Mr. Per L. Saxegaard

Chair of Business for Peace Foundation

P.O. Box 1580 Vika

0118 Oslo

27 April 2012

Dear Per L. Saxegaard,

**2012 Business for Peace Foundation Award to Anil Agarwal**

We recently noted, with considerable disappointment, that the Oslo Business for Peace Foundation has announced an award to Anil Agarwal, Chair of Vedanta Resources.

The Foundation’s citation to Anil Agarwal states that;

*Anil Agarwal is the founder and executive chairman of the Vedanta Resources corporation. His strong commitment to sustainable growth and community involvement is having a significant impact wherever the group’s companies are active. Vedanta is actively engaged in sustainable development and philanthropic activities. Millions of people are benefiting from the group’s initiatives, that cover a wide field, from meals in schools, computer education, the establishing of hospitals, mobile health centres, and rural health posts – to microfinancing to empower women. The Vedanta Foundation focuses the company’s efforts for sustainable development and community involvement.*

Amnesty International, together with several other international NGOs, has published reports on Vedanta’s refinery and proposed bauxite mining operations in Orissa, India. These reports together with the investigations, reports and actions by the UK National Contact Point, major investors in Vedanta shares, including the Norwegian Pension Fund, and campaigning by local communities in India, would suggest that Vedanta is far from having a positive impact on local communities and contributing to sustainable growth in India.

An important measure of a company’s impact on a community is the impact of its core operations. In the case of Vedanta and Anil Agarwal there is a long history of allegations of human rights abuse, especially in its operations in Orissa.

Members of the Dongria Kondh, Majhi Kondh and other marginalised communities in Orissa, India have been protesting for several years against Vedanta’s proposed bauxite mining and alumina refinery expansion plans.

Amnesty first published its concerns about Vedanta’s operations in Orissa, in a report entitled ‘Don’t mine us out of existence’ in February 2010. This report highlighted human rights abuses suffered by local communities living in the vicinity of the refinery and proposed bauxite mine. The abuses included impacts on the right to food, clean water, health, work and livelihoods and traditional lands. Central to the allegations was a lack of consultation with the local communities by the company and providing those communities with effective access to relevant information.

Far from ‘community involvement’, Anil Agarwal’s Vedanta has a long history of inadequately consulting with local communities in a way that enables affected communities to fully participate in decisions by the company, which will impact on their communities.

This lack of consultation and gaining consent, was most clearly illustrated in the complaint made by Survival International to the UK National Contact Point, under the OECD Guidelines for Multinational Enterprises. Survival International made a complaint in December 2008, which in essence accused Vedanta of failing to consult with IIndigenous Peoples affected by Vedanta’s proposed mining operation in Orissa.

The UK NCP upheld Survival’s complaint and his conclusions are an indictment of Vedanta’s failures to consult with local communities. The following extracts illustrate the point:

* *The UK NCP concludes that Vedanta failed to put in place an adequate and timely consultation mechanism fully to engage the Dongria Kondh, an indigenous community who would be directly affected by the environmental and health and safety impact of its plans to construct a bauxite mine in the Niyamgiri Hills, Orissa, India.*
* *It concludes that Vedanta failed to engage the Dongria Kondh in adequate and timely consultations about the construction of the mine, or to use other mechanisms to assess the implications of its activities on the community such as an indigenous or human rights impact assessment.*
* *The UK NCP concludes that Vedanta failed to engage the Dongria Kondh in adequate and timely consultations on the construction of the bauxite mine; it did not consider the impact of the construction of the mine on the rights and freedoms of the Dongria Kondh, or balance the impact against the need to promote the success of the company.*

It is rare for an NCP to find so conclusively in favour of a complainant against a multinational company. In addition to concerns raised by local communities and international NGOs, institutional shareholders in Vedanta have also expressed and acted on serious concerns about Vedanta’s adverse environmental and human rights impacts.

Investors in Vedanta who have commented and acted on their concerns include the following:

* In 2007 the Norwegian Pension Fund sold its entire stake in Vedanta stating - *"The allegations leveled at the company regarding environmental damage and complicity in human rights violations, including abuse and forced eviction of tribal peoples, are well founded."*
* In February 2010 the Church Commissioners and the Church of England Pensions Board sold its stake in Vedanta claiming – *‘after six months of engagement, we are not satisfied that Vedanta has shown, or is likely in future to show, the level of respect for human rights and local communities that we expect of companies in whom the Church investing bodies hold shares.’*
* In July 2010 PGGM, one of the largest pension fund managers in the Netherlands, sold its stake in Vedanta, stating - *“Vedanta has made insufficient improvements with regard to human rights and the environment. The company is therefore burdened with growing reputation risk, which may also translate into financial risks.”*
* Lastly in January 2012 Novethic, the French sustainability research company, published a the findings of a study they had conducted, which highlighted that Vedanta was boycotted by two-thirds of the 15 major European pension funds and asset managers surveyed in the study.

The above is but a sample of the major human rights and environmental concerns that are shared by local communities living in the shadow of Vedanta’s operations, international ngos and major investors in Vedanta’s shares.

In light of the fact that the human rights abuses on communities in India are a direct consequence of the operations of the Vedanta group of companies and their failure to prevent or address serious and harmful negative impacts despite substantial evidence, we ask you to reconsider the decision to make Anil Agarwal one of your 2012 Honourees. Your decision to make this award undermines the campaigns by local communities to seek justice for human rights abuses they have suffered in connection with Anil Agarwal’s Vedanta group of companies’ operations.

We look forward to hearing your decision.

Yours sincerely

Amnesty International Norway



John Peder Egenæs Beate Ekeløve-Slydal

Secretary General Political Adviser