IMC Ramkrishna Bajaj National Quality Award – Certification of Merit – for manufacturing.

Socially Relevant Business Practices + Voluntary Employee Involvement = Responsible and Caring Corporate.

- The Company provides a healthy workplace through controlled and safe plant operations.
- The Company integrates environment, health and safety considerations into business planning and decision-making.

CONNECTING... WITH THE COMMUNITY

At Sterlite Technologies, a sensitive concern for the community and the world makes our business truly sustainable. We invested in our community development through the following initiatives:

Community welfare

- Provided a mobile dispensary and ambulance for medical assistance in the remotest villages.
- Organized health and nutrition camps attended by 300 villagers.
- Constructed potable water and sanitation facilities, which will benefit 300 villagers.

Environment management

- Constructed ten check dams in drought-stricken Maharashtra and the Union Territories of Dadra and Nagar Haveli.
- Implemented greening initiatives to protect the environment.

Empowerment

- Empowered village women through vocational training that encouraged the manufacture of cottage industry products.
- Initiated computer literacy programmes in villages.

Thanks to these initiatives, entailing 1 % of its net profit, Sterlite enhanced life quality for 79,750 lives across India.

Sustainable Development Report

Sterlite's sustainable development initiatives directly impact over 79,750 lives across India.

We monitor and reduce social and environmental risks, improve resource utilization, minimize pollution and forge partnerships with local communities.

Sterlite's commitment extends beyond business. We aim to develop our telecom and power businesses with the objective to provide attractive shareholder returns. We conduct our activities in a socially and environmentally responsible manner with the objective to enhance value for the community.

The principle of sustainable development is fundamental to this approach. It requires us to monitor and reduce social and environmental risks, improve resource utilization, minimize pollution and forge partnerships with local communities. We achieve this through a balanced mix of regulatory compliances, business practices, audits, certifications and employee involvement.

At all our manufacturing facilities, we ensure that operations are carried out with a key focus on the following:

- Implementing measures to reduce pollution, emissions, waste and energy consumption.
- Exploring the use of environment-friendly technologies and materials within our research, development and manufacturing processes.
- Preventing/minimizing impact from pollution and occupational health and safety risks.
- Conserving natural resources.
- Recycling and creating innovative recycling opportunities.
- Providing a safe work environment for employees and safe living conditions for our neighbours.

Regulatory compliances

Sterlite ensures that its operations comply with all applicable laws,

regulations and Company standards. Some of these include national-level regulations such as Environmental Protection Act, Prevention of Water Pollution Act and Prevention of Air Pollution Act. Besides, the Company ensures that it complies with and strives to exceed state-level regulations on environmental protection and pollution prevention.

Business practices

Sterlite is also committed to providing a healthy work environment for employees and associates through controlled plant operations and continuous improvement in our processes, products and services.

Sterlite integrates environment, health and safety (EHS) considerations into business planning and decision-making. A robust integrated management system is created for process and operational changes to assess the suitability, adequacy and effectiveness of our efforts on environment, health and safety.

This ensures that operations are carried out under adequate supervision through the use of necessary personal protecting equipment (PPE) as well as an adherence to safety precautions. We also conduct periodic environmental audits and progress reviews.

Certifications

Sterlite's optical fiber facility has been audited by BVQi and certified for the ISO 14001:2004 quality management system and OHSAS 18001:1999.

(a) ISO 14001 specifies the actual requirements for an environmental management system, applying to those environmental aspects over which the organization exercises control. The website address is www.iso.org.

(b) OHSAS specifies the requirements for an occupational health and safety (OH&S) management system to enable an organization to control its OH&S risks and improve performance. OHSAS 18001 has been developed to achieve compatibility with the ISO 9001 (Quality) and ISO 14001 (Environmental) management system standards to facilitate an integration of quality, environmental, occupational health and safety management systems. The website address is www.ohsas.org.

(c) The British Safety Council's (BSC) five-star audit is a unique service provided by the British Safety Council. The scope of the audit includes a review of the health and safety performance of businesses from the management of health and safety to the implementation of associated systems in the workplace. By applying the principles of audit to health and safety issues, organizations can improve operational performance and systematically reduce overall costs. The website address is www.britishsafetycouncil.co.uk.

Employee involvement

We stimulate EHS awareness among all employees and associates through periodic training programmes and increasing environmental awareness within our plants and facilities. We keep abreast with latest international practices, codes and standards, which are adopted wherever applicable.

Key achievements – environmental protection

Following are the special tasks, which we have completed in last year towards environment protection:

1. ISO 14001:2004 (EMS) certification – Successfully completed the ISO 14001:2004 certification in the month of April, 2008.
2. Conservation of Natural Resources – Start monitoring and control uses of electric energy and water consumption.
3. Establish the scrap disposal matrix – Safe disposal method of waste / hazardous material.
4. Awareness towards environment protection – Training program / display board has been conducted / displayed for conservation of natural resources (e.g water, electricity & depletion of resources).
5. We have also contributed in the areas of greenbelt development wherein we under took plantation of approx 1,000 trees in our facilities.

6. Abolished use of paper cups and plastic bags (Food is now being served through containers) ,

Enriching the community

Sterlite undertakes various activities based on an assessment of needs and aspirations of the community. The Company has allocated 1% of its annual net profit towards these projects. Environment, healthcare, education and the development of the community are integral to its ideology.

Our sustainable development initiatives span villages in the remotest locations in Maharashtra and the Union Territory of Dadra and Nagar Haveli.

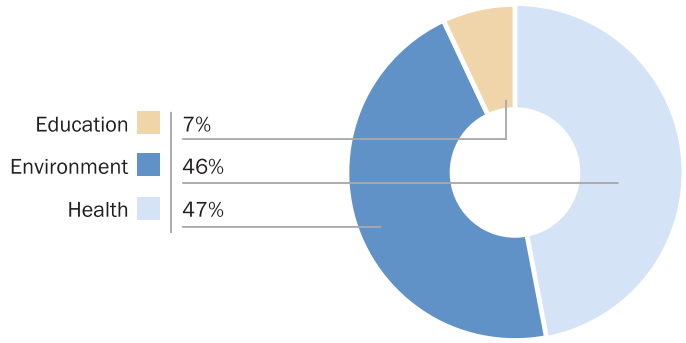
Some of our environment management initiatives comprise the construction of over 10 check dams in drought-stricken villages, which are now capable of storing about 50 TCM of water, radically changing the economic potential of the villages. Focusing on the pressing need for greening, we undertook the plantation of more than 4.5 hectares.

Our health initiatives comprise the sponsorship of a mobile dispensary and ambulance, 730 cataract operations for the underprivileged and hearing aids for 100 hearing-impaired children. In addition, we also conducted a health and nutrition camp attended by 300 villagers. We undertook the construction of potable water and sanitation facilities, the completion of which will benefit over 300 individuals.

We continued supporting education and women's empowerment. Our initiatives in training in tailoring, manufacture of cottage industry products and teaching empowered 200 underprivileged women.

We formed teams at every manufacturing location to assess potential projects and ensure their implementation, monitoring and sustenance. The management and the teams remain committed to the projects and we will strive towards positive community impact.

Expense Outlay 2005-08



Summary of community sustainable development projects

Category	Type of project
Education	Tailoring course for under-privileged women
	Teachers' training programme
	Training in the manufacture of cottage industry products
Environment	Construction of check dams
	Reforestation plantations
Health	Organising of health and nutrition camps, cataract operations
	Provision of hearing aids for students
	Provision of a mobile medical dispensary and ambulance
	Construction of facilities for potable water and sanitation

Sterlite's sustainable development initiatives directly impact over 79,750 lives across India.

Sustainable Development - Case Study

"We were not able to grow Rabi season crops in our village for nearly 10 years due to chronic drought. However, after the construction of check dams, we are now growing vegetables and wheat."

– Tukaram Ghavate, a farmer in Karanjgaon village, Maharashtra

Tukaram Ghavate is one of 2,000 farmers in Karanjgaon, Shekta and Hasanabadwadi villages belonging to drought-prone Aurangabad (Maharashtra). In this region the average erratic annual rainfall is less than 500 mm.

The topography of the land does not allow for soil and water harvesting, resulting in a chronic shortage of water for drinking and irrigation. As a result, the livelihood of 6,000 village inhabitants depends on rain-fed farming without an assurance of consistency.

Over the years, the excessive use of water through wells and bore wells has caused ground water depletion. As a result, limited rainwater can no longer satisfy growing population needs, making it imperative to recharge or create water conserving structures like check dams.

Sterlite undertook the construction of check dams with the following objectives:

- Conserve large-scale water in the drought-prone areas of Aurangabad
- Increase the groundwater table through the recharging of rainwater
- Minimize the problem of drinking and irrigation water in rural areas
- Increase crop productivity by increasing the command area
- Develop an effective tool for drought proofing and sustainable solution in rural areas
- Enhance the livelihood of rural families through the judicious use of natural resources

Sterlite partnered with Dilasa Janvikas Pratishthan (a reputed NGO working on natural resource management in Maharashtra for over 15 years) to construct three check dams with a cumulative storage capacity of 12.34 TCM in 2007-08 and a total of eight check dams of 46.95 TCM during the last two years.

The Company minimized the withdrawal of water from bore wells for crops requiring high water supply. No direct pumping of water was allowed from the stored water of the check dams. These regulatory actions were accepted by the local community.

The construction of the check-dams have far-reaching socio-economic implications. Farmers in these villages have enhanced their Rabi (winter) yield, annual family incomes have increased by about Rs. 20,000 on an average and living standards have improved. Some quantitative results of one check dam at the Shevga village comprise the following:

- Water conserved was 16.50 TCM.
- There was an increase in ground water table of about five metres in summer.
- Irrigation area increased from 2.76 hectares to 9.60 hectares.
- Kharif agriculture production (June-November) increased by over 150%.