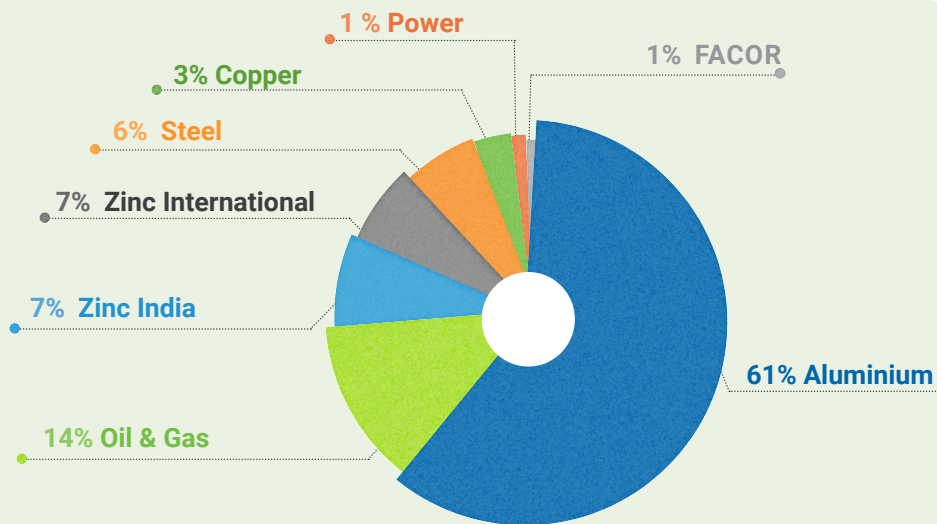
For over a decade, decarbonisation has been embedded in the way we operate our business. Understanding where our emissions originate is fundamental to that effort. In FY 2025–26, Vedanta’s total greenhouse gas footprint comprised 68.22 million tCO₂e of Scope 1 direct emissions and 3.23 million tCO₂e of Scope 2 emissions from purchased electricity,

a combined 71.45 million tCO₂e that reflects the inherent carbon intensity of the metals and energy industries in which we operate. This scale defines the challenge; it also defines the ambition.

Contribution of Scope 1 emissions by Business Unit



Contribution of Scope 2 emissions by Business Unit



The emissions profile is concentrated across a limited set of energy-intensive operations, which in turn shapes our decarbonisation levers. Four business units, Aluminium, Power, Zinc India, and Steel, together nearly account for 94% of Scope 1 emissions, with Aluminium alone responsible for 62% owing to its dependence on coal and petroleum coke in the smelting process. Power contributes 19% through coal-fired generation, while Zinc India and Steel add 7% and 5% respectively. The Scope 2 picture is equally concentrated: Aluminium accounts for 61% of indirect emissions, followed by Oil & Gas at 14%, Zinc India and Zinc International at 7% each and Steel at 6%. Targeting these units with the right levers, such as fuel switching, renewable energy, process optimisation, and capital reallocation, is where the greatest decarbonisation impact can be achieved.

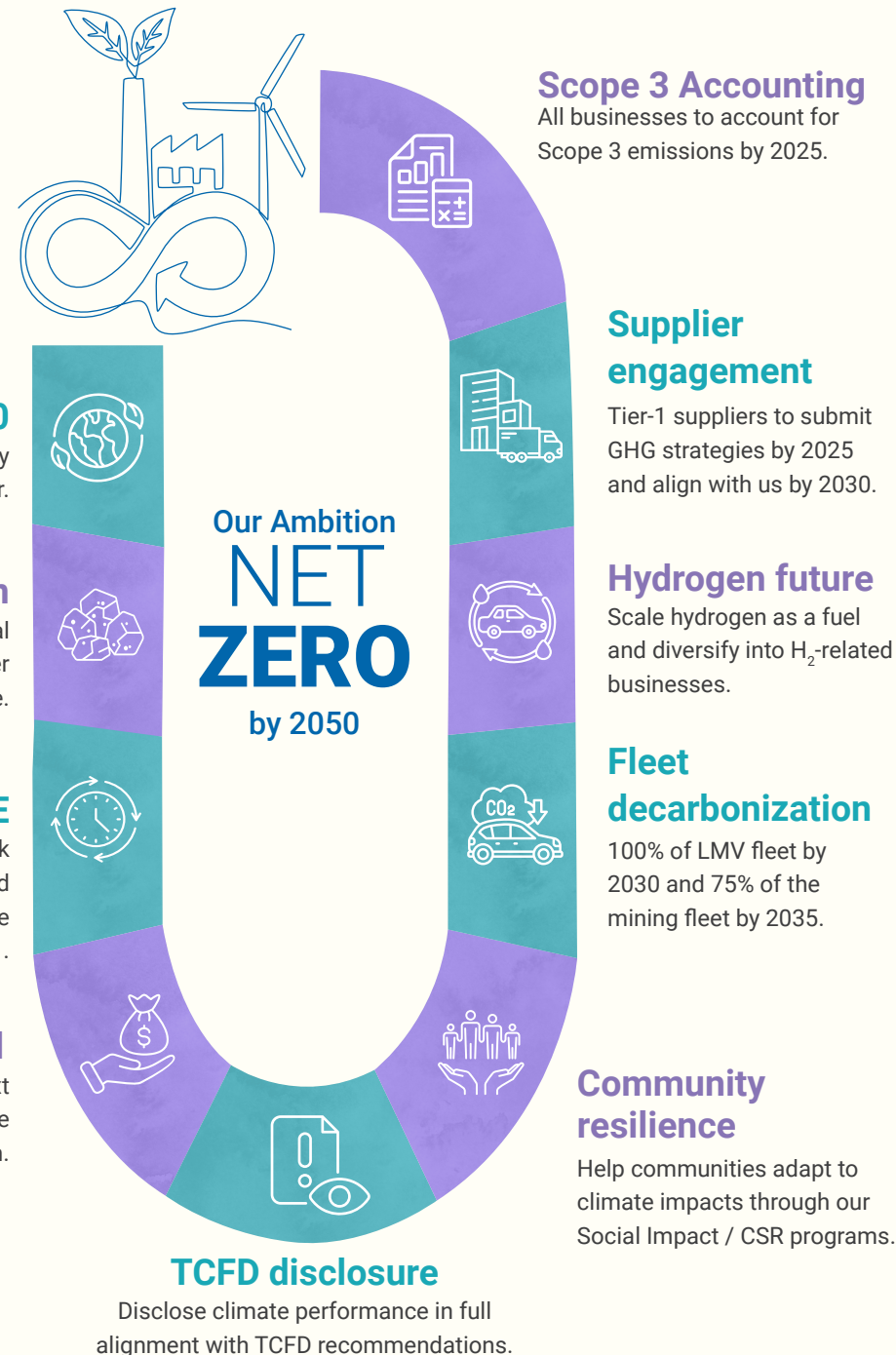
For over a decade, this understanding has driven how we invest, operate, and govern. What began as a commitment to monitor and reduce our environmental footprint has evolved into a comprehensive strategy that extends across every business unit, every capital decision, and every level of the organisation. We have built renewable energy capacity from the ground up, redesigned our product portfolio to offer customers lower-carbon choices, embedded a shadow carbon price into all significant investment decisions, and linked executive remuneration to climate-related outcomes. Our decarbonisation strategy is no longer something we are building; it is a strategy we are actively executing at scale.

Our Climate Commitments

Our commitments define the standards by which we hold ourselves accountable. They are not aspirations, but clear and measurable reference points against which our strategy, capital allocation, and performance are assessed each year.



These commitments sit at the core of our decarbonisation strategy. Every initiative we pursue, every investment we make, and every target established across our business units is aligned with them. They also provide the framework through which we evaluate our progress transparently, including recognising where challenges remain and identifying the actions required to strengthen performance further.



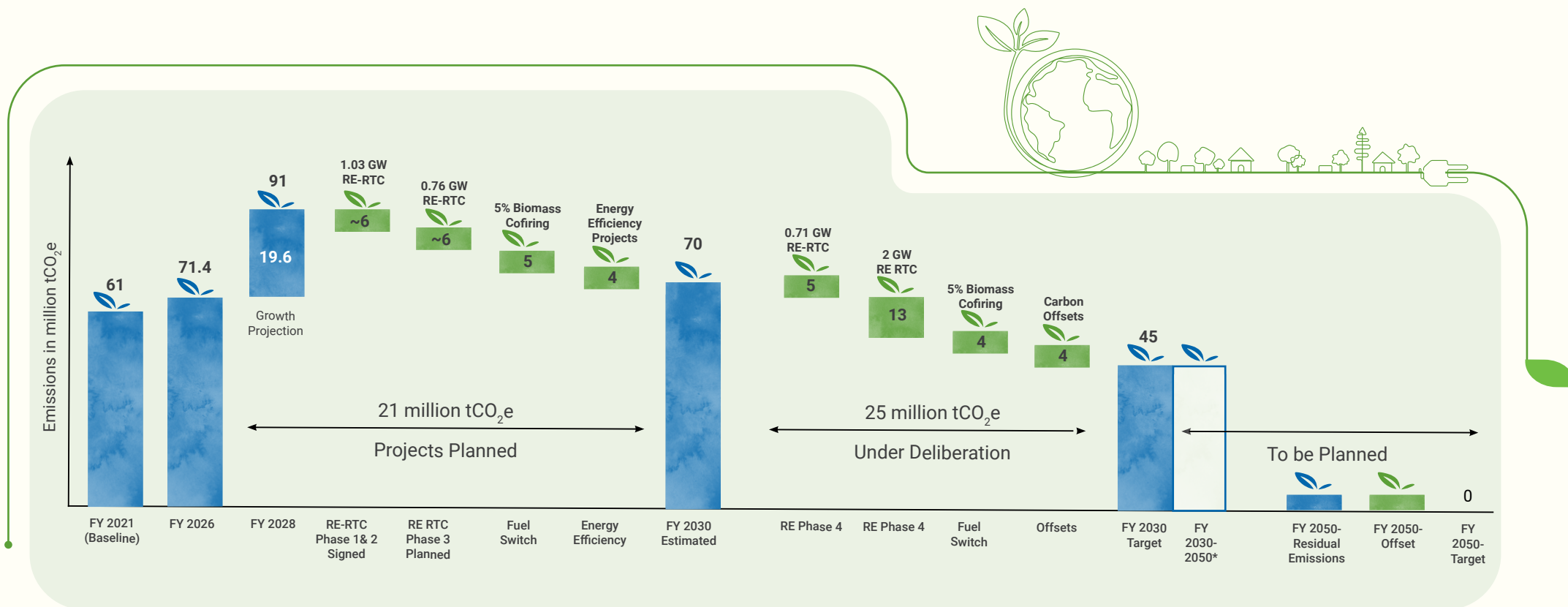


Our Decarbonisation Roadmap

Our roadmap translates these commitments into a structured and phased transition pathway. We are realistic about what that pathway entails. As our business continues to grow, driven by India's expanding demand for the metals, energy, and materials that underpin its development, our absolute emissions are expected to rise in the near term before declining materially as the renewable energy capacity currently under construction reaches full operation. We anticipate emissions peaking at approximately 91 million tCO₂e around FY 2027-28, followed by a sustained decline towards our FY 2029-30 target of approximately 45 million tCO₂e. This does not represent a departure from our ambition; rather, it reflects

the practical form of honest, production-weighted decarbonisation within an industrial conglomerate committed to a genuine transition.

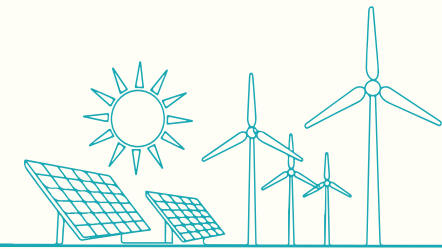
In FY 2025-26, our GHG emissions intensity improved to 5.51 tCO₂e/MT, representing a ~14% reduction from our FY 2020-21 baseline, while our operational renewable energy capacity increased to 454 MW, up 52% from the previous year. With more than 1 GW of additional renewable capacity committed through signed power delivery agreements, the pace of the transition continues to accelerate.



*For FY 2030-50 potential considerations include carbon capture technologies (viz CCUS, Reinjection, etc.) replacing coal with hydrogen in I&S production, and more renewable electricity projects.

Our Decarbonisation Levers

We pursue emissions reduction through four levers, applied across all business units with timelines and approaches calibrated to each segment's technology readiness, capital cycle, and operational context.



Lever

1

Increasing renewable energy

Transitioning to clean energy is the single largest lever available to reduce emissions at scale. In a Group where electricity consumption remains the primary driver of carbon intensity, particularly across Aluminium and Zinc operations, the pace at which fossil fuel-based power is replaced with round the clock renewable energy supply will be a defining factor in achieving our FY 2029-30 target.

Three converging forces make this transition both urgent and commercially compelling. India's Renewable Consumption Obligation and Renewable Generation Obligation frameworks are introducing mandatory clean power targets for designated consumers, alongside financial consequences for non-compliance. At the same time, the operationalisation of the Carbon Credit Trading Scheme is expected to impose increasing costs on facility-level emissions, making carbon-intensive power procurement progressively less competitive over time. In parallel, the cost of utility scale renewable energy continues to decline, strengthening the commercial attractiveness of renewable

energy round the clock solutions as a reliable source of baseload power.

Taken together, these developments mean that our renewable energy programme is not only a climate investment, but also a strategic hedge against future regulatory and energy cost exposure.

In FY 2025-26, we utilised more than 3.80 billion units of clean energy from renewable electricity and Waste Heat Recovery Boiler (WHRB) across our operations, corresponding to approximately 454 MW of renewable energy round the clock capacity, representing a 52% increase from the previous year.

With more than 1 GW of capacity already committed through signed power delivery agreements and planned investments of approximately USD 5 billion towards transition to net zero through FY 2029-30, the pathway towards 500 MW in the next financial year and 2.5 GW by FY 2029-30 is increasingly supported by a contracted and construction stage pipeline that is already translating ambition into operational progress.



CASE STUDY

Vedanta's Renewable Energy Journey: Three Years of RE RTC Integration



The challenge

Vedanta's energy-intensive operations have historically relied heavily on fossil fuels, with non-renewable energy consumption rising from 145 million MWh in FY 2020-21 to 197 million MWh in FY 2025-26 due to operational expansion. Transition risks: carbon pricing, regulatory tightening, and fuel price volatility represent material financial exposures, making renewable energy integration both an emissions and risk management priority.

What was done

From FY 2023-24 to FY 2025-26, Vedanta scaled renewable integration through long-term power procurement agreements, captive project development, and distributed generation investments. Key actions included investing in Serentica Renewables via Optionally Convertible Redeemable Preference FY 2025-26 Shares, executing RE RTC Power Delivery Agreements, deploying rooftop solar at Cairn Oil & Gas sites, introducing electric vehicles at Hindustan Zinc's facilities, and securing environmental clearance for 30 MW of solar capacity at Gamsberg. By FY 2025-26, Group RE RTC capacity reached approximately 454 MW, delivering 3.25 billion units of renewable electricity. HZL subsequently expanded its renewable capacity agreement from 450 MW to 530 MW.

What it means

Renewable electricity consumption grew from 0.59 million MWh in FY 2020-21 to 3.25 million MWh in FY 2025-26, with FY 2025-26 consumption estimated to have avoided approximately 2.3-2.4 million tCO₂e. The programme establishes the contractual and infrastructure foundations for material scaling.

Strategic significance

The RE RTC programme is the primary vehicle for Vedanta's 2.5 GW renewable target by 2030 and is expected to contribute approximately 65% of the projected 46 MtCO₂e absolute emissions reduction in FY 2027-2030. Long-term contracted renewable supply also provides insulation from fossil fuel price volatility and future carbon cost liabilities, backed by a US\$5 billion ten-year decarbonisation commitment.

Outcomes

3.25 billion units of renewable electricity consumed in FY 2025-26, equating to ~454 MW RE RTC capacity

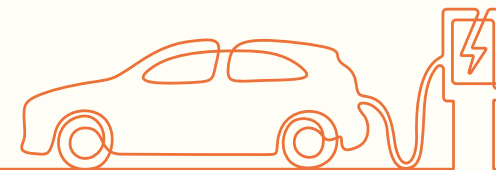
~2.3-2.4 million tCO₂e of avoided emissions in FY 2025-26

Renewable electricity consumption up ~450% from FY 2020-21 to FY 2025-26

HZL's renewable capacity scaled to 530 MW, targeting >70% of total power requirements

US\$3 billion allocated to Phase I RE RTC as part of a US\$5 billion decarbonisation programme





Lever 2

Switching to low-carbon fuels

Fuel switching plays a critical role in reducing carbon intensity, where renewable electricity is not yet a viable substitute. Across our operations, biomass co-firing supports compliance requirements while diverting agricultural residues from open-field burning. In steel and ferro alloys, natural gas is reducing direct process emissions and supporting the transition toward longer-term solutions such as hydrogen-based reduction and CCUS. The introduction of Carbon Border Adjustment Mechanisms in

the EU and UK further strengthens the business case for lowering embedded emissions in export-oriented operations.

Alongside current deployment efforts, Vedanta continues to scale fuel transition opportunities across its operations, including the planned substitution of heavy fuel oil and light diesel oil with natural gas at the Aluminium refinery calciner by FY 2029–30, while advancing hydrogen injection pilots in steel operations as part of its medium-term decarbonisation strategy.

COAL → BIOMASS Vedanta Power (TSPL)

Biomass co-firing
~0.4-0.5 tCO₂e
avoided in FY 2025-26

Displaces coal with agricultural residue

~5% coal substitution
Achieved through 385 kt of biomass co-firing

RGO compliance
Supports Renewable Generation Obligation requirements

Cleaner local air
Reduces open-field crop-residue burning alongside direct emissions cuts



LPG → PNG ESL Steel × IOCL

Piped natural gas for steel
~5,000 tCO₂e
savings annually

Cleaner, more reliable than LPG

Indian Oil Corporation
Long-term piped natural gas supply secured for the Bokaro plant

Replaces LPG
Switched across selected steelmaking process areas

Steadier feed
Pipeline delivery the logistics of bottled fuel



Diesel → LNG Hindustan Zinc

GreenLine LNG trucking
1,299 tCO₂e
CO₂e avoided in FY 2025–26 across heavy-freight logistics

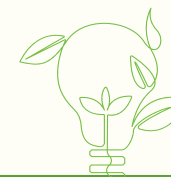
Certified by EKI Energy Services

GreenLine fleet
LNG-powered trucks deployed across heavy freight movement

Emissions angle
Lower carbon intensity than diesel at scale

Cumulative reduction
Lowering logistics emissions across the supply chain over time





Lever 3

Improving energy and process efficiency

Energy and process efficiency deliver some of the most immediate and enduring returns across our decarbonisation strategy. Every unit of energy avoided reduces both emissions and operating costs, while enhancing resilience to rising temperatures and increasing cooling demand. As carbon pricing mechanisms under India's Carbon Credit Trading Scheme become operational, efficiency improvements will also help reduce future compliance costs and strengthen competitiveness.

In FY 2025–26, Vedanta advanced several high-impact efficiency initiatives with strong potential for replication across operations. In Aluminium, incremental energy-efficiency gains in anode rodding and process optimisation are complemented by investment in inert anode technology, with a targeted shift to 100% inert anodes to eliminate process emissions. At Cairn Oil & Gas, steam-driven pumps are being replaced with electric alternatives across Rajasthan, expected to reduce emissions by ~86,000 tCO₂e annually at full deployment. Alongside these interventions, AI-driven predictive maintenance, digital twins, and real-time monitoring are being embedded across Aluminium, Zinc, and Iron Ore to track and optimise energy intensity at the asset level.

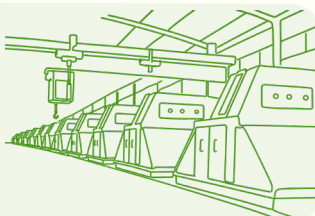
ALUMINIUM | VAL JHARSUGUDA

Forced Cooling Network (FCN)

National Energy Conservation Award 2025

Energy savings
15.3 kWh
per tonne of aluminium produced

Application
Potline-wide
scale-up across
Jharsuguda under way



IRON ORE | SESA GOA

Waste heat recovery + Smart systems

Energy saved
~8 Mn units
FY 2024-25 and
FY 2025-26 data
combined

Diesel saved
~50,000 L
per EV wheel loader
per year

WHR capacity
65 MW
blast furnace + coke
oven flue gas





Lever
4

Offsetting residual emissions

Offsets address emissions that cannot yet be eliminated through operational levers, complementing rather than replacing our renewable energy, fuel switching, and efficiency initiatives. Nature-based solutions currently represent our primary offset mechanism, with Cairn's afforestation programme being the most advanced. Beyond carbon mitigation, these programmes deliver meaningful co-benefits, including watershed protection, biodiversity enhancement, and community livelihoods, while also addressing drought-related physical risks identified for Cairn in our climate risk assessment.

India's evolving Carbon Credit Trading Scheme may create further opportunities, and Vedanta is assessing whether select afforestation and renewable energy activities could qualify for registration, potentially generating an additional value stream alongside direct emissions reduction.

Taken together, these four levers, applied across business units in line with their emissions profiles, technology readiness, and capital cycles, form Vedanta's structured pathway from its current baseline towards the FY 2029-30 reduction target and, ultimately, Net Zero by 2050 or sooner.

Nature based solutions

0.79 million

trees planted | target 2 Mn by FY 2029-30

Expected to sequester ~17,760 tCO₂e, a nature-based solution complementing core emission reduction at source.

Group-wide planting







~7 million trees

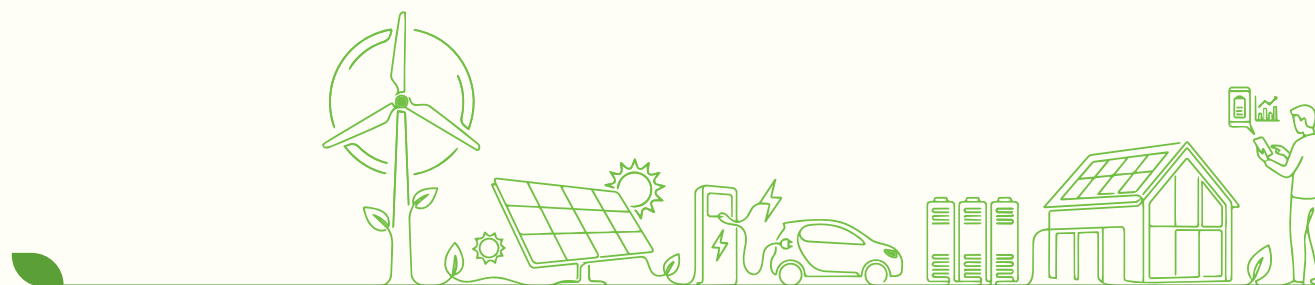
across all business units by FY 2029-30

Aluminium ~2 Mn | Iron & Steel ~1 Mn |
Zinc ~1.5 Mn | Oil & Gas ~2 Mn |
Power ~0.7 Mn: each with planting commitments.



Business Wise Decarbonization Lever Implementation Strategy

	 Aluminium Smelters	 Aluminium Refinery	 Iron & Steel	 Cairn Oil & Gas	 Hindustan Zinc (HZL)	 Vedanta Power
Lever 1 Increasing renewable energy	Phase-wise round-the-clock renewable energy capacity addition; 530 MW already committed and agreements signed	Phase-wise RE capacity additions; agreements in progress	10 MW solar power by FY 2029–30	Up to 50 MW of renewable energy sourcing by 2030	100% renewable energy by 2050	Up to 25 MW renewable energy by 2035
Lever 2 Switching to low carbon fuels	Gradual increments in biomass co-firing in boilers	Biomass co-firing; natural gas for calciner by FY 2029–30, followed by green H ₂ by FY 2049–50	PNG from IOCL signed FY 2025–26.	LMV 100% by FY 2029-30; 75% mining fleet by FY 2034-35	Decarbonise 100% LMVs by 2030, 75% mining fleet by 2035	Co-firing of biomass for between 5–10% of coal usage
Lever 3 Improving energy and process efficiency	FCN deployed at Jharsuguda; inert anode investment; continuous efficiency programme	Energy efficient practices; continuous process improvement	Continuous process improvements: coke dry quenching, sinter waste-heat recovery, increased PCI, top recovery turbine, etc	Steam-to-electric pump replacement: ~86,000 tCO ₂ e/yr; reduced flaring wherever possible	Energy efficiency across smelting; Waste Heat Recovery (WHR) systems	Deployment of energy-efficient processes to decrease carbon intensity
Lever 4 Offsetting residual emissions	1 Mn trees to be planted till 2030-	~55,000 trees to be planted till FY2029–30	~1 Mn trees till 2030	~2 Mn trees till 2030	~1.5 Mn trees till 2030	~0.7 Mn trees till 2030



CASE STUDY

Cairn Oil & Gas: OGMP 2.0 Gold Standard Pathway



The challenge

Methane has a near term warming impact more than 80 times greater than CO₂, making methane management a critical priority for upstream oil and gas operations. Methane leakage represents not only a direct emissions challenge, but also a growing regulatory exposure as international frameworks strengthen requirements around measurement, reporting, and disclosure. Historically, much of India's upstream sector has relied on emissions factors rather than direct measurement, limiting both the accuracy of reported emissions and the ability to identify and address significant leakage sources effectively

What was done

In 2024, Cairn Oil & Gas became the first and only upstream oil and gas company in India to join the United Nations Environment Programme Oil and Gas Methane Partnership (OGMP) 2.0 initiative. By developing a site level, measurement-based methane inventory alongside a robust implementation roadmap, Cairn achieved Gold Standard Pathway status, the highest reporting category under OGMP 2.0, for the 2025 reporting year in December 2025. Cairn has also committed to reducing absolute methane emissions by 30% over five years, supported by clearly defined operational targets.

What it means

Gold Standard Pathway status is not simply a recognition, but an independent verification that Cairn's methane reporting is measurement based, externally reviewed, and aligned with global leading practice. It establishes a credible data foundation from which methane reduction targets can be monitored, managed, and transparently tracked over time.

Strategic significance

As international methane regulation continues to evolve through initiatives such as the Global Methane Pledge, the EU Methane Regulation, and India's emerging Carbon Credit Trading Scheme, the ability to demonstrate verified methane reductions is becoming increasingly important. Cairn's OGMP 2.0 membership and Gold Standard Pathway status position the business ahead of this evolving regulatory landscape while reinforcing the credibility of its Net Zero by 2030 commitment.

Outcomes

- First and only upstream oil and gas company in India to achieve OGMP 2.0 Gold Standard Pathway status
- Measurement based methane inventory established across all operated and non-operated assets
- Commitment to reduce absolute methane emissions by 30% over five years
- Independent validation through UNEP's International Methane Emissions Observatory



CASE STUDY

EcoZen: Extending Decarbonisation Across the Value Chain



The challenge

The global average emissions intensity for zinc smelting is approximately 4 tCO₂e per tonne. For industrial customers facing increasing Scope 3 disclosure obligations and green procurement requirements, the carbon embedded within purchased zinc is becoming a measurable commercial and reporting consideration. Conventional zinc supply chains often provide limited pathways for customers seeking to reduce the carbon intensity of their material inputs.

What was done

Hindustan Zinc Limited developed EcoZen, a low carbon zinc product produced at a verified emissions intensity of below 1 tCO₂e per tonne through a combination of renewable energy procurement and operational efficiency improvements, supported by independent carbon footprint verification. In FY 2025-26, Hindustan Zinc further strengthened its partnership with Silox India to integrate EcoZen into the production of low carbon specialty chemicals, creating a collaborative commercial model that extends decarbonisation across the downstream value chain.

What it means

Each tonne of EcoZen displaces approximately 3 tCO₂e from a customer's Scope 3 inventory when compared with conventionally produced zinc. During FY 2025-26, EcoZen customers collectively avoided approximately 8,268 tCO₂e, creating a measurable and verifiable emissions reduction that customers can incorporate into their own climate reporting and decarbonisation commitments.

Strategic significance

EcoZen demonstrates how Vedanta's investments in renewable energy and operational efficiency can translate directly into commercially differentiated low carbon products. As green procurement standards continue to strengthen globally, the product creates increasing strategic value for customers seeking lower emissions supply chains. It also reinforces the principle that Scope 3 reduction is not merely a reporting exercise, but a commercial opportunity embedded within how customers source materials and build resilient low carbon value chains.

Outcomes

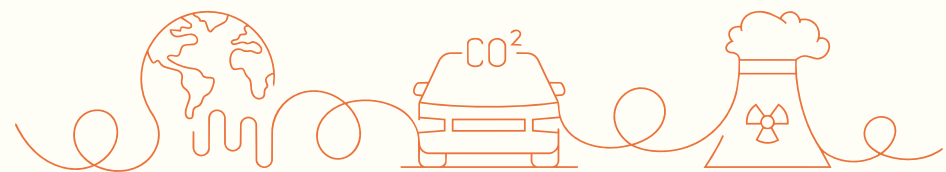
Verified carbon intensity below **1 tCO₂e** per tonne against a global average of approximately **4 tCO₂e** per tonne

Approximately **8,268 tCO₂e** avoided by EcoZen customers in FY 2025-26

Strategic partnership with Silox India supporting low carbon zinc chemicals manufacturing

Product level carbon footprint disclosure contributing to Vedanta's evolving Scope 3 accounting framework





Climate Strategy and Risk Management



Overview of Climate Risk Assessment

Vedanta's decarbonisation programme and community resilience initiatives operate at the level of individual sites, business units, and value chains. The same operations are influenced by external forces such as intensifying physical hazards due to climate change and an evolving regulatory and market environment as the global economy decarbonises. These forces require a distinct and equally rigorous analytical lens. This section sets out how Vedanta assesses these external forces, the insights generated from that assessment, and how they shape strategic and financial decisions across the Group.

Climate change affects Vedanta's business through two distinct but interconnected channels. Physical risks, including rising temperatures, water scarcity, extreme precipitation, and other hazards, directly influence operational continuity, asset integrity, and workforce safety at the facilities where Vedanta operates. Transition risks, including evolving regulations, carbon pricing mechanisms, technology requirements, and changing market and customer expectations, influence the commercial viability of those same operations and the products they manufacture.

Vedanta's climate risk assessment integrates external scientific climate modelling with internal operational intelligence across two complementary workstreams: physical risk and transition risk. Physical risks are assessed through site specific, asset level evaluations across all major

operational locations. Transition risks are assessed through a structured process examining policy and legal, technology, market, and reputational risk categories across each business unit. Findings are identified at the business unit level and consolidated at the Group level, ensuring that the assessment captures both location specific exposures and broader portfolio-wide trends. The methodology is designed to generate risk ratings that are comparable across business units, aligned with the latest climate science, and directly relevant to the strategic and capital allocation decisions they are intended to inform.

The assessment framework is built on three foundational elements: the analytical tools used to model climate hazards and transition pathways, the scenarios applied to evaluate risk under different future trajectories, and the time horizons over which risks are assessed and reported. The FY 2025-26 assessment covered 48 operational locations, evaluated eight distinct physical climate hazards, and assessed four transition risk categories across all major business units. Each was evaluated under three climate scenarios across short, medium, and long-term horizons, providing a clear view of how climate related exposures may evolve over time and supporting informed strategic planning, operational resilience, and capital allocation decisions.

Time horizons



Physical Climate Risk: Assessment and Findings

Physical climate hazards affect Vedanta's business through multiple operational pathways. Sustained heat conditions can reduce workforce productivity and increase energy demand at smelting and mining facilities, while water scarcity may affect process operations and resource availability at water intensive sites. Extreme precipitation events can disrupt logistics, damage infrastructure, and interrupt production activities. Across Vedanta's portfolio, spanning nine business units, 48 operational locations, and multiple geographies, these hazards have important implications for asset integrity, raw material availability, input cost trajectories, and supply chain continuity.

The physical risk assessment described in this section was undertaken to evaluate these exposures at both site and business unit level, providing a structured and evidence-based view of Vedanta's physical climate risk profile under a range of plausible future climate trajectories. The assessment considered both chronic risks, including long term shifts in temperature and precipitation patterns, and acute risks arising from discrete extreme weather events across eight climate hazard categories.



Event-driven



Acute physical risks

Short-duration, **high-intensity** events that interrupt operations, supply chains and worker safety. Modelled probabilistically against historical baselines.

Flood



Inundation of low-lying sites and access roads; coastal exposure from sea-level rise.

Peril metrics

- Water depth (m) at the **100-year return period**
- Annual coastal water depth (m) from **sea-level rise & high tide**

Hail



Damage to solar arrays, vehicle fleets and lightweight roofing during seasonal storms.

Peril metrics

- Days/yr where **large hail** (> 2 in / 5 cm diameter) is possible

Wind



Cyclonic and high-gust events damaging structures, transmission and port handling.

Peril metrics

- **Max 1-min sustained wind speed** (km/hr) at the **100-year return period**
- **Average annual wind speed** (km/hr)

Wildfire



Dry-vegetation ignition near surface installations; secondary smoke and air-quality outages.

Peril metrics

- **Annual probability** of wildfires (%)



Long-term shift

Chronic physical risks

Sustained, **directional changes** in climate norms that progressively re-shape resource availability and the operating envelope.

Drought



Prolonged deficits constraining water-intensive processing and competing demand.

Peril metrics

- **Total water stress:** human demand ÷ supply, local + upstream watersheds

Precipitation



Shifting monsoon windows and rainfall intensities altering hydro and tailings cycles.

Peril metrics

- Max **daily precipitation** (mm water-eq.) at the **100-yr return period**
- **Total annual precipitation** (mm water-eq.)

Heat



Higher mean and peak temperatures elevating worker heat-stress and cooling load.

Peril metrics

- Annual days **above 35 °C**
- **Days/yr Wet-Bulb Globe Temperature (WBGT) exceeds 32 °C**
- **Cooling Degree Days**

Cold stress



Sub-normal temperatures affecting fluid lines, instrumentation and outdoor labour.

Peril metrics

- Annual days **below 0 °C**
- **Heating Degree Days**



Climate scenarios considered

Physical risks were evaluated under three IPCC AR6 Shared Socioeconomic Pathway scenarios, providing a central case, a stress case, and a lower bound.

Low emissions



SSP1-2.6

Low Emissions Scenario • Sustainability

Warming year: 2100

~1.3 – 2.2 °C

Policy ambition

Strong **near-term mitigation**; CO₂ emissions peak early and decline.

Emissions path

Net-negative in the second half of the century; net-zero achieved by ~2070.

Use in assessment

Lower bound: Illustrates the risk profile if **global climate action succeeds**.

Strategic relevance

Demonstrates the extent to which Vedanta's physical risk is a function of **global trajectories**, not site-level controls alone.

Intermediate



SSP2-4.5

Intermediate Scenario • Middle of the Road

Warming year: 2100

~2.1 – 3.5 °C

Policy ambition

Middle-of-the-road mitigation; uneven development and moderate emissions growth.

Emissions Path

Stabilise gradually around **mid-century** before declining; global temperatures rise **2 – 3 °C** by 2100.

Use in assessment

Central case: Anchors operational and capital planning across the Group.

Strategic relevance

Most plausible near-term trajectory; the **primary reference** for investment decisions.

High emissions



SSP5-8.5

High Emissions Scenario • Fossil-Fuelled Development

Warming year: 2100

~2.6 – 4.8 °C

Policy ambition

High-emissions, fossil-fuel-intensive development pathway; minimal structural mitigation.

Emissions path

Continue rising through **2100**, potentially leading to **> 4 °C** warming.

Use in assessment

Stress case: Identifies principal risks and maximum exposure.

Strategic relevance

Risks rated **High** under SSP5-8.5 are designated **principal risks** for this disclosure.

Material divergence in physical risk outcomes across the three scenarios is not expected before 2050, as emissions pathways remain relatively aligned over the near to medium term. More pronounced differences, consistent with SSP narratives, are expected to emerge after 2050 as climate trajectories diverge more significantly. Near and medium-term risk ratings are therefore broadly consistent across scenarios, with the distinction between the central case and the stress case becoming most relevant over the long-term horizon. Vedanta's near term risk management approach is anchored in SSP2-4.5, while SSP5-8.5 supports the identification of principal risks and the assessment of long-term strategic resilience.



Assessment methodology

The physical risk assessment followed a structured four step methodology covering data collection, exposure rating, sensitivity rating, and risk rating to produce a final risk score for each of the eight climate hazards at every operational location under all three SSP scenarios.

The assessment was conducted using Jupiter Intelligence ClimateScore Global, with reference to the IPCC AR6 Climatic Impact Drivers framework, the TCFD recommendations on scenario analysis, and the IFRS S2 Climate related Disclosures standard.



The FY 2025-26 assessment builds on prior cycles by expanding hazard coverage from five to eight climate hazards and upgrading the scenario framework from IPCC AR5 RCP pathways to IPCC AR6 SSP pathways. The resulting site-specific risk ratings have been used to assess the potential financial implications of identified physical risks. These include increased water procurement and storage requirements at drought exposed locations, investment needs related to cooling infrastructure and structural reinforcement at heat exposed sites, drainage and flood protection measures at locations exposed to extreme precipitation, and production continuity considerations across business units facing principal rated hazards.

This approach enhances the Group's ability to integrate climate considerations into strategic planning, capital allocation, operational resilience, and long-term investment decisions.

Methodology inputs

Asset geo-data

48 operational locations Lat/long
• occupancy code • property type

Climate scenarios

SSP1-2.6 (lower bound) SSP2-4.5
(central case) SSP5-8.5 (stress case)

Baseline period

20-year window centred on 1995 (IPCC
AR5) Present day = 2025 (11yr window)

Tool

Jupiter Intelligence Climate Score
Global ~90m spatial resolution • CMIP6

Frameworks

IPCC AR6 • TCFD IFRS S2
Climatic Impact-Drivers

1 Asset data collection
Asset-level hazard scoring

What it is: Latitude and longitude are used to map the asset against climate hazard data from the Jupiter Intelligence Climate Score Global platform

Occupancy & property type: Whether it is a warehouse, industrial plant, or office, the final risk rating changes based on property type

Output: Raw hazard scores per peril per location per scenario (0–100 scale)

2 Sensitivity module
Asset and workforce vulnerability

What it measures

The degree of damage or disruption the asset would suffer if hit by the hazard

Asset-specific logic

An industrial facility with ground-floor heavy machinery has high sensitivity to flooding. A commercial office with critical utilities on roof has lower sensitivity

Output

1 = Low sensitivity 2 = Medium 3 = High
Heat: max of asset/workforce rating

3 Exposure module
Normalising hazard to 0–3 scale

What it measures

The degree to which the site's specific geographic location is subjected to a hazard. E.g., "Is this zone a 1-in-100-year flood plain?"

Normalization

Raw hazard data normalized by removing units and converting all values to dimensionless units (1–100)

Output

0–25 > Low (0) 26–50 > Medium (1)
51–75 > High (2) 76–100 > Very High (3)

4 Final risk rating
Asset-level hazard scoring

Formula

Risk Rating = Exposure Rating × Sensitivity Rating
Final score ranges from 0 to 9

High risk

A High-risk rating occurs when a site has both high exposure and high sensitivity to the hazard (Score: 7–9)

Principal risk

Physical risks rated as High under the extreme SSP5-8.5 scenario are designated as principal risks

Risk classification findings

Principal risks

Heat • Drought • Extreme precipitation

Medium risks

Wind • Flood • Hail

Low risks

Wildfire • Cold

Physical risks scenario analysis output

The scenario analysis output maps risk ratings for each hazard across each business unit under the SSP2-4.5 central case and the SSP5-8.5 stress case, over the short, medium, and long-term horizons. Ratings reflect the combined effect of projected hazard intensity at each

asset location and the operational sensitivity of that asset. A High rating under the stress case designates a principal risk requiring dedicated strategic response.

Physical risks identified under SSP 2-4.5 and SSP 5-8.5*

S.No.	Business units	Heat		Drought		Extreme precipitation		Wind		Flood		Hail		Wildfire		Cold	
		SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5
1	Power	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
2	Fujairah	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
3	Iron Ore	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
4	VGCB	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
5	Sterlite Copper	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
6	ESL Steel	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
7	FACOR	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
8	Cairn Oil & Gas	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
9	VZI	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
10	HZL**	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
11	Vedanta Aluminium	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

High
 Medium
 Low
 Not assessed in FY 2025-26

*Physical risk outcomes remain broadly consistent across scenarios over the near and medium term, with material divergence in risk ratings expected primarily beyond 2050.

** HZL's assessment has been referenced from a previous climate risk assessment cycle; accordingly, methodological differences may limit direct comparability with the current report findings.

Key impacts of physical climate risks on operations and financial performance*

Heat

(High temperatures)

Overview

Rising temperatures driven by climate change present significant risks to infrastructure, workforce safety, and overall operational efficiency, particularly across energy intensive and outdoor operations. Heatwaves and prolonged periods of high temperatures can affect short term productivity, increase stress on operations and personnel, and influence the long-term integrity and performance of critical assets and infrastructure.

High risk

Iron Ore | VGCB | ESL Steel | FACOR | Cairn Oil & Gas | Vedanta Aluminium

Medium risk

Vedanta Power | Fujairah | Vedanta Zinc Int. | Sterlite Copper

Low risk

HZL

Key risk drivers



Production continuity

Extreme heat can reduce equipment efficiency, resulting in higher energy consumption per unit of output and increased maintenance requirements across operations

Structural vulnerabilities, such as asphalt deterioration and metal expansion, compromise infrastructure integrity

Escalating cooling requirements drive higher energy consumption and costs



People & Workplace

Prolonged exposure to high temperatures can reduce the availability of safe outdoor working hours, particularly across mining, construction, and other labour intensive operations

Heatwaves significantly increase the risk of weather-related illnesses and fatalities

Elevated heat conditions can contribute to higher absenteeism, reduced workforce productivity, and operational disruption



Asset durability

Extreme heat accelerates wear and deterioration of critical equipment and infrastructure components

Elevated temperatures shorten maintenance cycles and increase servicing requirements across operations

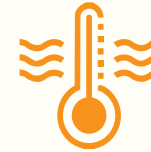
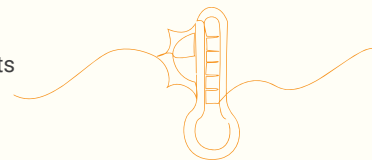
Sustained thermal stress increases the replacement frequency of temperature sensitive assets and components



Logistics & Connectivity

Extreme heat can disrupt material and product movement by affecting the reliability and performance of road and rail networks

Prolonged high temperatures may reduce supply chain efficiency and increase the risk of logistical delays and operational disruption



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Investments in cooling technologies and climate-resilient infrastructure
- Structural modifications to enhance heat resistance in facilities

Operational expenditures (OpEx)

- Higher costs for cooling, water consumption, and health and safety programs
- Increased maintenance expenses to counteract heat-induced infrastructure degradation

*Vedanta has assessed climate-related risks, their potential impacts, and financial implications across multiple scenarios and time horizons. This report presents a detailed analysis under the SSP2-4.5 scenario.

Drought

(Water scarcity)

Overview

Drought conditions and water scarcity pose significant operational and sustainability challenges, particularly across water intensive processes. Reduced water availability can disrupt operations, increase reliance on costlier external water sources, heighten regulatory scrutiny, and reinforce the importance of long term water stewardship and resource resilience measures.

High risk

Fujairah | ESL Steel

Medium risk

Cairn | Vedanta Aluminium | VGCB | FACOR | Power

Low risk

Iron Ore | Sterlite Copper | VZI | HZL

Key risk drivers



Production continuity

Water shortages constrain cooling, processing, and boiler operations

Reduced flow lowers efficiency of evaporative cooling systems



Stakeholder & Social

Shared water sources with communities heighten conflict risk

Potential reputational risks for businesses operating in water-scarce regions



Policy & Compliance

Stricter state water regulations increase risk of withdrawal caps

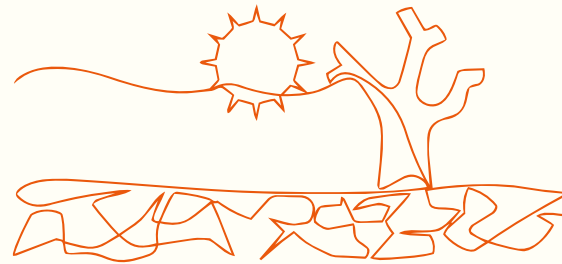
Business continuity risks arise due to potential regulatory restrictions on water usage



People & Workplace

Reduced water availability compromises site sanitation standards, increasing health risks for workers

Higher risk of dehydration and heat-related illnesses



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Investments in advanced water management infrastructure, including closed loop water recycling systems, rainwater harvesting, and water reuse infrastructure at water stressed locations
- Upgrades to equipment, processes, and operational systems to improve water efficiency, strengthen resource resilience, and reduce dependence on external water sources

Operational expenditures (OpEx)

- Rising costs associated with third party water procurement, recycled water treatment, and increased energy requirements for water management operations
- Higher expenditure related to infrastructure maintenance, regulatory compliance, emergency water security measures, and community engagement initiatives in water stressed regions

Extreme precipitation

(High rainfall)

Overview

Heavy precipitation events pose significant operational and safety risks, particularly across mining and industrial environments. Excess water and flooding can lead to water logging, weakened soil stability, landslides, slope Aluminium failures, and increased stress on tailings storage infrastructure, while also disrupting logistics, damaging critical assets, and contributing to operational delays and higher recovery and maintenance costs.

High risk

None identified as high risk

Medium risk

Vedanta Power | Iron Ore | VGCB | FACOR | Cairn Oil & Gas | Sterlite Copper | Vedanta

Low risk

HZL | Fujairah | Vedanta Zinc Int. | ESL Steel

Key risk drivers



Production continuity

Waterlogging incidents may lead to prolonged downtime and equipment damage

Insufficient flood prevention measures in storage areas and power backup facilities can disrupt work activities



People & Workplace

Heavy rainfall increases the likelihood of flooding, landslides, and structural damage, posing direct risks to worker safety

Ensuring safe working conditions becomes critical to maintaining business continuity during adverse weather events



Site & Structural integrity

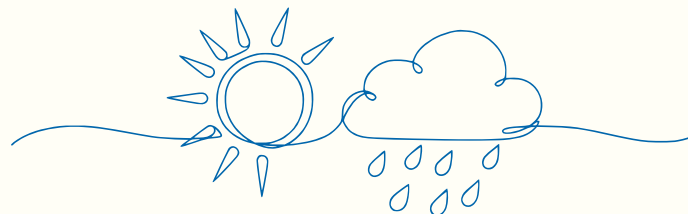
Slope instability at hilly sites (e.g., Lanjigarh, FACOR) intensifies with heavy rainfall

Repeated inundation accelerates asset wear and long-term liabilities



Logistics & Connectivity

Flood-damaged road/rail networks delay material inflow and product dispatch



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Investments in enhanced stormwater drainage infrastructure and slope stabilisation measures to strengthen resilience at flood prone and hilly operational locations
- Deployment of advanced monitoring technologies, including early warning and real time surveillance systems, to support timely detection, risk mitigation, and operational preparedness during extreme precipitation events.

Operational expenditures (OpEx)

- Increased costs associated with unplanned operational downtime, infrastructure repair, and production disruptions arising from extreme precipitation events and related hazards.
- Higher expenditure on water management measures, enhanced safety and compliance protocols, and logistics adjustments required to maintain operational continuity during disruption periods.

Wind

(Cyclones & storms)

Overview

High wind events, including cyclones and severe storms, pose significant risks to structural integrity, operational continuity, and workforce safety. Strong winds and associated heavy rainfall can damage critical infrastructure, disrupt logistics and utilities, trigger temporary operational shutdowns, and lead to increased emergency response, recovery, and business continuity management requirements.

High risk

None identified as high risk

Medium risk

Vedanta Power | Iron Ore | VGCB | Sterlite Copper | ESL Steel | FACOR | Cairn Oil & Gas | Vedanta Aluminium | Fujairah

Low risk

VZI

Key risk drivers



Production continuity

Damage to transmission lines and substations can cause power outages and operational disruption

Regional infrastructure impacts disrupt material and product flows



Health & Safety Impact

Severe winds and extreme weather conditions may necessitate temporary shutdowns and evacuations

Employee safety measures and emergency preparedness become critical during cyclone events



Site & Structural integrity

Cyclonic winds damage cranes, berths, and conveying systems at affected sites

High wind exposure at sites' offshore platform risks structural stability



Supply Chain Impact

Destruction of key transportation routes delays raw material supply and distribution of finished goods

Increased shipping and logistics costs due to rerouting and infrastructure recovery efforts



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Cyclone resistant structural upgrades and reinforcement measures at exposed operational locations to strengthen infrastructure resilience and business continuity
- Investment in offshore infrastructure hardening, emergency response systems, and flood control measures to improve preparedness and reduce disruption during severe storm events

Operational expenditures (OpEx)

- Higher insurance premiums and emergency preparedness expenditure for coastal, offshore, and cyclone exposed assets and operations
- Increased costs associated with routine maintenance, post storm inspections, infrastructure rehabilitation, and operational recovery activities following severe weather events

Flood

(Extreme weather)

Overview

Flooding and extreme rainfall events pose significant operational, health, and logistical challenges, particularly across low lying and coastal locations. These events can expose infrastructure vulnerabilities, disrupt transportation and supply chains, interrupt operational continuity, and increase maintenance and recovery requirements, making flood resilience and preparedness an important strategic priority.

High risk

None identified as high risk

Medium risk

VGCB | HZL | Vedanta Aluminium

Low risk

Fujairah | ESL Steel | FACOR | VZI | Cairn | Vedanta Power | Iron Ore | Sterlite Copper

Key risk drivers



Production continuity

Coastal flooding at VGCB disrupts berth operations and coal handling

Flooding at Meenakshi Power risks outages and capacity shortfalls



Health & Safety Impact

Water stagnation increases the likelihood of disease outbreaks, posing a direct risk to workers

Contaminated water sources further exacerbate health hazards for employees and surrounding communities



Site & Structural Integrity

Rising flood levels at sites threaten foundations, cabling, and equipment

Repeated exposure accelerates degradation of civil and electrical assets



Logistics & Connectivity

Flooded roads may cut off access to key business sites, delaying transportation and logistics

Disruptions in raw material supply can impact production schedules, leading to financial losses



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Investments in flood resilient infrastructure, including flood barriers, bunding systems, and enhanced drainage measures at vulnerable operational locations
- Implementation of advanced flood mitigation and resilience strategies, including elevation of critical electrical infrastructure and deployment of coastal and tidal monitoring systems to strengthen operational preparedness and continuity

Operational expenditures (OpEx)

- Increased maintenance, repair, and insurance costs associated with water damage and heightened exposure at coastal and flood prone operational locations
- Supply chain disruptions, emergency response and recovery expenditure, and potential contractual penalty exposure resulting from transportation interruptions and operational delays during flood events

Hail

Overview

Hailstorms can cause sudden and significant damage to exposed infrastructure, equipment, and critical assets, leading to operational disruption, increased maintenance and repair requirements, and heightened business continuity challenges.

High risk

None identified as high risk

Medium risk

VGCB | Sterlite Copper | Vedanta Power

Low risk

VZI | Iron Ore | Cairn Oil & Gas | Vedanta Aluminium | Fujairah | ESL Steel | FACOR

Key risk drivers



Site & Structural integrity

Hail events can damage roofing systems, conveyors, stockyard covers, and other exposed infrastructure, resulting in unplanned repairs and operational disruption

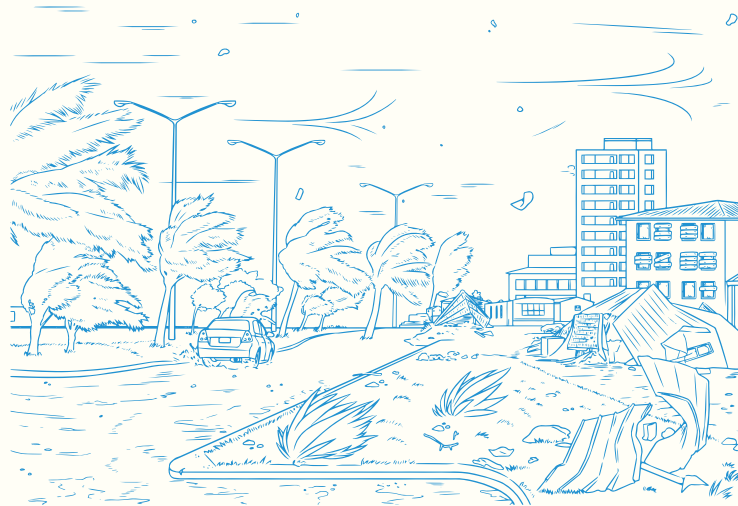
Hail resilience becomes a critical design and procurement consideration for solar panel specifications at exposed sites



Fleet & Equipment

Surface mining vehicles at hail-exposed sites are vulnerable to body-work and sensor damage

Increasing maintenance frequency and operational downtime



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Deployment of hail resistant roofing, cladding, and protective infrastructure measures at exposed operational locations to strengthen asset resilience and operational continuity
- Installation of durable, IEC 61215 rated solar panel systems and reinforced renewable energy infrastructure at hail exposed sites to improve long term performance and reduce weather related damage risks

Operational expenditures (OpEx)

- Increased near term expenditure related to infrastructure repairs, equipment replacement, and insurance coverage following hail related damage events
- Lower long term financial exposure anticipated as projected hail frequency and intensity gradually decline across assessed Indian operational locations over the assessment horizon

Wildfire

Overview

Dry conditions and rising temperatures increase the likelihood and intensity of wildfires, creating significant risks to infrastructure, operational continuity, ecosystem stability, and workforce safety across exposed locations.

High risk

None identified as high risk

Medium risk

None identified as high risk

Low risk

Vedanta Power | VZI | VGCB | Sterlite Copper | ESL Steel | FACOR | Cairn | Fujairah | Iron Ore | Vedanta Aluminium

Key risk drivers



Site & Structural Integrity

Wildfire ignition or spread near sites threatens perimeter infrastructure, utility corridors, and vegetation buffers that support refinery operations



Logistics & Connectivity

Disruptions in material and product movement can occur because of nearby wildfires around the sites



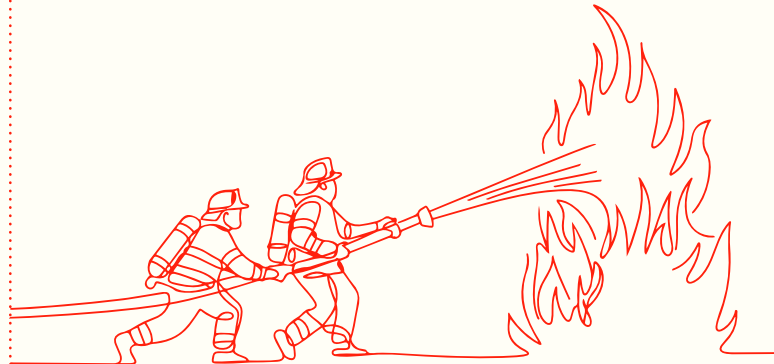
Stakeholder & Social

Wildfire spread into adjacent communities creates significant reputational exposure and can threaten the social licence to operate in affected areas



People & Workplace

Regional smoke and poor air quality from nearby wildfire events creates occupational health exposure for outdoor and surface workers



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Installation of advanced wildfire detection, monitoring, and suppression systems to strengthen emergency response and operational preparedness
- Implementation of perimeter vegetation management and fire prevention measures at operational sites to reduce wildfire exposure and protect critical infrastructure

Operational expenditures (OpEx)

- Increased expenditure on annual vegetation management, wildfire monitoring, and preventive maintenance measures across high-risk operational locations
- Higher costs related to air quality management, respiratory health protection, community communication, and emergency response preparedness during wildfire events

Cold

Overview

Extreme cold conditions can affect equipment performance, workforce safety, and operational reliability. Freezing conditions and thermal stress may reduce operational efficiency, disrupt critical processes, and increase maintenance and infrastructure protection requirements across exposed operations.

High risk

None identified as high risk

Medium risk

None identified as medium risk

Low risk

Vedanta Power | VGCB | ESL Steel | FACOR | VZI | Iron Ore | Sterlite Copper | Cairn | Vedanta Aluminium | Fujairah

Key risk drivers



People & Workplace

Minor cold-related health risks for outdoor workers

Chances of frost bite in case of a significant dip in the temperature (though very unlikely in Indian scenario)



Fleet & Equipment

Low temperatures affect lubricant viscosity and mechanical performance

Requires supplementary heating during winter



Financial implications on CAPEX & OPEX

Capital expenditures (CapEx)

- Minimal incremental risk requiring standard pipe insulation, frost protection, and routine winter resistant measures at exposed operational locations
- Limited operational impact expected, with existing cold weather design and maintenance protocols sufficient to manage exposure effectively

Operational expenditures (OpEx)

- Marginal increase in seasonal heating and energy costs at northern Indian operational sites during colder periods
- Limited operational and financial impact, with costs largely absorbed within existing energy and utility management frameworks

Physical risk resilience strategy



Infrastructure resilience

Harden assets against physical hazard exposure

Key actions

- Heat management systems at high-exposure smelting and mining sites
- Water recycling and storage capacity at drought-exposed locations
- Drainage and flood protection infrastructure upgrades
- Structural reinforcement of assets in principal risk categories
- Prioritisation based on risk rating and asset criticality

Addresses

Heat | Drought | Extreme precipitation



Operational adaptation

Adjust working practices to reduce hazard impact

Key actions

- Revised shift patterns at heat-exposed outdoor operations where Wet Bulb Globe Temperature thresholds are approached
- Water demand management programmes at water-stressed BUs
- Business continuity plans for extreme weather events across all principal risk BUs
- Heat illness prevention protocols and workforce monitoring systems
- Emergency response procedures for flood and precipitation events

Addresses

Heat | Drought | Extreme precipitation



Supply chain resilience

Reduce exposure to climate-driven input disruptions

Key actions

- Identification of critical input sources exposed to physical climate risks
- Diversification of water supply sources at drought-exposed locations
- Alternative energy procurement pathways for heat-affected power operations
- Raw material buffer stock strategies for extreme precipitation events
- Supplier climate risk mapping integrated with procurement decisions

Addresses

Drought | Extreme precipitation | Flood



Monitoring & Review

Track risk evolution and escalate material changes

Key actions

- Continuous hazard condition tracking via Jupiter Intelligence platform
- Annual formal reassessment cycle – next scheduled fy 2026-27
- Ongoing monitoring between annual cycles for material hazard changes
- Integration with Group ERM framework and escalation pathways
- Reporting to Audit and Risk Management Committee on material changes

Addresses

All hazards

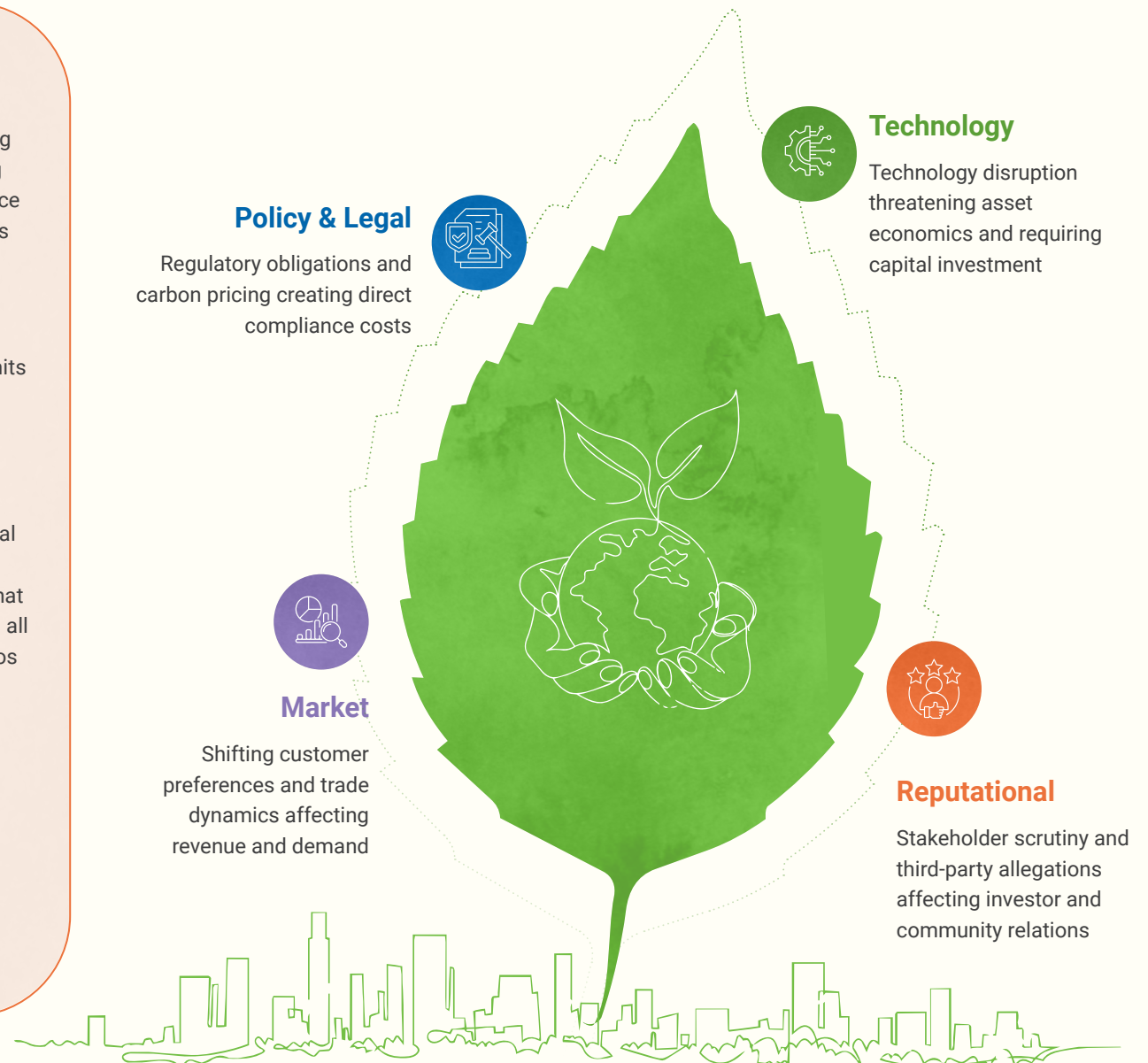
Transition Climate Risk: Assessment and Findings

The global transition towards a lower carbon economy is reshaping the operating environment for resource intensive industries. Evolving policy frameworks, emerging carbon pricing mechanisms, accelerating technological change, and changing market and customer expectations are creating both compliance requirements and strategic opportunities for businesses across Vedanta's sectors.

For a diversified industrial group operating across metals, mining, oil and gas, and power generation in multiple geographies, these transition dynamics influence business units in different ways, across varying time horizons and through multiple financial channels.

Understanding how these transition forces impact different parts of the portfolio, and how their financial implications may evolve under different policy and market trajectories, is essential to effective strategic planning and capital allocation. The transition risk assessment described in this section provides that perspective by evaluating four transition risk categories across all major business units under three IEA energy transition scenarios over short-, medium-, and long-term horizons. The findings support Vedanta's strategic risk management processes, long term planning, and resilience focused decision making.

The assessment considers both near-term regulatory requirements that have already been enacted or formally proposed, and longer-term structural shifts arising from technological advancement and evolving market conditions across Vedanta's key geographies.



Climate scenarios considered

To assess the potential impact of transition risks across Vedanta's business units, three climate transition scenarios from the IEA Global Energy and Climate Model were applied.



Stated policies scenario (STEPS)

Represents a business-as-usual pathway with limited additional policy intervention. Aligns with a global warming trajectory of over 3°C by 2100.



Net zero 2050 scenario

Reflects an aggressive global transition strategy aimed at limiting warming to 1.5°C. Assumes stringent climate policies, rapid innovation, and full net-zero CO₂ emissions around 2050.



Current policies scenario

Reflects a continuation of currently implemented climate, energy, and industrial policies across major economies. Assumes limited additional policy tightening beyond existing measures, resulting in a more gradual pace of decarbonisation and higher long-term emissions relative to accelerated transition pathways.

Assessment methodology

Transition risks were assessed through a structured Likelihood and Consequence methodology designed to generate consistent and comparable risk ratings across all business units, enabling prioritisation by severity and time horizon while supporting targeted strategic responses. The methodology was applied across four TCFD aligned risk categories comprising Policy and Legal, Technology, Market, and Reputational risks for each business unit over time horizons. Risks were validated through structured consultation at both Group and business unit level, informed by relevant regulatory developments and evolving market intelligence.



Transition risks scenario analysis output

Vedanta’s transition risk assessment evaluated each business unit across four risk categories using a structured Likelihood and Consequence methodology under the three IEA scenarios over time horizons. The assessment provides a consistent and comparable view of the transition risk landscape across the portfolio, with ratings reflecting both the likelihood

of a risk materialising and the potential consequences for operations, revenues, and strategic positioning. A High rating indicates a principal transition risk requiring focused strategic response and long-term resilience planning.

Transition risks identified under different scenarios and timelines

S.NO.	BUSINESS UNITS	 POLICY & LEGAL			 MARKET			 TECHNOLOGY			 REPUTATIONAL		
		Short	Medium	Long	Short	Medium	Long	Short	Medium	Long	Short	Medium	Long
1	Vedanta Aluminium												
2	Vedanta Power												
3	ESL Steel												
4	Cairn Oil & Gas												
5	Iron Ore												
6	Sterlite Copper												
7	VGCB												
8	FACOR												
9	Zinc International												

High
 Medium
 Low

Impact of transition risks on Vedanta and our response



Policy & Legal

Business sectors impacted

Aluminium, Ferrochrome, Power, Steel, Zinc, Iron Ore, Lead, and Silver



Implications

Carbon pricing and emissions regulation

Carbon pricing mechanisms, including carbon taxes, emissions trading systems, CCTS, EU CBAM, and UK CBAM, may increase operating costs and influence export competitiveness across carbon intensive business units. Tightening emissions regulations and disclosure requirements may also increase compliance obligations and financial exposure in cases of non compliance.

Renewable energy and decarbonisation requirements

Evolving policy frameworks, including Renewable Consumption Obligations, Renewable Generation Obligations, Green Energy Open Access Rules, Green Hydrogen policies, and industrial decarbonisation initiatives, may require accelerated investment in renewable energy, process optimisation, and lower carbon technologies to support long term competitiveness and regulatory alignment.

Trade, taxation, and market regulation

Changes in trade policies, taxation frameworks, waste management regulations, and sector specific energy regulations may influence supply chain structures, operating costs, and market access. Cross border carbon regulations and evolving sustainability standards may also increasingly shape customer expectations and international market dynamics.

Strategic and operational transformation

The continued evolution of climate related regulation and market expectations may accelerate portfolio optimisation, operating model adjustments, supply chain realignment, and investment in low carbon products, technologies, and innovation across the Group.

Key business units impacted

Business units	ST	MT	LT
Vedanta Aluminium	High	Medium	Medium
ESL Steel	High	Medium	Medium
Vedanta Power	High	Medium	Medium
Zinc International	Medium	Medium	Medium
FACOR	Medium	Medium	Medium
VGCB	Medium	Medium	Medium
Iron Ore	Medium	Medium	Medium
Cairn Oil & Gas	Low	Medium	Medium
Sterlite Copper	Low	Low	Low

High Medium Low

ST = Short-term · MT = Medium-term · LT = Long-term



Response measures

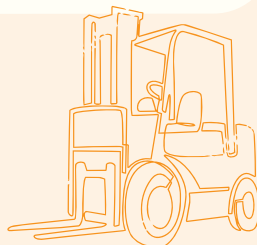
The response measures for technology and market risks mentioned in previous sections covers our strategy for addressing evolving policy and regulatory risks from climate change.



Market

Business sectors impacted

Aluminium, Oil & Gas, Ferrochrome, Power, Steel, Zinc, Lead, and Silver



Implications

Changing customer preferences and demand shifts

Growing demand for low carbon, recycled, and sustainably produced materials may influence customer preferences across several sectors. Business units with higher carbon intensive products may face changing demand patterns, while lower carbon offerings such as recycled aluminium, green zinc, and cleaner energy solutions may benefit from expanding market opportunities.

Market competitiveness and price volatility

Evolving market expectations and increasing adoption of green technologies across the industry may intensify competitive pressures and contribute to commodity price volatility. Businesses that transition more rapidly towards lower carbon products and processes may strengthen their market positioning and long-term competitiveness.

Export market and trade exposure

International markets with stricter carbon regulations and sustainability requirements, including carbon border adjustment mechanisms, may influence export competitiveness and market access for emissions intensive products. Increasing import competition and changing global trade dynamics may also affect pricing and market share across certain business units.

Climate commitments and strategic transition

Vedanta's climate commitments, including its net zero ambition and renewable energy targets, are expected to drive continued investment in decarbonisation, renewable energy integration, and operational transformation. These initiatives support long term resilience, strengthen stakeholder confidence, and align the portfolio with evolving market and investor expectations.

Key business units impacted

Business units	ST	MT	LT
Zinc International	High	Medium	Medium
Iron Ore	High	Medium	Medium
Cairn Oil & Gas	High	Medium	Medium
Vedanta Aluminium	Medium	Medium	Medium
Vedanta Power	Medium	Medium	Medium
Sterlite Copper	Medium	Medium	Medium
VGCB	Medium	Medium	Medium
ESL Steel	Medium	Low	Low
FACOR	Medium	Low	Low

High
 Medium
 Low

ST = Short-term · MT = Medium-term · LT = Long-term

Response measures

Capitalize on growing demand for green metals

To meet evolving market expectations, Vedanta is increasing the production and marketing of low carbon metals such as aluminium (Restora and Restora Ultra) and zinc (EcoZen).

Decarbonize product offerings

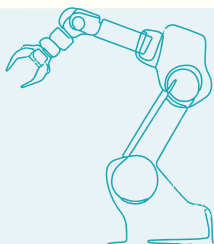
In response to changing consumer preferences, Vedanta is exploring additional pathways to decarbonize its product portfolio, positioning itself as a preferred supplier in the low-carbon global marketplace.



Technology

Business sectors impacted

Copper, Iron Ore, Power, Steel, Zinc, Lead and Silver



Implications

Low Carbon technology transition

The transition towards cleaner and lower carbon technologies may require significant capital investment across business units, including renewable energy integration, process optimisation, and adoption of emerging technologies such as CCUS and green hydrogen. Falling renewable energy costs, sectoral decarbonisation pathways, and growing demand for low carbon materials are expected to further accelerate technology transformation across the industry.

Technology obsolescence and asset transition

Rapid technological advancement and the shift towards cleaner alternatives may increase the risk of asset obsolescence, reduced asset life, and stranded assets for operations that are slower to adapt to evolving industry standards and market expectations.

Technology integration and operational readiness

Implementation of new technologies may involve technical, operational, infrastructure, and workforce capability challenges, requiring enhanced planning, operational adaptation, and continued investment in skills development and innovation.

Innovation and competitive positioning

Evolving customer preferences, investor expectations, and competitive market dynamics are increasing the importance of continuous innovation and early adoption of low carbon technologies and products to support long term competitiveness and resilience.

Dependence on emerging technology ecosystems

The adoption and scaling of advanced technologies such as CCUS, green hydrogen, and next generation energy systems may increase reliance on external technology providers, strategic partnerships, and accelerated research and development initiatives across certain business units.

Key business units impacted

Business units	ST	MT	LT
Vedanta Power	○	○	○
Sterlite Copper	○	○	○
Iron Ore	○	○	○
FACOR	○	○	○
Cairn Oil & Gas	○	○	○
ESL Steel	○	○	○
Vedanta Aluminium	○	○	○
VGCB	○	○	○
Zinc International	○	○	○

○ High ○ Medium ○ Low

ST = Short-term · MT = Medium-term · LT = Long-term



Response measures

Accelerate renewable energy adoption

- Prioritize solar PPAs and develop on-site solar to reduce energy costs by 2030
- Invest in renewable projects to ensure supply and clean power operations

Optimize energy efficiency

- Use energy management systems to maximize renewables and boost efficiency
- Improve turbine and thermal efficiency - implement advanced waste heat recovery to reduce carbon

Electrification and Clean Mobility:

- Electrify equipment using renewable energy where possible
- Replace diesel vehicles with electric models
- Deploy lithium-ion battery forklifts



Reputational

Business sectors impacted

Zinc



Implications

Evolving stakeholder and community expectations

Communities, customers, investors, and other stakeholders are increasingly expecting greater transparency, accountability, and measurable progress on climate action, emissions management, and environmental performance. Changing stakeholder expectations may increase scrutiny of business practices and sustainability performance across the Group.

Reputation and brand perception

Perceived gaps in climate action, environmental stewardship, or stakeholder engagement may affect brand reputation, stakeholder confidence, and public perception. Strong sustainability performance and transparent communication are becoming increasingly important to maintaining long term trust and social licence to operate.

Investor and consumer pressure

Increasing consumer, shareholder, and financing community expectations around responsible business practices may influence investment attractiveness, customer relationships, and access to capital. Business units operating in environmentally sensitive sectors may face heightened reputational exposure and stakeholder scrutiny.

Stakeholder relations and social licence

Effective stakeholder engagement and responsiveness to community concerns are becoming increasingly important in maintaining constructive stakeholder relationships and operational continuity. Inadequate engagement or perceived environmental impacts may increase the risk of protests, legal challenges, financing constraints, or loss of customer confidence.

Key business units impacted

Business units	ST	MT	LT
Zinc International	High	High	High
ESL Steel	Low	Low	Low
Vedanta Aluminium	Low	Low	Low
Vedanta Power	Low	Low	Low
FACOR	Low	Low	Low
Cairn Oil & Gas	Low	Low	Low
VGCB	Low	Low	Low
Iron Ore	Low	Low	Low
Sterlite Copper	Low	Low	Low

High
 Medium
 Low

ST = Short-term · MT = Medium-term · LT = Long-term



Response measures

- Proactively communicate the adoption of renewable energy across all sectors and highlight specific initiatives like low-carbon product lines, renewable power usage in production processes, and investments in green energy projects to enhance brand image and stakeholder trust
- Engage with the community through enhanced community development programs such as water conservation and livelihood support
- Undertake pilot studies of new technologies to assess feasibility, costs, and replicability

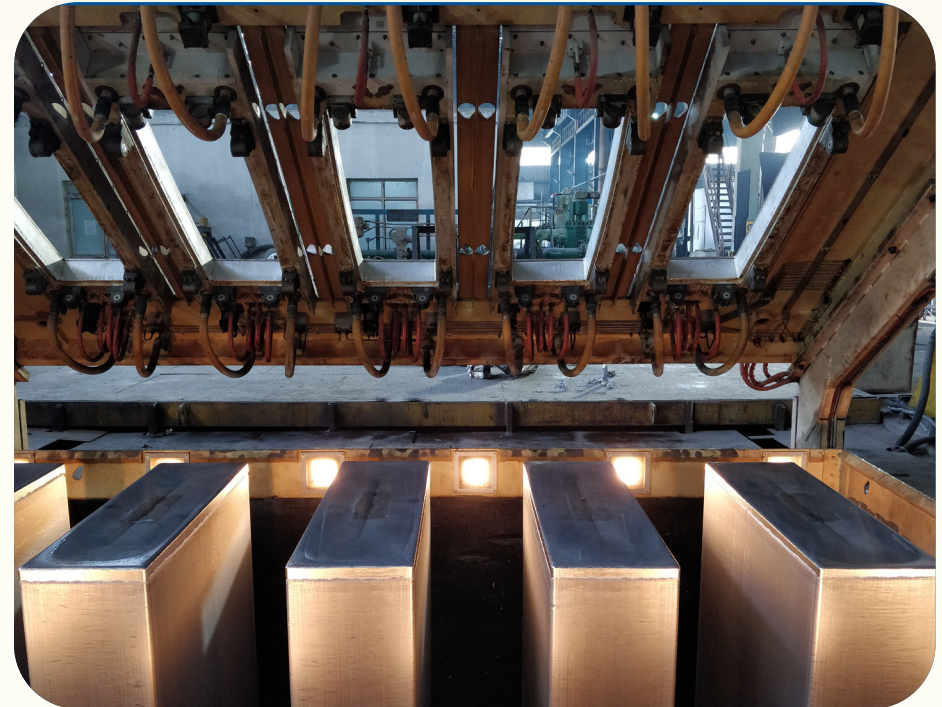
Impact of India's carbon credit trading scheme

India's Carbon Credit Trading Scheme (CCTS), established under the Energy Conservation (Amendment) Act 2022, introduces a mandatory compliance mechanism for energy-intensive sectors. The Bureau of Energy Efficiency has notified sector-specific emissions intensity targets for the aluminium sector, and these targets are applicable to Vedanta's aluminium business units. Vedanta's other energy-intensive operations, including steel and ferro-alloys, also fall within sectors for which CCTS targets are expected to be notified progressively.

The business units to which CCTS targets are currently applicable are working towards achieving the notified intensity benchmarks within the prescribed timelines. The scheme awards Carbon Credit Certificates to entities that outperform their targets, while entities that underperform are required to purchase certificates to address the shortfall, creating a direct operating cost obligation linked to emissions intensity performance relative to the mandated threshold. Facilities with higher carbon emission intensities face proportionally greater purchase obligations, and the financial magnitude of this obligation will depend on the carbon pricing mechanism established under the scheme and the gap between each facility's actual emissions intensity and its sector-specific target.

Vedanta applies a shadow carbon price of USD 15 per tCO₂e to all capital investment decisions, embedding the anticipated cost of carbon into project appraisals and encouraging investment choices that favour lower-carbon alternatives. This internal mechanism helps ensure that capital allocation decisions account for the carbon costs that the CCTS and other regulatory frameworks are expected to impose progressively, reducing the risk of investment in assets that may face increasing compliance obligations as intensity targets become more stringent.

The CCTS framework also includes an offset mechanism, with initial methodologies recently approved, enabling verified emissions reduction projects to generate Carbon Credit Certificates. Vedanta's renewable energy investments and afforestation initiatives are being assessed for eligibility under this mechanism, creating potential opportunities to generate credits that support compliance management across the portfolio.



Our Climate Resilience Strategy focuses on reducing environmental impact while building long-term operational sustainability. Through carbon management, renewable energy adoption, water conservation, and green product innovation, we are driving responsible growth and creating a more resilient future.

Climate resilience strategy

Carbon management strategy

Sustainable upstream supply chain



Engaging with suppliers:

Adoption of lower-emission practices

Use of renewable energy sources

Optimizing our logistics and transportation networks to minimize emissions

Decarbonizing own operations

Lever 1



Increasing renewable energy

Expanding the capacity and use of clean, sustainable energy sources such as solar, wind, hydropower, and bioenergy to replace fossil fuels

Lever 2



Switching to low carbon fuels

Replacing traditional high-carbon fossil fuels with alternatives that emit significantly less greenhouse gases when used.

Lever 3



Improving energy and process efficiency

Optimizing operations to use less energy and resources while maintaining or enhancing productivity.

Lever 4



Offsetting residual emissions

Offsetting residual emissions through purchase of carbon credits/ investment in carbon sequestration projects.

Green Product Offerings



Green Aluminium
Restora | Restora Ultra

Green Zinc
EcoZen

Water management strategy



Water reduction



Rainwater harvesting



Water reuse



Water for community

This strategy is put into actions through:

Ensuring operational efficiency by maintaining water efficiency and recycling

Reducing freshwater withdrawal through utilisation of grey water

Supplementing local water tables through community infrastructure

To understand how our climate strategy fits into the company's ESG program, refer to our FY 2025-26 Sustainability Report

Climate Change Adaptation and Mitigation Strategy

1

Short term

Foundations: codify climate into plans, pricing and incentives.

2

Medium term

Scale: industrialise low-carbon procurement and Scope 3 coverage.

3

Long term

Transformation: deliver the Net Zero plan and a just transition.

Policy & Governance

Develop a comprehensive **climate risk management plan** at Group level.

Integrate climate considerations into all new projects, **mergers, and acquisitions** through the adoption of renewable energy solutions, low carbon technologies, and best available operational practices.

Embed carbon reduction and energy transition objectives into **annual business planning** and operational performance management processes across business units.

Align **executive and management performance evaluations** with climate related goals and sustainability priorities to strengthen accountability and drive long term value creation.

Expand **supplier engagement programmes to encourage climate risk management**, emissions reduction initiatives, and adoption of more sustainable practices across the value chain.

Strengthen **collaboration with local communities and stakeholders** to identify and address climate related challenges through integrated resilience and community development initiatives.

Pilot and scale innovative green business solutions, including renewable energy storage and emerging low carbon technologies, to support long term operational resilience and sustainable growth.

Pilot **innovative green business solutions, including renewable energy storage and emerging low carbon technologies**, to support long term energy transition and operational resilience.

Engage with **policymakers and industry stakeholders** to support **enabling policy frameworks** that facilitate an orderly and commercially sustainable transition from coal towards lower carbon energy systems.



Continuously **review and strengthen the Net Zero roadmap** to align with evolving regulatory requirements, market developments, technological advancements, and progress against short- and medium-term climate targets.

Develop and implement a **comprehensive Just Transition framework** to support inclusive economic growth, workforce preparedness, and community resilience through the transition towards a lower carbon economy.

Risk management

Strengthen **climate risk management processes to address the growing impacts of cyclones, heatwaves, and other climate related events**, while leveraging robust quality assurance and compliance frameworks to improve the reliability and governance of climate related data and disclosures

Embed internal carbon pricing into strategic and capital allocation decisions through the application of a **USD 15/tCO₂e Shadow Carbon Price**, representing the Group's weighted average internal carbon price and reviewed annually to align with evolving decarbonisation pathways and climate transition objectives.

Develop **business unit specific climate risk management plans** and strengthen collaboration with suppliers to enhance value chain resilience and continuity.

Identify and proactively engage with critical suppliers that may be vulnerable to climate related disruptions to support preparedness and risk mitigation.

Maintain **diversified and alternative supplier networks** to minimise the impact of climate related supply chain disruptions and strengthen operational reliability.

Develop and strengthen contingency plans to effectively manage and minimise the impacts of climate-related events and emergencies.

Implement targeted mitigation measures to reduce exposure and enhance resilience against identified **physical climate risks associated with climate change**.

Metrics & Targets

Establish a unified framework that aligns business unit targets and performance metrics with group-level climate ambitions, including achieving **Net Zero emissions by 2050 and a 25% absolute emissions reduction by 2030**.

Enhance Scope 3 emissions tracking capabilities and identify critical emission hotspots across the value chain to drive targeted decarbonization actions.

Implement **clear annual targets for renewable energy adoption and achieve 5% annual biomass utilization** across power plant operations to accelerate the transition toward cleaner energy sources.

Develop and implement a comprehensive renewable energy procurement strategy to achieve the target of securing **2,500 MW of RE RTC capacity** across operations.

Define **measurable Scope 3 emissions reduction targets** across key material categories to drive focused and accountable decarbonization efforts.

Collaborate with critical value-chain stakeholders to develop and execute initiatives that effectively **reduce Scope 3 emissions across the supply chain**.

Promote and encourage the **adoption of science-based emissions reduction targets** among suppliers and customers to strengthen collective climate action.

Assess the **climate relevance and effectiveness of CSR programs** through detailed business unit-level analyses to ensure alignment with sustainability and climate objectives.

Update and strengthen the climate budget, enhanced insurance and climate fund (ICP), and **GHG emissions reduction targets based on revised climate** risk assessments to improve resilience and long-term sustainability planning.

Establish clear, measurable targets for the adoption and scale-up of clean technologies, including **renewable energy (RE), carbon capture, utilization and storage (CCUS), and green hydrogen**, to accelerate the low-carbon transition.

Strategic Opportunities

The transition to a lower-carbon economy presents Vedanta with a set of identifiable commercial and operational opportunities alongside the transition risks assessed in the preceding section. These opportunities were identified based on secondary research of the policy, technological, market, and reputational landscape. Sector-specific opportunities arise primarily from three sources: the shift towards renewable energy sources and cleaner energy procurement, the adoption of energy-efficient technologies and practices, and changing consumer preferences and market trends towards lower-carbon and sustainably produced materials. These drivers create potential for expanding product applications and entering new customer segments across several of Vedanta’s business units.

Products & Services

Verified low-carbon metals



Business units impacted

- Vedanta Aluminium
- Hindustan Zinc

Overview

The EU and UK Carbon Border Adjustment Mechanisms, alongside customer Scope 3 reporting, are driving demand for verified lower-carbon metals. Vedanta’s low-carbon product lines are positioned to capture premium value and protect export competitiveness.

Risk drivers

- **Policy risk:** Carbon Pricing and Emissions Regulation (Impact of EU CBAM and UK CBAM)
- **Market risk:** Changing customer preferences and demand shifts

Market drivers

CBAM comes into force

EU CBAM (Jan 2026) and UK CBAM (Jan 2027) link the embedded carbon intensity of exported metals to importer cost, priced against EU ETS allowances of ~€70–€103 / tCO₂e.

Scope 3 procurement shift

Industrial customers managing **CSRD** and **IFRS S2** obligations increasingly procure metals with verified lower embedded emissions.

Vedanta product lines address it directly

Restora and Restora Ultra (aluminium) and EcoZen (zinc) are positioned for this verified low-carbon demand.

<1 tCO₂e

Ecozen intensity against global average of approximately 4 tCO₂e

8,268 tCO₂e

customer Scope 3 avoided with EcoZen, FY2025–26

Impact of opportunity

Revenue & premium pricing

Increased revenue and price premiums from verified lower-carbon product lines.

Export competitiveness

Reduced CBAM certificate cost for EU and UK importers, improving competitiveness relative to higher-carbon peers.

Access to green finance

Strengthened eligibility for sustainability-linked financing.

Green steel & low-carbon ferro-alloys



Business units impacted

- **ESL Steel**
- **FACOR**

Overview

Government green-steel incentives and renewable mandates open a **DRI-EAF** pathway for ESL Steel, while FACOR can extend into low-carbon ferro-alloys and EV battery-grade inputs as conventional steelmaking transforms.

Risk drivers

- **Policy risk:** Carbon pricing and emissions regulation, Renewable energy and decarbonisation requirements, Strategic and operational transformation
- **Market risk:** Changing customer preferences and demand shifts, Climate commitments and strategic transitions
- **Technology risk:** Low carbon technology transition

Market drivers

Green-steel incentives for ESL Steel

Government incentives – planned procurement mandates and pilot-project financial support – create a pathway for ESL Steel toward DRI-EAF route production with renewable energy sourcing.

43.3%

RPO renewable electricity target, steel sector by 2030

DRI-EAF

renewable-powered production route

Renewable procurement obligation

The DRI-EAF transition aligns with the RPO target of **43.3% renewable electricity** for the steel sector by 2030, sourced through renewable procurement.

Ferro-alloy & EV battery shift

FACOR can develop lower-carbon ferro-alloys for hydrogen-based steelmaking and **high-purity ferro-manganese** for lithium-ion EV batteries, as its conventional blast-furnace customer base faces structural technology change.

Impact of opportunity

Green-steel incentive access

Access to government incentives and green-steel procurement frameworks.

Stronger revenue positioning

Improved long-term revenue positioning as customer demand shifts toward lower-carbon steel.

EV & next-gen input markets

Portfolio extension into EV battery supply chains and next-generation steelmaking inputs, supporting demand resilience as conventional blast-furnace applications contract.

Demand for transition-critical metals



Business units impacted

- Vedanta Aluminium
- Sterlite Copper
- Iron Ore
- Hindustan Zinc
- Zinc International

Overview

Structural, policy-backed growth in demand for transition-critical metals spanning across aluminium, copper, iron ore and zinc, positions Vedanta's portfolio to supply the global clean-energy build-out and India's self-reliance agenda.

Risk drivers

- **Policy risk:** Carbon Pricing and Emissions Regulation
- **Market risk:** Changing customer preferences and demand shifts, Climate commitments and strategic transitions

Market drivers

Clean-energy investment at scale

Global clean-energy investment surpassed **USD 2 trillion in 2024**. The IEA estimates a global net-zero pathway by 2050 needs roughly **6x more mineral inputs by 2040** than today.

USD 2 tn

global clean-energy investment, 2024

~6x

mineral inputs needed by 2040 (IEA, net zero)

India aluminium ambition

Ministry of Mines Vision Document on the Aluminium Sector (Jul 2025) projects India reaching **10% global aluminium market share by 2047**.

Steel policy sustains iron ore

National Steel Policy 2017 targets **300 MT** of domestic steel production by 2030, sustaining structural demand for iron ore.

Electronics & semiconductors lift copper

MeitY received a **52% budget increase** in FY 2024-25, driving copper demand across electronics and semiconductor manufacturing.

Tightening global copper supply

Indonesia's concentrate ban and the DRC's copper & cobalt export restrictions are tightening supply chains, strengthening domestic Indian processors.

Impact of opportunity

Volume & long-term contracts

Expanded production volumes and long-term supply-contract opportunities aligned with the clean-energy infrastructure build-out.

Premium for verified material

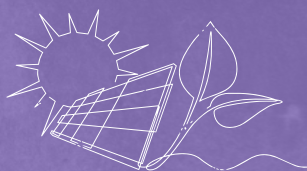
Premium-pricing potential for lower-carbon and traceability-verified material.

Domestic supply leadership

Strengthened competitive positioning for Sterlite Copper as a domestic supplier within India's self-reliance agenda.

Lower-cost, secure renewable power

Energy source



Business units impacted

- Vedanta Aluminium
- Hindustan Zinc
- Cairn Oil & Gas
- ESL Steel

Overview

Falling renewable costs make long-term Power Delivery Agreements competitive with grid fossil power, cutting electricity spend and Scope 2 intensity while strengthening energy security across the portfolio.

Risk drivers

- **Policy risk:** Carbon pricing and emissions regulation, Renewable energy and decarbonisation requirements, Strategic and operational transformation
- **Market risk:** Climate commitments and strategic transitions
- **Technology risk:** Low carbon technology transition

Market drivers

Falling renewable cost

The continued decline in the levelised cost of utility-scale renewables makes

Power Delivery Agreements

commercially competitive with grid-based fossil electricity over their contract durations.

Vedanta renewables scaling fast

FY2025–26 renewable electricity consumption reached **3.25 billion units** (~454 MW RTC), with over **1 GW** of additional capacity committed through signed PDAs.

3.25 billion

units of renewable electricity, FY 2025–26

+52%

Y-o-Y RE capacity increase

>1 GW

additional capacity committed (PDAs)

Green energy corridor support

India's Intra-State Green Energy Corridor Phase-2 (**₹120,000 million**, incl. 33% central assistance) strengthens transmission in key states including Rajasthan, cutting grid-integration costs for Cairn Oil & Gas's renewable procurement.

Impact of opportunity

Lower electricity cost

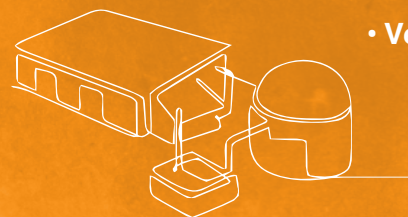
Reduction in electricity procurement costs over the PDA contract period relative to grid-based fossil electricity.

Scope 2 & compliance gains

Direct reduction in Scope 2 carbon intensity, supporting **CCTS** compliance and improving emissions metrics relevant to CBAM and customer reporting.

Biomass co-firing for lower-carbon baseload

Energy source



Business units impacted

- Vedanta Power

Overview

Mandated biomass blending in coal-fired generation lowers the carbon intensity of thermal power, positioning Vedanta’s baseload capacity as a lower-emission provider under evolving national electricity policy.

Risk drivers

- **Policy risk:** Carbon pricing and emissions regulation, Renewable energy and decarbonisation requirements, Strategic and operational transformation
- **Market risk:** Climate commitments and strategic transitions
- **Technology risk:** Low carbon technology transition

Market drivers

Biomass co-firing mandate

The Ministry of Power’s revised policy mandates **5% biomass blending** in coal-based thermal plants from FY 2024–25, rising toward **7%** from FY 2025–26 where technically feasible.

5%

biomass blending
mandate, FY 2024–25

7%

target blend toward FY 2025–26
(where feasible)

Lower-emission baseload positioning

Compliance reduces the carbon intensity of thermal generation and supports positioning thermal capacity as a lower-emission baseload provider within the **National Electricity Plan 2023** framework.

Impact of opportunity

Extended asset revenue life

Potential extension of the operational revenue life for thermal assets.

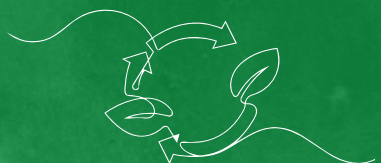
Lower emissions per unit

Reduced emissions per unit of generation, lowering exposure to tightening regulatory emissions standards.

Greener fuel classification

Access to biomass supply chains and greener fuel classification under evolving policy frameworks.

Policy-backed lower-carbon capital



Business units impacted

- Cairn Oil & Gas
- ESL Steel
- Sterlite Copper
- FACOR
- Vedanta Power

Overview

National policy: “green hydrogen funding and a new carbon-credit market” is lowering the cost of lower-carbon capital and opening credit-revenue pathways across Vedanta’s hard-to-abate businesses.

Risk drivers

- **Policy risk:** Carbon pricing and emissions regulation, Renewable energy and decarbonisation requirements, Strategic and operational transformation
- **Market risk:** Changing customer preferences and demand shifts, Climate commitments and strategic transitions
- **Technology risk:** Low carbon technology transition

Market drivers

National green hydrogen mission

Targets **5 MMTPA** of domestic green hydrogen by 2030, backed by **₹197,440 million** in committed funding and a **125 GW** renewable capacity target, a developing cost and policy pathway for green H₂ across steel, ferro-alloy and oil & gas.

5 MMTPA

green hydrogen target by 2030

₹197,440 million

committed mission funding

125 GW

renewable capacity target

Carbon credit trading scheme

India’s CCTS offset mechanism (initial methodologies recently approved) may let qualifying renewable energy and afforestation generate Carbon Credit Certificates. Cairn’s afforestation (2 million trees by 2030) and Group RE investments are being assessed for eligibility.

Cairn OGMP 2.0 Gold standard

Cairn’s OGMP 2.0 Gold Standard Pathway status (achieved Dec 2025) and its commitment to a **30% absolute methane reduction over five years** further strengthen its ESG positioning.

Impact of opportunity

Lower cost of capital

Reduced cost of capital for qualifying decarbonisation investments through policy support.

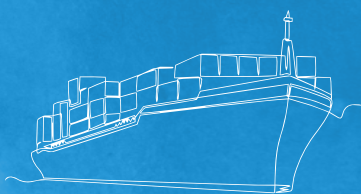
Carbon-credit revenue stream

Potential CCTS credit generation from eligible afforestation and renewable energy, an additional revenue stream alongside direct emissions reduction.

ESG financing edge for Cairn Oil & Gas

Improved access to sustainability-linked financing and strengthened ESG investor credentials from OGMP 2.0 Gold Standard Pathway status.

Green ports & new zinc markets



Business units impacted

- VGCB
- Zinc International (VZI)

Overview

Tightening green-port standards and IMO shipping rules favour lower-carbon port operations, while new zinc-ion battery policy opens an early-mover product pathway for Zinc International.

Risk Drivers

- **Policy risk:** Carbon pricing and emissions regulation, Strategic and operational transformation
- **Market risk:** Changing customer preferences and demand shifts
- **Reputation risk:** Reputation and brand perception

Market drivers

Harit Sagar Green Port Guidelines

India's Harit Sagar Green Port Guidelines establish a framework for lower-carbon port operations.

IMO rules lift demand for green ports

Evolving IMO regulations are increasing shipping companies' demand for port facilities with verified lower-carbon credentials.

Zinc-ion batteries flagged for beneficiation

South Africa's Minerals Policy Review 2024 identifies zinc-ion batteries as a priority area for mineral beneficiation, an early-mover product-development opportunity for VZI.

Impact of opportunity

Shipping competitiveness

Improved competitive positioning with emissions-sensitive shipping counterparties as green-port credentials gain weight.

Sustainability-aligned investment

Potential to attract sustainability-aligned investment, alongside reduced exposure to port-specific regulatory risk as green-port standards tighten.

Battery-market diversification

Potential product-portfolio diversification into zinc-ion battery applications, contingent on R&D investment and technology maturation.

Climate Drivers Impacting Financial Planning

The adaptation and mitigation strategy outlined above is closely integrated with Vedanta's financial planning and reporting processes. The physical risks identified across operational locations and the transition risks assessed across business units have important implications for asset valuation, liability provisioning, capital allocation, and future cash flow forecasting. Climate related considerations are therefore incorporated into financial decision making to support long term resilience and informed capital planning.

Incorporating climate related risks into financial planning and asset valuation

In preparing our financial statements, we consider several key climate-related aspects: estimating the recoverable amounts of existing assets, reviewing and adjusting the useful lives of property, plant, and equipment, and integrating capital expenditure into cash flow forecasts. Both acute physical hazards (flooding, extreme heat events, cyclone activity) and systemic transition pressures (evolving carbon regulations, fuel-switching costs, stranded-asset risk) are factored into how we value long-lived assets and estimate future cash flows.



01

Estimating recoverable amounts of existing assets

Physical and transition risks are assessed against each asset to determine whether carrying values remain supportable under current and projected climate conditions.

02

Reviewing & Adjusting useful lives of PP&E

At each year-end, residual values and useful lives of property, plant and equipment are formally reassessed. Where expectations differ from prior estimates, accounting adjustments are made.

03

Integrating CapEx into cash flow forecasts

Capital expenditure for renewable energy, water management, and resilience infrastructure is incorporated into forward cash flow models, reflecting both transition opportunities and physical risk adaptation costs.

At each financial year end, Vedanta reviews the residual value and useful life of assets to ensure that financial estimates remain aligned with evolving operational, regulatory, and climate related conditions. Where assumptions or expectations change, the corresponding accounting estimates and asset valuations are updated accordingly. Environmental obligations, including restoration, rehabilitation, and other environmental provisions, are also reviewed periodically to reflect updated cost assumptions, operational life changes, revised environmental requirements, and applicable discount rates. Adjusted asset values are depreciated over the relevant useful life of the assets, while the unwinding of discount rates is recognised as a finance cost in the consolidated statement of profit and loss.

These practices ensure that climate related considerations are integrated into Vedanta's audited financial statements and broader financial management processes, rather than being treated solely as standalone sustainability disclosures. Based on the Group's assessment as at the balance sheet date, climate related factors are not expected to have a material impact on the carrying value of assets or liabilities in the short term. However, Vedanta continues to monitor evolving regulatory frameworks, including the Indian Carbon Credit Trading Scheme and international carbon border adjustment mechanisms, as well as changes in the physical risk profile of operational locations over the medium and long term.

Financial attribute

01 Investment line

Capital expenditures

Capital deployed today to decarbonise operations, strengthen water security and embed carbon economics into every approval gate.

4 levers

Active capex themes

Balance sheet 02

Liabilities

Forward-looking provisions that recognise the eventual cost of closing, restoring and decommissioning long-lived assets.

3 streams

Recognised obligations

Climate-linked impact

1

Low-carbon & circular investment

- Funding next-generation technologies that lower emissions intensity across the portfolio.
- Trialling reuse and material-recovery programmes for operational waste streams.
- Rehabilitating flood-prone zones and water-stressed sites to restore land productivity.

2

Decarbonisation programmes

- Material capex deployed against GHG abatement milestones set for 2030 and 2050.
- Scaling renewable integration across plants, a capital-intensive transition that re-shapes the energy mix.

3

Water stewardship capex

- Mapping basin-level exposure with WRI Aqueduct and the WWF Water Risk Filter.
- Deploying adaptation levers: demand-supply balancing, recycling technology and infrastructure hardening.

4

Internal carbon pricing

- An internal carbon price is built into every capex approval gate.
- Steering capital toward clean technology, low-carbon R&D and renewable energy.
- Applied group-wide and across the supply chain, anchoring sustainable allocation decisions.

Mine restoration & rehabilitation

A

Yearly reserves earmarked for site restoration, sized to closure plans and dismantling estimates.

Capitalised restoration costs

B

Remediation costs are capitalised at the point the obligation crystallises on the balance sheet.

Oil & gas decommissioning

C

Reserves for asset retirement, refreshed for removal cost, schedule and discount-rate shifts.

Strengthening Climate Risk Management

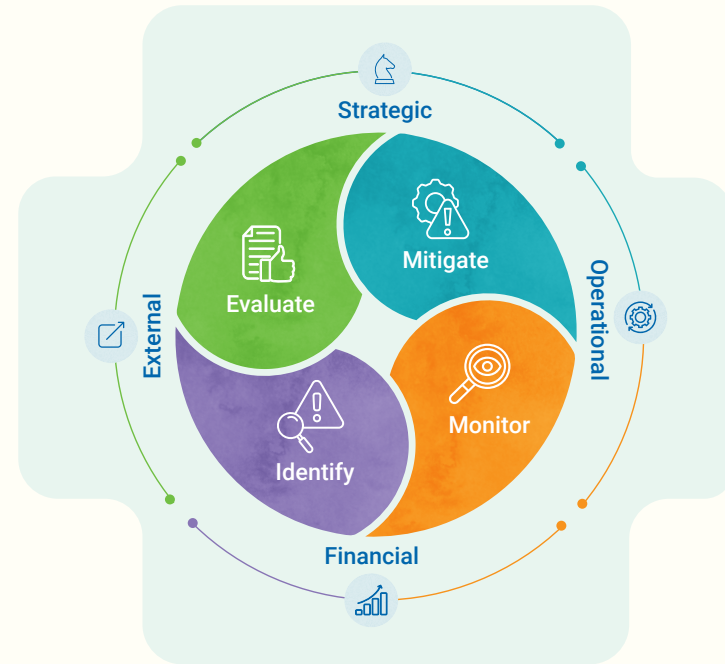
Vedanta's approach to climate risk management is built around one principle: that climate-related risks carry the same governance weight, financial scrutiny, and ownership accountability as any other material business risk.



Group risk governance framework

Climate risk governance at Vedanta operates through a structured cycle of Identify, Evaluate, Mitigate and Monitor, applied consistently across four risk dimensions: strategic, financial, operational and external. The framework reinforces top-down strategic direction from Board level whilst empowering bottom-up risk identification across business units. Where material climate developments arise between formal review cycles, they are escalated through the management governance structure to the Board ESG Committee without delay.

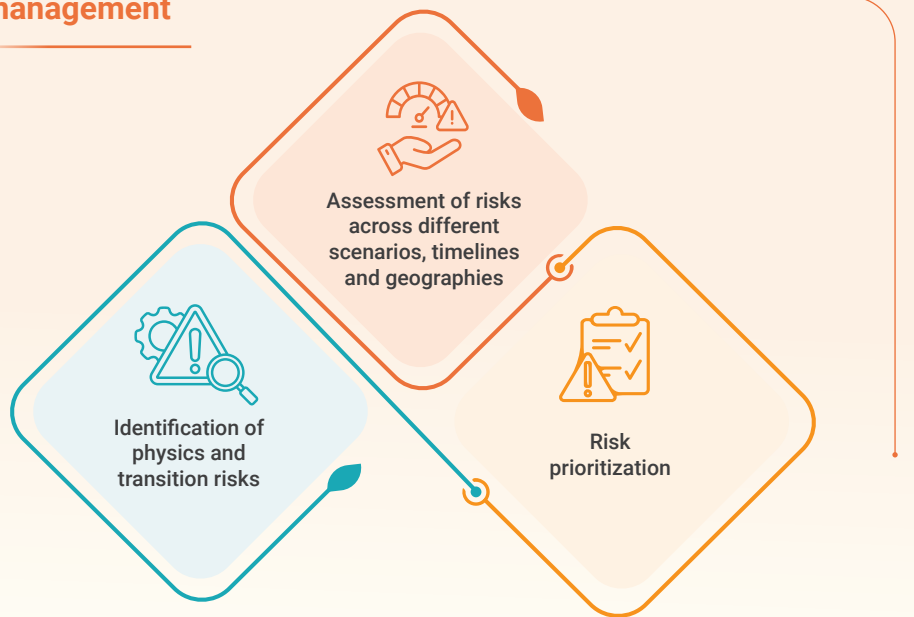
Through this cohesive integration, Vedanta demonstrates a proactive stance on climate change, embedding resilience into its operations and safeguarding long-term stakeholder value.



Climate risk management

A robust approach to climate risk management is crucial to Vedanta's long-term sustainability, operational resilience, and value creation. With climate-related risks becoming increasingly material and the regulatory landscape evolving, Vedanta has strengthened its risk management approach to integrate climate considerations more deeply, identifying, assessing, and managing climate-related risks in alignment with IFRS S2 requirements and TCFD recommendations.

Climate risk integration in enterprise risk management



Climate risk integration into enterprise risk management

Vedanta's climate risk identification and management process is fully embedded within the Group's Enterprise Risk Management framework. Physical and transition climate risks are assessed using the same methodology, governance structures, and escalation procedures applied to all other principal risks in the Group risk register. Climate risk is therefore subject to the same level of scrutiny, ownership accountability, and Board visibility as any other material risk facing the business.

The integration operates simultaneously across three dimensions: governance, operational and strategic decision-making, and financial planning, ensuring that climate considerations inform decisions at every level of the organisation.

Integration



Governance

Governed at the highest levels, with clear lines of oversight embedded in board and management committee structures.

Board ESG committee

Oversees climate strategy and tracks progress toward net-zero by 2050 and the 25% absolute emission cut by 2030.

Audit & Risk committee

Reviews the Group risk register quarterly, treating climate risks on the same basis as all other principal risks.

Energy & Carbon community of practice

Authorized to escalate material climate developments between formal cycles, directly to the ESG Committee or Board.

Integration



Operational & Strategic

Not confined to a central function, each business unit translates group-level findings into operational and strategic action.

Business unit (BU) ownership

Dedicated sustainability teams at each BU continuously assess site-level risks and mitigation, driving ground-level usability.

Strategic decisions

Scenario analysis outputs feed directly into asset investment, infrastructure upgrades, energy sourcing and resilience planning.

Cross-BU implementation

The Energy & Carbon CoP rolls out carbon-reduction strategies across all BUs, translating group targets into site-level action.

Integration



Financial

Embedded directly into financial planning and capital allocation as an active input, not an external, standalone consideration.

Capex decisions

All capital investment decisions incorporate climate risk exposure, scenario findings and the financial implications of carbon pricing.

Shadow carbon price

A USD 15/tCO₂e internal carbon price is applied across all Capex approvals, systematically favoring lower-carbon alternatives.

Annual review

The shadow price is reviewed annually to stay aligned with the Group's decarbonization plan and external carbon-market shifts.

Key Uncertainties

Navigating the path towards decarbonisation and climate adaptation inevitably involves managing a degree of uncertainty. Whilst we remain firmly committed to achieving net zero carbon emissions by 2050 or earlier, we recognise that the transition presents complex challenges, particularly within energy intensive and hard to abate sectors.

Our decarbonisation strategy is centred on the progressive expansion of renewable energy and the continued deployment of emissions reduction measures across our operations. We are confident in the direction of this transition, while recognising that

its pace and implementation will be influenced by evolving technologies, market dynamics, infrastructure availability, and policy developments. As the renewable energy landscape continues to mature, we will remain agile in our planning and decision making, adapting our approach where necessary while maintaining clear focus on our climate commitments.

“In the near term, these uncertainties may impact the pace of execution and could result in the Company falling short of its interim emissions intensity targets. We continue to actively manage these factors through focused planning and investment to maintain alignment with our long-term decarbonisation pathway”.

Uncertainties relating to our decarbonization approach

- The viability and scalability of emerging mitigation solutions, including green hydrogen, continue to evolve. Whilst these technologies offer considerable long-term potential for reducing emissions across industrial operations, their commercial deployment at scale will depend on future technological advances, infrastructure availability, and cost competitiveness. The transition to a low carbon economy may also influence demand patterns for certain metals and minerals. As we expand our portfolio of low carbon products, we continue to monitor these evolving market dynamics and the opportunities they may create.
- The introduction of carbon pricing mechanisms, including carbon taxes and emissions trading systems, may influence operating costs and investment decisions. Carbon price movements, together with broader transition related developments, could affect the economics of certain activities. In addition, climate related disruptions and evolving supply chain requirements highlight the importance of maintaining resilient and adaptable supply chains across our operations.
- The pace of advancement in renewable energy generation, energy storage, and transmission technologies remains an important variable in the transition. Whilst we continue to invest in renewable energy and explore emerging solutions, future improvements in performance, scalability, and affordability will influence the speed and extent of deployment across our operations.
- Policy and regulatory frameworks supporting renewable energy continue to develop across different jurisdictions. Changes in policy incentives, regulatory requirements, and grid integration frameworks may affect the timing and economics of renewable energy projects. We actively monitor these developments to ensure our strategy remains aligned with evolving market conditions.
- The availability and consistency of renewable energy resources, particularly solar and wind, may be influenced by changing climatic conditions. These factors are considered within our long-term energy planning to support the reliability and resilience of future energy systems.
- Integrating increasing volumes of renewable energy into existing operations while maintaining energy security and grid stability presents both technical and operational challenges. Continued progress in storage technologies, grid management systems, and energy infrastructure will play an important role in supporting this transition.



Vedanta actively monitors the potential impacts of climate related physical and transition risks across short-, medium-, and long-term horizons. A central focus of our strategy is the progressive decarbonisation of our operations through energy efficiency improvements, fuel substitution, renewable energy deployment, and innovation. We have completed assessments across our business segments to identify key areas of potential climate related impact and continue to deepen our analysis to enhance understanding of future risks and opportunities. As our assessment capabilities evolve, we will continue to strengthen our disclosures and integrate emerging insights into strategic decision making. Based on our current evaluation, we do not anticipate material financial impacts on our assets or business model in the near term.



How we are addressing these uncertainties



Closely monitoring policy and regulatory developments while maintaining active engagement with policymakers, industry bodies, and other stakeholders.



Investing in research, innovation, and technology development to improve energy efficiency and accelerate the adoption of emerging low carbon solutions.



Maintaining a flexible and adaptive energy transition strategy that can respond effectively to technological advancements and changing market conditions.



Strengthening risk management processes to enhance resilience across operations, energy systems, and supply chains.



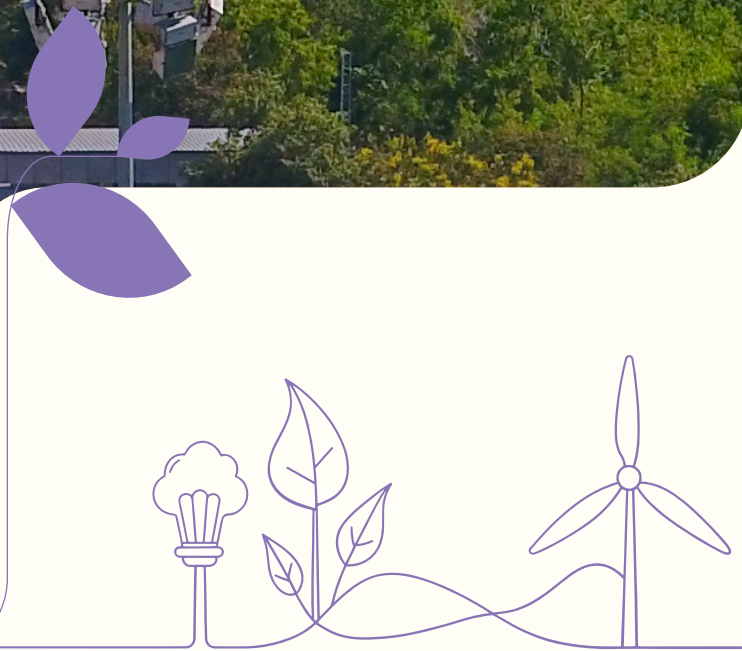
Continuing to improve emissions measurement, monitoring, and reporting capabilities to support informed decision making and transparent disclosure.



By recognising these uncertainties and responding proactively, we are strengthening our resilience and positioning the business to capture the opportunities arising from the low carbon transition. This approach supports our long-term climate ambitions while enabling sustainable value creation for all stakeholders.



Metrics and Targets



Overview of Our Performance

Translating climate commitments into measurable outcomes is central to Vedanta’s tracking of its decarbonisation progress. Metrics and targets provide the quantitative backbone of our net zero strategy, enabling progress to be tracked, performance to be verified, and corrective actions to be taken where results fall short of expectations. Vedanta’s climate KPIs are structured around time bound milestones anchored to the FY 2020-21 emissions baseline,

with near-term targets for FY 2025-26, medium-term targets for FY 2029-30, and a long-term commitment to net zero carbon emissions by 2050 or sooner. These indicators inform decision making across operational planning, capital allocation, and technology deployment at every level of the organisation, ensuring that climate accountability is not confined to strategy documents but is reflected in measurable operational outcomes.

Climate KPI Scorecard

Our Net Zero by 2050 commitment is underpinned by a structured set of climate KPIs that translate this long-term ambition into verifiable near and medium-term milestones. Anchored to our FY 2020-21 emissions baseline, these indicators track progress across greenhouse gas emissions intensity, renewable energy capacity, fleet decarbonisation, capital allocation for the net zero transition, hydrogen fuel adoption, and internal carbon pricing, providing a comprehensive and auditable picture of progress achieved and the actions still required. This accountability framework drives us to innovate, adapt, and strengthen our resilience as we build toward a climate resilient future.

KPI's	Baseline FY 2020-21	FY 2025-26 Target	FY 2025-26 Progress	FY 2029-30 Goal	Status
Absolute GHG emissions (% reduction from FY 2020-21 baseline)	60.24 million tCO ₂ e	-	71.45 million tCO ₂ e	25% reduction by 2030	▲
GHG Emissions Intensity (% reduction from FY 2020-21 baseline)	6.44 tCO ₂ e/MT	20% reduction by FY 2025-26 (across the metals businesses)	5.51 tCO ₂ e/MT (~14% reduction from baseline)	-	●
Renewable Energy	67 MW	500 MW RE RTC or equivalent	454 MW	2.5 GW of RE RTC or equivalent	●
LMV Decarbonisation (% LMVs)	-	50%	14%	100%	▲
Capital Allocation for transition to net zero	-	-	USD 1 billion invested till FY 2025-26	US\$ 5 billion	●
Hydrogen as Fuel	-	-	No significant action in FY 2025-26, remains open for future exploration	Commitment to accelerate the adoption of hydrogen as a fuel and seek to diversify into H2 fuel or related businesses	—

✓ On-track

● In progress / partial

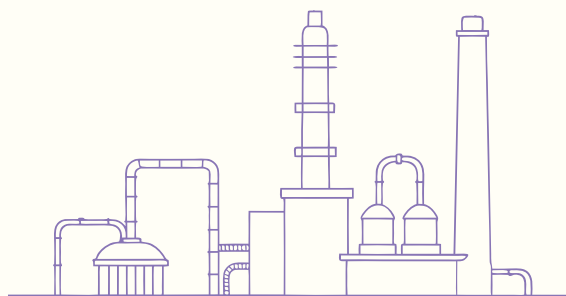
▲ Behind target

— Not yet measurable



The table above presents Vedanta's performance across key climate related indicators against the FY 2020-21 baseline, near term targets, and FY 2029-30 goals. FY 2025-26 marked continued progress in Vedanta's decarbonisation journey, with emissions intensity across metals and mining operations improving to 5.51 tCO₂e/MT, representing a ~14% reduction from the FY 2020-21 baseline. Renewable energy capacity increased by 52% to 454 MW, while electrification of the LMV fleet more than doubled to 14% from previous year.

Absolute emissions of 71.45 million tCO₂e reflect the scale of production growth supporting the investments required for long term transition and operational transformation. With more than 1 GW of additional renewable energy capacity under active development, long term power delivery agreements supporting energy security, and continued progress in biomass integration and fleet electrification initiatives, Vedanta is well positioned to further accelerate emissions intensity reduction and support long term decarbonisation objectives. Capital deployment towards net zero initiatives and exploration of hydrogen related opportunities are also progressing steadily, reinforcing confidence in the Group's ability to deliver on its FY 2029-30 ambitions and long-term climate commitments.



Our GHG Emissions

Approach and methodology

Vedanta's GHG inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard for Scope 1 and Scope 2 emissions, and the GHG Protocol Corporate Value Chain Standard for Scope 3 emissions. Emissions are calculated using the operational control approach, covering all entities and sites that meet the reporting boundary criteria set out in the About this Report section. The inventory is subject to third-party limited assurance annually.

Total GHG emissions (million tCO₂e)



FY 2025-26 Performance

<p>Scope 1</p> <p>68.22 million tCO₂e</p> <p>~8% Y-o-Y increase</p>	<p>Scope 2</p> <p>3.23 million tCO₂e</p> <p>~10% Y-o-Y reduction</p>	<p>Scope 1 + 2</p> <p>71.45 million tCO₂e</p> <p>~7% Y-o-Y increase</p>
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Scope 1 and Scope 2 Emissions

The tables below present Vedanta's GHG emissions profile for FY 2025-26. Total Scope 1 and Scope 2 emissions were 71.45 million tCO₂e during the year. Scope 1 emissions increased by approximately 8% year on year, primarily reflecting production growth within the Power business, partially offset by reductions across Oil & Gas and Steel operations driven by fuel substitution, and operational efficiency improvements.

Scope 2 emissions continued their downward trend, declining by a further 10% to 3.23 million tCO₂e, representing a reduction of more than 60% since FY 2022-23. This improvement was primarily supported by expanded renewable energy procurement across Aluminium and Zinc India operations. Aluminium and Power together account for nearly 80% of combined Scope 1 and Scope 2 emissions and therefore remain key focus areas for Vedanta's ongoing decarbonisation investments and energy transition initiatives.

Greenhouse gas emissions (scope 1, scope 2) at the business unit level for FY 2025-26 (thousand tCO₂e)

Business Units	Scope 1	Scope 2	Scope 1+ Scope 2
Aluminium*	42,458	1,959	44,417
Copper	68	95	163
Iron Ore	2,102	6	2,108
Oil & Gas	1,081	450	1,531
Power	13,118	37	13,155
Steel	3,649	188	3,837
Zinc India	4,782	242	5,024
Zinc International	123	218	342
FACOR	837	35	872
Total Vedanta Scope 1, Scope 2	68,218	3,230	71,448

*Include data for port business VGCB



Scope 3 Emissions

Managing Scope 3 emissions is an important part of addressing Vedanta's broader climate impact and meeting the evolving expectations of regulators, customers, investors, and other stakeholders. Vedanta's most material Scope 3 categories, including purchased goods and services, upstream fuel and energy related activities, and the processing and use of sold products, together represented more than 90% of total Scope 3 emissions in FY 2025-26.

The increasing importance of value chain decarbonisation is also reflected in the impact of Vedanta's low carbon product portfolio. During FY 2025-26, customers using EcoZen zinc instead of conventionally produced zinc avoided approximately 8,268 tCO₂e of embedded emissions across their supply chains, demonstrating that Vedanta's climate actions contribute to emissions reduction beyond its direct operational boundary.

Following the achievement of comprehensive value chain emissions accounting across all business units, Vedanta is now focused on strengthening data quality, identifying key emissions hotspots, and engaging Tier 1 suppliers on science-based emissions reduction pathways. These efforts are expected to further strengthen the Group's ability to manage and reduce emissions across the broader value chain over time.



Greenhouse gas emissions (scope 3) at the business unit level for FY 2025-26 (thousand tCO₂e)

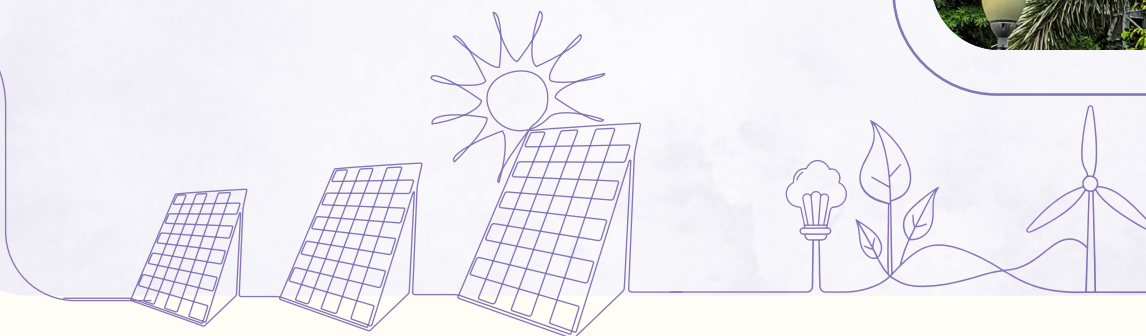
Business Units		Scope 3 Emissions	
Aluminium*	BALCO	1,057	9,851
	VAL - Jharsuguda	6,256	
	VAL-Lanjigarh	1,706	
	Jamkhani Coal Mine	825	
	VGCB	6	
Copper	Tuticorin	Not material	1,033
	Silvassa	575	
	Fujairah Gold FZC	458	
	MEL Nickel Business	Not accounted	
	MALCO	0	
Iron Ore	IOG	1,166	11,345
	IOK	3,581	
	VAB	1,361	
	Sesa Coke - Gujarat	0	
	Sesa Coke - Vazare	339	
	Iron Ore Orissa	4,898	
Oil & Gas	Cairn Oil & Gas	11,240	11,240
Power	TSPL - TPP	2,962	4,862
	Meenakshi Energy	895	
	Athena Power	1,006	
Steel	ESL Steel Limited	206	206
Zinc India	Hindustan Zinc Ltd	1,469	1,469
Zinc International	Black Mountain	1,776	1,776
	Gamsberg Operations		
FACOR	FACOR	309	309
Total Vedanta Scope 3			42,091

*Include data for port business VGCB

Scope 3 GHG Emissions: Category-wise for FY 2025-26 (thousand tCO₂ e)*

Scope 3 Categories	GHG Emissions
Category 1 - Purchased goods and services	8,714
Category 2 - Capital goods	1,114
Category 3 - Fuel and energy related activities	7,996
Category 4 - Upstream transportation and distribution	1,218
Category 5 - Waste generated in operations	197
Category 6 - Business travel	3
Category 7 - Employee commuting	20
Category 8 - Upstream leased assets	1
Category 9 - Downstream transportation and distribution	1,052
Category 10 - Processing of sold products	12,282
Category 11 - Use of sold products	9,446
Category 12 - End-of-life treatment of sold products	49
Total GHG Scope 3	42,091

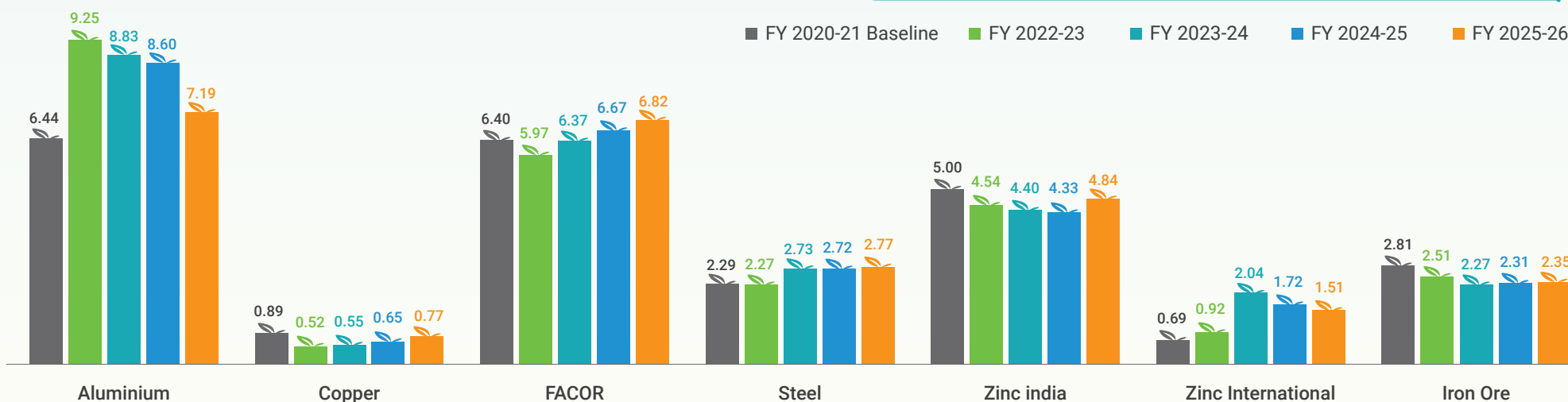
*Categories 13,14 and 15 are not applicable to Vedanta



GHG Emissions Intensity

Our emissions performance reflects the progress being made through our decarbonisation programme. While absolute emissions have increased in line with production growth, emissions intensity has shown a consistent improving trend across most business units, driven by targeted action on renewable energy deployment, fuel switching, and process optimisation. These results demonstrate our commitment to improving carbon efficiency and decoupling emissions growth from business expansion.

GHG Emissions Intensity (tCO₂e/MT)



Group Intensity: Metals & Mining



FY 2020-21 Baseline
6.44 tCO₂e/MT



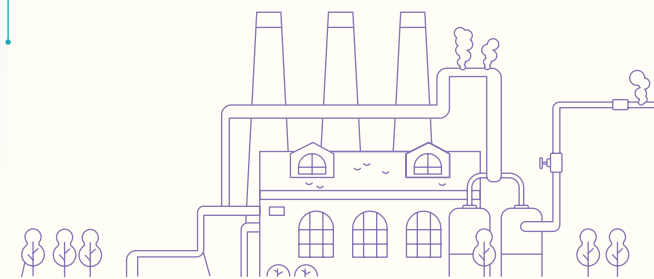
FY 2025-26
5.51 tCO₂e/MT



% Reduction
~14%



FY 2025-26 Target
20%

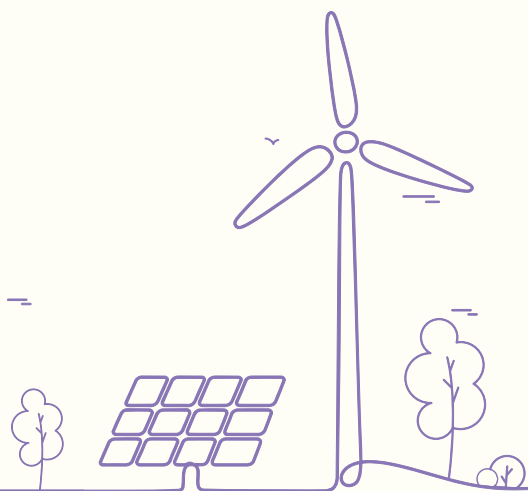


GHG Intensity: Revenue-Based (tCO₂e/INR million)

Business Units	FY 2024-25	FY 2025-26
Aluminium	65.25	58.88
Copper (India + UAE)	0.74	0.52
Iron Ore	32.34	32.64
Oil & Gas	15.94	15.98
Other (Steel + Ferro Chrome Business)	45.58	49.72
Power	249.84	208.33
Zinc India	13.79	12.86
Zinc International	7.98	7.04
Total GHG Intensity	43.75	40.32

GHG Intensity: Product-Based, Scope 1+2 (tCO₂e/MT)

Business Units	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Aluminium	6.44	8.88	9.25	8.83	8.60	7.19
Copper	0.89	0.76	0.52	0.55	0.65	0.77
FACOR	6.40	6.61	5.97	6.37	6.67	6.82
Steel	2.29	8.87	2.27	2.73	2.72	2.77
Zinc India	5.00	4.98	4.54	4.40	4.33	4.84
Zinc International	0.69	1.07	0.92	2.04	1.72	1.51
Iron Ore	2.81	2.57	2.51	2.27	2.31	2.35

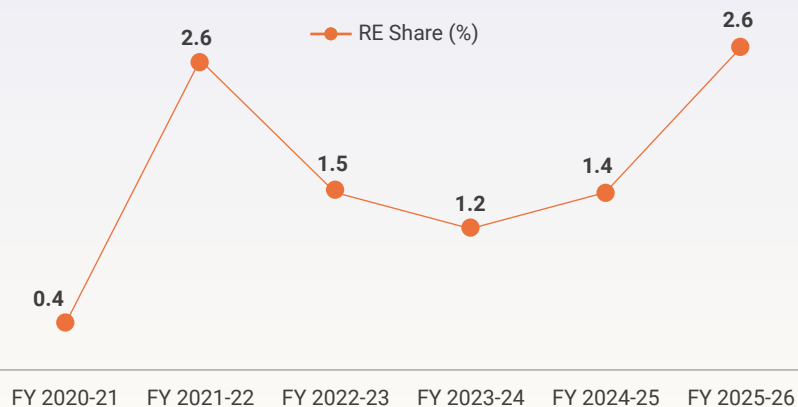
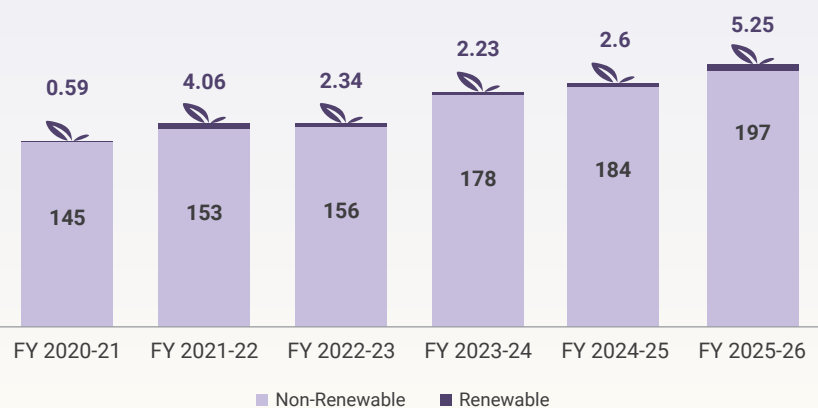


Our Energy and Water Consumption

Energy

Energy consumption remained concentrated in the Aluminium business, which accounted for approximately 60% of total Group consumption during FY 2025-26, followed by the Power business at 20% and Zinc India at 7%. Total energy consumption increased by approximately 8% during the year, driven by higher production output across these segments. The renewable share of the total energy mix rose from 1.4% in FY 2024-25 to 2.6% in FY 2025-26, with total renewable energy consumption reaching ~19 million GJ, reflecting the continued deployment of solar, wind, and biomass sources across our operations. While the renewable share remains below our FY 2029-30 ambition, this is consistent with the phased nature of our renewable energy deployment programme, and the trajectory is firmly upward. The commissioning of over 1 GW of additional renewable capacity currently under development is expected to materially accelerate this shift in the coming years, progressively reducing the Group's dependence on captive coal-based power and strengthening the overall energy mix.

Total energy consumption (million MWh)



Renewable energy highlights

Energy consumed

5.25
Bn Units

RE-RTC Capacity

454
MW

RE Share in Total Mix

2.6%

CO₂e Avoided (est.)

3.5-3.7
million tCO₂e

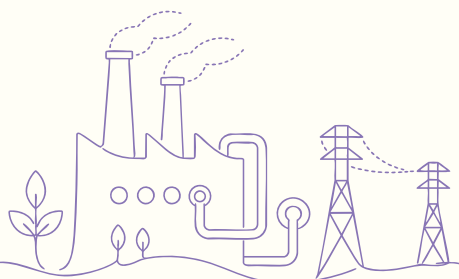


Total energy consumption (in million GJ)

Business Units	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
From renewable sources (in million GJ)				
Total electricity consumption (A)	5	5	7	12
Total fuel consumption (B)	4	1	1	5
Energy consumption through other sources (C)		2	2	2
Total energy consumed from renewable sources (A+B+C)	8	8	9	19
From non-renewable sources (in million GJ)				
Total electricity consumption (D)	41	22	18	16
Total fuel consumption (E)	522	618	646	694
Energy consumption through other sources (F)				-
Total energy consumed from non-renewable sources (D+E+F)	563	641	663	710
Total energy consumed (A+B+C+D+E+F)	571	649	673	729
Energy intensity (GJ / INR million) (Total energy consumed / Revenue from operations)	384	451	440	411

Total energy split table (million MWh)

Financial Years	Total non-renewable energy consumption	Total renewable energy consumption
FY 2025-26	197	5.25
FY 2024-25	184	2.61
FY 2023-24	178	2.23
FY 2022-23	156	2.34
FY 2021-22	153	4.06
FY 2020-21	145	0.59



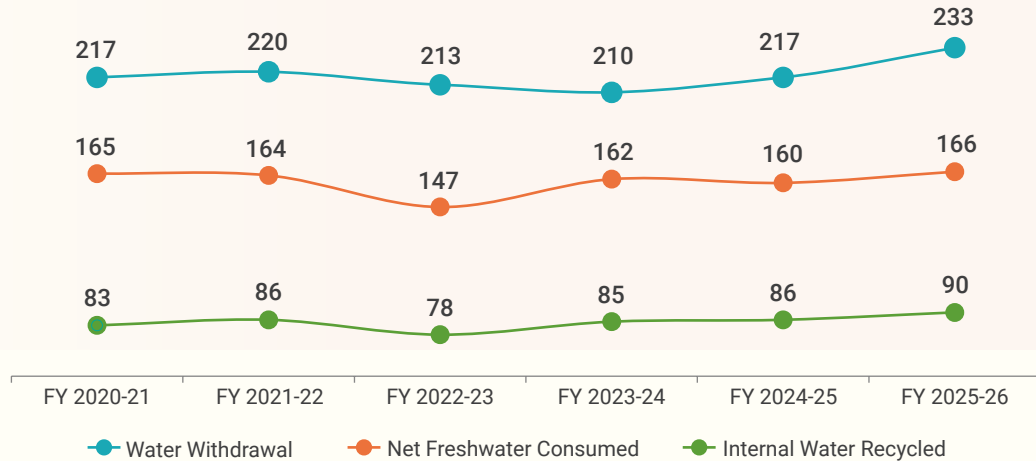
Water Metrics

Water is a critical operational input across Vedanta's mining, smelting, and processing operations and is becoming increasingly important as climate related water stress intensifies across several regions. Major operational locations, including BALCO, Cairn Oil and Gas, and TSPL, face elevated water scarcity exposure under both moderate and high emissions climate scenarios, making responsible water stewardship an important component of both climate resilience and long-term operational sustainability.

Despite continued production growth over recent years, total water withdrawal across the Group has remained broadly stable, reflecting the effectiveness of ongoing water efficiency initiatives and recycling investments in managing absolute water demand. In FY 2025-26, Vedanta recycled approximately 90 million kL of water against a total consumption of 239 million kL, achieving a water recycling (%) of around 38% and demonstrating the increasing integration of circular water management practices across operations.

Looking ahead, Vedanta remains committed to achieving net water positivity by FY 2029-30 through continued investment in advanced water management infrastructure, expanded rainwater harvesting capacity, increased grey water utilisation, and enhanced water recycling measures across operational sites. These initiatives are expected to support long term water security while enabling sustainable operational growth.

Water Profile (million kL)



FY2025-26 Water Performance

Water Withdrawal

233 million kL

Net Freshwater Consumed

166 million kL

Internal Water Recycled

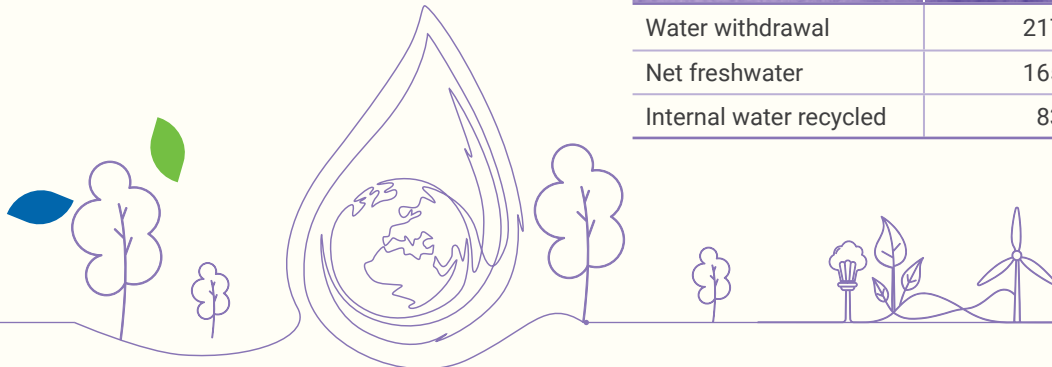
90 million kL

Water Recycling (%)

38%

Water: Withdrawal, Consumed, Recycled (million KL)

Parameters	FY 2020-21	FY 2021-22	FY 2022-23	FY2023-24	FY 2024-25	FY 2025-26
Water withdrawal	217	220	213	210	217	233
Net freshwater	165	164	147	162	160	166
Internal water recycled	83	86	78	85	86	90



Internal Carbon Price

Vedanta applies an Internal Carbon Price (ICP) of USD 15 per tCO₂e to all capital projects exceeding ₹50 million, making carbon exposure an explicit consideration in every investment appraisal rather than an externality addressed after capital commitment. The ICP systematically favours lower emission project alternatives, drives energy efficiency across operations, and ensures that low carbon opportunities are consistently identified and advanced at the point of decision making.

The framework also provides forward looking resilience against the evolving carbon pricing landscape across Vedanta's principal jurisdictions, including India's Carbon Credit Trading Scheme, the EU and UK Carbon Border Adjustment Mechanisms, and the South African Carbon Tax. Projects assessed against a benchmark of USD 15/tCO₂e today are therefore being evaluated within a cost environment broadly aligned with the direction of these emerging mechanisms. This approach reduces the risk of capital lock into high carbon assets and strengthens the Group's readiness to meet future compliance obligations without requiring reactive restructuring of its asset base.

The ICP is reviewed periodically to remain aligned with evolving regulatory requirements, market expectations, and industry benchmarks. Vedanta is also progressively extending the framework to cover key Scope 3 value chain categories as emissions visibility and data quality continue to improve.



Looking Ahead: Vedanta's Climate Trajectory Under Vedanta 2.0

Vedanta Limited's transition to Vedanta 2.0, comprising five independently governed businesses spanning aluminium, zinc, oil and gas, power, and base metals, marks a structural step forward in how climate accountability is organised across the Group. Sustainability ownership moves closer to operations, to the specific decarbonisation challenges of each sector, and to the investors and regulators who will hold each business to account on its own merits.

While the Group's long-term decarbonization ambition, including the aspiration to achieve net zero emissions by 2050 or sooner, will continue to serve as a common strategic direction, each independent business will develop its own decarbonization roadmap and interim targets following the demerger. These milestones will be tailored to the entity's sector, operational footprint, growth plans, and decarbonization opportunities, ensuring that climate commitments remain

both ambitious and achievable within the context of each business's unique operational realities. The governance structures, emissions inventories, scenario analysis methodology, internal carbon price, and risk management frameworks developed over six years of TCFD-aligned reporting give each business a credible and well-evidenced starting point for that work.

The five businesses will pursue distinct but complementary trajectories to net zero. Aluminium's pathway accelerates as the 1.03 GW contracted renewable pipeline moves from commitment to operation, progressively integrating within operations at scale. Zinc and base metals are positioned to reduce carbon intensity through renewable procurement and mine level efficiency improvements, while managing water and heat stress as principal physical risks. Oil and gas enter this next phase with OGMP 2.0

Gold Standard Pathway status already established, the first upstream company in India to do so, providing a verified emissions baseline from which methane reduction targets will be delivered. The power business will leverage biomass co-firing and infrastructure upgrades to extend the productive life of thermal assets. Steel and base metals are aligned with India's green hydrogen mission and the emerging DRI-EAF transition pathway, positioning ESL Steel to participate in the green steel value chain as technology costs continue to decline and policy support strengthens.

Each independent business will develop short, medium, and long-term targets calibrated to its sector and aligned to applicable guidance, including SBTi sectoral pathways for steel, IEA net zero roadmaps for metals, and India's CCTS sectoral frameworks. This shift to sector-specific, independently governed climate

disclosure represents a more rigorous and decision-useful accountability standard than consolidated Group reporting alone, and one that reflects the maturity of Vedanta's climate programme and the scale of its ambition.

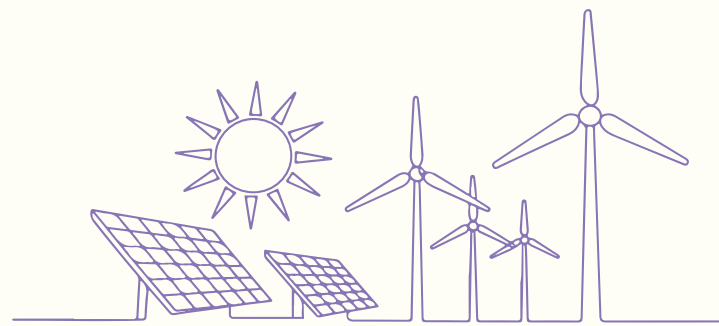
The direction is clear, the structural conditions are in place, and the capital commitments are being deployed. Vedanta 2.0 brings accountability for delivery closer to where the work happens.

In the near term, the pace of execution across these pathways may be influenced by evolving technologies, market conditions, infrastructure readiness, and policy developments, potentially resulting in variability in achieving interim emissions intensity targets. Each business remains focused on managing these factors through targeted planning and capital deployment, while maintaining alignment with its long-term decarbonisation trajectory.





Annexure



Annexure 1: Combined Index: TCFD & IFRS S2

Topic	Sub-Topic	TCFD / IFRS S2	Disclosure	Chapters
Governance	Board Oversight	TCFD	Describe the board of directors' oversight of climate-related risks and opportunities	Chapter 4, Pg: 17-18
		IFRS S2	Governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Chapter 4, Pg: 17-18
	Management's Role	TCFD	Describe management's role in assessing and managing risks and opportunities.	Chapter 4, Pg: 19-20
		IFRS S2	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Chapter 4, Pg: 19-20
Strategy	Climate-related Risks and Opportunities	TCFD	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Chapter 6, Pg: 34-67
		IFRS S2	Disclosure of significant climate-related risks and opportunities affecting business operations	Chapter 6, Pg: 34-67
	Impact on Business Model and Financial Planning	TCFD	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Chapter 6, Pg: 39-69
		IFRS S2	Effects on financial position, performance, and cash flows	Chapter 6, Pg: 39-69
	Resilience and Scenario Analysis	TCFD	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Chapter 5, Pg: 22-32
		IFRS S2	Mandatory disclosure of resilience analysis and transition plans	Chapter 5, Pg: 22-32
Risk Management	Identification and Assessment of Climate Risks	TCFD	Describe the organization's processes for identifying and assessing climate-related risks.	Chapter 7, Pg: 35-73
		IFRS S2	Disclosure of risk identification and prioritization	Chapter 7, Pg: 35-73
	Risk Integration into Overall Risk Management	TCFD	Describe the organization's processes for managing climate-related risks.	Chapter 7, Pg: 35-59
		IFRS S2	Transition planning, risk mitigation measures, and adaptation plans	Chapter 7, Pg: 35-59
	Climate Risk Mitigation and Adaptation Strategies	IFRS S2	Transition planning, risk mitigation measures, and adaptation plans	Chapter 7, Pg: 70-71
		TCFD	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Chapter 7, Pg: 70-71
Metrics and Targets	Climate-related Performance Metrics	TCFD	Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Chapter 7, Pg: 82-85
		IFRS S2	Industry-specific climate-related metrics	Chapter 7, Pg: 82-85
	GHG Emissions Reporting	TCFD	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Chapter 7, Pg: 77-81
		IFRS S2	Mandatory disclosure of Scope 1, 2, and 3 emissions	Chapter 7, Pg: 77-81
	Targets and Progress Tracking	TCFD	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Chapter 7, Pg: 75
		IFRS S2	Disclosure of climate targets, progress measurement, and supporting assumptions	Chapter 7, Pg: 75

Assurance Statement

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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECT NON-FINANCIAL INDICATORS CONTAINED IN VEDANTA LIMITED'S CLIMATE ACTION REPORT

The Management and Board of Directors
Vedanta Limited
Core 6, 3rd Floor Scope Complex 7,
Lodhi Road, New Delhi- 110003

Scope

We have been engaged by Vedanta Limited (hereafter "Vedanta" or the "Company") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements 3000 (Revised), here after referred to as the engagement, to report on select non-financial indicators as per Annexure 1 (the "Subject Matter") contained in Vedanta's Climate Action Report as of June 19, 2026 for the year ended March 31, 2026 and for the period from April 01, 2025 to March 31, 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Vedanta

In preparing the Subject Matter Vedanta has applied a basis of preparation as per Annexure 1 of this Assurance Report (the "Criteria"). Such Criteria were specifically designed for climate related disclosures. As a result, the Subject Matter information may not be suitable for another purpose.

Vedanta's responsibilities

Vedanta's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with Vedanta on January 29, 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

S.R. BATLIBOI & Co. LLP
Chartered Accountants

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Assessing the suitability of the criteria used by the entity in preparing the subject matter
- Conducting interview of select representatives of Company's management to understand the reporting process, including management's processes to identify Vedanta's material climate-related risks and opportunities;
- Obtaining an understanding of the control environment, processes and information systems relevant to the preparation of the information subject to limited assurance, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Inspecting, at selected sites, a limited number of samples as appropriate to check the accuracy of the data
- Conducting analytical procedures, as appropriate; and made inquiries of management to obtain explanations for any differences we identified
- Evaluating the overall presentation of the subject matter to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the entity's operations.

We also performed such other procedures as we considered necessary in the circumstances.

Other Information

- The Company's management is responsible for the other information. The other information comprises the information included within the Climate Action Report other than Subject Matter and our independent assurance report dated June 19, 2026, thereon.
- Our conclusion on the Subject Matter does not cover the other information and we do not express any form of assurance thereon. In connection with our assurance engagement of the Subject Matter, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter

or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Exclusions

- Data and information outside the defined reporting period: April 01, 2025 – March 31, 2026;
- Data and information on economic and financial performance of the Company;
- Data, statements and claims already available in the public domain through Annual Report, or other sources;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention;
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of June 19, 2026 for the year ended March 31, 2026 and for the period from April 01, 2025 to March 31, 2026, in order for it to be in accordance with the Criteria.

Restricted use

Our Limited Assurance report has been prepared and addressed to the Management and Board of Directors of Vedanta Limited at the request of the Company solely, to assist the Company in reporting on its climate related performance and activities. Accordingly, we accept no liability to anyone other than the Company. Our Limited Assurance Report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For S.R. Batliboi & CO. LLP
Chartered Accountants
Firm's Registration No.: 301003E/E300005

Digitally signed by
Amit Chugh
Date: 2026.06.19
11:10:38 +05'30'

Amit Chugh
Partner
Membership No.: 505224
UDIN: 26505224DLCLSY9445
Place of Signature: Gurugram
Date: June 19, 2026

Annexure-1

Indicator	Basis of preparation
Total scope 1 emissions (with BU-wise breakup)	Total absolute direct greenhouse gas emissions generated within own operations during the reporting period, calculated basis Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard)
Total scope 2 emissions (with BU-wise breakup)	Indirect greenhouse gas emissions due to purchased energy during the reporting period, calculated basis Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard)
Total scope 3 emissions (with BU-wise and category-wise breakup)	Greenhouse gas emissions in the value chain during the reporting period, calculated basis Greenhouse Gas Protocol (Corporate Value Chain Accounting and Reporting Standard).
Internal carbon price	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions and how the entity is applying carbon price in decision making;
Percentage of executive management remuneration recognized that is linked to climate related considerations.	Remuneration for executives and employees tied to sustainability achievements, including emission reductions and resource efficiency improvements.



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