

METAL WITH MEANING

EVERY TONNE. EVERY ACTION. EVERY TOMORROW.

CLIMATE ACTION REPORT FY 2026



CONTENTS

Key Highlights	4	Strategy	18	Metrics and Targets	62
Introduction	5	Climate Resilience Analysis	19	Our Ambition	63
About this Report	5	Supplier Risk Assessment	47	Net Zero Carbon Commitment	64
Reporting Boundary	7	Strategy and Decision-Making	49	Climate-Related Metrics	64
Message from the Chairman	8	Financial Impact of Climate Change	55		
Message from the CEO	10			Way Forward	70
Governance	12	Risk Management	58	Annexure	71
Climate Governance Framework	13	Risk Governance Framework	59	Annexure 1:	
Executive Compensation Linked to Climate KPIs	16	Integration into Overall Risk Management	59	IFRS S2 Disclosure Index	71
Policy Framework and Collaborative Engagement	17	Supplier Screening and Climate Risk Alignment	61	Annexure 2:	
				List of Abbreviations	75
				Assurance Statement	76



KEY HIGHLIGHTS

Emissions and Energy Performance

36,809,561
tCO₂e
Scope 1 emissions*

1,958,836
tCO₂e
Scope 2 emissions*

9,850,879
tCO₂e
Scope 3 emissions

* excluding IPP

2,562.81 MU
Renewable energy used
Up from 1,570 MU

16.57
tCO₂e/t
Emissions intensity
Down 11.4% vs FY 2021

635,757
MWh
Energy saved
From efficiency initiatives

Low-Carbon Products and Water

3.57%
of total revenue
Low-carbon product revenue
Restora and Restora Ultra

19.91 million m³
Water recycled
Up from 16.79 last year

< 1 tCO₂e/t
Restora Ultra emission intensity
(ensuring gate to gate smelter boundary)

< 4 tCO₂e/t
Restora emission intensity
(ensuring gate to gate smelter boundary)

INTRODUCTION

About the Report

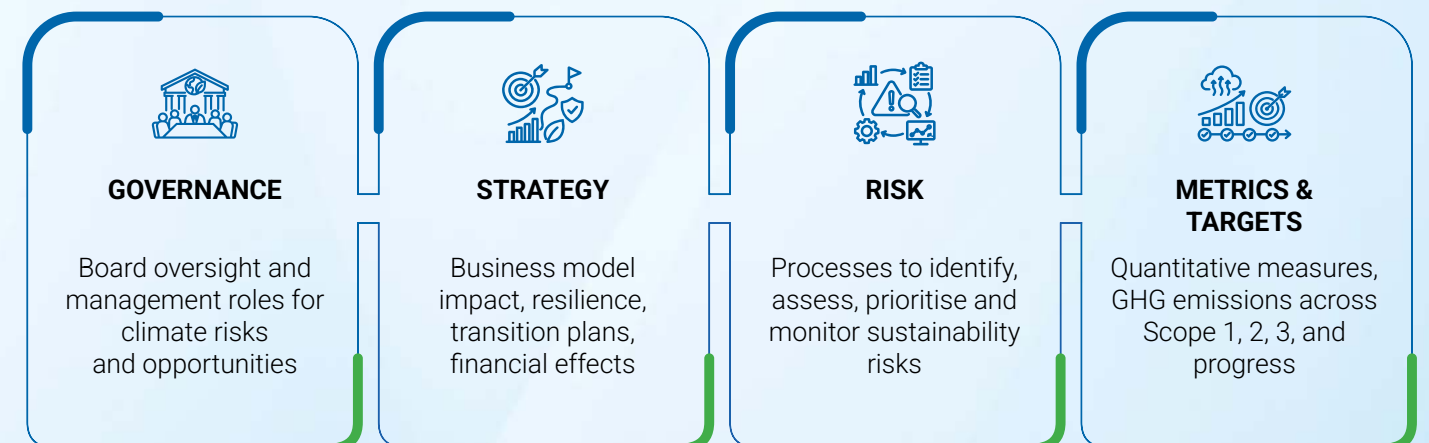
Vedanta Aluminium (“we”, “us” or “our”) is the Aluminium and Power Division of Vedanta Limited (“the Company”) and the reporting entity for this Climate Action Report for FY 2026, consistent with previous reporting periods. This Climate Action Report provides an update to our FY 2025 disclosure and describes how we identify, assess and manage climate-related risks and opportunities across our business. It sets out our climate governance arrangements, strategy, risk-management processes, decarbonisation initiatives and actions to strengthen resilience to the physical and transition risks of climate change.

The reporting entity for FY 2026 is the Aluminium and Power Division of Vedanta Limited. Pursuant to the scheme of arrangement, the demerger of the aluminium business became effective from 1 May 2026, after the

close of the reporting period, and Vedanta Aluminium Metal Limited was listed on the Indian stock exchanges on 15 June 2026. As these developments occurred after 31 March 2026, they are disclosed as subsequent events and do not affect the basis of preparation, scope or boundary of this Report.

The Report has been prepared in accordance with the IFRS S2 Climate-related Disclosures Standard¹, issued by the International Sustainability Standards Board under the IFRS Foundation and grounded in the recommendations of the Task Force on Climate-related Financial Disclosures. The adoption of IFRS S2 provides a consistent structure across the pillars of governance, strategy, risk management, and metrics and targets as shown in Figure (1) and enhances the comparability, consistency, and relevance of our climate-related disclosures.

FIGURE 1
Pillars of IFRS S2 disclosures



¹ IFRS - IFRS S2 Climate-related Disclosures

METAL WITH MEANING

EVERY TONNE, EVERY ACTION, EVERY TOMORROW

This year's report carries forward the spirit of this year's sustainability reporting theme:

'Every Tonne' reflects the discipline of producing responsibly at scale. **'Every Action'** recognises that the choices we make across operations, communities and value chains define our impact. **'Every Tomorrow'** affirms that the decisions we take today on climate, water, biodiversity, safety, inclusion and governance shape a more resilient future.

Reporting Boundary

The reporting boundary comprises the five operational sites of the Aluminium and Power Division of Vedanta Limited as shown in Figure (2), that are audited for financial reporting. The performance data is presented on a full-year basis for all five operations.

FIGURE 2

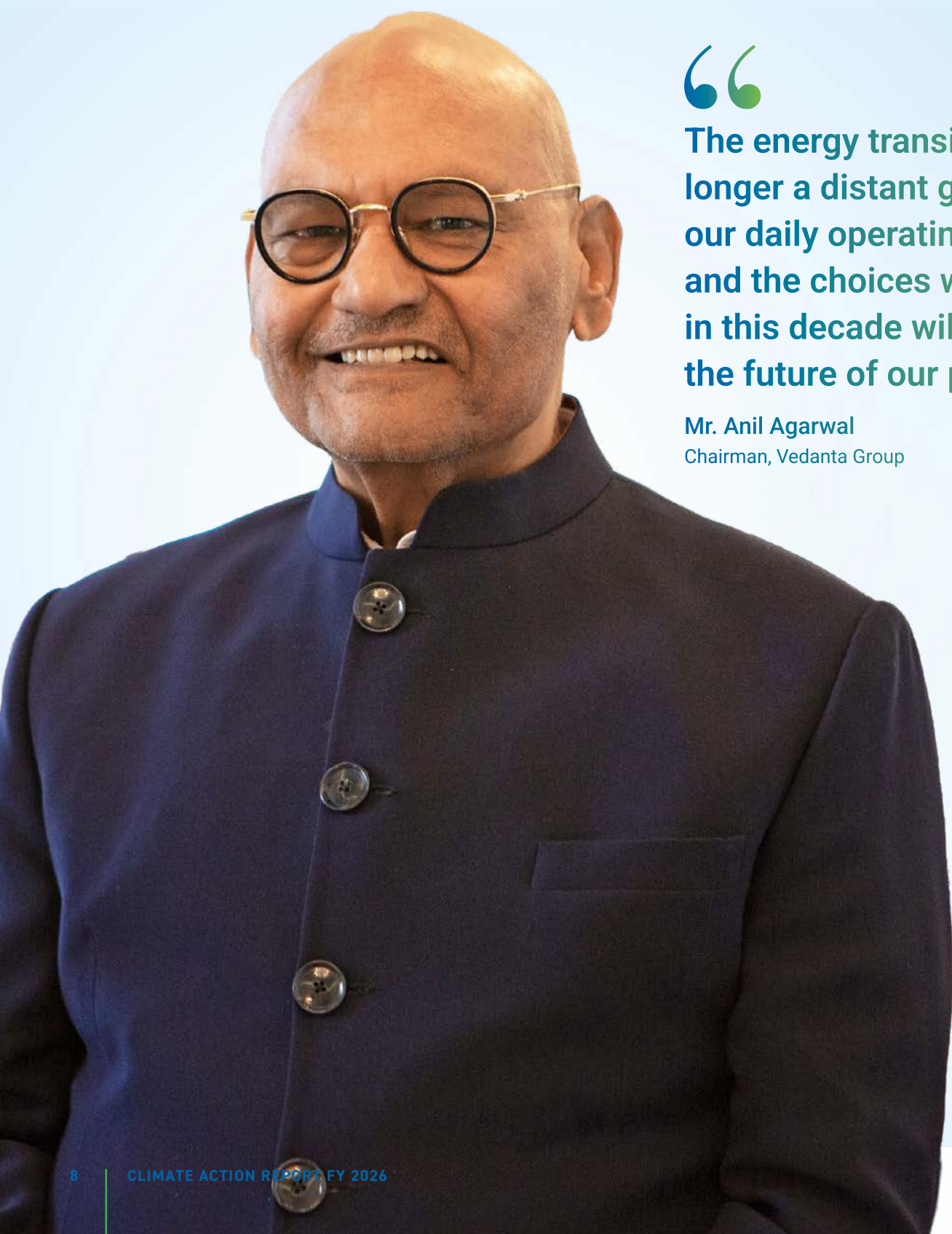
Our five operating sites are concentrated in Odisha, Chhattisgarh and Andhra Pradesh



Forward-Looking Statements

This Report contains statements relating to our plans, targets, projections and expectations, including statements on climate change and other environmental and energy-transition scenarios. Such statements are based on assumptions, data and estimates considered reasonable at the time of publication and reflect our current understanding and strategic priorities. While we are committed to transparent reporting, actual outcomes may differ materially from those expressed or implied, owing to risks, uncertainties and changes in circumstances beyond our control. Readers are advised therefore, to consider the forward-looking statements in context of these uncertainties and are not intended as guarantees of future outcomes.

MESSAGE FROM THE CHAIRMAN



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.

Mr. Anil Agarwal
 Chairman, Vedanta Group

Dear Stakeholders,

For any enterprise today, success is measured not by profitability alone but by the broader purpose it serves and, above all, by its contribution to a sustainable and climate-resilient future. 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 group of Vedanta's scale, this represents both profound responsibility and a considerable opportunity.

India occupies a central position in this transition. As the world's fastest-growing major economy, it must balance rising energy demand with the responsible stewardship of its resources, an ambition reflected in its updated Nationally Determined Contributions to reduce the emissions intensity of GDP by 47% by 2035 and to meet 60% of its power capacity from non-fossil sources. The metals and energy that we produce are not peripheral to this endeavour. They form part of the material foundation on which the nation's clean-energy infrastructure will be built.

We have matched this conviction with capital: at the Group level, our allocation towards net-zero initiatives has been increased to one billion dollars, ensuring that our climate ambitions are matched by tangible financial deployment. Our strategy is guided by long-term commitments on climate, nature and resource stewardship, supported by governance mechanisms that integrate sustainability considerations into business decision-making. In the near term, our carbon and energy targets are being aligned to

the intensity-based benchmarks set by the Government of India, and an internal carbon price now shapes every major investment we make.

Across our operations, we are advancing a broad decarbonisation agenda through cleaner energy, improved efficiency and technological innovation, while strengthening the resilience of our business. We are embedding sustainability across our value chain through electrification and resource efficiency, while converting byproducts and waste into value through initiatives such as our Red to Green programme and aluminium recovery from smelter dross. Our portfolio increasingly reflects customer demand for lower-carbon materials and more sustainable solutions, with brands such as Restora and Restora Ultra helping deliver lower-carbon aluminium to customers.

Beyond emissions, we are strengthening the resilience of our sites and of the communities around them and deepening our stewardship of water and nature. Sustainability at Vedanta is not a parallel agenda; it is woven into how we grow.

We are future-ready, resilient, inclusive and driven by innovation. With sustainability at our core, we will continue to create enduring value for the environment, for our communities and for the nation.

Anil Agarwal
 Chairman, Vedanta Group



MESSAGE FROM THE CEO



For us, climate strategy extends beyond risk mitigation to the creation of opportunity.

Mr. Rajesh Kumar
 CEO, Vedanta Limited - Aluminium Business

In presenting Vedanta Aluminium's Climate Action Report, we reaffirm our conviction that industrial excellence and environmental resilience must advance in tandem. As India's largest aluminium producer, we are acutely conscious of both the urgency of climate-related risk and the responsibility we bear in shaping a low-carbon, future-ready industrial landscape.

This Report reflects a more rigorous and proactive approach to identifying, managing, and mitigating climate-related risks across our operations and value chain. This year we lowered our Scope 1 and 2 emissions intensity to 16.57 tCO₂e per tonne of aluminium, a 11.4% reduction against our FY2021 baseline, while our energy-efficiency initiatives delivered savings of over 635,757 MWh. We have advanced our decarbonisation roadmap by scaling renewable energy, with 493 MW of round-the-clock renewable power delivery agreements signed on the path to our 1,500 MW ambition for 2030, by diversifying our energy mix through biomass firing and natural-gas substitution, and by reducing logistics emissions. Our flagship low-carbon brands, Restora and Restora Ultra, are redefining the benchmarks for sustainable manufacturing, with Restora and Restora Ultra achieving carbon intensities less than 4 tCO₂e per tonne and below 1 tCO₂e per tonne, respectively, both ensuring gate-to-gate smelter boundary. Restora Ultra ranks among the lowest greenhouse-gas-intensity aluminium products available globally.

For us, climate strategy extends beyond risk mitigation to the creation of opportunity. By investing in low-carbon technologies, expanding renewable energy, and enabling communities to adapt to climate realities, we are building a business model that is both future-ready and inclusive. Beyond emissions, we are restoring ecosystems, reducing our water and energy footprints, and collaborating with leading institutions to advance circularity through bauxite-residue utilization and rare-earth recovery.

The pace of regulatory change is accelerating, and with it the complexity of transition risk. Carbon pricing, disclosure mandates, and sector-specific decarbonisation targets under Carbon Credit Trading Scheme (CCTS) are reshaping our operating environment, and we are positioning ourselves ahead of the curve. Our internal carbon-pricing framework, set at USD 15 per tonne of CO₂e, already informs investment decisions and embeds climate accountability within our financial strategy, while our engagement with NITI Aayog contributes to the national decarbonisation pathways that will guide India's transition.

In presenting this Report, I extend my sincere appreciation to our teams, partners, and stakeholders.

Rajesh Kumar
 Chief Executive Officer, Vedanta Aluminium



GOVERNANCE

Climate governance at Vedanta Aluminium is embedded within the Company's core leadership and decision-making structures. The framework operates across three tiers, comprising Board oversight, management execution and business-unit ownership, and is supported by defined mandates, structured review cadences and clear escalation pathways.

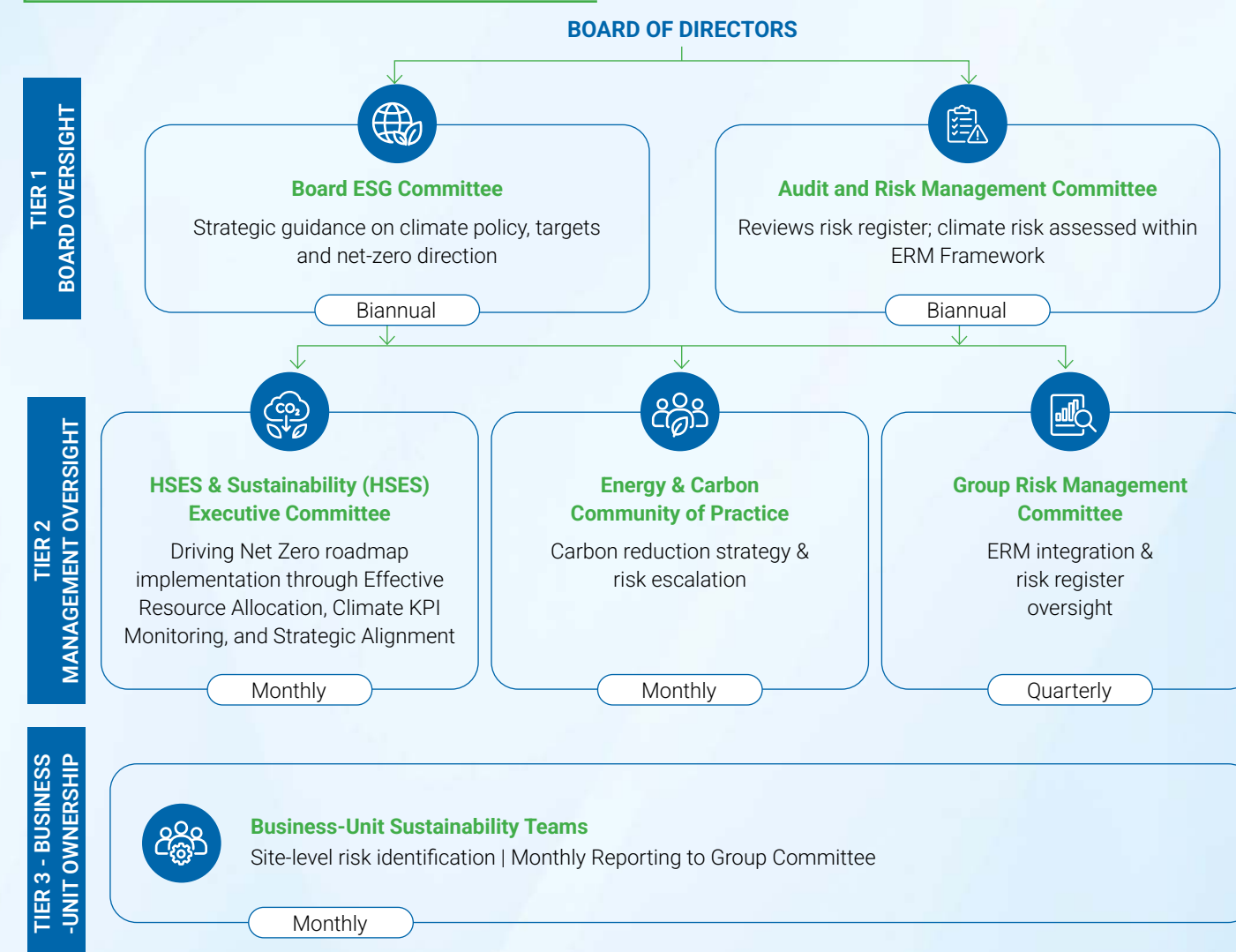


Climate Governance Framework

At Vedanta Aluminium, Climate governance is embedded within the way the business is managed and integrated into core decision-making processes. Oversight of climate-related risks and opportunities is built across three tiers: the Board that sets our direction, the management committees that turn that direction into delivery, and the site teams that own execution on the ground as shown in Figure (3). Clear roles and responsibilities, structured review mechanisms and defined escalation protocols ensure effective coordination across these levels, enabling robust oversight of climate-related performance and accountability for the delivery of our climate commitments.

FIGURE 3

Climate Governance Structure at Vedanta Aluminium



Across the three tiers, the Board sets our climate strategy, ambition and targets and signs off our disclosures. Management guide to convert those decisions into specific actions, KPIs and continuous monitoring, and our business units deliver on the ground, reporting their performance monthly. Information and insights generated at the operational level, including emerging risks, opportunities and improvement initiatives, are regularly reported to management and the Board. This two-way flow of information ensures that climate-related decision-making remains informed by operational realities, enabling the continual refinement of strategy, targets and implementation priorities.

Board Oversight

The Company's ultimate accountability for the response to climate change rests with the Board. That responsibility runs across the Net Zero Carbon commitment, the decarbonisation roadmap, the way physical and transition risks are built into strategy, and the quality of the climate-related information is placed before the 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 the Company's Integrated Report and Annual Accounts 2025-26. This is oversight we exercise directly, supported by two dedicated Board committees.

Board ESG Committee

The Board ESG Committee is where climate strategy and performance are steered at Board level. Meeting biannually and bringing together the Group Chief Executive Officer and the Independent Directors, they review progress against targets, guides and refreshes the climate strategies, assessing the adequacy of climate-related disclosures, and gives direction on the Net Zero Carbon ambition. The Committee also monitors emerging physical and transition risks between formal review cycles and reviews the integrity of climate-related disclosures.

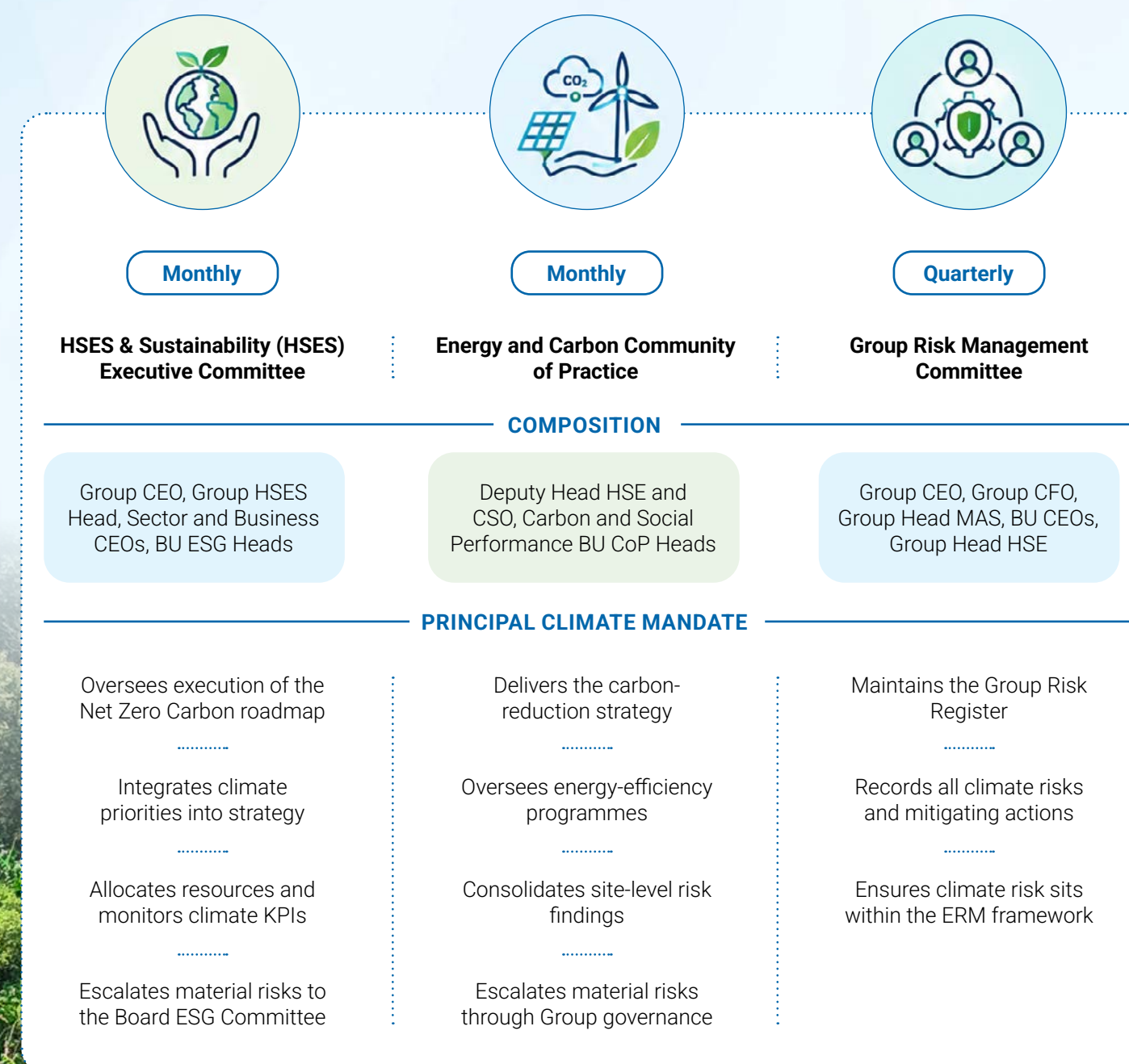
Audit and Risk Management Committee

The Audit and Risk Management Committee ensures that climate-related risks are assessed and managed within the Enterprise Risk Management (ERM) framework. It reviews the Group risk register, with climate-related risks assessed and prioritised using the same methodology applied to all other principal risks. This integration ensures that climate risk carries the same governance weight, ownership accountability and escalation visibility as any other material business risk. The Committee reviews risk mitigation measures and monitors the adequacy of controls. The two committees operate in a complementary manner: the Board ESG Committee provides strategic direction on climate ambition and performance, while the Audit and Risk Management Committee provides structured risk oversight.

Management Oversight

Between the Board and the operations sit three management bodies that turn strategy into action. Each has a clear remit, its own membership and a set review rhythm, and together they keep delivery moving and make sure anything material reaches the Board quickly as shown in Figure (4).

FIGURE 4
Management Oversight Framework



Executive Compensation Linked to Climate KPIs

Climate performance carries direct financial consequences, creating accountability that extends from Board-level oversight to individual employee participation. Three mechanisms shown in Figure (5) align the financial interests of leadership and employees with the Company's climate commitments, from the short-term delivery of annual carbon reductions to the long-term transition of the business towards Net Zero Carbon. For FY 2026, 15% of the total bonus for executives and employees is tied to ESG metrics: Percentage of executive management remuneration recognised that is linked to climate related considerations is 10 % and 5% to safety.

FIGURE 5
Executive compensation linked to climate KPIs

Annual Performance Bonus

Evaluated on a yearly basis, with oversight from the Board Remuneration Committee.

15%

of the overall annual bonus is tied to performance on ESG (Environmental, Social, and Governance) metrics.

5%

is tied to safety performance metrics.

10%

is tied to progress on sustainability goals, such as cutting greenhouse gas emissions and enhancing efficiency in resource use.

Outcomes are assessed through the Vedanta Sustainability Assurance Programme (VSAP) and feed directly into variable pay calculations.

Long-term Incentive Plan (LTIP)

Vesting under the ESOS is contingent upon meeting key sustainability targets.

3-year

Performance period required for vesting under the Employee Stock Option Scheme (ESOS).

15%

Represents the reduction in GHG emissions intensity, a key vesting condition under the current plan.

Milestones

Tied to individual contributions toward achieving set sustainability targets.

Electric Vehicle Kicker Incentive

Aligns with and supports the Group's target for light-motor-vehicle fleet electrification.

All BUs

The EV scheme is operational across every business unit.

Incentive

A financial incentive encouraging employees to opt for battery-electric vehicles when selecting company cars.

Policy Framework and Collaborative Engagement

The Energy and Carbon Policy form a core pillar of the Vedanta Sustainability Framework and provides the policy basis for the climate strategy, directing investment in renewable energy and innovation to reduce its carbon footprint. The policy is governed by the Board and executed across all levels of the organisation, embedding accountability from senior leadership through to operational teams so that climate considerations are integrated into business decisions.

Sustained collaboration with industry associations, research bodies and academic institutions shown in Figure (6) advances technical innovation in low-carbon aluminium production and ensures that operational experience informs the wider policy debate.

FIGURE 6
Vedanta Aluminium's collaboration for technical innovation

Industry Associations



- Aluminium Stewardship Initiative (ASI)
- Aluminium Association of India (AAI)
- International Aluminium Institute (IAI)
- Confederation of Indian Industry (CII) – Climate Action Charter

Research & Think Tanks



- NEERI Nagpur (National Environmental Engineering Research Institute)
- NML Jamshedpur (National Metallurgical Laboratory)
- NIAMT Ranchi (National Institute for Advanced Manufacturing Technology)
- IMMT Bhubaneswar (Institute of Minerals and Materials Technology)

Academic Institutions



- NIT Rourkela
- IIT Kanpur
- IIT Bhubaneswar

STRATEGY

At Vedanta Aluminium, we view climate change as a catalyst for innovation and long-term transformation. Our climate strategy begins with understanding how a changing climate and the transition to a low-carbon economy could affect our operations and value chain. This understanding informs our efforts to strengthen operational resilience, build adaptive capacity and advance decarbonisation, guided by our ambition to achieve Net Zero Carbon by 2050.

Accordingly, we assess climate-related risks across two broad categories:

Physical Risks



Chronic Risks



Acute Risks

Transition Risks



Policy



Market



Technology



Reputation

Climate Resilience Analysis

Our climate resilience assessment integrates physical and transition risks within a single, science-based framework that is reviewed and refined as conditions evolve. Applied consistently across all operational sites, the framework supports strategic decision-making, capital allocation and operational planning.

The assessment follows a structured six-step process as shown in Figure (7), beginning with the development of a site-specific climate profile using geospatial datasets and historical hazard records. Future climate likelihood is evaluated using IPCC² CMIP6 and NGFS³ projections to develop the risk index, identified risks are then assessed based on their exposure and potential impact on the business. These factors are combined to determine an impact score, while existing resilience measures are

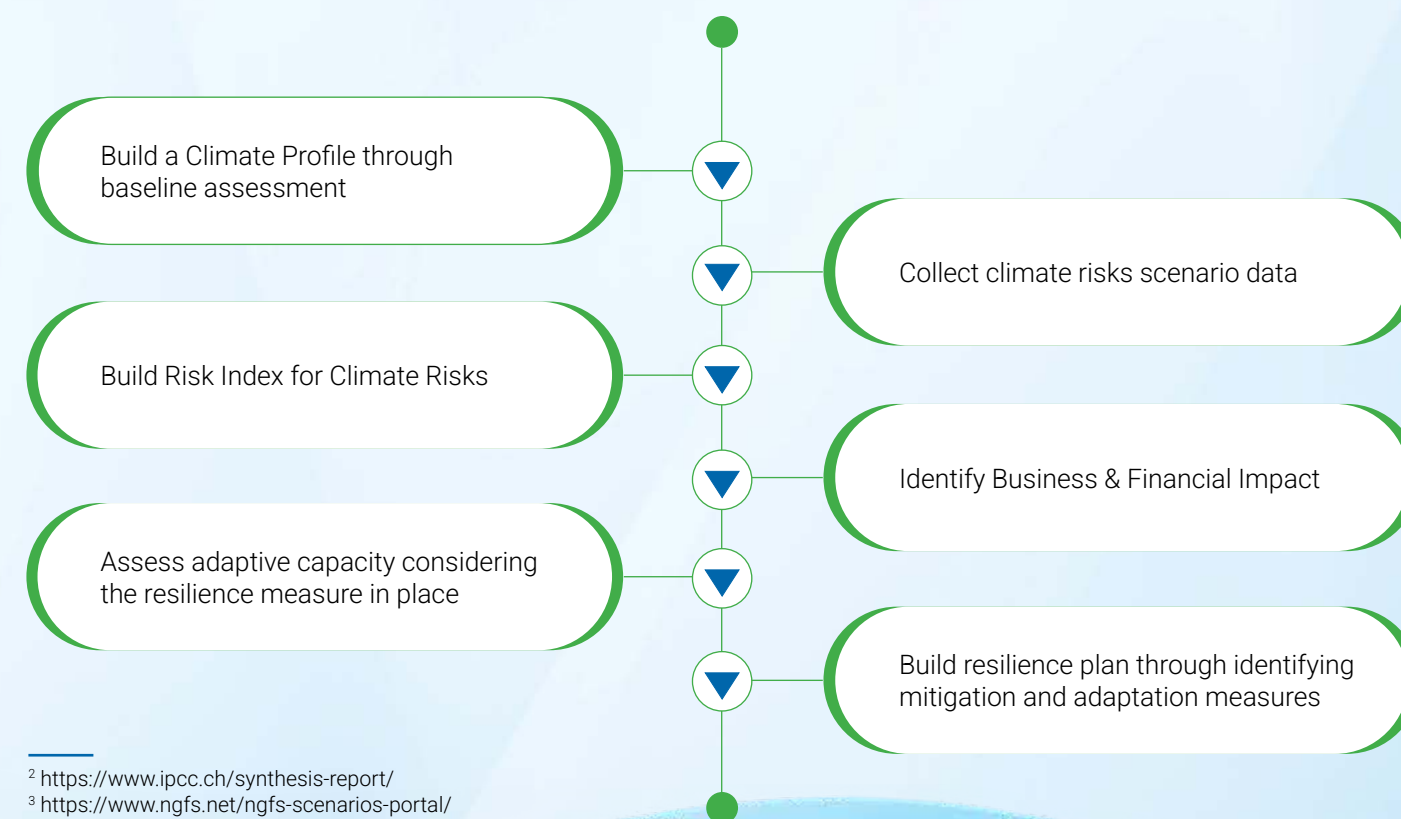
evaluated to determine adaptive capacity. The relationship between these elements is expressed through the following methodology:

$$\text{Residual Risk} = f(\text{Hazard, Exposure, Sensitivity, Adaptive Capacity})$$

where hazard, exposure and sensitivity determine the potential impact, and adaptive capacity reflects the effectiveness of existing controls and resilience measures in reducing that impact. The resulting residual risk score highlights areas where vulnerability exceeds current resilience levels, enabling targeted adaptation actions and investment priorities. Following implementation of these actions, risks are reassessed to measure improvements in resilience and update residual risk scores over time.

FIGURE 7

Process of climate resilience analysis



² <https://www.ipcc.ch/synthesis-report/>

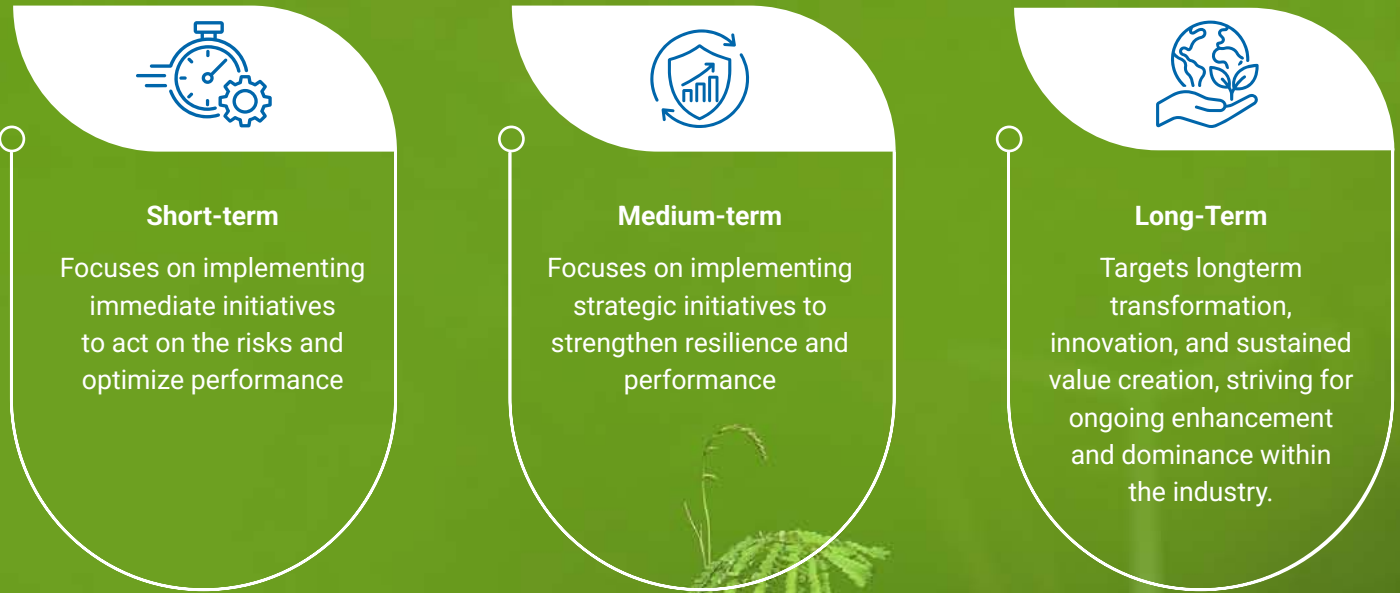
³ <https://www.ngfs.net/ngfs-scenarios-portal/>

Time Horizons and Scenarios for Climate Resilience Analysis

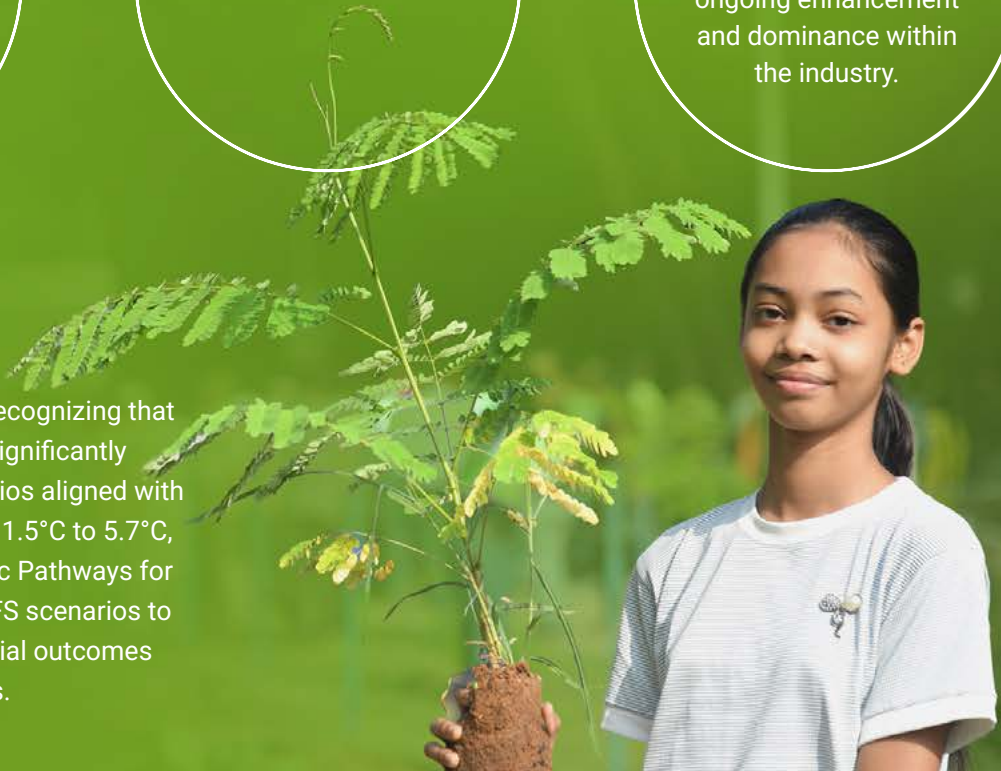
We assess physical and transition risks over defined Short, medium, and long-term horizons as shown in Figure (8), recognizing that the risks unfold over different periods. This structure supports proactive decision-making and investment planning across the relevant time frames.

FIGURE 8
Time periods of climate resilience analysis

Time period	Physical risk	Transition risk
Short term	2030	2030
Medium term	2050	2040
Long term	2100	2050



Climate resilience begins with recognizing that tomorrow’s climate may differ significantly from today’s. We assess scenarios aligned with the global temperature goals of 1.5°C to 5.7°C, drawing on IPCC Socioeconomic Pathways for climate trajectories, and on NGFS scenarios to test macroeconomic and financial outcomes under different policy intensities.

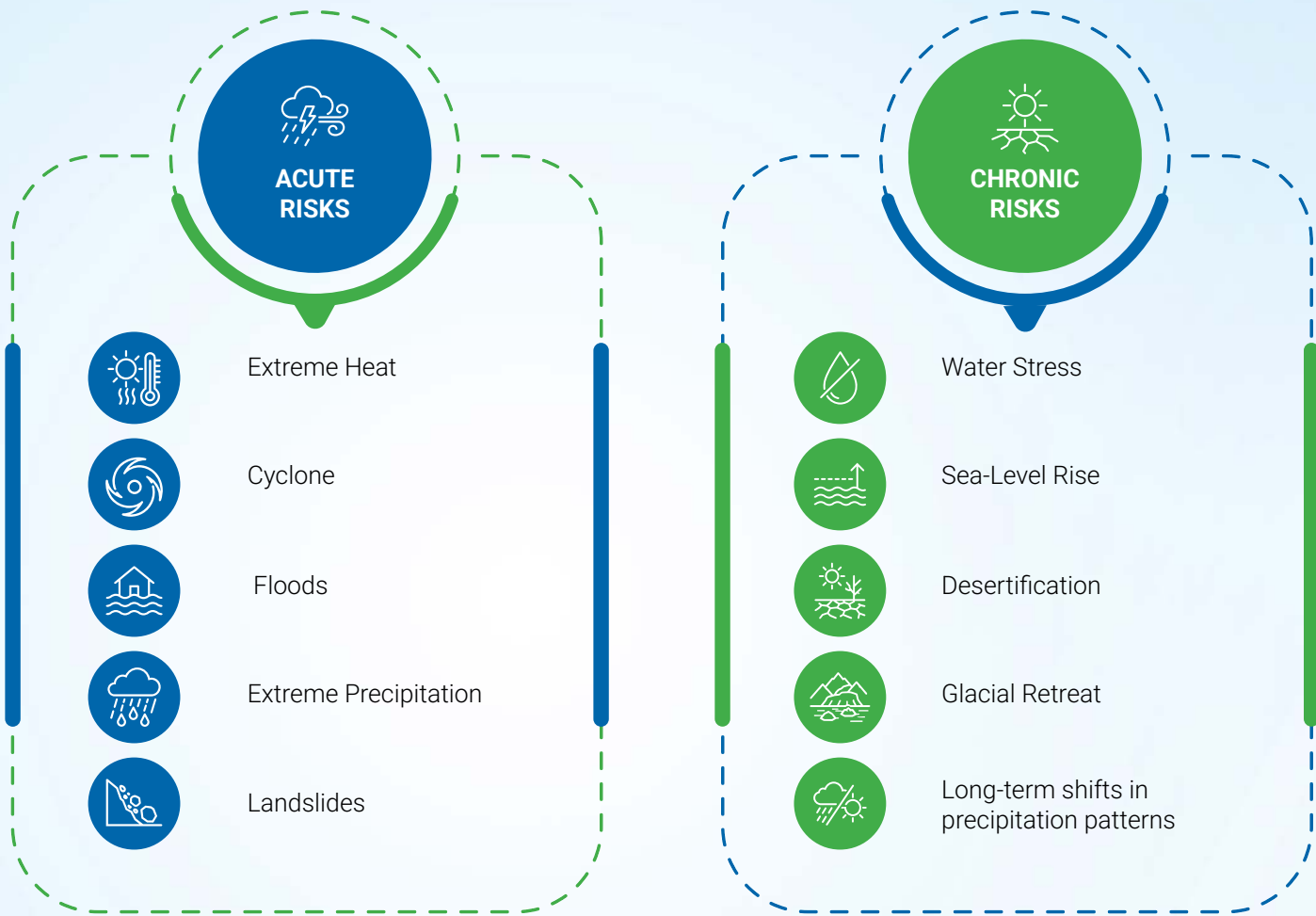


Scenario	Description	Key Assumption	Indicative Global Warming by 2100
Transition risk scenarios (NGFS)			
NGFS Net Zero 2050	Orderly transition aligned with Paris Agreement	Net-zero CO ₂ emissions globally around 2050; rapid policy action and deployment of low-carbon technologies.	~1.5°C
NGFS Below 2°C	Transition consistent with limiting warming below 2°C	Strong climate policies implemented globally with accelerated decarbonisation.	~1.8°C
NGFS Divergent Net Zero	Delayed and regionally uneven transition toward net zero	Net-zero achieved globally but with differing regional policy responses and higher transition costs.	~1.5-1.8°C
NGFS Delayed Transition	Climate policy action postponed before accelerating later	Abrupt tightening of policy after years of delay, increasing transition risks.	~1.7-2.0°C
NGFS Nationally Determined Contributions (NDCs)	Countries achieve currently announced NDC commitments	Current Paris commitments are fully implemented, but ambition does not materially increase.	~2.4-2.6°C
NGFS Current Policies	Continuation of policies currently in force	No material increase in climate-policy ambition.	>3°C
Physical risk scenarios (IPCC AR6 SSPs)			
SSP1-1.9	Sustainability pathway consistent with 1.5°C ambition	Very rapid emissions reductions and strong international cooperation.	~1.5°C
SSP1-2.6	Sustainable development pathway	Strong climate action, low fossil-fuel dependence, rapid mitigation.	~1.8°C
SSP2-4.5	Middle-of-the-road pathway	Moderate policy ambition and economic development trends.	~2.7°C
SSP3-7.0	Regional rivalry and fragmented development	Limited cooperation, high adaptation challenges, slow mitigation.	~3.6°C
SSP5-8.5	Fossil-fuelled development pathway	Continued growth in fossil-fuel consumption and emissions with limited climate action.	~4.4°C

Physical Risk Assessment

Physical climate risks are assessed across sites to understand potential exposure to extreme weather and long-term climate changes as shown in Figure (9). The analysis focuses on material hazards as that could affect operations, assets and resilience planning over short, medium and long-term horizons.

FIGURE 9
Types of Physical Risks



Following the baseline assessment of all Physical Climate Risks, the most material risks were prioritized for further analysis. Accordingly, **Extreme Heat, Floods, Cyclone, and Water Stress** were selected for detailed scenario assessment due to their potential significance across our operations.

Likelihood Scenario Analysis of Physical Risks

The likelihood scenario analysis evaluates how the likelihood of each physical hazard may vary across business units under the SSP2-4.5 central scenario and SSP5-8.5 stress scenario, across short (0-5 years), medium (5-15 years) and long-term horizons (beyond 15 years).

Likelihood of Physical Hazards under SSP2-4.5 and SSP5-8.5 Climate Scenarios

EXTREME HEAT						
Indicator	Scenario	Year	Jharsuguda	BALCO	Lanjigarh	VGCB
Days above 40 °C	SSP2-4.5	2030	●	●	●	●
		2050	●	●	●	●
		2100	●	●	●	●
	SSP5-8.5	2030	●	●	●	●
		2050	●	●	●	●
		2100	●	●	●	●
Max temperature (°C)	SSP2-4.5	2030	●	●	●	●
		2050	●	●	●	●
		2100	●	●	●	●
	SSP5-8.5	2030	●	●	●	●
		2050	●	●	●	●
		2100	●	●	●	●

FLOODS						
Indicator	Scenario	Year	Jharsuguda	BALCO	Lanjigarh	VGCB
Extreme Precipitation (%)	SSP2-4.5	2030	●	●	●	●
		2050	●	●	●	●
		2100	●	●	●	●
	SSP5-8.5	2030	●	●	●	●
		2050	●	●	●	●
		2100	●	●	●	●

● Low ● Low to Medium ● Medium to High ● High ● Extremely High

CYCLONE

Indicator	Scenario	Year	Jharsuguda	BALCO	Lanjigarh	Jamkhani	VGCB
Wind Speed (%)	SSP2-4.5	2030	●	●	●	●	●
		2050	●	●	●	●	●
		2100	●	●	●	●	●
	SSP5-8.5	2030	●	●	●	●	●
		2050	●	●	●	●	●
		2100	●	●	●	●	●

WATER STRESS

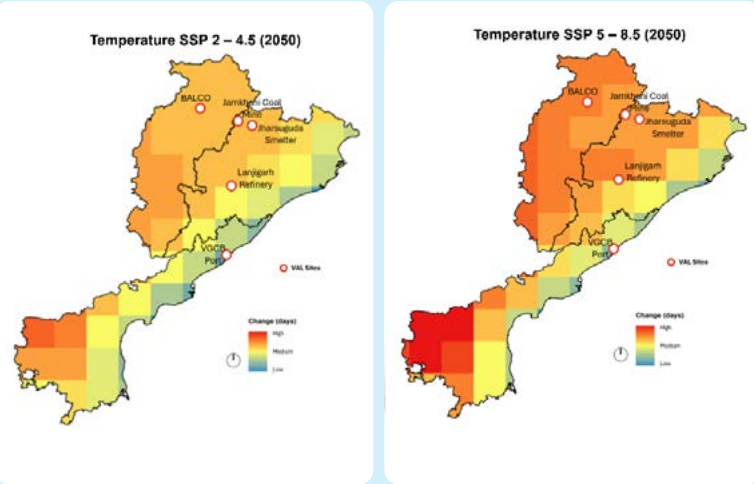
Indicator	Scenario	Year	Jharsuguda	BALCO	Lanjigarh	Jamkhani	VGCB
Per capita water (m³)	SSP2-4.5	2030	●	●	●	●	●
		2050	●	●	●	●	●
		2100	●	●	●	●	●
	SSP5-8.5	2030	●	●	●	●	●
		2050	●	●	●	●	●
		2100	●	●	●	●	●
Water Stress Index	SSP2-4.5	2030	●	●	●	●	●
		2050	●	●	●	●	●
		2100	●	●	●	●	●
	SSP5-8.5	2030	●	●	●	●	●
		2050	●	●	●	●	●
		2100	●	●	●	●	●

● Low ● Low to Medium ● Medium to High ● High ● Extremely High

Hazard Maps

The maps show the modelled change in each hazard indicator by 2050 across Odisha, Chhattisgarh and Andhra Pradesh under CMIP6 ensemble projections, consistent with the IPCC scenarios SSP2-4.5 and SSP5-8.5, with all five sites marked.

Extreme Heat Maximum Temperature



The map shows the projected increase in days per year above 40°C by 2050.

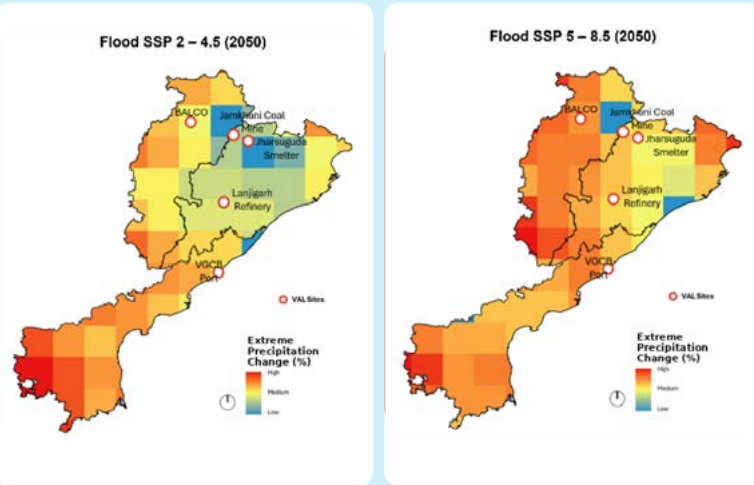
The increase is greatest at the inland sites: about +13 to +14 days under SSP2-4.5, rising to +16 to +17 under SSP5-8.5.

Lanjigarh shows a smaller rise, about +9 days (SSP2-4.5) and +12 days (SSP5-8.5). Lanjigarh shows a smaller rise, about +9 days (SSP2-4.5) and +12 days (SSP5-8.5).

The coastal Vizag port changes least, about +2 days under both scenarios.

The increase is higher under SSP5-8.5 at every site.

Floods Extreme Precipitation



The map shows the projected percentage change in extreme (maximum five-day) precipitation by 2050.

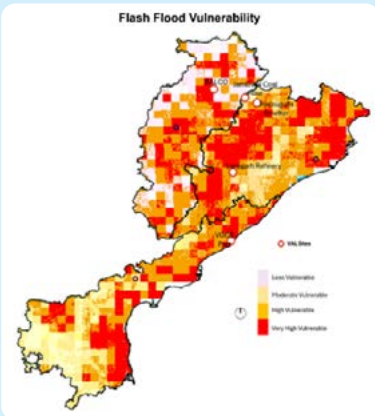
All sites show an increase; Jharsuguda is highest at about +7.5% (SSP2-4.5) and +10% (SSP5-8.5).

BALCO follows at about +4.5% (SSP2-4.5) and +9% (SSP5-8.5).

Lanjigarh, Jamkhani and VGCB show smaller increases, roughly +2 to +5% (SSP2-4.5) and about +6% (SSP5-8.5).

The increase is larger under SSP5-8.5 at every site.

Floods Flash Flood Vulnerability



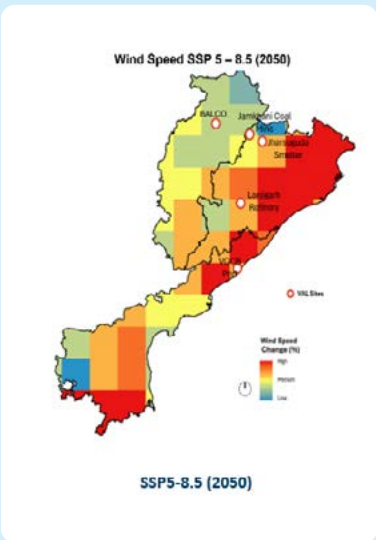
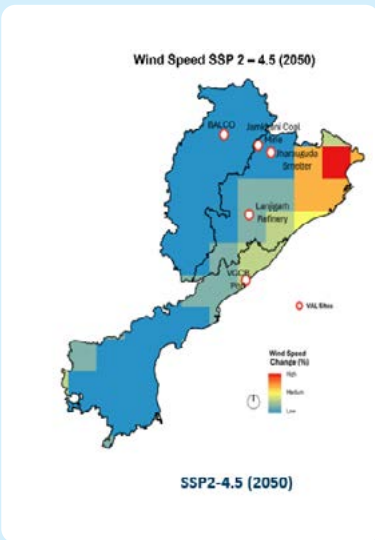
Map shows flash-flood vulnerability (Less to Very High) using runoff potential and drainage density (NRSC, ISRO), independent of past flood history.

BALCO and VCB port fall in High to Very High zones; Jharsuguda, Lanjigarh, and Jamkhani lie in moderate-to-high zones.

Based on IMD's 100-year rainfall data (1914–2013) to derive Maximum Probable Precipitation, combined with LULC, soil, slope, and drainage data via Saaty's Multi-Criteria Evaluation to generate the Flood Vulnerability Index (FVI).

This localized ($\leq 5,000$ sq. km) approach flags potential flood exposure proactively, even in areas with no documented flood history.

Cyclone Wind Speed



Mean wind-speed changes remain limited across sites under both 2050 scenarios, with localized increases observed under the higher-emissions pathway.

Planning centres on peak gusts and stronger coastal landfalls, where resilience matters most.

The VGCB port is the key node, prioritised to protect raw-material supply and value-chain logistics.

Lanjigarh, on the secondary inland gradient, is being structurally hardened as a precaution.

Cyclone risk is managed through continuity planning and insurance, supported by Bay of Bengal monitoring.

Water Stress WaterStress Index

Locations	Per capita water availability in region*						Water Stress Index**						Stage of ground water extraction (%)
	SSP2 4.5			SSP5 8.5			SSP2 4.5			SSP5 8.5			
	2030	2050	2100	2030	2050	2100	2030	2050	2100	2030	2050	2100	2024
BALCO	> 5000	> 5000	> 5000	> 5000	> 5000	> 5000	High	High	High	High	High	High	Safe (~36%)
Jharsuguda	> 5000	> 5000	> 5000	> 5000	> 5000	> 5000	Low	Low	Low	Low	Low	Low	Safe (~52%)
Lanjigarh	1700 - 5000	1700 - 5000	1700 - 5000	1700 - 5000	1700 - 5000	1700 - 5000	High	High	High	High	High	High	Safe (~45%)
Jamkhani Coal Mine	> 5000	> 5000	> 5000	> 5000	> 5000	> 5000	High	High	High	High	High	High	Safe (~46%)
VGCB	> 5000	> 5000	> 5000	> 5000	> 5000	> 5000	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Medium-high	Semi Critical (72%)

*Mean annual renewable water resources per capita in $\text{m}^3/\text{year}/\text{capita}$. It is empirically known that the area below $1700 \text{ m}^3/\text{year}/\text{capita}$ experiences water stressed.

**Water stress index is a measure of competition for water resources, defined as the ratio of total water withdrawals to available renewable surface and ground water supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.

- VGCB combines Medium-high Water Stress with Semi-Critical groundwater extraction (72%), while Lanjigarh has the lowest per capita availability and shows stress worsening to High by 2100.
- BALCO and Jamkhani Coal Mine have abundant water ($> 5000 \text{ m}^3/\text{capita}$) yet face consistently High-Water Stress Index, while Jharsuguda remains the safest site overall with Low stress and the best groundwater margin (52%).

Impacts of Physical Risks

The table below summarises anticipated impacts of physical risks at our sites under the IPCC SSP5-8.5 scenario with a 2050-time horizon:

Risks	Potential impact	Impact type	Financial Driver	Business Unit Impacted
Heat Stress 	- Extreme heat can reduce workforce productivity through fatigue, heat stress and higher health risks, which may increase absenteeism and reduce operating efficiency. - Higher temperatures can affect equipment performance and increase maintenance requirements. - Additional investment may be required in ventilation systems, protective gear, thermal roof cooling, monitoring technologies and resilient logistics to maintain safe and uninterrupted operations.	 	 	- Aluminium smelters (Jharsuguda, BALCO) - Alumina refinery (Lanjigarh) - Mine (Jamkhani) - Port (VGCB)
Water Stress 	- Water shortages may disrupt production, increase maintenance expenses due to more frequent cleaning, repairs, and replacement of water-dependent equipment. - Stricter regulations can require higher investment in recycling, wastewater treatment and resilience measures, increasing operational and capital costs. - In high-stress regions, competition for water may trigger community backlash and reputational risks, requiring strong water management strategies.	 	  	- Aluminium smelters (Jharsuguda, BALCO) - Alumina refinery (Lanjigarh) - Mine (Jamkhani) - Port (VGCB)
Flood 	- Increasing frequency and severity of extreme precipitation events can disrupt operations, damage assets and endanger workforce safety. - Intense rainfall can lead to site inundation, production delays, equipment damage, higher maintenance costs and restricted site accessibility. - Floodwaters can interrupt logistics and supply chains, hinder material movement.	 	  	- Aluminium smelters (Jharsuguda, BALCO) - Alumina refinery (Lanjigarh) - Mine (Jamkhani) - Port (VGCB)
Cyclones 	- Flooding and cyclonic conditions create important considerations for equipment resilience, operational planning and site safety protocols. - Elevated rainfall levels can increase processing and compliance requirements.	 	  	- Aluminium smelters (Jharsuguda, BALCO) - Alumina refinery (Lanjigarh) - Mine (Jamkhani) - Port (VGCB)

Impact Type

 People

 Asset

 Operation

 Asset

 Revenue

 OPEX

 Liabilities

 CAPEX

Impact Level ● Low ● Low-Medium ● Medium ● Medium-High ● High

Adaptive Capacity

The following section outlines the adaptation measures implemented and strengthened across our sites to enhance resilience to identified physical climate risks through improved preparedness, asset resilience, response capabilities and decision-making.

Our heat-resilience measures combine administrative controls, engineering controls and workforce support to reduce heat-related operational and safety impacts.

Work Scheduling and Rest Cycles  High-exposure and open-space tasks are deferred outside peak temperature windows. Direct sunlight work is restricted during the middle of the day, typically between 11:00 and 15:00, and defined work-rest cycles apply where wet-bulb globe temperatures exceed 29 °C.	Cooling Infrastructure  Rest zones and sheds are fitted with desert coolers, fans and air-conditioners. Heavy earth-moving machinery has air-conditioned cabins, with air-conditioned dining areas, ventilation louvers and ventilated headgear extending cooling to exposed operations.	Awareness and Training  Heat-illness prevention is delivered through induction, classroom training and tool box talk sessions, supported by signage and displays. The Beat the Heat campaign builds awareness of early symptoms, hydration and safe work practices.
Heat Stress Plans and SOPs  Heat Stress Management Plans, Summer Stress Management Programmes and supporting SOPs underpin emergency readiness. Emergency Response Plans address heat-related illness and Occupational Health Centres manage cases and oral rehydration support.	Hydration and PPE  Water stations, kiosks and coolers are supported by oral rehydration salts, buttermilk and lemon water during summer. Temperature and humidity indicators, hydration colour charts and random urine-specific-gravity testing guide hydration monitoring. PPE is reviewed and upgraded for heat-intensive work, including cooling vests in heat-affected areas.	Greening  Plantation and greenbelt development provide shade and local cooling. In FY 2026, 15,220 trees were planted at the Lanjigarh and around 9,000 saplings on the Jamkhani, with Miyawaki afforestation across 150 hectares at BALCO, part of a cumulative 495,300 trees planted toward a 7 million target by FY 2030.

Strengthening heat resilience at Jharsuguda

Extreme heat is assessed as material at Jharsuguda. Under the site physical climate adaptation plan, resilience is strengthened through rest areas with desert coolers, ventilated headgear, air-conditioned vehicle cabins and advanced ventilation louvers, with site-level heat action reinforced year on year.

Our flood and cyclone resilience works together across monsoon preparedness, drainage, weather monitoring, emergency response, structural protection and financial safeguards.

Monsoon Preparedness and Drainage



Ahead of each monsoon, nallahs and site drains are cleaned, catchment pits desilted and toe drains lined, with new intermediate catchment pits constructed where required. Ash-dyke monsoon-preparedness programmes are run annually, and water-evacuation systems are tested through periodic mock drills.

Weather Monitoring and Early Warning



Advanced weather-monitoring stations are installed across operations for early detection of extreme precipitation and cyclonic conditions, feeding into site preparedness and response.

Disaster Management & Emergency Response



A dedicated disaster management cell and supporting SOPs coordinate response, backed by a 24x7 emergency helpline and flood-control equipment maintained in a state of readiness.

Structural Protection and Resilient Infrastructure



Waterproofing, structural stabilization and building-protection works strengthen assets against wind and water damage, with resilient-infrastructure and timely-maintenance strategies maintained at coastal and flood-prone locations.

Financial Safeguards



Insurance arrangements for flood and cyclone exposure are under active review to align cover with the evolving physical-risk profile.

Tailing Facility Strengthening



Advanced monitoring systems, including piezometers, settlement monuments and inclinometers, are installed to continuously track pore-water pressure, settlement and lateral movement of tailing-dam embankments. These measures support dam integrity assessments, enhance geotechnical stability monitoring and strengthen early detection of potential risks.

Our water resilience works together across advanced recovery and recycling, zero-liquid-discharge operation, real-time monitoring, watershed management, community initiatives and water-body restoration.

Advanced Recovery and Recycling



Water efficiency is raised through condensate return, reverse-osmosis and multiple-effect-evaporator recovery, filter-backwash reuse and stormwater harvesting, reducing freshwater intake. Additional flow meters improve measurement, while cooling-tower operations are optimized and evaporation losses actively minimized.

Zero Liquid Discharge



All facilities operate as Zero Liquid Discharge sites. A dedicated ZLD facility at BALCO operated at full capacity during the year, with an augmented effluent-treatment plant integrated with a reverse-osmosis unit for cooling-tower blowdown treatment.

Real Time Monitoring



IoT-enabled real-time monitoring of water quality and usage supports daily water balances and rapid response to deviations from expected performance.

Watershed Management



Integrated watershed and livelihoods programme across Lanjigarh and Kalahandi, reached 4,300 beneficiaries during the year and created 1.1 million m³ of groundwater recharge potential across 42 focus villages and more than 800 acres of watershed.

Community Water Initiatives



Community water initiatives include rainwater-harvesting ponds, solar borewells and livelihood-linked water programmes, extending water security beyond the fence line. Collaborative initiatives such as Jeevika Samriddhi at Jharsuguda and Mor Jal, Mor Matti at BALCO promote sustainable agriculture, strengthen community partnerships, and support net water positivity goals.

Water Body Restoration



Traditional water-body restoration continued to scale, with the number of water bodies restored rising from 64 to 132 year on year, improving groundwater recharge and local biodiversity.

Rainwater harvesting ponds recharging groundwater at Jamkhani

Three rainwater-harvesting ponds (6,750 m³, 6,300 m³ and 2,700 m³) were built and are operated, executed through the mine developer-operator. Net water positivity improved from a baseline of 0.52 to 0.60, against a long-term target of 1.0, with a short-term vision to recharge 9,450 KL annually. Local communities have benefited from improved groundwater levels and biodiversity, with fencing and signage added for safety.

Project Sangam: Integrated watershed and livelihoods at Lanjigarh

Project Sangam, our integrated watershed and livelihoods programme across Lanjigarh and Kalahandi, reached 4,300 beneficiaries during the year and created 1.1 million m³ of groundwater recharge potential across 42 focus villages and more than 800 acres of watershed. The programme combines watershed development, ponds and rainwater harvesting with climate-resilient agriculture, aquaculture, sanitation and renewable energy adoption. Across the organisation, water stewardship crossed 24 lakh m³ of recharge and storage during the year.



Overall Results of Physical Risk Assessment

The physical risk assessment rates each hazard by its likelihood and its potential impact at every site, which together give an inherent level of risk. The adaptive capacity measures set out above then act on that inherent risk. What remains once those measures are in place is the residual risk.

Structured heat management, cooling infrastructure and workforce support reduce the residual impact of heat on people and operations, while zero liquid discharge operation, water recovery and watershed programmes ease the residual exposure to water stress, supported by the progress toward water positivity. For floods and cyclones, monsoon preparedness, drainage, early warning

and structural protection lower the residual risk, but because these events are driven by factors beyond the site boundary, a level of residual exposure remains at coastal and low-lying locations and is managed through proactive risk monitoring and emergency response planning.

Adaptive capacity brings physical risk to a level we consider manageable across its operating sites over the short and medium term. Under the SSP5-8.5 scenario with a 2050-time horizon Residual physical risk is highest for the acute, externally driven hazards like flooding and cyclones. We continue to prioritize further resilience investment, and they are carried into the risk management process for monitoring and review.

Risk	Likelihood	Impact	Adaptive Capacity	Residual Risk
Extreme Heat	●	●	●	●
Flood	●	●	●	●
Cyclone	●	●	●	●
Water Stress	●	●	●	●

● Low ● Low to Medium ● Medium ● Medium to High ● High

Transition Risks Assessment

Transition risks arise from the shift to a low-carbon economy and fall into four categories: policy and legal, market, technology, and reputation as shown in Figure (10). They can affect our costs, capital plans, products and access to markets and finance. This section introduces each category, explains how we rate likelihood, and sets out the likelihood of each risk across our business units.

FIGURE 10
Types of Transition Risks

Policy and Legal

Arising from new climate-related rules, laws, and official policies, such as emissions caps, carbon taxes, and mandatory environmental disclosure mandates, which can increase compliance costs or dictate business model changes.

Key Drivers:

- Impending regulations on emissions and climate disclosures.
- New carbon pricing mechanisms.



Market

Stemming from shifts in market dynamics and consumer and investor behaviour, driven by global climate awareness. These trends, such as sustainability preferences, can alter revenue streams and change the competitive landscape.

Key Drivers:

- Shifting consumer preference towards green products.
- Reliance on high-carbon fuels as core energy sources.



Technology

Originating from the development and deployment of new low-carbon technologies, which may displace existing systems, require significant capital expenditure, or make current infrastructure obsolete.

Key Drivers:

- Adopting low-emission advanced technologies.
- Implementing cleaner energy and efficient technology solutions.



Reputation

Derived from how stakeholders and the public perceive an organisation's environmental performance and commitment to climate action, which affects brand value, customer loyalty, and access to capital.

Key Drivers:

- Growing investor and stakeholder scrutiny of corporate climate performance.



Likelihood Scenario Analysis of Transition Risks

The heat map below shows the likelihood rating of each risk at every site, under Net Zero 2050 climate scenario. Color indicates the likelihood rating on the scale below:

POLICY & LEGAL									
Indicator	Smelters (BALCO & Jharsuguda)			Refinery (Lanjigarh)			Mine (Jhamkhani)		
	2030	2040	2050	2030	2040	2050	2030	2040	2050
Emerging regulation & Emission disclosures	Low	Medium	High	Low	Medium	High	Medium	High	Extremely High
Carbon pricing mechanism	Medium	High	Extremely High	Medium	High	Extremely High	Low	Low	Low

MARKET									
Indicator	Smelters (BALCO & Jharsuguda)			Refinery (Lanjigarh)			Mine (Jhamkhani)		
	2030	2040	2050	2030	2040	2050	2030	2040	2050
Change in consumer preference	Low	Medium	High	Low	Medium	High	Low	Medium	High
High dependency on coal	Low	Medium	High	Low	Medium	High	Low	Medium	High

TECHNOLOGY									
Indicator	Smelters (BALCO & Jharsuguda)			Refinery (Lanjigarh)			Mine (Jhamkhani)		
	2030	2040	2050	2030	2040	2050	2030	2040	2050
Adoption of lower energy advanced technologies	Low	Medium	High	Low	Medium	High	Low	Low	Low
Switch to cleaner energy & energy efficient technologies	Low	Medium	High	Low	Medium	High	Low	Low	Medium

REPUTATION									
Indicator	Smelters (BALCO & Jharsuguda)			Refinery (Lanjigarh)			Mine (Jhamkhani)		
	2030	2040	2050	2030	2040	2050	2030	2040	2050
Increasing awareness aiming stakeholders & investors	Low	Medium	High	Low	Medium	High	Medium	High	Extremely High

● Low ● Low to Medium ● Medium to High ● High ● Extremely High

Impacts of Transition Risks

The overall summary for impacts at the sites for transition risk scenarios is shown in the table below:

Policy & Legal				
Risks	Potential impact	Financial Driver	Business Unit Impacted	
Emerging Emissions and Disclosure Regulation	- Increased compliance costs due to stricter climate regulations and disclosure requirements. - Risk of fines, penalties, and enforcement actions for non-compliance. - Significant capital expenditure required for compliance measures such as FGD installation at BALCO. - Opportunity to attract investors and capital through strong sustainability and disclosure performance. - Renewable energy price fluctuations may increase electricity procurement costs.		- Aluminium smelters (Jharsuguda, BALCO) - Alumina refinery (Lanjigarh) - Mine (Jamkhani)	
				
				
Carbon Pricing Mechanism	- Product pricing pressure and potential margin compression due to CBAM, CCTS and carbon pricing regulations. - Requirement to purchase carbon credits if emissions exceed regulatory caps. - Additional capital investment needed for low-carbon technologies and renewable energy adoption. - Opportunity to differentiate through low-carbon aluminium and improve export competitiveness in sustainability-focused markets.		- Aluminium smelters (Jharsuguda, BALCO) - Alumina refinery (Lanjigarh) - Mine (Jamkhani)	
				
				
Financial Metric				
 Asset	 Revenue	 OPEX	 Liabilities	 CAPEX
Impact Level ● Low ● Low-Medium ● Medium ● Medium-High ● High				



 Market

Risks	Potential impact	Financial Driver	Business Unit Impacted
Change in Consumer Preference	• Risk in loss of market share as customers shift towards low-carbon and recycled aluminium products. • Increased demand for traceability and sustainability across supply chains. • Growing consumer willingness to pay a premium for low-carbon aluminium. • Sustainable manufacturing investments may increase production costs. • Greater share of low-carbon aluminium presents a competitive advantage and long-term cost benefits.	 	● Aluminium smelters (Jharsuguda, BALCO) ● Alumina refinery (Lanjigarh) ● Mine (Jamkhani)
High Dependence on Coal as Primary Energy Source	• Higher coal prices may increase electricity and operating costs. • Pressure to invest in renewable energy infrastructure. • Reduced demand for coal as renewable energy becomes more cost competitive over the years. • Opportunity to reduce dependence on fossil fuels and mitigate long-term energy price and emissions risks.	 	● Aluminium smelters (Jharsuguda, BALCO) ● Alumina refinery (Lanjigarh) ● Mine (Jamkhani)

Financial Metric



Impact Level ● Low ● Low-Medium ● Medium ● Medium-High ● High

 Technology

Risks	Potential impact	Financial Driver	Business Unit Impacted
Adoption of Lower-Emission Advanced Technologies	• High investment requirements for digitisation, IoT, AI, CCUS, EV freight, and advanced manufacturing technologies. • Retrofitting existing assets with new technologies may require replacing legacy systems. • Improved operational efficiency, reduced downtime, lower emissions, and better competitiveness.	 	● Aluminium smelters (Jharsuguda, BALCO) ● Alumina refinery (Lanjigarh) ● Mine (Jamkhani)
Switching to Cleaner and Energy-Efficient Technologies	• Significant capital expenditure required for advanced renewable energy technologies and equipment upgrades. • Potential stranded asset risk associated with existing technologies. • Need for continuous investment in energy-efficient processes to remain competitive. • Reduced electricity costs, carbon costs, and compliance costs over the long term.	 	● Aluminium smelters (Jharsuguda, BALCO) ● Alumina refinery (Lanjigarh) ● Mine (Jamkhani)

 Reputation

Risks	Potential impact	Financial Driver	Business Unit Impacted
Increasing awareness aiming stakeholders & investors	• Additional investment required in emission control systems, waste management, and environmental mitigation measures. • Growing expectation for transparent climate and emissions disclosures. • Risk of reputational damage, penalties, and reduced stakeholder trust from inadequate climate performance. • Strong decarbonisation performance can improve investor confidence, access to finance, and competitive positioning.	  	● Aluminium smelters (Jharsuguda, BALCO) ● Alumina refinery (Lanjigarh) ● Mine (Jamkhani)

Financial Metric



Impact Level ● Low ● Low-Medium ● Medium ● Medium-High ● High



Carbon Trading Mechanisms

Carbon Border Adjustment Mechanism

The EU CBAM entered its Definitive Regime on 1 January 2026, replacing the transitional reporting phase. Under the definitive regime, embedded emissions associated with CBAM-covered exports to the EU are subject to annual declaration, verification, and certificate surrender requirements. We have implemented a structured compliance programme encompassing emissions monitoring and have been reporting emissions in line with EU CBAM methodologies since the transitional phase. During the definitive period from January to December 2026 (CY2026), we will appoint an accredited CBAM verifier for verification of CY2026 emissions data, which will support the first annual CBAM declaration

due in 2027. Upon successful completion, a verified emissions statement will be issued for use in CBAM reporting and customer disclosures.

Thereafter, during the declaration and certificate procurement phase, verified emissions data will be shared with EU customers and Authorized CBAM Declarants to facilitate regulatory reporting. Looking ahead, Vedanta Aluminium will continue to strengthen its emissions monitoring framework, maintain audit readiness, support customer compliance requirements and advance decarbonisation initiatives aimed at reducing embedded emissions and managing carbon-related costs.

Understanding the CCTS Framework

The Carbon Credit Trading Scheme, introduced by the Ministry of Environment, Forest & Climate Change through the Energy Conservation (Amendment) Act 2022, represents a major regulatory shift for India's energy-intensive industries. The Bureau of Energy Efficiency has already set emissions intensity targets specific to aluminium production, placing Vedanta Aluminium's operations squarely within the scheme's mandatory framework. The compliance model operates on a simple premise: facilities that beat their assigned targets earn tradable Carbon Credit Certificates, whereas those falling short must buy certificates to make up the difference. This structure translates emissions performance into real financial consequences. Vedanta Aluminium's operating units are currently aligning their processes to meet these government-mandated benchmarks within the given timeframes.

Alongside the compliance targets, the scheme provides a pathway for generating credits

through an offset mechanism, now supported by newly approved project methodologies. This opens the door for emissions reduction initiatives, such as clean energy deployment and afforestation, to be converted into certified carbon credits. Vedanta Aluminium is currently evaluating how its existing renewable energy projects and afforestation efforts might qualify under this framework, which could offer additional flexibility in meeting compliance requirements while also generating value from sustainability investments already underway.

In anticipation of tightening carbon regulations, the Company has built a forward-looking safeguard into its investment process by applying an internal carbon cost of USD 15 per tonne of CO₂ equivalent. This approach ensures that the true cost of carbon is factored into decision-making from the outset, steering capital toward cleaner technologies and reducing exposure to compliance costs that are likely to rise as intensity thresholds become progressively stricter.

Adaptive Capacity

The site's adaptive capacity mitigates potential impact through the enhancement of regulatory and carbon-market readiness, the strengthening of energy efficiency and resource management across operations, the acceleration of emission reduction through renewable energy and low-carbon technology adoption, and the facilitation of informed, carbon-aware decision-making across the business.

The summary sets out below details of the adaptation measures implemented across sites to strengthen resilience against identified transition risks.



Environmental Compliance and Monitoring

Environmental compliance is backed by continuous emissions monitoring and biannual reporting to the pollution control boards across all operating sites. Compliance registers and controls are maintained and audited so obligations are met as rules tighten.

01



Transparent Disclosure and Assurance

- ESG data management has been strengthened on the Enablon platform, and third-party assurance of public disclosures and Scope 3 disclosures gives investors and customers confidence in reported performance.
- SDR, TCFD, and TNFD disclosures are published with transparent progress updates and metrics, in alignment with DJSI reporting requirements.

02



Internal Carbon Price Signal

A shadow carbon price is applied in investment decisions so that the cost of emissions is weighed in every major project. This keeps capital allocation aligned with a tightening carbon price outlook under the border adjustment mechanism and the domestic carbon market.

03



Low-Carbon Product Brands

Vedanta Aluminium is expanding its low-carbon aluminium portfolio through Restora and Restora Ultra, providing customers with lower-carbon products. These offerings reduce embedded product emissions, support circularity through recovered-material inputs, and enhance resilience to evolving carbon-pricing mechanisms and changing customer preferences for low-emission materials.

04



Renewable Energy Expansion and Fuel Transition

- Vedanta Aluminium is reducing dependence on fossil fuels and lowering the carbon intensity of operations through a combination of renewable energy expansion and fuel switching initiatives. Renewable power purchase agreements, including round-the-clock renewable energy agreements of 218 MW and 275 MW, support low-carbon production and form part of a broader plan to bring approximately 1,500 MW of renewable energy capacity online and increase the share of renewables in the energy mix to 30% by 2030.
- Complementing this transition, biomass co-firing in boilers at the Lanjigarh and BALCO captive power plants and biodiesel blending in liquid fuels are being implemented to steadily displace fossil fuels and diversify the energy mix with lower-carbon alternatives.

05



Circular Economy Initiatives

- Circularity measures keep by-products in use rather than in storage, including more than 100 % fly ash reuse in various sustainable avenues, high concentration slurry disposal for ash handling, dross processing through Runaya, and spent pot lining co-processed in cement. Continuous ambient and stack monitoring track performance.
- Restora Ultra is produced in partnership with Runaya Refining, using TAHA International's patented dross processing technology that turns smelting waste into high-value aluminium. Both Restora and Restora Ultra can be customized into Billets, Primary Foundry Alloy (PFA), Wire Rods, Slabs, P1020 Ingots, and other formats for end-use industries.

06



Low-Carbon Transportation and Logistics

- The business runs India's largest electric forklift fleet and is extending it across sites.
- Scope 3 transport emissions are being cut by moving more material by rail than road, adopting bogey tank alumina rakes and using natural gas as a cleaner fuel, lowering overall emissions intensity of operations. Moisture management in bulk raw material transport during the monsoon is ensured to improve efficiency.

07



Digital Integration

- IoT and digitization support cooling water analysis, digital twin predictive maintenance, advanced asset performance management and machine learning surveillance. A robust manufacturing execution system (MES) offers full visibility into critical plant operations, enabling remote decision-making and improved process control.
- A digital tool now tracks border-adjustment and domestic carbon-market obligations, giving early visibility of exposure and reporting requirements.

08



Energy Efficiency and Operational Decarbonisation

- IE3 and IE4 high efficiency motors, variable frequency drive upgrades, LED replacements and heat transfer circuit optimization reduce electricity demand across Jharsuguda, BALCO and Lanjigarh sites.
- Smelting efficiency is improved through energy efficient pot lining, slotted anodes and a first of its kind fill-less induced draft mist cooling tower that lowers energy use.
- Biomass co-firing was scaled up during the year at the Lanjigarh and BALCO captive power plants, and biodiesel blending in light diesel oil was trialed successfully at 20 percent. Compressor and other energy-efficiency projects further cut the carbon intensity of operations.
- Fume Treatment Plants with over 99 percent of fumes and fluorides removal efficiency installed at the smelters.
- Hybrid electrostatic precipitators, bag filters, mist cannons, and dust suppression systems are deployed to control particulate emissions. These systems are kept fully operational and upgraded as pollution control obligations expand.
- An energy conservation of 1.6 MW is being installed in an evaporation unit at the Lanjigarh alumina refinery to recover waste heat, with scope to replicate the design across other units.
- Closed conveying systems have been deployed to minimise material losses, dust emissions and associated environmental impacts.
- Magnetic doors are installed at potline to minimize fugitive emissions.

09



Introduction

Governance

Strategy

Risk Management

Metrics and Target

Way Forward



Innovation Partnerships

Pilot studies of new technologies test feasibility and scalability, keeping the response to stakeholder expectations grounded in demonstrated results.

10



Community Trust and Water Stewardship

- Community engagement on water conservation and rural livelihoods, including flagship watershed work, demonstrates stewardship in the regions where we operate.
- Solar street lights have been installed in and around Jharsuguda and mines.

11

Boiler air pre-heater upgrade at Lanjigarh

This initiative addressed ageing infrastructure at the 90 MW Captive Power Plant, where prolonged operation had resulted in leakages and extensive dummaging in economizer coils, leading to higher specific coal consumption and frequent operational disruptions. To improve thermal efficiency and fuel utilisation, the secondary air preheater in the boilers was upgraded. The intervention restored heat-transfer efficiency, improved combustion performance, reduced operational disruptions, and enhanced overall plant efficiency.



Advancing Electric Mobility across Operations at BALCO and Jharsuguda

Electric-vehicle loaders introduced has moved about half of the loading fleet to electric power, cutting an estimated 120 kg of carbon emissions an hour, while the largest electric forklift fleet in India was doubled at Jharsuguda for internal material handling. Both steps advance the goal of a fully electric fleet on the way to Net Zero Carbon by 2050



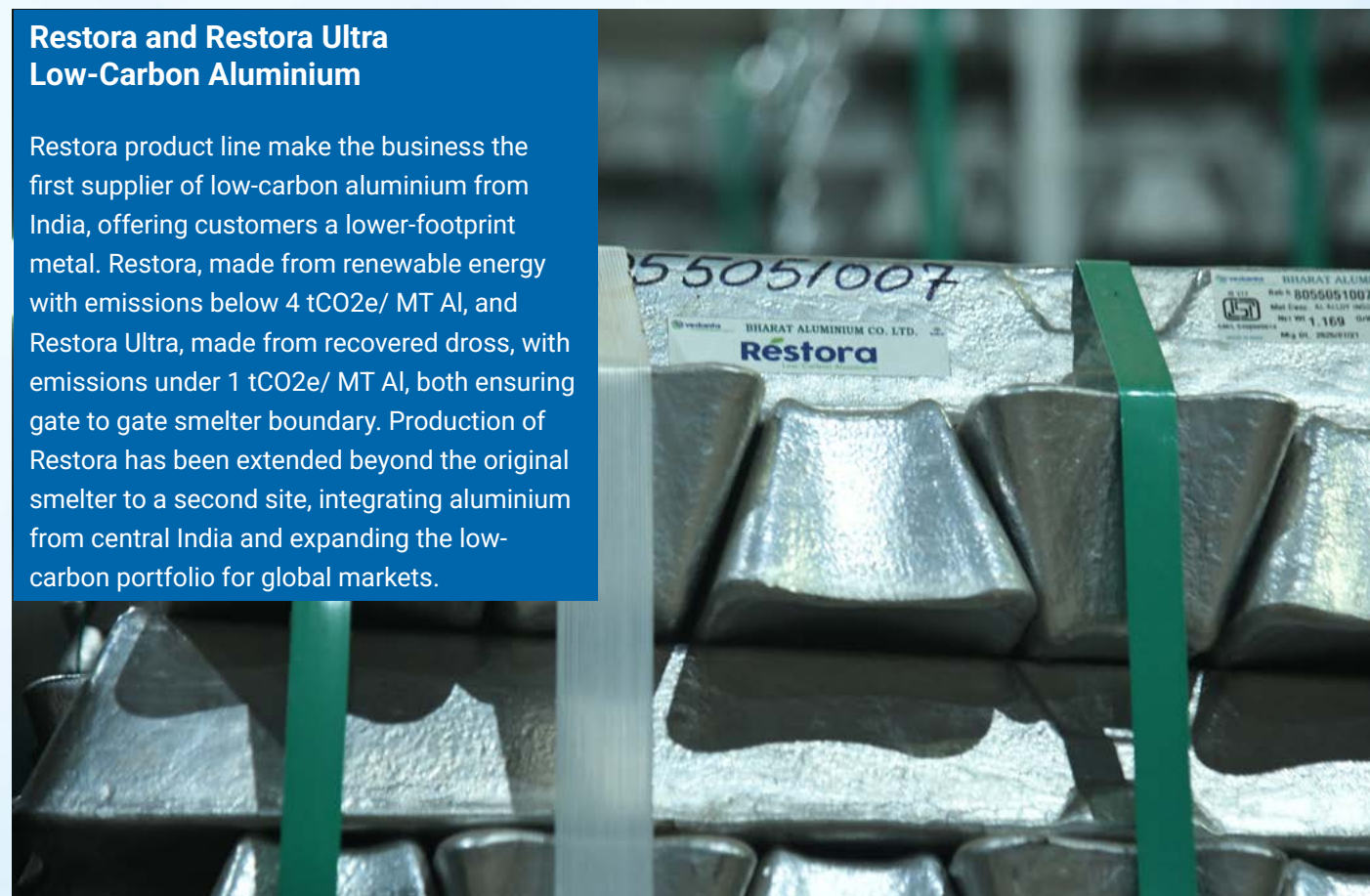
Internal Carbon Pricing in Capital Decisions

An internal carbon price of USD 15 per tonne of CO₂e, adopted in FY 2023, is applied as a shadow price in investment decisions. It ensures the cost of carbon is weighed in capital planning, steering spending toward renewable energy, efficiency and low-carbon technology ahead of tightening carbon markets.



Restora and Restora Ultra Low-Carbon Aluminium

Restora product line make the business the first supplier of low-carbon aluminium from India, offering customers a lower-footprint metal. Restora, made from renewable energy with emissions below 4 tCO₂e/ MT Al, and Restora Ultra, made from recovered dross, with emissions under 1 tCO₂e/ MT Al, both ensuring gate to gate smelter boundary. Production of Restora has been extended beyond the original smelter to a second site, integrating aluminium from central India and expanding the low-carbon portfolio for global markets.



Overall Results of the Transition Risk Assessment

Adaptive capacity reduces transition risk to a manageable level across operations over the short and medium term. Under the SSP5-8.5 scenario with a 2050-time horizon residual risk remains highest in areas influenced by external factors, particularly carbon pricing developments, evolving policy requirements and continued reliance on coal during the renewable energy transition. These risks continue to be monitored and managed through our decarbonisation roadmap and risk management processes.

CYCLONE

Risk	Likelihood	Impact	Adaptive Capacity	Residual Risk
Emerging regulation and Emission disclosures	●	●	●	●
Carbon pricing mechanism	●	●	●	●
Change in consumer preference	●	●	●	●
High dependency on coal	●	●	●	●
Adoption of lower-emission advanced technologies	●	●	●	●
Switch to cleaner energy and efficient technologies	●	●	●	●
Increasing awareness among stakeholders and investors	●	●	●	●

● Low

● Low to Medium

● Medium

● Medium to High

● High



Supplier Risk Assessment

Vedanta Aluminium relies on a network of suppliers for critical raw materials, energy and services that support its operations. Recognizing that climate-related disruptions across the value chain could affect business continuity and costs, we expanded our climate risk assessment in FY 2026 to include key suppliers.

To strengthen value-chain resilience, we identified and prioritized critical suppliers based on the significance of spend, the criticality of the materials or services supplied to operations, and the degree of supplier dependency, including instances where limited alternative sources exist. The process resulted in the selection of 11 key

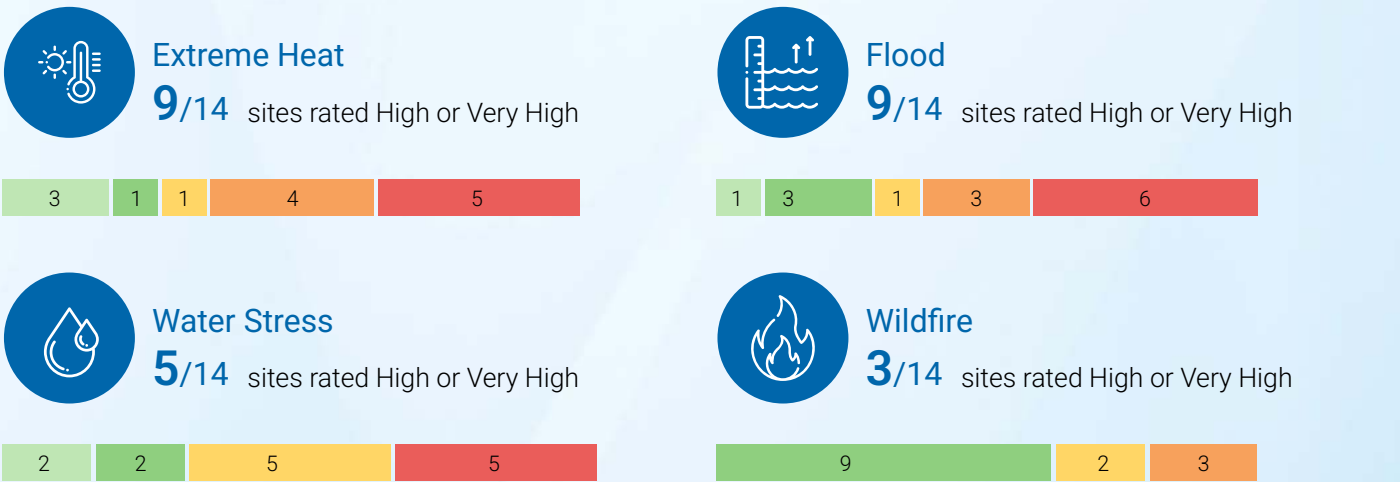
suppliers operating across 14 sites, representing the most critical inputs, including bauxite, alumina, calcined petroleum coke, carbon products, coal tar pitch, energy and fuels.

The selected supplier sites were assessed through a two-step approach. First, the WWF Risk Filter⁴ was used to screen all key physical climate risks and identify the most critical and relevant hazards. These prioritized hazards were then further evaluated for likelihood using IPCC AR6⁵ projections, WRI Aqueduct⁶ and Climate Impact Explorer⁷. This sequential process ensured a more focused and robust assessment of climate risk.

Supplier Climate Risk Profile

The results, based on SSP5-8.5 climate projections for 2050 and shown in Figure (11), indicate that climate risk exposure varies across the assessed supplier sites. Extreme Heat and Flood are the most significant hazards, with 9 of the 14 sites rated as High or Very High risk for each hazard. Water Stress was identified as a High or Very High risk at 5 sites, while only 3 sites were rated as High risk for Wildfire.

FIGURE 11
Hazard-wise Number of supplier sites under each risk level



⁴ WWF Biodiversity Risk Filter - Explore Maps
⁵ IPCC WGI Interactive Atlas
⁶ Aqueduct Water Risk Atlas
⁷ Climate Analytics — Climate impact explorer

Resilience Initiatives by Suppliers

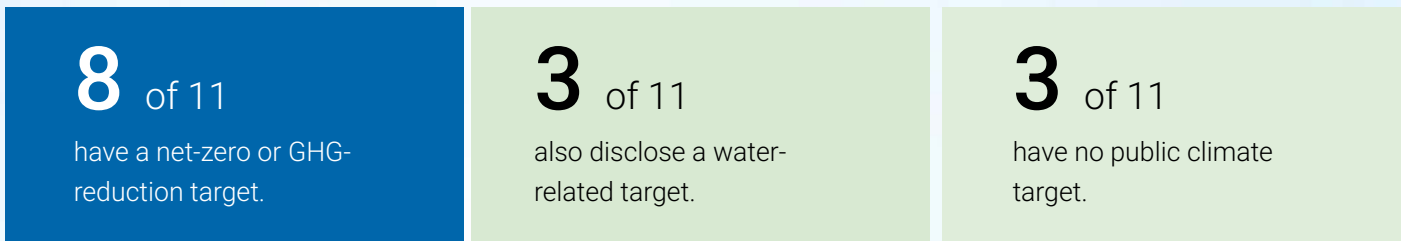
Supplier climate ambition is a key determinant of value chain resilience and decarbonisation potential. As part of the assessment, we reviewed publicly disclosed climate commitments across our major supplier base as shown in Figure (12) to understand the extent to which suppliers are positioning themselves for a low-carbon future.

- Eight of the eleven suppliers assessed have publicly disclosed emissions reduction, carbon neutrality, or net-zero carbon targets, with commitments ranging

from net-zero operations by 2030 to net-zero or carbon-neutral operations by 2050. Some suppliers have also established interim emissions reduction targets, demonstrating progress towards longer-term decarbonisation objectives.

- Three suppliers have additionally disclosed water-related targets, reflecting a broader focus on environmental resilience and the management of climate-related physical risks.

FIGURE 12
Climate Targets disclosed publicly by our suppliers



Key Sustainability Measures Adopted by Suppliers:

Renewable Energy & Decarbonisation

Solar power, renewable energy procurement, green hydrogen, biofuels, waste-heat recovery, energy-efficiency initiatives, and emissions-reduction programs.

Land, Biodiversity & Water Management

Afforestation, eco-restoration and rehabilitation of mined land, greenbelt development, mine-water management and community water supply, water recycling and reuse.

Sustainable Mobility & Circular Economy

EV charging infrastructure, EV-based transport/logistics, fly-ash utilization, and recycling/resource recovery initiatives.

Low-Carbon Business Transformation

Investments in low-carbon materials, battery and energy solutions, decarbonisation partnerships, and carbon-neutral roadmaps.

We will continue to strengthen supplier engagement, enhance climate-risk monitoring, and encourage greater transparency and target-setting among key suppliers. As climate risks and regulatory expectations evolve, supplier climate performance will increasingly inform procurement decisions and support the development of a more resilient and low-carbon supply chain. We are currently assessing the potential implications of identified climate-related risks and opportunities within our supply chain, recognizing that projected risks represent potential future impacts and are subject to uncertainty and evolving climate conditions.

Strategy and Decision-Making

Vedanta Aluminium integrates climate-related risks and opportunities into its business strategy to strengthen resilience, support sustainable growth, and advance its Net Zero Carbon by 2050 ambitions. Climate risk assessments, scenario analysis, and proactive planning inform adaptation, mitigation, and decarbonisation initiatives, supporting informed decision-making and long-term business resilience.

Adaptation and Mitigation Strategy

Our approach to climate resilience extends beyond reactive measures; it involves the development of a comprehensive, forward-looking strategy. The table below outlines a series of recommended actions designed to address identified climate related risks and their associated impacts across near term, mid-term, and long-term timeframes. These initiatives are intended to enhance adaptive capacity, reduce exposure to climate hazards, and mitigate the severity of potential consequences.

Strategy to mitigate risk and impact

	Short term	Medium Term	Long term
Business Disruption due to extreme weather events like floods, cyclones	Flood Assessment and Preparedness:	Strategic Relocation of Critical Storage	
	Conduct flood vulnerability assessments for all sites.	Relocate critical material storage to elevated or flood secure zones, identified as per the flood vulnerability assessment findings.	
	Engage insurers for parametric flood insurance at smelters and refinery sites.	Structural resilience: Strengthen warehouses to endure strong winds and retrofitting with impact-resistant glass and storm shutters designed for Category 1 cyclones.	
	Regularly review and update flood emergency SOPs, complemented by mock drills to ensure workforce readiness.	Assess the placement of permanent structures to divert excess runoff from critical facilities Upgrade waste and tailing storage to lined and sealed systems to reduce flood related contamination risk.	



	Short term	Medium Term	Long term
Decrease in workforce productivity	Heat Stress management & Early Warning Implement heat stress management programs with awareness training and standardize heat safety protocols through site-specific heat stress SOP developments. Expand deployment of sites weather monitoring station at all locations to track the climate related data (Wet Bulb Globe Temperature indicator, incorporating Temperature & Humidity) to manage heat stress across all our sites. Review and update insurance policies to ensure adequate heat stress coverage for employees and in all business partner contracts.	Digital Monitoring & Smart Integration Deploy IOT based temperature monitoring integrated with HVAC for real time control. Adopt personal monitoring solutions (such as wearable devices) to track employee well-being and automatic alerts in high-heat environment.	Infrastructure Adaptation & resilience Adopt Passive Cooling & Heat-Resistant Infrastructure such as reflective roofing materials, high-albedo paints, and architectural designs to reduce ambient heat load in work areas. Advance Process Automation to minimize human exposure in extreme heat processes.

Strategy to capitalize opportunities

	Short term	Medium Term	Long term
Emerging Regulations – Emissions & Disclosure Related	Ensure Compliance: Continuously monitor evolving legislation and reporting mandates to avoid fines and build stakeholder trust. Verify Emissions: Conduct quarterly internal audits and continue third-party verification aligned with GHG Protocol for credible climate reporting. Advance Decarbonisation: Track and update decarbonisation plans annually, prioritizing actions using marginal abatement cost analysis.	Promote Circular Economy: Invest in R&D for sustainable manufacturing and increase recycled aluminium usage through long-term vendor partnerships. Enhance Carbon Pricing Strategy: Develop a digital compliance tool and assess internal carbon pricing rates against industry benchmarks. Strengthen Supplier ESG Alignment: Evaluate vendors on ESG criteria to support Scope 3 emissions reduction.	Focus on Green Products: Aim for production of green aluminium as major product by using renewable energy and scrap/used aluminium as a raw material.

	Short term	Medium Term	Long term
Customer Shift towards Products with Lower Environmental Impact	Expand production of Low-Carbon Aluminium: Continue to develop and promote aluminium products with verified low-carbon footprints. Sustainability-Focused Campaigns: Launch targeted marketing initiatives that emphasize the environmental benefits of low-carbon aluminium to attract eco-conscious customers and investors.	Identify Eco-Conscious Segments: Pinpoint and prioritize customer groups that value sustainability, such as green construction firms, EV manufacturers etc. Tailor Contracts for Sustainability Buyers: Customize product offerings, pricing models, and long-term contracts to meet the needs of buyers focused on reducing their environmental impact.	Closed-Loop Recycling Partnerships: Establish closed-loop recycling systems with key customers to retain material value and capture a significant share of the green aluminium market. Aluminium Scrap Take-Back Programs: Launch initiatives to collect and recycle aluminium scrap from customers, reinforcing circular economy leadership and reducing raw material dependency.
Switching to Cleaner Energy & Energy efficient technologies	On-Site Renewable Energy Development: Explore and pursue all viable opportunities for generating renewable energy on-site to reduce reliance on grid power and lower carbon emissions.	2030–2040 Adoption Window: Prioritize maximum expansion of renewable energy adoption during 2030–2040, when capital costs for solar panels and wind turbines are projected to decline most significantly. Long-Term Renewable PPAs: Secure long-term Power Purchase Agreements (PPAs) to ensure stable, clean energy supply and cost predictability. Predictive Maintenance Tools: Implement advanced digital tools for predictive maintenance and real-time energy optimization to enhance operational efficiency and reduce downtime.	Expand Beyond Solar & Wind: Diversify renewable energy sources by incorporating biomass, hydrogen, and other alternatives that offer greater stability and are less exposed to price fluctuations.
Increasing awareness among stakeholders & investors	Community Impact & CSR Outreach: Continue conducting impact assessments and expand CSR initiatives to strengthen local relationships and social license to operate. Transparency for Green Financing: Leverage transparent ESG disclosures to access green financing and appeal to ESG-focused investors. Framework & Scenario Analysis: Continuously assess and update climate risk frameworks and conduct scenario analyses to prepare for evolving environmental and regulatory challenges. Climate-Resilient Identity: Strategically position and campaign the company as a climate-resilient, transparent, and socially responsible leader to strengthen stakeholder trust and market reputation.		

Carbon Management strategy- Net Zero Carbon Transition Plan

The Net Zero Carbon Transition Plan Transition plan is anchored in the aim to achieve Net Zero Carbon by 2050 across Scope 1 and Scope 2 emissions, measured from an FY 2021 base year. Our Net Zero Carbon by 2050 target is supported by a robust strategy that includes:

- Aligning with the intensity-based targets notified by MoEF&CC for smelters and refineries under the Carbon Credit Trading Scheme (CCTS).
- Building a sustainable upstream supply chain, shifting freight from road to rail and electrifying our light-vehicle and mining fleets.
- Driving innovation through our low-carbon aluminum product, Restora and Restora Ultra.

- Including climate considerations in capital planning so that sustainability is built into every investment decision.

The Net Zero Carbon Transition Plan is structured around three interconnected pillars

- A sustainable upstream supply chain lowers embedded and logistics emissions;
- Decarbonisation of operations advances through four levers spanning renewable energy, low-carbon fuels, energy and process efficiency, and the offsetting of residual emissions;
- Growing low-carbon product portfolio meets rising demand for greener metal.

PILLAR 1

Sustainable Upstream Supply Chain

We work with suppliers to adopt lower-emission practices and to bring renewable energy into the supply chain, and it optimizes logistics and transportation to cut Scope 3 emissions. More material moves by rail than road, bogey-tank alumina rakes improve load efficiency, and natural gas is increasingly being adopted as a cleaner fuel. We announced the expansion of India's largest lithium-ion electric forklift fleet to 156 vehicles across our operations in Odisha and Chhattisgarh



PILLAR 2

Decarbonizing Its Own Operations

Within our own operations, we are advancing the transition through four levers, each supported by concrete measures during the year.

Lever 1: Increasing Renewable Energy



- Lift renewables to 30% of energy mix by 2030
- Target ~1,500 MW round-the-clock (RTC) clean power (PPA)
- Phase 1 agreements for 493 MW signed (216 MW & 275 MW RTC)
- Delivery scaling up

Lever 2: Switching To Low-Carbon Fuels



- Displace coal and diesel with cleaner fuels
- Biomass co-fired in boilers
- Biodiesel blended into liquid fuels
- Natural gas introduced (25 NM pipeline supplying cast house, ~32,000 SCM/day, ~47,292 tonnes CO₂e/year)
- LNG boiler pilots
- Diesel-to-solar conversions
- Hydrogen under consideration (longer term)

Lever 3: Improving Energy & Process Efficiency



Smelting

- Energy-efficient pot lining
- Advanced pot controllers
- Graphitized cathode lining (full cathode graphitization completed)
- Fill-less cooling tower commissioned

Utilities

- High-efficiency IE3 & IE4 motors
- VFD upgrades
- LED lighting
- Waste-heat recovery
- Boiler air pre-heater replacements (~11,600 tonnes coal saved/boiler/year)

Lever 4: Offsetting Residual Emissions



- Invest in high-quality carbon offsets
- Support large-scale afforestation
- Complement operating levers
- Close the gap to net zero

Low-Carbon Product Offerings

Restora and Restora Ultra give customers low-carbon, aluminium, with carbon intensities below 4 and below 1 tonne of CO₂e per tonne respectively, both ensuring gate to gate smelter boundary, well under conventional metal. Restora Ultra is made from recovered smelter dross through a circular partnership, turning waste into high-value metal. As the first exporter of low-carbon aluminium from India, we are widening the portfolio toward 30 percent of sales by 2030.

We steer capital toward renewable energy and low-carbon technologies that turn the roadmap into delivery and keep this growth ambition commercially grounded by applying a shadow carbon price of USD 15 per tonne of CO₂e across our major investment decisions.



We have published our decarbonization roadmap in the [Climate Action Report 2023](#), and we are currently enhancing the decarbonization roadmap for the aluminium sector with additional levers focused on energy efficiency and the adoption of renewable energy solutions.

Water Management strategy

Our water management strategy focuses on reducing overall water consumption, enhancing water reuse, promoting rainwater harvesting, and supporting water access for local communities. This strategy is implemented through a range of initiatives aimed at improving water efficiency and strengthening water security. Key actions include optimizing operational water use through water

recycling practices, reducing freshwater withdrawals by increasing the utilization of grey water, and supplementing local water supplies through investments in water-related infrastructure. Through these measures, we seek to enhance operational resilience, conserve freshwater resources, and contribute positively to the communities in which we operate.



Financial Impact of Climate Change

Climate change presents both risks and opportunities that have the potential to influence our financial position, financial performance and cash flows over the short, medium and long term. Transition-related factors, including evolving climate regulations, carbon pricing mechanisms, disclosure requirements, changing customer preferences

and the adoption of lower-carbon technologies, may affect operating costs, capital investment priorities and market dynamics. At the same time, physical climate risks such as extreme heat, water stress, flooding and cyclones may impact operational continuity, asset performance, workforce productivity and supply chain resilience.

Incorporating climate related risks into financial planning and asset valuation

Climate-related considerations, including both physical and transition risks, are integrated into our assessment of asset useful lives and residual values. As climate change can materially influence asset and liability valuations through its impact on future cash flows, we incorporate relevant climate-related assumptions and risks into our financial reporting and decision-making processes. Key climate-related factors considered in the preparation of our financial statements include:



Assessment of the recoverable value of existing assets



Incorporation of capital expenditure requirements into cash flow projections



Periodic review and reassessment of the useful lives of property, plant, and equipment (PPE)



Overview of Climate-Driven Capital Investments and Associated Operational and Strategic Impacts

Investments in Low-Carbon and Circular Economy Solutions



Deployment of innovative technologies to support emissions reduction and enhance resource efficiency.



Implementation of circular economy initiatives, including waste reuse and recycling programs.



Investment in projects aimed at restoring and strengthening the resilience of flood-prone and water-stressed areas.

Decarbonization and Emissions Reduction Initiatives



Allocation of significant capital investments to achieve greenhouse gas (GHG) emission reduction targets.



Expansion of renewable energy integration across operations, requiring substantial infrastructure and capital commitments.

Internal Carbon Pricing Framework



Integration of internal carbon pricing into capital allocation and investment decision-making processes.



Incentivization of investments in clean technologies, low-carbon innovation, and renewable energy solutions.



Application of carbon pricing considerations across operations and the value chain to support sustainability-focused capital planning and strategic decision-making.

Risks Driven by Changes in Physical Climate Conditions and Climate-Related Developments

Our climate risk assessment identified site-specific vulnerabilities based on geographic location and environmental exposure. The analysis evaluated potential financial impacts across capital expenditure (CapEx), operating expenditure (OpEx), business disruptions, asset damage, and productivity losses.

Climate projections based on CMIP6 datasets and aligned with IPCC scenarios indicate a significant increase in the frequency of extreme heat events across five operational sites. Jharsuguda is expected to experience the highest exposure due to its large workforce concentration, potentially resulting in reduced productivity and increased absenteeism, with an estimated annual financial impact of INR 20 million.

To enhance resilience against escalating heat stress risks, several adaptation measures are being implemented, including the installation of rest shelters

equipped with desert coolers, deployment of ventilated headgear in high-heat work zones, upgrading operational vehicles with air-conditioned cabins, and installation of advanced ventilation louvers to improve workplace airflow and comfort. These initiatives represent an estimated investment of INR 169.5 million.

In addition, under India's draft Carbon Credit Trading System (CCTS), aluminium smelters and refineries are required to reduce carbon intensity by 2027. Based on current projections, the estimated carbon cost associated with emissions reductions required between 2024 and 2027 to remain within the prescribed CCTS limits is approximately INR 10,345 million.

To address these requirements, we have already secured 493 MW of RE-RTC capacity through signed agreements, representing an investment of approximately INR 29,712 million. Further expansion plans aim to increase RE-RTC capacity to 1,500 MW by 2030.

Climate-Related Opportunities

In a Net Zero transition scenario, the levelized cost of electricity from solar and wind sources is expected to decline significantly over the medium to long term. This presents a strategic opportunity to increase the use of renewable energy in aluminium production and accelerate the transition towards low-carbon aluminium.

Our low-carbon brands, Restora and Restora Ultra, turn this transition into a market advantage, offering some of the lowest-carbon aluminium available as global customers move to decarbonise their own value chains. In FY 2025-26, Restora and Restora Ultra accounted for 3.57% of total revenue, with clear scope to scale further as demand for low-carbon aluminium grows.

A rising share of our renewable energy is secured through an operating-expenditure model, procuring clean power under long-term supply agreements rather than upfront capital investment. As solar and wind costs continue to decline, this model allows us to capture those reductions directly, lowering both the carbon intensity and the delivered cost of power to our smelters, reducing our exposure to fossil-fuel and carbon-related costs, and reinforcing the commercial case for our low-carbon products.

This positions us to strengthen our climate resilience, enhance regulatory preparedness, and capture long-term value from the global transition to a low-carbon economy.

RISK MANAGEMENT

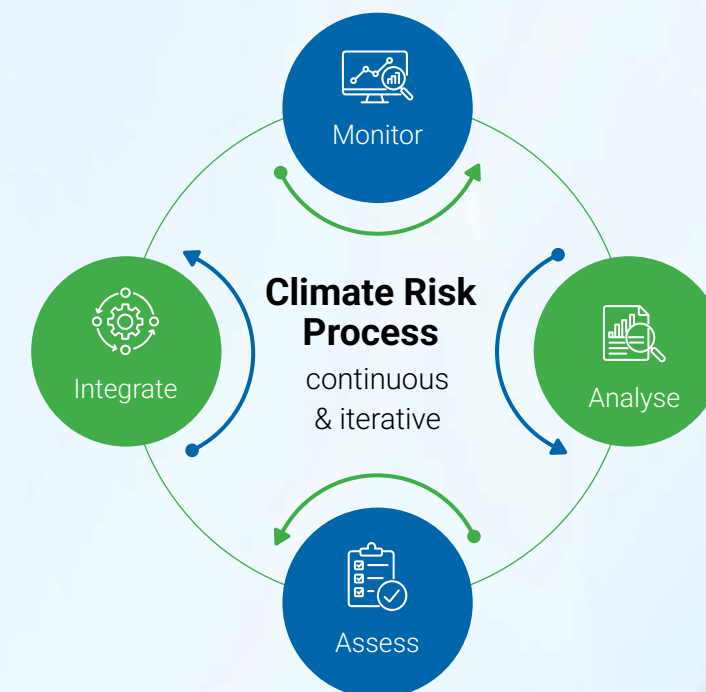
At Vedanta Aluminium, climate change is addressed as a strategic priority woven into the fabric of our governance and risk management systems. Our enterprise risk management (ERM) framework serves as a structured platform to evaluate climate-related risks across financial, operational, technological, and ESG dimensions.



Risk Governance Framework

We manage climate-related risks through a structured framework based on four key steps: Identify, Evaluate, Mitigate and Monitor, as illustrated in Figure (13). This approach is applied consistently across risk categories: strategic, financial, operational and external. The framework reinforces top-down strategic direction from Board level whilst empowering bottom-up risk identification across business units. Any significant climate-related issues that emerge between scheduled reviews are promptly escalated through the management governance structure to the Board ESG Committee for timely consideration. By integrating climate risk management across all levels of the organisation, we strengthens its ability to respond to climate-related challenges, enhances operational resilience, and protects long-term value for stakeholders.

FIGURE 13
Climate Risk Governance Framework



Integration into Overall Risk Management

Climate-related risks are fully integrated into the Company's overall risk management processes rather than being managed separately. Through regular oversight by the Board ESG Committee and application of the enterprise risk management (ERM) framework, climate-related risks are assessed alongside wider financial, operational, technological, and ESG risks. This approach embeds climate considerations into business planning and decision-making, ensuring consistent oversight, clear accountability, and timely management of climate-related risks and opportunities across the organisation.

Climate Risk Integration in Enterprise Risk Management



Enterprise Risk Management (ERM) Framework

A structured platform that evaluates climate-related risk across all business functions, ensuring consistent visibility and accountability.

Evaluated across four risk dimensions



Financial



Operational



Technological



ESG

Governance Integration



Governed at the most senior levels, with clear oversight and accountability. The Board ESG Committee oversees climate strategy and Net Zero Carbon alignment, while the Group Risk Management Committee folds climate risks into the risk register and leads mitigation.

Financial Integration



ESG is a mandatory KPI for all leaders and employees, with scorecards linking performance to evaluations and remuneration. Line managers and HR integrate ESG and risk considerations into day-to-day decision-making and annual performance assessments, while sustainability standards are embedded into product development processes.

Climate risk is evaluated within the enterprise risk management framework across four risk dimensions, reinforced by governance and financial integration.

Identifying and assessing climate-related risks

We keep a constant watch on climate signals, policy movements, and shifts across the sector so that emerging risks do not catch us unprepared. Those observations are then tested through detailed analysis and scenario modelling that plays out a range of possible futures, anchored on two IPCC pathways, SSP2-4.5 and SSP5-8.5, so we can weigh both transition and physical exposure under contrasting temperature and policy outcomes. Each risk is considered over short, medium, and long

horizons and across the areas that matter most, from the performance of our assets to the resilience of our supply chain and our overall financial exposure. What we learn feeds back into financial planning, shaping how we value assets, project cash flows, and direct investment, and by pairing internal reviews with scenario work grounded in IPCC pathways and leading industry practice, we build a rounded picture of where climate risk sits and how to prioritize it.

Supplier Screening and Climate Risk Alignment

Extending Resilience Across the Supply Chain

Our supplier screening is built to protect environmental standards while feeding directly into how we manage climate risk. We assess how well suppliers meet statutory environmental requirements and align with the climate transition, weighing their energy use, greenhouse gas emissions, waste handling, and readiness to adopt low-carbon technologies.

We encourage suppliers to make tangible progress on bringing in renewable energy, using resources more efficiently, and reporting openly on their environmental performance. Embedding these criteria into procurement keeps our supply chain aligned with our Net Zero Carbon ambition and strengthens resilience against climate-related risk.



METRICS AND TARGETS



Our Ambition

	Target	FY 2026 Progress
GHG Emissions		
	Net Zero Carbon by 2050	On track; interim milestones below
	Endeavour to reduce Scope 1 & 2 GHG intensity (Aluminium business) by 28% from 2021 baseline by 2030	16.57 tCO ₂ e/t, a reduction of 11.4% against the FY 2021 baseline; target achieved
	Endeavour to reduce Scope 3 emissions intensity by 25% from 2022 baseline by 2030	4.00 tCO ₂ e/t of aluminium, against the FY 2022 baseline of 3.25
Renewable Energy		
	Increase the share of renewable energy consumption by 30% by 2030	7.3% of renewable energy share, 2,562,810.77 MWh consumed, up 63% year on year
	Endeavor to install and use 1500 MW renewable energy by 2030	493 MW contracted under Phase 1 power delivery agreements



Net Zero Carbon Commitment

Our Net Zero Carbon target encompasses Scope 1 and Scope 2 emissions, measured against a 2021 baseline and targeted for achievement by 2050. Complementing this long-term commitment, we have established a near-term objective to reduce Scope 3 emissions intensity by 25% by 2030, using 2022 as our measurement baseline*.

Addressing residual emissions that cannot be eliminated within our operational boundaries represents an integral component of our climate strategy. We are committed to offsetting unavoidable emissions through credible, verified carbon offset mechanisms that deliver genuine climate benefits. Our decarbonisation strategy combines multiple complementary initiatives. We are actively

expanding solar energy procurement to transition our power consumption toward renewable sources. We are also deploying energy efficiency upgrades across our facilities to optimize consumption patterns and minimize operational emissions. These integrated interventions collectively advance our Net Zero Carbon aspirations.

We have established emissions reduction targets with corresponding implementation roadmaps and are actively executing the full portfolio of initiatives necessary to achieve these objectives. Our organisational efforts remain tightly aligned with these quantified commitments, ensuring accountability and progress tracking throughout our decarbonisation journey.

Climate-related Metrics

The metrics below are drawn from Vedanta Aluminium's FY 2026 Environmental KPI Register and are shown against the prior year for comparison. All figures relate to the reporting boundary described earlier; totals remain subject to independent assurance.

Overview of Our Performance

Our greenhouse gas inventory covers carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, tetrafluoromethane and hexafluoroethane, and is prepared in line with the GHG Protocol Corporate Standard and Scope 2 Guidance, the IPCC 2006 Guidelines and their 2019 refinement, and the Central Electricity Authority CO₂ baseline database for the Indian power sector.

Our Scope 1 greenhouse gas emissions from aluminium production originate predominantly from fuel combustion processes and operational activities inherent to our manufacturing operations. We are actively advancing toward our Net Zero Carbon commitment by 2050, employing targeted strategies to reduce direct emissions from our facilities.

* Our climate targets have not been validated by the Science Based Targets initiative (SBTi). At present, companies with direct involvement in fossil fuel activities, including coal mining, are not eligible to submit targets for validation under SBTi's current fossil fuel policy while relevant sector-specific methodologies remain under development. As a company with coal-mining operations, this eligibility restriction currently applies to us. We remain committed to implementing our decarbonization strategy and climate targets and will continue to monitor developments in the SBTi framework and associated sector guidance.

Emission-related Metrics

Emissions are calculated in line with the GHG Protocol, which keeps our emission figures consistent with globally recognised methodology. The inventory covers Scope 1, Scope 2 and the relevant Scope 3 categories, and is built from activity data, established emission factors and market-based information where that applies. This gives us a dependable baseline against which to track performance and identify where further reduction is realistic.

Total Scope 1* emissions with BU-wise breakup (tCO₂e)

Business	FY 2024	FY 2025	FY 2026
Aluminium			
BALCO	9,137,379.00	9,215,942.10	9,545,738.64
Jharsuguda	23,330,609.00	24,518,792.00	24,172,073.18
Lanjigarh	1,719,740.00	2,227,575.98	3,090,530.48
Jamkhani Coal Mine	-	-	-
VGCB	-	1,227.33	1,218.83
Aluminium sub-total	34,187,728.00	35,963,537.76	36,809,561.13
Power			
BALCO IPP	3,246,024.00	3,438,834.22	3,089,814.19
Jharsuguda IPP	2,753,860.00	2,294,209.84	2,558,778.12
Power sub-total	5,999,884.00	5,733,044.06	5,648,592.31
Total	40,187,612.00	41,696,581.82	42,458,153

*Scope 1 and Scope 2 calculations include CO₂, CH₄, N₂O, SF₆, CF₄ and C₂F₆.

Our Scope 2 greenhouse gas emissions result from electricity consumption sourced from the grid to power our operations. We are addressing these indirect emissions through complementary strategies: strengthening energy efficiency across our facilities and progressively incorporating renewable energy sources into our power procurement mix.

Total Scope 2* emissions with BU-wise breakup (tCO₂e)

Business (Aluminium)	FY 2024	FY 2025	FY 2026
BALCO	159,903.00	193,501.75	36,809.18
Jharsuguda	2,742,953.00	1,999,680.59	1,897,491.63
Lanjigarh	10,897.00	22,159.76	15,771.16
Jamkhani Coal Mine	-	523.79	686.23
VGCB	-	8,070.93	8,077.53
Total	2,913,753.00	2,223,936.82	1,958,836

*Scope 1 and Scope 2 calculations include CO₂, CH₄, N₂O, SF₆, CF₄ and C₂F₆.

Total Scope 3 emissions with BU-wise and category-wise breakup (tCO₂e)

Business (Aluminium)	FY 2024	FY 2025	FY 2026
BALCO	1,765,377.00	1,481,106.14	1,057,385
Jharsuguda	5,236,182.00	5,245,583.33	6,256,109
Lanjigarh	816,464.00	1,164,115.69	1,706,133
Jamkhani Coal Mine	-	821,275.21	824,777
VGCB	-	5,385.32	6,475
Total	7,818,023.00	8,717,465.69	9,850,879.44

Category-wise Scope 3 Emissions for FY 2026 (tCO₂e)

Categories 1, 3 and 4 account for the substantial majority of our Scope 3 footprint. Against the FY 2022 baseline of 3.25 tCO₂e per MT, which is retained as the reference point for our 25% reduction commitment, these three categories together contributed 96% of the total.

Category	BALCO	Jharsuguda	Lanjigarh	Jamkhani	VGCB	Total
Category 1: Purchased goods and services	392,031	5,231,992	357,367	815,134	2,990	6,799,514.16
Category 3: Fuel and energy related activities	388,704	884,516	902,986	340	3,200	2,179,745.55
Category 4: Upstream transportation and distribution	123,331	53,177	407,437	-	-	583,944.38

GHG Emissions Summary (tCO₂e)

GHG Emissions	FY 2024	FY 2025	FY 2026
Scope 1	40,187,612.00	41,696,581.82	42,458,153
Scope 2	2,913,753.00	2,223,936.82	1,958,836
Scope 3	7,818,023.00	8,717,465.69	9,850,879
Total	50,919,388.00	52,637,984.33	54,267,868.61

Scope 1 and 2 Emissions Intensity (tCO₂e per MT of Aluminium)

FY	BALCO	Jharsuguda	Lanjigarh
FY 2024	16.18	14.62	0.96
FY 2025	16.04	14.49	1.11
FY 2026	16.01	14.04	1.06

Excluding independent power plants.

Scope 3 Emissions Intensity (tCO₂e per MT of Aluminium)*

Particulars	FY 2024	FY 2025	FY 2026
Scope 3 emissions intensity	3.31	3.61	4.00

*During FY 2026, Scope 3 emissions increased in line with higher aluminium and alumina production, reflecting expanded operational output. Scope 1,2 & 3 Emission Intensity of all the business units have been recorded individually, however in scope 3 of Smelters considering Alumina Refining including Lanjigarh and Jamkhani Coal Mine.

Direct Perfluorocarbon (PFC) Emissions (MT)

Business	FY 2024	FY 2025	FY 2026
BALCO	28.73	14.32	15.83
Jharsuguda	35.67	59.05	39.99
Total	64.41	73.38	55.82

Energy-related Metrics

Aluminium Business Energy Consumption (MWh)

FY	BALCO	Jharsuguda	Lanjigarh	Jamkhani	VGCB	Total
Renewable Energy Consumption						
FY 2024	237,118.00	1,056,000.00	1,541.00	-	-	1,294,659.00
FY 2025	229,603.64	1,336,417.96	4,004.53	-	-	1,570,026.13
FY 2026	543,865.75	2,007,621.75	11,323.26	-	-	2,562,810.77
Non-Renewable Energy Consumption						
FY 2024	24,997,684.00	63,886,444.14	5,547,402.00	-	-	94,431,531.14
FY 2025	25,197,634.00	66,593,192.00	7,099,728.00	654.25	16,502.07	98,907,710.30
FY 2026	25,771,432.65	65,987,056.92	9,883,088.81	966.52	15,730.33	101,658,275.23
Total Energy Consumption						
FY 2024	25,234,802.00	64,942,444.14	5,548,944.00	-	-	95,726,190.14
FY 2025	25,427,237.64	67,929,610.00	7,103,732.53	654.25	16,502.07	100,477,736.49
FY 2026	26,315,298.40	67,994,678.67	9,894,412.07	966.52	15,730.33	104,221,086.00

Power Sector Energy Generated (MWh)

FY	BALCO IPP	Jharsuguda IPP	Total
FY 2024	9,878,404.00	8,347,034.00	18,225,437.75
FY 2025	10,465,206.00	6,942,259.36	17,407,466.00
FY 2026	9,364,379.50	7,745,264.68	17,109,644.18

Energy Intensity (MWh per MT of Aluminium)

FY	BALCO	Jharsuguda	Lanjigarh
FY 2024	14.62	14.30	2.02
FY 2025	14.41	14.22	2.62
FY 2026	14.62	13.05	2.16

Energy Savings Across Locations in FY 2026 (MWh)

Location	FY 2026
BALCO	30,626.66
Jharsuguda	503,048.06
Lanjigarh	102,082.46
Total	635,757.18

Water-related Metrics

Water Withdrawal and Consumption (million m³)

FY	BALCO	Jharsuguda	Lanjigarh	Jamkhani	VGCB	Total
Water Withdrawal						
FY 2024	30.38	63.53	5.20	-	-	99.10
FY 2025	31.14	57.46	8.24	0.24	0.18	97.26
FY 2026	31.50	53.82	12.85	0.26	0.16	98.59
Water Consumption						
FY 2024	30.28	50.65	4.32	-	-	85.25
FY 2025	28.66	55.41	5.26	0.24	0.14	89.56
FY 2026	31.38	52.78	7.75	0.26	0.16	92.33

Water Recycled (million m³)

Location	FY 2025	FY 2026
BALCO	5.20	6.83
Jharsuguda	7.95	8.04
Lanjigarh	3.64	5.04
Total	16.79	19.91

Water Consumption in Water-Stressed Areas

Water for Jharsuguda is drawn from the Hirakud reservoir, for Lanjigarh from the Kesinga river and for BALCO from the Hasdeo river. Under the WRI Aqueduct Tool, Jharsuguda is classified as a low water stress area, while Lanjigarh and BALCO fall in the high stress category.

Freshwater Consumption in Areas with Water Stress (million m³)

FY 2024	FY 2025	FY 2026
35.58	39.38	44.35

Internal Carbon Price

Vedanta Aluminium applies an internal carbon price of USD 15 per tCO₂e to all capital projects exceeding INR 50 million. This embeds carbon exposure directly into investment appraisal, ensuring that climate-related costs are considered before capital is committed rather than addressed after project approval. Favours lower emission alternatives, promotes energy efficiency and helps identify low carbon opportunities at the point of project selection.

GHG Scope	Internal Carbon Price	Application	Price per tCO ₂ e	Price Setting Approach
Scope 1 and 2 (with local variations accepted)	Shadow Price (USD 15)	Company-wide (with local variations accepted)	(USD 15)	Internal Consultation

The Internal Carbon Pricing (ICP) framework enhances our preparedness for an evolving carbon pricing environment across key operating and export markets, including India's Carbon Credit Trading Scheme (CCTS), the European Union and United Kingdom Carbon Border Adjustment Mechanisms (CBAM), and the South African Carbon Tax. By evaluating investment opportunities against an internal carbon price of USD 15/tCO₂e, the Company embeds potential carbon cost considerations into capital allocation decisions, aligning project assessments with the broader trajectory of emerging carbon regulatory frameworks.

This approach supports informed investment planning, reduces the risk of long-term exposure to carbon-intensive assets, and strengthens readiness for future compliance requirements. As emissions measurement capabilities and data quality continue to improve, Vedanta Aluminium is progressively expanding the application of the ICP framework to key Scope 3 emissions categories across its value chain, enabling a more comprehensive assessment of climate-related risks and opportunities.



WAY FORWARD

Our assessment of climate risks has deepened our understanding of how a changing climate could affect our operations and of the opportunities the low-carbon transition brings. The insights it has generated now shape how we plan, invest and build resilience over the long term. We will keep sharpening our adaptation measures and strengthening our defences against climate-related hazards, so that our operations remain resilient and well prepared for the years ahead. Underpinning this effort is our ambition to reach Net Zero Carbon by 2050, a commitment that reflects our approach to responsible growth and the role we intend to play in India's move to a low-carbon economy.

Our decarbonisation roadmap gives this ambition a clear path to follow. First set out in our [Climate Action Report 2023](#) and now being strengthened for the aluminium business, it introduces further levers centered on energy efficiency and a wider shift to renewable energy. In practice, this means adopting advanced technology to use energy more efficiently, moving progressively to cleaner sources of power, and testing emerging solutions such as green hydrogen and carbon capture. Beyond meeting global climate expectations, these steps reinforce the way we run the business, the value we create for our stakeholders and the care we take of the environment. Through focused investment, strong partnerships and a culture of continuous improvement, we intend to help lead the aluminium industry toward a resilient, low-carbon future.

During the current year, the Hon'ble NCLT, vide its order dated 16 December 2025, approved the Scheme for demerger of the Aluminium undertaking. The demerger became effective from 1 May 2026, and the entity was subsequently listed on BSE Limited and NSE Limited on 15 June 2026. In light of this structural transition, the existing carbon, energy, and water targets will be reviewed and revised to align with the updated business boundaries and operational context. Going forward, the organization is in the process of revisiting its short-term (FY 2030) and long-term (FY 2050) carbon and energy targets, with the short-term pathway expected to be anchored in intensity-based metrics aligned with the framework prescribed by the Government of India, and the long-term ambition focused on achieving Net Zero Carbon by 2050. In parallel, the organization will further strengthen its water stewardship approach in line with the revised business structure, with the long-term objective of achieving Water Positivity by 2050. As the reporting boundary, organisational structure, target baselines and calculation methodologies will be revisited following the demerger, certain historical data, intensity metrics, targets and comparative information presented in this report will be subjected to recalculation, reclassification or restating in future reporting period. Any material changes will be disclosed, supported with the basis and methodology applicable.



ANNEXURE

Annexure 1: IFRS S2 Disclosure Index

The index below provides a complete mapping of the sections of this Report to the disclosure requirements of IFRS S2 Climate-related Disclosures, issued by the ISSB, and to the corresponding TCFD recommendations. It gives readers and assurance providers a single reference to where each requirement is addressed.

No.	Report Section	IFRS S2 Disclosure Requirement
3.1	Climate Governance Framework	6(a) The governance body(ies) or individual(s) responsible for oversight of climate-related risks and opportunities.
3.1.1	Board Oversight	6(a)(i) How responsibilities for climate-related risks and opportunities are reflected in board mandates, terms of reference and role descriptions. 6(a)(iii) How and how often the board is informed about climate-related risks and opportunities.
3.1.2	Competency of the Board	6(a)(ii) How the board determines whether the appropriate skills and competencies are available or will be developed.
3.1.3	Board Oversight of Strategy and Risk	6(a)(iv) How the board takes climate-related risks and opportunities into account when overseeing strategy, major decisions and risk management.
3.1.4	Management Oversight	6(b)(i) Whether oversight is delegated to a specific management-level position or committee and how it is exercised. 6(b)(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities.
3.2	Executive Compensation Linked to Climate KPIs	6(a)(v) How the board oversees the setting of climate-related targets and whether these are linked to remuneration. 29(g) Whether and how climate-related considerations are factored into executive remuneration and the percentage linked.
3.3	Policy Framework and Collaborative Engagement	25(a) The processes and related policies used to identify, assess, prioritise and monitor climate-related risks. 6(a)(iv) How the board takes climate-related risks and opportunities into account when overseeing strategy, major decisions and risk management.
4.1	Climate-Related Risks and Opportunities	9(a)-(e) The climate-related risks and opportunities that could affect the entity's prospects and their effects on the business model and value chain, strategy and decision-making, financial position, and the resilience of the strategy. 10(a) A description of the climate-related risks and opportunities identified.
4.2	Climate Resilience Analysis	22(a) The entity's assessment of its climate resilience at the reporting date and its capacity to adjust or adapt its strategy and business model.
4.3	Time Horizons and Scenarios for Climate Risk Assessment	10(c) The short, medium and long-term horizons over which each risk and opportunity could occur. 10(d) How short, medium and long term are defined and linked to the entity's planning horizons. 22(b) How and when climate-related scenario analysis was carried out, including the scenarios used, inputs and key assumptions.

No.	Report Section	IFRS S2 Disclosure Requirement
4.4	Physical Risk Assessment	10(a) A description of the climate-related risks and opportunities identified. 10(b) Classification of each identified risk as a climate-related physical or transition risk.
4.4.1	Risk Description	10(a) A description of the climate-related risks and opportunities identified.
4.4.2	Likelihood	10(b) Classification of each identified risk as a climate-related physical or transition risk.
4.4.3	Exposure	13(a) The current and anticipated effects of climate-related risks and opportunities on the business model and value chain. 13(b) Where in the business model and value chain the risks and opportunities are concentrated.
4.4.4	Impact	13(a) The current and anticipated effects of climate-related risks and opportunities on the business model and value chain.
4.4.5	Adaptive Capacity	14(a) How the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making.
4.5	Transition Risks Assessment	10(a) A description of the climate-related risks and opportunities identified. 10(b) Classification of each identified risk as a climate-related physical or transition risk.
4.5.1	Risk Description	10(a) A description of the climate-related risks and opportunities identified.
4.5.2	Likelihood	10(b) Classification of each identified risk as a climate-related physical or transition risk.
4.5.3	Exposure	13(a) The current and anticipated effects of climate-related risks and opportunities on the business model and value chain. 13(b) Where in the business model and value chain the risks and opportunities are concentrated.
4.5.4	Impact	13(a) The current and anticipated effects of climate-related risks and opportunities on the business model and value chain.
4.5.5	Adaptive Capacity	14(a) How the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making.
4.5.6	Opportunities	14(a) How the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making.
4.6	Supplier Risk Assessment	13(a) The current and anticipated effects of climate-related risks and opportunities on the business model and value chain. 13(b) Where in the business model and value chain the risks and opportunities are concentrated. 14(a)(iii) Current and anticipated indirect mitigation and adaptation efforts, for example through working with suppliers and customers.
4.7	Strategy and Decision-Making	14(a) How the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making. 14(b) How the entity is resourcing, and plans to resource, the activities disclosed. 14(c) Quantitative and qualitative progress of plans disclosed in previous reporting periods.
4.7.1	Adaptation and Mitigation Strategy	14(a)(i) Current and anticipated changes to the business model and resource allocation to address climate-related risks and opportunities. 14(a)(ii) Current and anticipated direct mitigation and adaptation efforts. 14(a)(iii) Current and anticipated indirect mitigation and adaptation efforts, for example through working with suppliers and customers.

No.	Report Section	IFRS S2 Disclosure Requirement
4.7.2	Carbon Management Strategy - Net Zero Carbon Transition Plan	14(a)(iv) The entity's climate-related transition plan, including the key assumptions used in developing it. 14(a)(v) How the entity plans to achieve its climate-related targets, including greenhouse gas emissions targets. 29(f) Whether and how a carbon price is applied in decision-making and the price used per tonne of CO2 equivalent.
4.7.3	Water Management Strategy	14(a)(ii) Current and anticipated direct mitigation and adaptation efforts. 28(b) Industry-based metrics associated with the business model, activities or other common features of the industry.
4.8	Financial Impact of Climate Change	15 The effects and anticipated effects of climate-related risks and opportunities on financial position, financial performance and cash flows. 16 Quantitative and qualitative information on those effects and on risks with a significant risk of material adjustment.
4.8.1	Incorporating Climate Risks into Financial Planning and Asset Valuation	16(c) How the entity expects its financial position to change, including investment and disposal plans and sources of funding. 16(d) How the entity expects its financial performance and cash flows to change over time. 18 The basis for preparing disclosures about the anticipated financial effects, using all reasonable and supportable information. 19 Reliefs available where quantification of financial effects is not practicable.
5.1	Risk Governance Framework	25(a) The processes and related policies used to identify, assess, prioritise and monitor climate-related risks. 25(b) The processes used to identify, assess, prioritise and monitor climate-related opportunities.
5.2	Integration into Overall Risk Management	25(c) The extent to which, and how, the processes for climate-related risks are integrated into the overall risk management process.
5.3	Supplier Screening and Climate Risk Alignment	25(a)(i) The inputs and parameters used, including data sources and the scope of operations covered (value chain). 25(a) The processes and related policies used to identify, assess, prioritise and monitor climate-related risks.
6.1	Our Ambition	33 The quantitative and qualitative climate-related targets set, including the metric, objective, scope, period, base year and milestones.
6.2	Net Zero Carbon Commitment	36 For greenhouse gas targets: the gases and scopes covered, whether gross or net, and whether a sectoral decarbonisation approach was used. 33 The quantitative and qualitative climate-related targets set, including the metric, objective, scope, period, base year and milestones.
6.3	Climate-Related Metrics	28(a) Information relevant to the cross-industry metric categories. 29 Cross-industry metrics: greenhouse gases, transition and physical risk exposure, opportunities, capital deployment, internal carbon price and remuneration.
6.3.1	Overview of Our Performance	29(a) Climate-related metrics disclosed for the reporting period.

No.	Report Section	IFRS S2 Disclosure Requirement
6.3.2	Emission-related Metrics	29(a)(i) Absolute gross Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, expressed in tonnes of CO2 equivalent. 29(a)(ii) Measurement of greenhouse gas emissions in accordance with the GHG Protocol. 29(a)(v) Location-based Scope 2 greenhouse gas emissions. 29(a)(vi) Scope 3 greenhouse gas emissions disaggregated by category.
6.3.3	Energy-related Metrics	28(b) Industry-based metrics associated with the business model, activities or other common features of the industry.
6.3.4	Water-related Metrics	28(b) Industry-based metrics associated with the business model, activities or other common features of the industry.
6.3.5	Internal Carbon Pricing	29(f) Whether and how a carbon price is applied in decision-making and the price used per tonne of CO2 equivalent.
6.3.6	Carbon Credits	36(e) The planned use of carbon credits to offset greenhouse gas emissions, including the extent of reliance, verifying schemes and credit types.
6.4	Climate-Related Targets	33 The quantitative and qualitative climate-related targets set, including the metric, objective, scope, period, base year and milestones. 34 The approach to setting and reviewing each target and the metrics used to monitor progress. 35 Performance against each climate-related target and an analysis of trends.
6.4.1	GHG Emissions Targets	36 For greenhouse gas targets: the gases and scopes covered, whether gross or net, and whether a sectoral decarbonisation approach was used.
6.4.2	Water Targets	33 The quantitative and qualitative climate-related targets set, including the metric, objective, scope, period, base year and milestones. 34 The approach to setting and reviewing each target and the metrics used to monitor progress. 35 Performance against each climate-related target and an analysis of trends.



Annexure 2: List of Abbreviations

The abbreviations below are used throughout this Report.

Abbr.	Full Form
AI	Artificial Intelligence
APH	Air Pre-Heater
AR6	IPCC Sixth Assessment Report
BALCO	Bharat Aluminium Company Limited
BSE	BSE Limited (Bombay Stock Exchange)
BU	Business Unit
CapEx	Capital Expenditure
CBAM	Carbon Border Adjustment Mechanism
CCTS	Carbon Credit Trading Scheme
CCUS	Carbon Capture, Utilisation and Storage
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CII	Confederation of Indian Industry
CMIP6	Coupled Model Intercomparison Project Phase 6
CO2	Carbon Dioxide
CO2e	Carbon Dioxide Equivalent
CPP	Captive Power Plant
CSR	Corporate Social Responsibility
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESOS	Employee Stock Option Scheme
EV	Electric Vehicle
FGD	Flue Gas Desulphurisation
FIMI	Federation of Indian Mineral Industries
FVI	Flood Vulnerability Index
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GJ	Gigajoule
HSE	Health, Safety and Environment
HVAC	Heating, Ventilation and Air Conditioning
ICP	Internal Carbon Pricing
IE3 / IE4	Motor energy-efficiency classes (IEC)
IFRS	International Financial Reporting Standards
IIT	Indian Institute of Technology
IMD	India Meteorological Department
IMMT	Institute of Minerals and Materials Technology
INR	Indian Rupee
IoT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent Power Producer
ISRO	Indian Space Research Organisation

Abbr.	Full Form
ISSB	International Sustainability Standards Board
KL	Kilolitre
KPI	Key Performance Indicator
KT	Kilo Tonne (thousand tonnes)
KTPA	Kilo Tonnes Per Annum
LED	Light Emitting Diode
LTIP	Long-Term Incentive Plan
LULC	Land Use and Land Cover
MMT	Million Metric Tonnes
MT	Metric Tonne
MU	Million Units (electricity)
MW	Megawatt
MWh	Megawatt-hour
NCLT	National Company Law Tribunal
NDC	Nationally Determined Contribution
NEERI	National Environmental Engineering Research Institute
NGFS	Network for Greening the Financial System
NITI Aayog	National Institution for Transforming India
NML	National Metallurgical Laboratory
NOAA	National Oceanic and Atmospheric Administration
NRSC	National Remote Sensing Centre
NSE	National Stock Exchange of India
OpEx	Operating Expenditure
PFC	Perfluorocarbons
PPA	Power Purchase Agreement
PPE	Property, Plant and Equipment
RCP	Representative Concentration Pathway
RE	Renewable Energy
RTC	Round-the-Clock (renewable energy)
SCM	Standard Cubic Metre
SOP	Standard Operating Procedure
SPL	Spent Pot Lining
SSP	Shared Socioeconomic Pathway (SSP1 to SSP5)
TCFD	Task Force on Climate-related Financial Disclosures
tCO2e	Tonnes of Carbon Dioxide Equivalent
USD	United States Dollar
VGCB	Vizag General Cargo Berth (Visakhapatnam)
VSAP	Vedanta Sustainability Assurance Programme
WRI	World Resources Institute
WWF	World Wide Fund for Nature
ZLD	Zero Liquid Discharge

Assurance Statement

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECT NON-FINANCIAL INDICATORS CONTAINED IN ALUMINIUM AND POWER DIVISION, VEDANTA LIMITED'S CLIMATE ACTION REPORT

The Management and Board of Directors
 Aluminium and Power Division, Vedanta Limited
 P.O. Kalimandir,
 District Jharsuguda
 Odisha – 768202, India

Scope

We have been engaged by Aluminium and Power Division, Vedanta Limited (hereafter "Vedanta Aluminium" 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 Aluminium's Climate Action Report **as of October 1, 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 Aluminium and Power Division, Vedanta Limited

In preparing the **Subject Matter** Vedanta Aluminium has applied entity developed '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.

Aluminium and Power Division, Vedanta Limited's responsibilities

Aluminium and Power Division, Vedanta Limited'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 Aluminium on March 20, 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

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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 Aluminium'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
 - Bharat Aluminium Company Limited (BALCO): Smelters and Power Plants
 - Vedanta Aluminium – Jharsuguda: Smelters and Power Plants
 - Vedanta Aluminium – Lanjigarh: Alumina Refinery and Captive Power Plant
 - Jamkhani Coal Mine: Captive Mine
 - Vizag General Cargo Berth Private Limited (VGCB): Cargo Berth
- 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.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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 October 1, 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 October 1, 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.

Intended use or purpose

This report has been prepared in accordance with the terms of our engagement solely for the management and Board of Directors of the Company in connection with the Subject Matter described in this report and to enable the Company to publish the report as part of its sustainability disclosures, including on its website. The Subject Matter and this report are intended for users who have a reasonable understanding of the applicable Reporting Criteria and recognise that the Subject Matter has been prepared and assured having regard to appropriate levels of materiality. To the fullest extent permitted by law, we do not accept or assume any responsibility for any reliance on this assurance report to any persons other than the management and the Board of Directors of the Company, or for any other purpose other than that for which it was prepared.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm's Registration No.: 301003E/E300005

Amit Chugh
 Digitally signed by
Amit Chugh
Date: 2026.10.01
16:24:18 +05'30'

Amit Chugh

Partner

Membership No.: 505224

UDIN: 26505224YUPUE1284

Place of Signature: Gurugram

Date: October 1, 2026

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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 recognised that is linked to climaterelated considerations.	ESOS for employees including executive management tied to sustainability achievements, including emission reductions and resource efficiency improvements.



aluminium

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