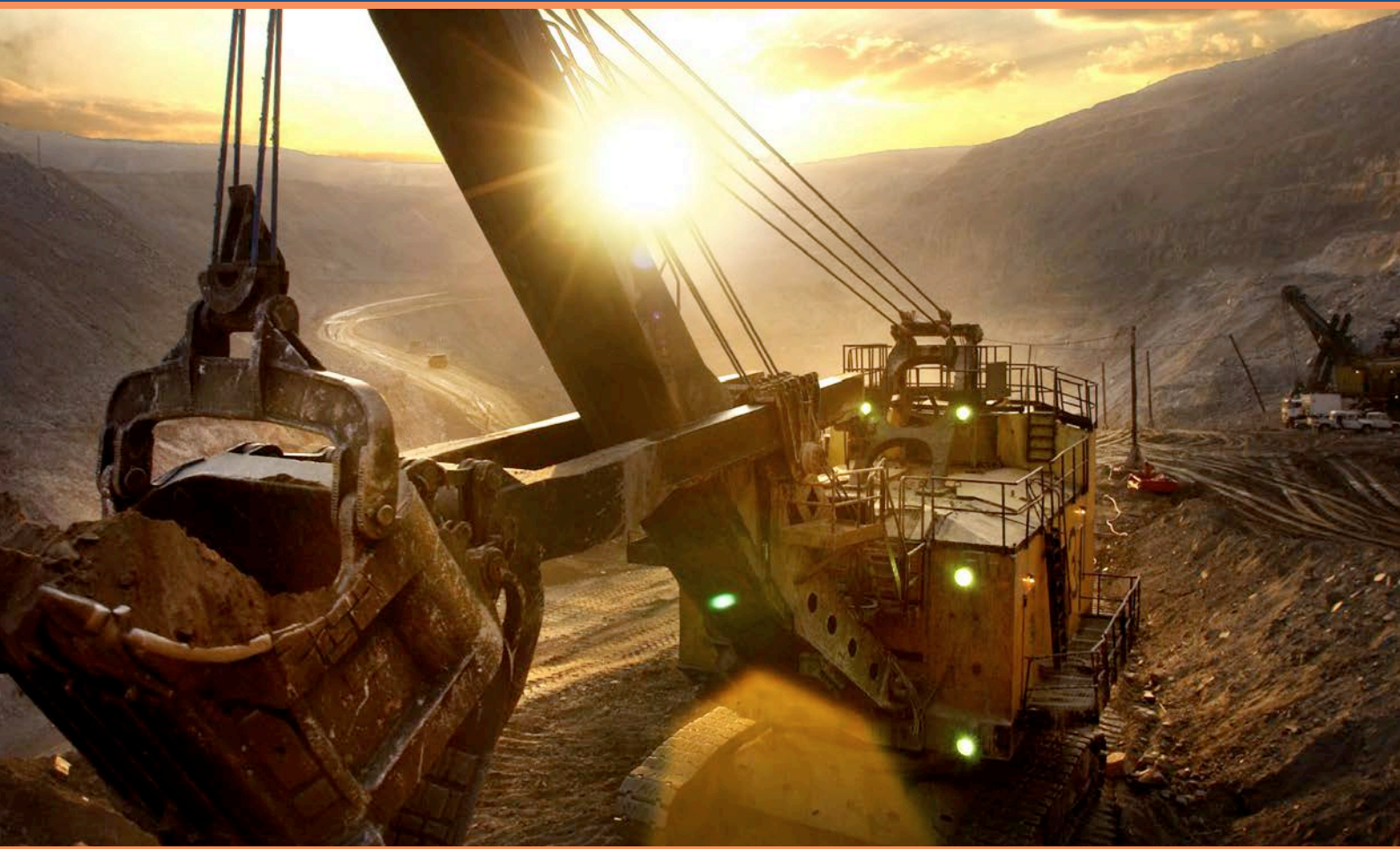




Konkola Copper Mines plc



Konkola Copper Mines (KCM) is a leading Zambian integrated copper producer, which operates underground mines and open pit mines as well as metallurgical plants with operations located on one of the highest-grade copper seams in the world at Nchanga, Konkola, Nkana and Nampundwe.

The Company seeks to be a role model for safety, environment and socio-economic development, while playing a key role in making Zambia one of the world's leading copper producers.

Investing For Growth

Since Vedanta Resources plc acquired KCM in 2004, more than \$3 billion has been invested to upgrade equipment, build new facilities and expand capacity. These investments have increased reserves, resources and extended the life of the mines by over 50 years. Notable investments include:

- Sinking of a 1,500 metres deep shaft at the flagship Konkola Deep Mine.
- State-of-the-art smelter at Nchanga which was commissioned in 2008.
- New concentrators at Nchanga and Konkola with a combined 15.5 mtpa capacity
- Expansion of the Nkana Refinery and Tailings Leach Plant.

Skills and Expertise

KCM is one of Zambia's largest private sector employers, with nearly 12,000 workers, of which 11 percent are women. KCM strongly believes that employee growth and development is a critical component for future success. The company has a long-standing, cross-functional employee training and development programme, which includes secondment to Vedanta's international operations and participation in well-structured development courses. KCM has sponsored over 600 students in full-time degree programmes at universities in Zambia and abroad.

Sustainability & Community Investment

KCM recognizes that its operations and future prospects depend on the communities in which it operates. The company takes an active role in improving the quality of life of the local population, providing support in areas such as health, education, sustainable livelihoods and sport.

- **Education:** Over 2,200 students are studying at KCM funded schools; over 600 Zambians have been trained at local and foreign universities and other tertiary institutions; 2 early child learning centres cater for 320 children each year; KCM's Kitwe Trades School trains around 150 Zambians every year; KCM provides 40 scholarships to high achievers in government schools every year.
- **Health:** KCM operates 2 major hospitals and 14 clinics at its plants and within communities, which provide medical services to more than 63,000 people annually, including employees and their immediate families. KCM hospitals provide specialist treatment such as kidney dialysis, community interventions in HIV/AIDS and other health services.
- **Sustainable livelihoods:** KCM supports livestock restocking efforts. Nearly 800 cattle and more than 3,000 goats have been given out to communities in three areas (Nampundwe, Chingola, Chililabombwe) in the last 5 years. KCM supports the youth and women to run entrepreneurial projects including making leather products, poultry farming, tailoring and other income-generating activities. KCM has supported at least 2,700 families.
- **Sport:** KCM supports two football clubs in the super league: Nchanga Rangers and Konkola Blades. KCM was the pioneer of sponsorship of the entire FAZ league between 2006 and 2011. About 120 football players and trainers directly benefit from KCM support to football through employment. In May 2017, KCM sent two youngsters from the under 16 youth teams of Nchanga Rangers and Konkola Blades to the Sesa Goa Academy in India, for a four-year professional football training programme.



Environment

KCM understands that mining operations have various implications for the environment and has carried out a series of actions to address legacy environmental issues. The company continues to invest in clean technology for a sustainable environment. Notable investments include:

- \$500 million on a new smelter at Nchanga, which has one of the best sulphur-capture rates in the world (99.6% sulphur capture) and \$230 million on modern concentrators at Konkola and Nchanga.
- \$30 million in the Tailings Leach Plant process lines and tanks, and \$2million to desilt the Pollution Control Dam (PCD). \$19 million to rehabilitate the Konkola underground water management facilities. This expenditure corrected most of the legacy environmental issues KCM inherited from previous mine owners.
- Biodiversity integration with the planting of over 80,000 trees. A pilot project is underway to grow 2,000 Pongomia Pinnata trees on 4 hectares of land for environmental remediation and the production of bio-diesel. This project will also create alternative employment for young Zambians.

KCM complies with the *Vedanta Sustainability Framework*, which is underpinned by the ICMM/IFC/OECD principles, as well as statutory requirements of the Zambia Environmental Management Authority (ZEMA).

The Mining Sector in Zambia

Zambia is ranked as the world's sixth largest producer of copper, generating nearly 5% of the world's production, and is the fifth largest global producer of cobalt (6%). The industry employs over 60,000 people within Zambia. Mining accounts for around 80% the country's export earnings.

About Vedanta

Vedanta Resources plc ("Vedanta") is a London-listed diversified resources group which owns 79.4% of KCM. The group produces aluminum, copper, zinc, lead, silver, iron ore, commercial energy, oil and gas. Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, inclusiveness and growth. Vedanta has operations in India, Zambia, Namibia, South Africa, Ireland, Australia and Liberia and a strong organic growth pipeline of projects.

About ZCCM-IH

ZCCM Investments Holdings Plc (ZCCM-IH) maintains a 20.6% shareholding in KCM. ZCCM-IH is one of Zambia's prime investment holding companies with the majority of its investments in the copper mining sector of Zambia. It is quoted on the Lusaka, London and Euronext Stock Exchanges. The company's shareholders are the Government of the Republic of Zambia (GRZ) with 87.6% shareholding and private equity holders with 12.4%. Minority shareholders are spread throughout the world in various locations

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