As one of the largest mining companies operating in Zambia, Konkola Copper Mines (KCM) makes a substantial contribution to the Zambian economy through employment, taxation, procurement and exports. In addition, KCM has spent over US$150 million on corporate social investment (CSI) programmes since 2005.

Today, more than ten years after Vedanta first invested in KCM, the company aspires to do more to build up the economic capacity of the communities that host it. To this end, KCM is developing an ambitious local economic development (LED) strategy. The purpose is to build up the economic capacity of the communities around KCM’s operations to improve their economic futures and the quality of life for all. Specifically, the aim is to generate employment beyond the life of the mines.

KCM intends to use its assets as a catalyst to secure economic activity in the Copperbelt for the next fifty years and beyond, long after KCM has ceased mining. With the right strategy, carefully executed in partnership with government, donors and civil society groups, KCM believes that it can add millions of dollars of additional economic activity per year in non-mining sectors and create many thousands of jobs, specifically in agriculture, forestry, horticulture, aquaculture, services and manufacturing.

Achieving this will be the single greatest economic legacy of KCM in the Copperbelt.

“I believe that renewed focus is needed to help the Copperbelt and northern Zambia develop more robustly, realizing the potential and the opportunities not just in mining but also in agriculture, tourism, logistics and trade.”

Tom Albanese, KCM Chairman
Redoubling efforts to extract opportunities from our mining value chain

Towards the end of 2014 KCM established a Business Unit responsible for Local Economic Development. The Unit is tasked with developing local enterprise programmes that empower the communities adjacent to the company’s mines and contribute to wider, broad-based economic activity.

KCM’s Local Economic Development team is looking upwards, downwards and even sideways for economic linkages in KCM’s value chain. It is speaking with the communities around KCM’s mines and with government, donors and NGOs about ways in which the company can proactively foster the creation of small and medium-sized enterprises and generate employment. Specifically it is looking at some of the following measures:

- awarding of supply contracts and grants
- partnerships and joint ventures
- skills development and training
- transfer of mining technologies and information

David Paterson,
Vice President of Local Economic Development

“Vedanta has a 50 year vision for KCM. This vision depends on the Copperbelt realizing its potential as an economic hub. Mining alone will not achieve this. Agriculture, tourism, logistics, services and trade will all need to make a contribution.

Making the Copperbelt an economic hub for the region and for the African continent will require an unprecedented level of collaboration between industry, government and civil society. KCM will continue to be active in these efforts.”

Steven Din, CEO of Konkola Copper Mines plc (KCM)

<table>
<thead>
<tr>
<th>Approach</th>
<th>An integral part of KCM’s approach is to work closely with all stakeholders and to work in partnership with local businesses, government and international donors to ensure that programmes align with national development goals and other similar initiatives in the country being led by the Zambian Development Agency (ZDA) and the Ministry of Commerce, for example.</th>
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<tbody>
<tr>
<td>Strategy</td>
<td>KCM is developing an ambitious local economic development (LED) strategy to serve as a catalyst for wealth-creating employment. KCM will work with a wide range of stakeholders to ensure initiatives are practical for local businesses and foster economic diversification and sustainable development. KCM has two key areas of focus initially: • <strong>Mining supply chain:</strong> KCM is revisiting previous studies in this area and will meet with a range of suppliers and industry associations to search for opportunities to increase Zambian content in its business. • <strong>Agriculture:</strong> KCM does not aim to become an agricultural producer, but it does recognize potential synergies between its operations and the agricultural sector. It also recognizes the labour intensity of many agricultural projects.</td>
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<tr>
<td>Implementation</td>
<td>In partnership with stakeholders – including government, local businesses and donor organisations – KCM will establish an implementation plan for each initiative.</td>
</tr>
<tr>
<td>Monitoring and evaluation</td>
<td>KCM will monitor and audit initiatives against clear performance indicators.</td>
</tr>
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</table>
About Vedanta Resources plc

KCM’s largest shareholder, Vedanta Resources plc, has significant experience catalysing wealth creation opportunities. Projects include capacity building for cash crop farming and support for organic cotton cultivation in India. KCM is able to benefit from Vedanta’s experience and insights as it refines and implements its local economic development strategy.

Vedanta Resources is a London Stock Exchange listed, globally diversified natural resources major with interests in zinc, Lead, Silver, Copper, iron ore, Aluminium, Power and Oil & Gas.

About KCM

Konkola Copper Mines (KCM) is one of Africa’s largest integrated copper producers, with mining operations in Zambia’s Copperbelt and Central Provinces.

Konkola Copper Mines (KCM) is a subsidiary of Vedanta Resources Plc. In addition, state-owned Zambia Consolidated Copper Mines Investment Holdings (ZCCM-IH) holds a significant shareholding (20.6%) in KCM.

Since 2004, KCM has invested close to US$ 3 billion to upgrade and expand company assets, including US$1 billion sinking and commissioning a 1,500 meter deep mine shaft at the Konkola Deep Mining Project (KDMP) - now the deepest mine shaft in Zambia.

KCM is one of the largest private sector employers in the country and one of the largest contributors to the national fiscus through direct and indirect taxes. The company also maintains one of the most comprehensive corporate social investment programmes in the country, focused on education, health and livelihoods.

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