



July 12, 2018

Benoit Daignault  
President and Chief Executive Officer  
Export Development Canada  
150 Slater St., Ottawa, ON K1A 1K3  
BDaignault@edc.ca  
Sent via electronic mail

Dear Mr. Daignault:

In May of this year police in the Indian state of Tamil Nadu shot and killed 13 people protesting pollution from a copper smelter owned by Vedanta Limited, a client of Export Development Canada. Dozens more were injured in the shootings.

The protests spanned months and saw tens of thousands take to the streets demanding closure of the Sterlite copper smelter, which has been repeatedly shut down for breaches of environmental regulations. The Madras high court, in its 2010 judgment ordering closure of the smelter, [held that](#) “continuing air pollution being caused by the noxious effluents discharged into the air by the respondent company is having a devastating effect on the people living in the surroundings.” State authorities have now ordered the permanent closure of the smelter.

What actions are being taken by EDC to respond to the shootings and the harms caused by its client’s operations? Specifically:

1. Will EDC publicly call for an independent investigation into the use of lethal force by police in the protest, and for fair reparations to be made to the families of those killed and to the injured?
2. Will EDC insist that its client remediate the environmental harm linked to its copper smelter and provide reparation to those whose health has been harmed by the associated pollution?
3. Will EDC insist that Vedanta Ltd. ensure all of its operations — including its coal-fired power plant at Korba, Bodai Daldali bauxite mine, aluminum refinery at Lanjigarh and iron ore operations in Goa<sup>1</sup> — are in compliance with environmental and other relevant laws?
4. How will EDC verify whether its client has in fact brought its operations into compliance with all relevant laws?

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1. These Vedanta operations have been associated with serious regulatory breaches. The Korba power plant, 51% owned by Vedanta Ltd., [was shut down](#) in 2017 for water pollution. Systemic violations of health and safety rules at the Bodai Daldali mine, also 51% owned by Vedanta Ltd., were noted [in 2016](#) by the ethics council of Norway’s government pension fund. The council also noted illegalities in the expansion of the Lanjigarh refinery, owned and operated by Vedanta Ltd., for which hundreds of families were forcibly displaced from their farmlands. Vedanta Ltd.’s iron ore division, Sesa Goa, is [among the companies that lost their licences](#) to mine iron ore in Goa [in 2012](#) after operating for years without a requisite environmental clearance. A public commission had [reported](#) violations of environmental laws by the companies involved, including Sesa Goa.

280 Albert Street, Suite 100  
Ottawa, ON, K1P 5G8, Canada  
+1 (613) 791-7532  
[www.aboveground.ngo](http://www.aboveground.ngo)

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5. What measures will EDC take if its client remains noncompliant with such laws?

In the past when Above Ground has asked EDC about its response to allegations of wrongdoing by a client, the agency has indicated that it sought clarification from the company about the issue. Relying primarily on information provided by the client would be a particularly inadequate approach in the case of Vedanta Ltd. The company has repeatedly been found to have falsified and/or omitted crucial information about its compliance with regulations in submissions to public bodies.<sup>2</sup>

Finally, I would like to address a statement made by EDC spokesperson Shelley Maclean in response to media questioning about the agency's support for Vedanta in the wake of the protestor deaths. Ms. Maclean specified that the loan [was for the acquisition of oil and gas](#) products, unrelated to the company's mining activities. Our concerns about EDC partnering with Vedanta Ltd. are not diminished by the fact that the financing may not have directly supported the operation of the copper smelter in Tamil Nadu. EDC's decision to provide Vedanta Ltd. with a 'general corporate purposes' loan has improved the company's financial position, facilitating its global operations. The EDC loan is an implicit endorsement of a company long associated with significant environmental harm and systemic human rights abuse.

I thank you in advance for your urgent attention to this matter and clarification regarding EDC's ongoing exercise of due diligence with respect to Vedanta Ltd.

Sincerely,



Karyn Keenan  
Director  
Above Ground

C.C.: The Honourable François-Philippe Champagne, Minister of International Trade

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2. For example, [a report](#) commissioned by the Indian government to review Vedanta Ltd.'s Lanjigarh refinery project found that the company had obtained approvals "by deliberately falsifying crucial information," and that it was "clearly not according any priority" to complying with commitments made in its environmental impact assessments. In 2016, the ethics council of Norway's government pension fund [noted](#) several glaring inaccuracies or omissions in submissions made to the council by parent company Vedanta Resources regarding the Sterlite copper smelter and the Lanjigarh refinery.