

# MORE SMILES PER TON OF STEEL

SUSTAINABILITY REPORT 2014-15



# Content



## MORE SMILES PER TON OF STEEL

Sustainability at JSW Steel is about creating as many positive impacts as possible in terms of economic, environmental and social aspects of the business in an integrated manner, ultimately contributing to more smiles per ton of steel manufactured



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*"During the financial year ending March 2015, JSW Steel demonstrated dexterity with which we grew our business and ultimately created more smiles per ton of steel. This is a direct outcome of the "Will of Steel" - a credo that epitomises our approach".*

## From the Chairman's Desk

### Maximising our Contribution to Nation Building

In JSW Steel, our growth story is synonymous with sustainable development. Our way of doing business has always been one of innovation in the face of challenges, yet with minimal negative impacts on nature or people. For a decade and half our journey has brought us from a 0.8 million tonne plant to becoming India's largest private integrated iron and steel manufacturer today. We will continue on this path, and keep contributing to the growth of other stakeholders with a focus on value-addition. We have increased efforts on governance, ethics, transparency and accountability.

This is the 11th year of our sustainability disclosure, and we continue to underpin our efforts to the guidelines of the Global Reporting Initiative.

I am happy to report that during the financial year ending March 2015, we demonstrated dexterity with which we grew our business and ultimately

created more smiles per ton of steel. This is a direct outcome of the "Will of Steel" - a credo that epitomises our approach. Despite a dip in realisation owing to a surge in imports and dumping, we delivered robustly and increased our profitability while being resilient. Investing in downturns and reaping the benefits in the upswing has been our consistent strategy over the past decade and half. Accordingly, during this reporting period, we have added capabilities in auto and electrical grade steels.

In the last two years the Government of India has announced a series of policy initiatives recognising the importance of manufacturing to foster national development. Arguably the most visible of these is "Make - in - India", intended to facilitate investment, foster innovation, enhance skill levels, create jobs, and build best-in-class manufacturing capability. The steel sector has the crucial and dual roles of an investor as well as a beneficiary of this theme. It fits aptly with the "Vision 300 million tonnes" by the year 2025 of the Government of India. JSW Steel is well-positioned to be a lead player in realising this vision. With its aim of

consolidating its numero uno position, it envisions creating additional capacity by 2025. This expansion is to be achieved despite challenges in access to natural resources like land, water, iron ore and coal. Mindful of these challenges we have strategies in place to address them; technology and making the value chain more efficient are the two main levers for this.

At JSW Steel, we constantly strive to improve our operational efficiency. Consequently, we have been able to enhance yield and reduce our overall environmental footprint. With the help of the new cold rolling mill we have been able to

***"With the help of the new cold rolling mill we have been able to enrich our product mix by focussing on value-added and special steel products. The new products are designed to contribute to resource efficiencies in the value chain".***

enrich our product mix by focussing on value-added and special steel products. The new products are designed to contribute to resource efficiencies in the value chain.

We take the utmost care to ensure our operations do not lead to diminishing the natural capital.

Our plants are among the most energy-efficient, water-efficient and least polluting. Our endeavour to be a resource steward has resulted in many achievements in the reporting period. Among these are decrease in water intensity of our operations, increase in water recycling, utilisation of waste gas at nearly 99%, reduction in specific iron ore consumption, recycling of steel scrap, contributing to the re-charge of ground water, and planting of nearly 2 million trees - cumulatively - leading to the creation of significant green cover. We are among the first corporates in India to sign up to the Indian Business & Biodiversity Initiative, under which we have taken several steps across our locations to enhance the local flora and fauna.

It is our responsibility to provide the workforce, including employees of associates and contractors working on-site, with a safe and healthy working environment. Our goal of "zero harm" is manifested in the various interventions we

implement to ensure safety in the work place. We invested significant resources in imparting training on safety; this has paid us rich dividends by significantly reducing the Lost Time Injury Rate over the previous fiscal.

We aim to be an employer of choice, which can be achieved by inspiring our workforce as well as enabling them to develop professionally. We foster a work culture that is growth-focussed and performance-driven. We ensure an encouraging and bias-free workplace through our policies and practices encompassing human rights, ethics and transparency.

It is our firm belief that the ability to develop and deliver consistently is possible solely through innovation and partnerships, along the value chain with our suppliers, contractors and customers, in order to co-create and deliver to continuously changing market requirements. This is critical in helping us future-proofing our business.

Our work towards the empowerment of our neighbouring communities has gained more focus and drive, with greater commitment to deliver better results. We have become more impact-oriented and ensure that we achieve the desired outcomes. Our investment into the communities has increased by 61% compared to the previous financial year.

As we strive to consolidate our leading position, I must acknowledge the immense contribution of the entire JSW family who push themselves, rise above challenges, and leave no stone unturned to for us grow sustainably and improve the lives of our communities. I am also grateful to all our stakeholders, including shareholders, customers, suppliers, and contractors / vendors, for their trust, co-operation and support in building this value generating enterprise.

I look forward to your continued support in our endeavour towards nation building.

**Sajjan Jindal**  
Chairman & Managing Director  
JSW Steel Limited



## Setting the Context

This report presents the company's economic, environmental and social performance for the period 01- April-2014 to 31-March-2015 (financial year 2014-15). The report has been developed in line with the requirements of Global Reporting Initiative's G3.1 Guidelines for Sustainability Reporting.

The nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business have been mapped to the relevant sections in this report. Additionally, this report also aligns itself to the requirements of the Clause 55 of the Listing Agreement of the Securities and Exchange Board of India (SEBI) to publish an

annual Business Responsibility Report. The detailed disclosure as per the Clause 55 requirements can be found on the Company website along with the Company's Annual Report for the financial year 2014-15.

This report also serves as a communication to the Company's stakeholders on its progress on the 10 principles of United Nations Global Compact. It continues to work with the World Steel Association as a signatory to its sustainability charter. The Company has aligned its sustainability performance to the Key Performance Indicators (KPIs) specified by the World Steel Association.

## Highlights

**12.63 MnT**  
Crude Steel Production

**INR 2, 166 Cr**  
Net Profit

**^4%**

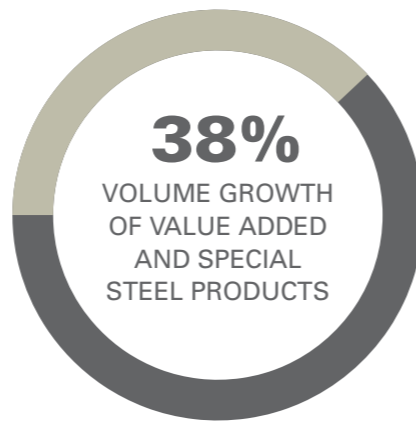
**^62%**

**INR 8,872 Cr**  
Operating EBITDA

**INR 45,352 Cr**  
Net Turnover

**^1%**

**^2%**



## Products & Markets

<p>Value for money products targeted to semi-urban and rural India.</p> <p><b>Galvanised AL/ZN coated corrugate sheets</b></p>	<p>Premium quality products for customers who admire quality</p> <p><b>Pre-painted galvanised and AL/ZN coated corrugate sheets</b></p>
<p>Innovative and Economical product for rural India</p> <p><b>Pre-painted AL/2N profile sheets</b></p>	<p>Best in class product, used in various prestigious projects across the spectrum</p> <p><b>TMT Bars</b></p>

## Market Segment Being Served

- Oil & Petro Chemicals
- Projects & Construction
- General & Heavy Engineering
- Machinery
- LPG Cylinders
- Cold Rolling & Galvanising
- Automobile
- Boiler & Pressure Vessels
- Ship Building
- Railways
- Transmission Towers
- Pipes & Tubes

- Projects & Construction
- General Engineering
- Automobile - for special alloy longs

**Cold Rolled (CR)**

- Automobile
- White Good
- Machinery
- Pipes and Tubes
- General Engineering & fabrication
- Packaging
- Drums / Barrels
- Furniture

**Hot Rolled (HR)**

- General Engineering
- Consumer Durable/ White Goods
- Furniture
- Automobile
- Machinery
- Projects & Construction

**Galvanised/ Galvalume**

- Roof, Wall Cladding & other building products
- Household Appliances
- Furniture
- Automobiles

**Pre-Painted Galvanised (PPG)**

**Long Products (TMT Wire Rod)**



# Operations and Products

## JSW Steel Coated Products Limited

Vasind, Tarapur, Kalmeshwar

**Products:**

Galvanised & Colour Coated products

**Highlights:**

- 0.21 MTPA cold rolling mill commissioned
- Exports up by 0.15 MnT (i.e 20%).

## JSW Steel Limited

Dolvi

**Products:**

Hot Rolled Coils HRC

**Highlights:**

- Cold rolling mill with 0.21 MTPA capacity was commissioned at Kalmeshwar
- Exports increased by 0.15 MnT over the previous year, witnessing a 20% growth.

## JSW Amba River Coke Limited

Dolvi

**Highlights:**

- ARCL has set up a 1 MTPA Coke Oven Plant and a 4 MTPA pellet plant in June 2014 and September 2014, respectively. The coke and pellets produced are being supplied to Dolvi unit. The profit after tax for FY 2014-15 is ₹ 119.48 crores.

## JSW Steel Limited

Vijayanagar

**Products:**

Slabs, Billets, Blooms, HR Coils and Sheets, Cold Rolled Close Annealed (CRCA) Coils and Sheets, Galvanised products, Wire Rods, Bar Rods and Angles

**Highlights:**

- Produced 9.7 MnT of hot metal, an increase of 7.2%
- Small sinter usage in BF4 and reduction in sinter fines generation
- 'Amanoscope' successfully commissioned in BF4 for better monitoring of material distribution

## JSW Steel Processing Centres Limited

Vijayanagar

**Products:**

Steel Services

**Highlights:**

- Growth in output 12% and profits 53%

## JSW Steel Limited

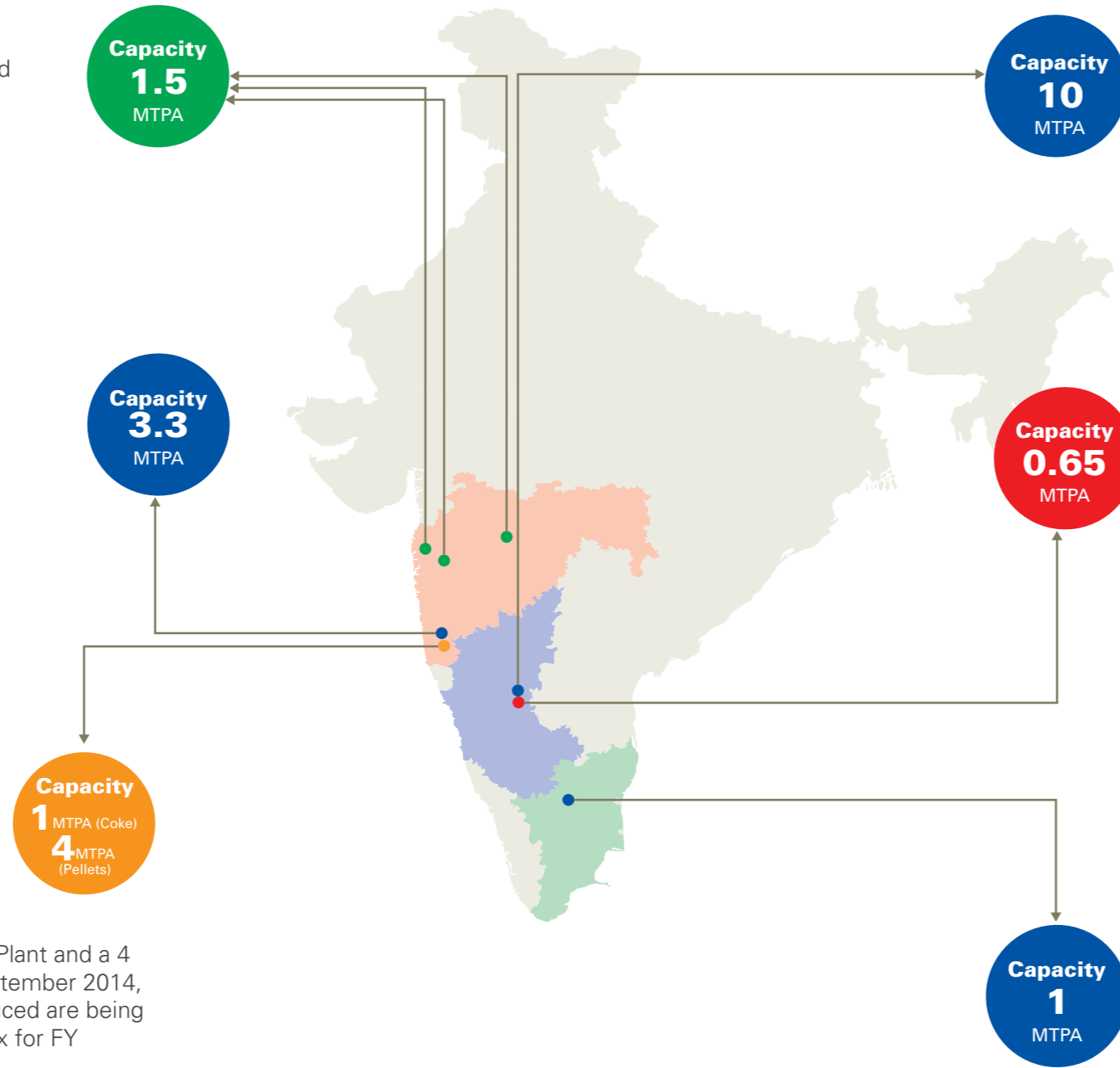
Salem

**Products:**

Special Steel long products

**Highlights:**

- The cast production grew by 6% over the previous year.
- Rolled product production increased by 22% compared to FY 2013-14.



**STATES**

- Maharashtra
- Tamil Nadu
- Karnataka

**PLANTS**

- JSWSL (Dolvi, Vijayanagar, Salem)
- JSWSPCL (Vijayanagar)
- JSWSCPL (Vasind, Tarapur, Kalmeshwar)
- ARCL (Dolvi)



## Vision, Mission and Values



## Strategic Focus Areas



## Strategic Focus

### Sustainability Policy

JSW Steel Limited ("JSW") believes in creating sustainable growth while balancing utilization of natural resources and social development in its business decisions.

It also believes in pursuing its business objectives ethically, transparently and with accountability to its stakeholders across the value chain.

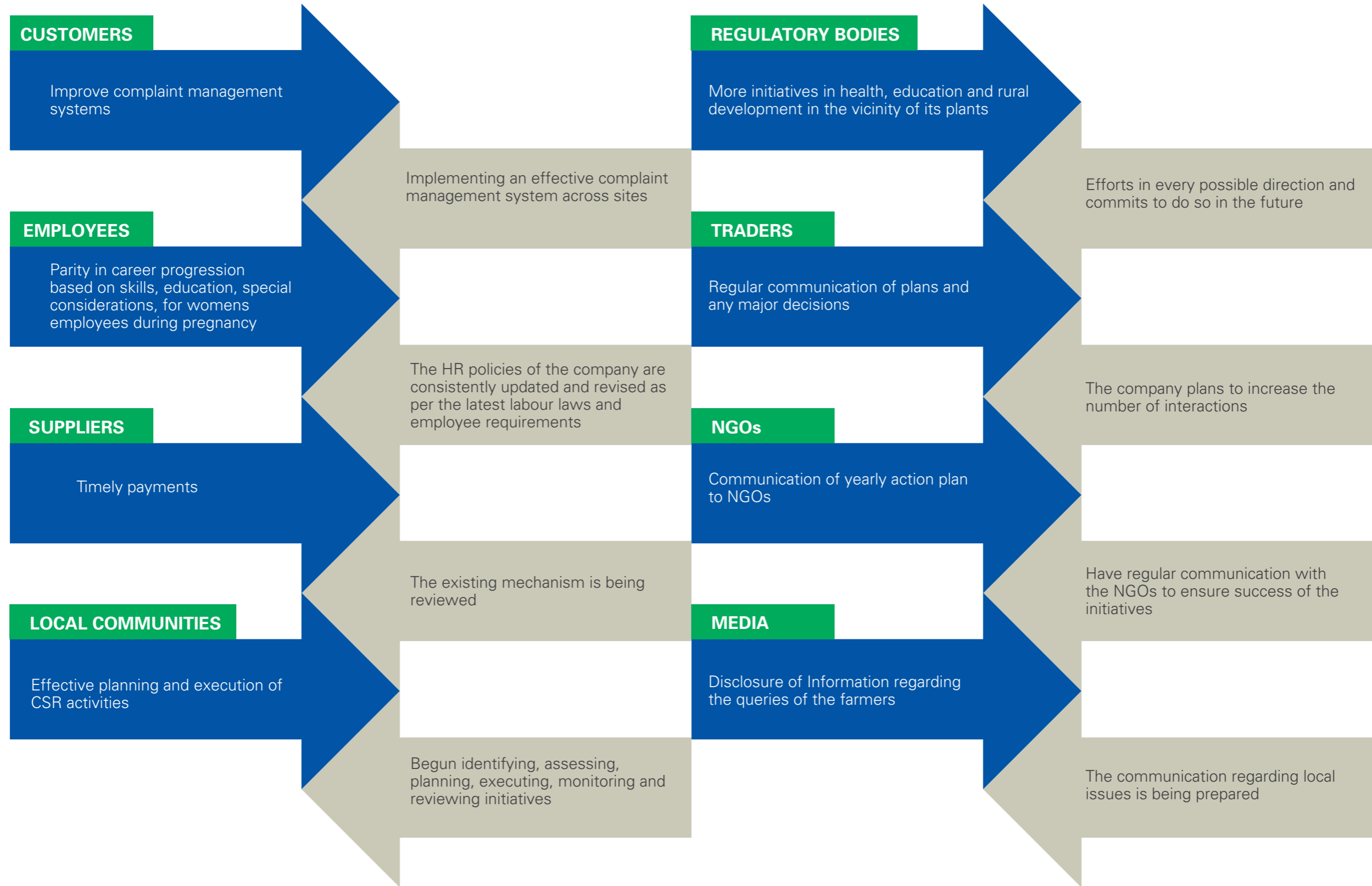
JSW is committed to promote integrated responsible behaviour and value for social and environmental well-being.

JSW's commitment to do business responsibly is built into the core values of the Company to conduct every aspect of business responsibly and sustainably. It relies on:

- A dynamic leadership
- Adherences to core values
- A well-articulated Enterprise Risk Management framework.
- Practices that seek to sustain and enhance the long term competitive advantage of JSW with care for the society and environment.



# Engaging For Growth



■ Stakeholders 
 ➔ Key Interests 
 ➔ Business Response



## Key Initiatives

### Vijayanagar



#### Commissioned

- Continuous Annealing Lines of 0.95 MTPA, part of the Cold Rolling Mill Complex.

#### Under Implementation

- Reconstructing Blast Furnace from 0.9 MTPA to 1.9 MTPA and the 0.2 MTPA Electrical Steel Project at Cold Rolling Mill
- Expanding the capacity of Electrical Steel Complex
- Commissioning the Steel Melting Shop comprising the Electric Arc Furnace along with Billet Caster of capacity 1.5 MTPA

### Dolvi



#### Commissioned

- Modification of Sponge Iron Plant for partial replacement of natural gas usage
- Modification of tunnel furnace to replace natural gas with surplus COG

#### Under Implementation

- Installation of long new water pipeline
- Expansion of Sinter plant, Billet Caster, 1.4 MTPA Bar Mill, Roll Grinding Machine, Blast Furnace capacity enhancement and de-bottlenecking of SMS and HSM

### Salem



#### Commissioned

- Blast Furnace and Ladle Reheating Furnace de-dusting system
- Waste heat recovery systems
- Billet grinding machine

#### Under Implementation

- Expansion project of Blast Furnace capacity augmentation from 0.616 MTPA



## Message from Joint Managing Director

### Integrity Guides our Value Creation

The most significant constant at JSW Steel has been accelerated growth, catalysed by passion, to contribute to nation building on the bedrock of JSW's core values, ethics and integrity. JSW Steel has always been at the forefront, bringing innovative products to the market that address present requirements as well as take cognisance of potential transformations. To stay ahead of the curve at all times we have strategic collaborations with global leaders like Praxair Inc., Severfield Rowen Plc., Marubeni-Itochu and JFE. Together, we aim to bring India into a new technologically advanced era.

Innovation is made possible at JSW by taking calibrated risks e.g., introduced Corex technology to India a decade ago and efficiently utilised low-grade coal, thereby reducing a million tonnes of GHG emissions per annum. Today, the Company is the domestic leader in galvanised steel production and a frontrunner in the special steel portfolio. Our range of products spans practically

every market segment across the globe. Sustainability is a vital part of all our practices. We have set high standards for our governance and corporate citizenship initiatives. At JSW, good governance is the bedrock for reinforcing stakeholder trust, balancing value and building sustainable business. At the heart of the Company's corporate governance is the ideology of transparency and openness in the working of the Board and the management team. Our Board ensures the Company complies with all regulatory requirements, acts with integrity, addresses stakeholder expectations, and is overall, a responsible corporate citizen. Accordingly, the Board has constituted committees to oversee stakeholder engagement, sustainability reporting and implementation of code of conduct, in addition to the statutory committees. Our Board membership conforms to various good practices of governance; it has a significant number of Independent Directors as also a woman Director.

Our core values steer our conduct. We explicitly articulate the standards of conduct we expect from our Directors, officers and employees, as well as anyone who acts on our behalf of, or are an important part of our value chain. The Code requires Directors and senior executives to uphold the interest of the Company and its stakeholders, endeavour to fulfil all the obligations towards them, and act in accordance with the highest standards of honesty, fairness, ethical conduct and integrity. We provide guidance on what constitutes ethical and honest conduct, and build capacity amongst employees to follow the same. We strongly discourage unethical and corrupt means of influencing public policy. Being members of apex national and international business and industry bodies, all our policy interventions are strictly carried out through such platforms.

Further, our Whistle-blower Policy helps us detect and avoid violation of the Company's Code of Conduct or any unethical or improper activity. A grievance redressal mechanism is in place covering all internal and external stakeholders. These mechanisms build and reinforce stakeholder trust in JSW.

Our Board is regularly updated on the possible risks across the value chain; managing these alone can ensure sustained creation of shareholder value. As part of our comprehensive approach to risk management, we consider any uncertainties that may affect our business and our stakeholders, including resource scarcity, climate change, demographic dividend, etc. We also try to identify any latent opportunity in these risks, and explore ways to turn them to our advantage.

Ensuring compliance in letter and spirit is a given. Proactively exceeding compliance in as many ways as practical is a key focus area and the leadership team is responsible to the Board for the same. We maintain a tracking system for all applicable laws and assign the appropriate person for all requisite actions. This covers all our operations, processes and products. In addition, certified management systems ensure we review, comply with legal requirements, and ensure continual improvement, covering various aspects of sustainability.

On human rights, we are aligned with the Universal Declaration of Human Rights and the International Labour Organisation Conventions and standards, and support the UN Guiding Principles on Business and Human Rights. It includes commitments to our workforce, local communities and business partners, and covers occupational health & safety, labour rights, and the rights of communities.

The Board of Directors is ultimately responsible for our sustainable business performance and strategic direction, and reviews our performance quarterly. The Board delegates the operational aspects of corporate sustainability to the Chief

*"JSW Steel has always been at the forefront, bringing innovative products to the market that address present requirements as well as take cognisance of potential transformations".*

Sustainability Officer and his team. A Business Responsibility / Sustainability Reporting Committee consisting of Executive and Independent Directors provide the oversight. We link a component of the variable pay of the senior executives to the safety performance, and extend this instrument to cover other strategic focus areas of sustainability. Sustainability teams exist at the locations, and are responsible to implement and achieve the sustainability-oriented targets. JSW Steel has initiated quarterly third party assurance of this performance at all locations.

Our financial performance, despite the challenging operating environment, underpins the importance of strategic direction provided by the Board and dynamic management team. We delivered robustly despite the surge in imports by way of dumping. Such results were possible due to nimble re-calibration and a resilient marketing strategy. Our sustained financial performance, governance processes, and our commitment to transparency, integrity and ethics, keeps our investors and shareholders delighted.

We will continue to improve upon our governance practices, strengthen our strategic stakeholder engagement, and improve the effectiveness of the various policies in place to ensure stakeholder grievances are minimised. We will continue to create and share value, and delight all our stakeholders.












Our passion to keep raising the bar propels us towards new heights. Our code of conduct in conjunction with our **Policies on Business Conduct, Stakeholder Engagement, Human Rights, Public Regulatory Policy; and Grievance Redressal and Whistle Blower Mechanisms**, steer us in conducting our business with integrity and ethics.

**Seshagiri Rao MVS**



## Governance

The board and some of its Committees

Name	Nature of Membership	Business Responsibility & Sustainability Reporting Committee	CSR Committee	Code of Conduct Implementation Committee	Stakeholder Relationship Committee
Mr. Sajjan Jindal	Chairman & Managing Director				
Mr. Seshagiri Rao MVS	Executive Director				
Dr. Vinod Nowal	Executive Director				
Mr. Jayant Acharya	Executive Director				
Mr. Uday M. Chitale	Independent Director				
Dr. S. K. Gupta	Independent Director				
Dr. Vijay Kelkar	Independent Director				
Mr. Sudipto Sarkar	Independent Director				
Mr. K. Vijayaraghavan	Independent Director				
Dr. (Mrs.) PunitaKumar Sinha	Independent Director				



Chairman



Member



## Board provides oversight to sustainability

Committees of the Board	Salient Elements of Terms of Reference
<b>Code of Conduct Implementation</b>	<ul style="list-style-type: none"> <li>The Committee is constituted for the implementation of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.</li> <li>Implementation of 'JSW Steel Code of Conduct for Prohibition of Insider Trading' as amended / revised from time to time.</li> </ul>
<b>Business Responsibility &amp; Sustainability Reporting Committee</b>	<ul style="list-style-type: none"> <li>Responsible for the adoption of 'National Voluntary Guide lines on Social, Environmental and Economic Responsibilities of Business' (NVGs) in business practices of JSW Steel.</li> <li>Responsible for the policies and review the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above.</li> <li>Review the annual business responsibility report and present it to the Board for approval.</li> </ul>
<b>Stakeholder Relationship</b>	<ul style="list-style-type: none"> <li>To review the reports submitted by the Registrars and Share Transfer Agents of the Company at Half yearly intervals.</li> <li>To interact periodically with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.</li> <li>To periodically report to the Board about serious concerns if any.</li> <li>To consider and resolve the grievances of the security holders of the company.</li> </ul>
<b>Corporate Social Responsibility</b>	<ul style="list-style-type: none"> <li>To formulate and recommend to the Board, a Corporate Social Responsibility Policy</li> <li>To recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company</li> <li>To approve the Annual Report on CSR activities to be included in the Director's Report To monitor the CSR policy of the Company from time to time; and</li> <li>To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities under taken by the Company.</li> </ul>

## Compliance

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral of JSW Steel's corporate governance.

Proactively identifying and meeting all applicable regulatory requirements and commitments, to achieve compliance, in letter and spirit, is a key focus area and leadership team is responsible to the board, for the same. In addition, JSW Steel ensures complete compliance with standards and internal procedures and systems. The company maintain a

tracking system - a register of all applicable laws and assign the person responsible along with actions that's required to be taken. This covers all our operations, activities, goods and services. In addition, third party certified management systems ensure compliance.

Periodical Management audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the report of the Management Auditors, there has been no material non-compliance with the applicable statutory requirements by the Company and its subsidiaries. Also, in the reporting period there have been no fines or sanctions imposed on JSW Steel for non-compliance with laws and regulations.

## Human Rights

In line with JSW Steel's legacy as a responsible corporate citizen and its commitment to respecting the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations, the Board of Directors has approved a Formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute. JSW Steel's policy on human rights applies to all its businesses processes and is part of its commitment to ethical and socially responsible behavior across its value chain.

JSW Steel contributes to the fulfillment of human rights through compliance with local human rights legislation wherever it has operations, as well as through its policies, programs and grievance redressal mechanism. JSW Steel upholds international human

rights standards, does not condone human rights abuses and creates & nurtures a working environment where human rights are respected without prejudice.

**JSW Steel's human rights policy is complemented by other specific policies such as health & safety, environment, anti-corruption etc. It articulates stand on human rights including non-discrimination, prohibition of child and enforced labour, and freedom of association and the right to engage in collective bargaining. Security agency's officers are trained to act in a manner that respects human rights at all times, and comply with all the applicable national, state and local laws.**

During the reporting period, no violations or departures were observed.

### JSW Way of doing business - Ethics, Transparency and Accountability

JSW Steel lives by its core values of transparency, strive for excellence, dynamism and passion for learning. These are reflected in the innovative approach adopted by the company without compromising on integrity. The Company adheres to all applicable laws and regulations, and this effort is strengthened by internal guidelines that include the Business Conduct Guidelines and Supplier Code of Conduct, covering aspects of ethics, transparency and business accountability for all employees as well as the value chain.

#### The code of conduct requires every employee:

- To uphold interest of the Company and its stakeholders.
- To act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and exercise utmost good faith, due care and integrity in performing their duties.
- Comply with all appliance legal requirements, rules and regulations as per law of the land.
- Comply with all applicable policies, rules and regulations adopted by the company

The Company has a stakeholder grievance redressal mechanism in place to help address complaints related to adherence to code of conduct and sustainability Policies. In FY 2014-15, two complaints were received through the Grievance Redressal Mechanism and these were resolved.

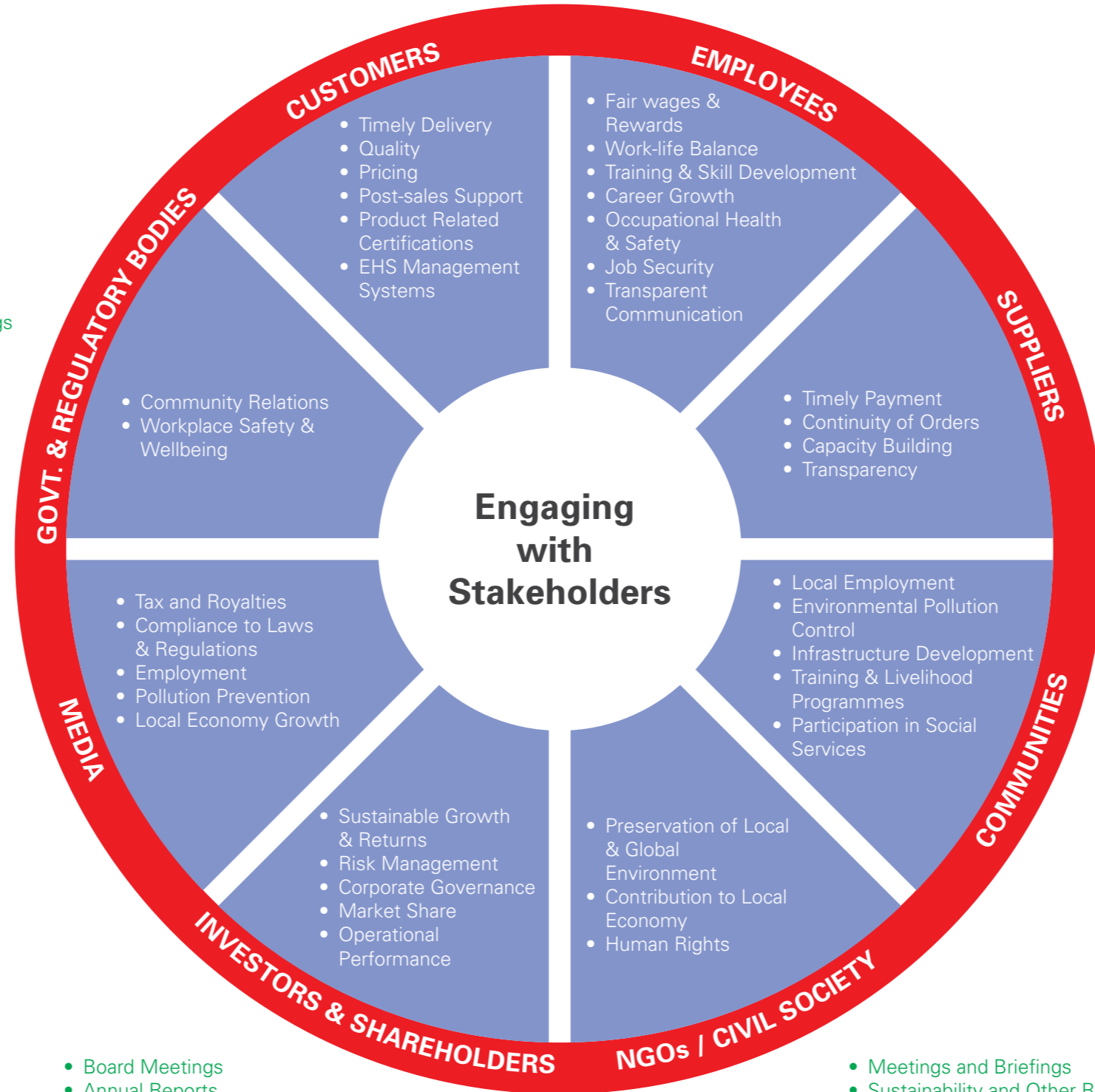


# Collaborating To Create Mutual Trust

- Stakeholder Group
- Concerns / Areas of Interest
- Engagement Platform

- Customer Feedback
- Customer Satisfaction Survey
- Phone calls, Emails and Meetings
- Signed Contracts
- Exhibitions, Events
- Customer Visits
- Websites

- Emails and Meetings
- Intranet Portals
- Employee Satisfaction Surveys
- Training Programmes
- Performance Appraisal
- Grievance Redressal Mechanisms



- Customer Feedback
- Customer Satisfaction Survey
- Phone calls, Emails and Meetings
- Signed Contracts
- Exhibitions, Events
- Customer Visits
- Websites

- Emails and Meetings
- Vendor Assessment & Review
- Supplier Audits
- Signed Contracts
- Training Workshops and Seminars
- Social Gatherings

- Annual Reports
- Communication with Regulatory Bodies
- Formal Dialogues

- Training & Workshops
- Regular Meetings
- Need Assessment
- Satisfaction Surveys
- CSR Reports

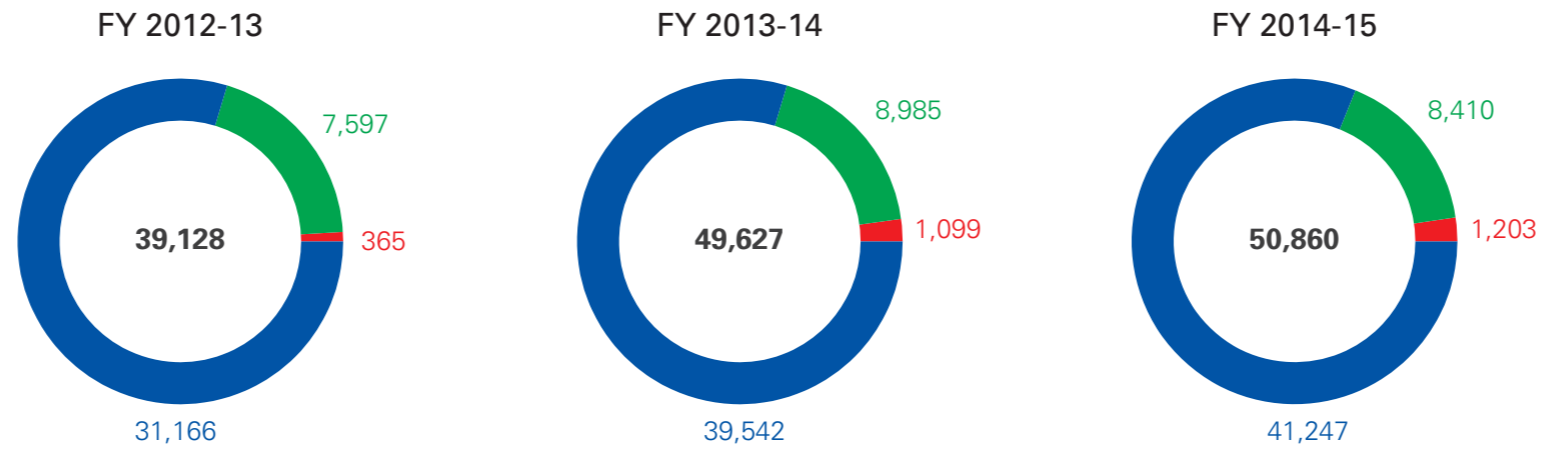
- Board Meetings
- Annual Reports
- Website

- Meetings and Briefings
- Sustainability and Other Reports
- Partnerships in Community Development projects



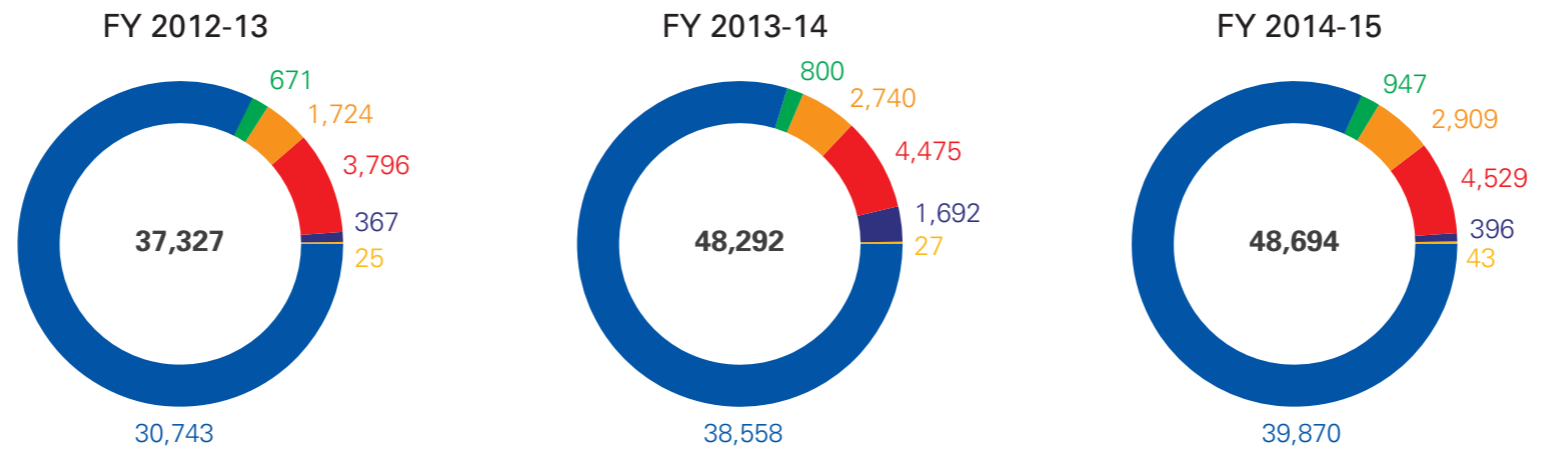
# Economic Performance

**A**  
Total Economic Value Generated  
*(All figures in Rupees crores)*



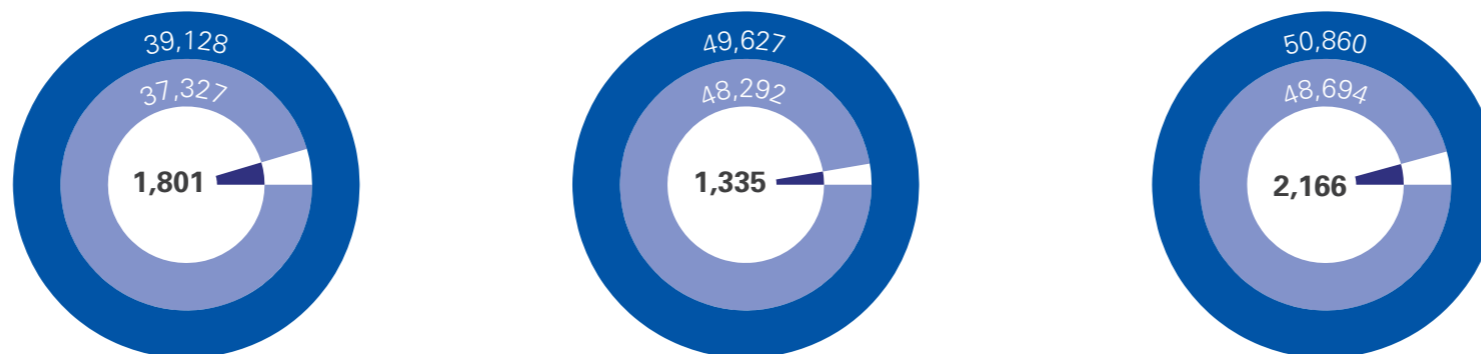
- Domestic Turnover
- Export Turnover
- Other Income

**B**  
Total Economic Value Distributed  
*(All figures in Rupees crores)*



- Operating cost
- Employee wages and benefits
- Payments to providers of capital
- Payments to Governments
- Exchange Loss
- CSR initiatives

**A-B**  
Total Economic Value Retained  
*(All figures in Rupees crores)*



- Total Economic Value Generated
- Total Economic Value Distributed
- Total Economic Value Retained



## Message from Deputy Managing Director

### Clean and Safe World-class Manufacturing

Our vision is “Global recognition for quality and efficiency while nurturing nature and society”. We are on an accelerated growth path - expanding capacities, building new manufacturing facilities, and acquisitions. Such diversified growth poses challenges in deploying common standards of operational excellence that are clean and safe. To complement this growth, we have taken up the challenge to decouple growth and its impact on the environment and resources. JSW Steel has taken several steps to achieve this. First, we have articulated our policies on quality, environment, occupational health & safety, and several other key subjects. Second, we deployed our policies through certified management systems and processes based on Six Sigma, TPM and TQM. Third, our continual improvement efforts are supplemented by project-level innovations and interventions, to improve our resource stewardship and overall performance.

*“JSW Steel’s continual improvement efforts are supplemented by project-level innovations and interventions, to improve the resource stewardship and overall performance”.*

I must mention safety receives extra attention through a place in the KPI’s of the senior site management persons. We believe that sensitisation, awareness and training critically reinforce our safety systems and processes. Our focus on monitoring and periodic audits supplements our efforts on safety and tracking of deviations. The consequent results speak for themselves. We imparted 140,000 hours of safety training to our own workers as well contractor workers. This was supplemented by our systemic and behaviour-based interventions, resulting in 44% decrease in Lost Time Injury Frequency Rate. Overall, our score on this parameter is significantly better than the industry average.

JSW Steel is constantly upgrading and adopting advanced technologies to maintain or lower the energy intensity. The Company is well aware of the global concern on climate change and carbon-intensive growth, and is therefore putting greater emphasis on responding to varied needs and expectations of the stakeholders. In keeping with the commitment of the Government of India, we take up targets to decrease the carbon intensity of our growth. We realize that this is a challenge and would require a multi-pronged, innovation-led approach coupled with all-round efforts. Despite the growth, the various constraints and challenges, a market slowdown, we have succeeded in keeping the GHG intensity flat during this reporting period. Overall, GHG mitigation projects contributed to lowering of CO<sub>2</sub>e by 258,478 tonnes. Our new product development efforts are aimed at decreasing carbon emissions in the overall value chain.

The Company is monitoring the use of its water resources and quality of effluent discharged. It is our endeavour to trap pollutants at source, monitor the operation of pollution control equipment, and continually improve the treatment such that discharges are significantly within regulatory limits. We have decreased water intensity of our operations from 4.89 m<sup>3</sup> / ton of steel in 2013-14 to 4.57 m<sup>3</sup> / ton of steel in 2014-15, and 18% of the water used

was from a recycled source. We are aware water is scarce, and competes with many other uses in the surrounding regions. To alleviate this risk we undertook initiatives under natural resource management for watershed development, covering about 8,000 hectares of land. Further, our resource stewardship efforts resulted in 2.5% improvement in the use of iron ore and use of iron scrap to the extent of 0.85 million tonnes.

In FY 2014-15, JSW Steel put in significant efforts to ensure a positive impact on its surrounding flora and fauna and local ecosystems. The Company was among the pioneers to sign up and commit to the Indian Business and Biodiversity Initiative (IBBI), an initiative by the Confederation of Indian Industry (CII) in partnership with India’s Ministry of

Environment, Forests & Climate Change. This has helped us not only to learn from peers about their efforts to manage biological diversity at their locations, but also to demonstrate to stakeholders the company’s commitment and efforts towards a sustainable future.

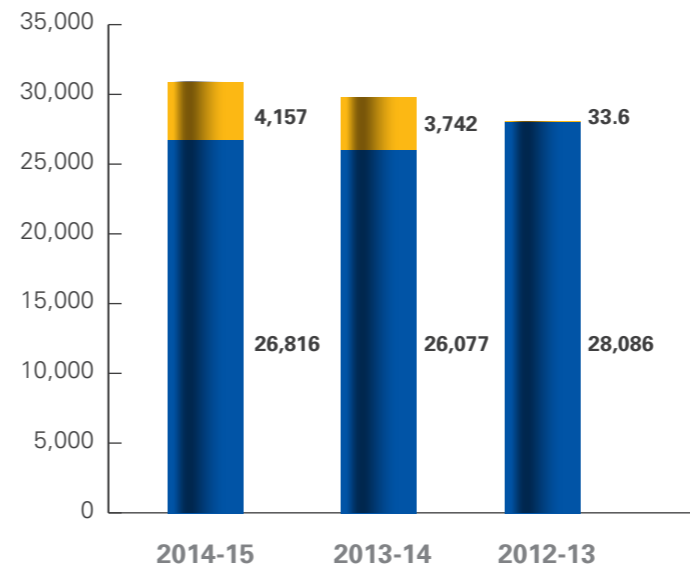
Our **Policies on Sustainable Steel Production, Conservation and Preservation of Environment** in conjunction with policies of our manufacturing units covering Environment, Occupational Health & Safety, etc. galvanise us to achieve clean and safe, world class manufacturing.

**Dr. Vinod Nowal**

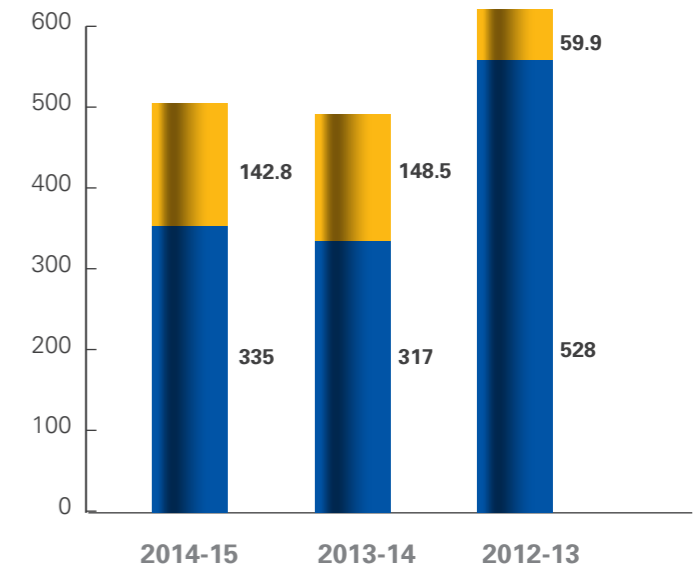
## Resource Stewardship

### GHG Mitigation

JSW SL Total GHG Emission



JSW SCPL Total GHG Emission

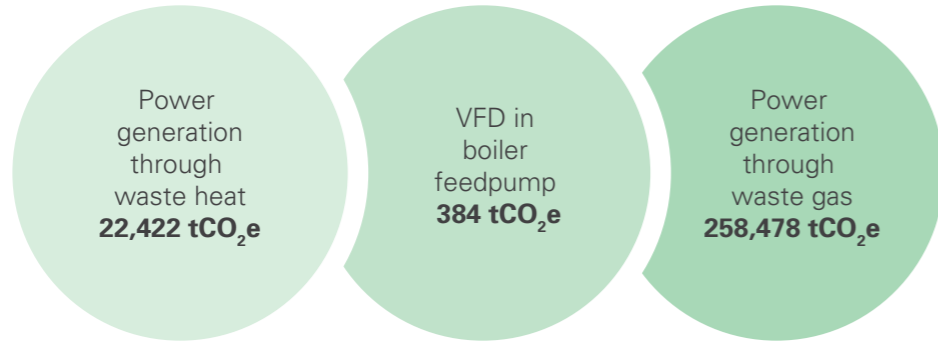


JSW SPCL & ARCL indirect emissions are **3.93 and 157.7 (000 tCO<sub>2</sub>e)**, respectively.

- Direct Emissions (000 tCO<sub>2</sub>e)
- Indirect Emissions (000 tCO<sub>2</sub>e)

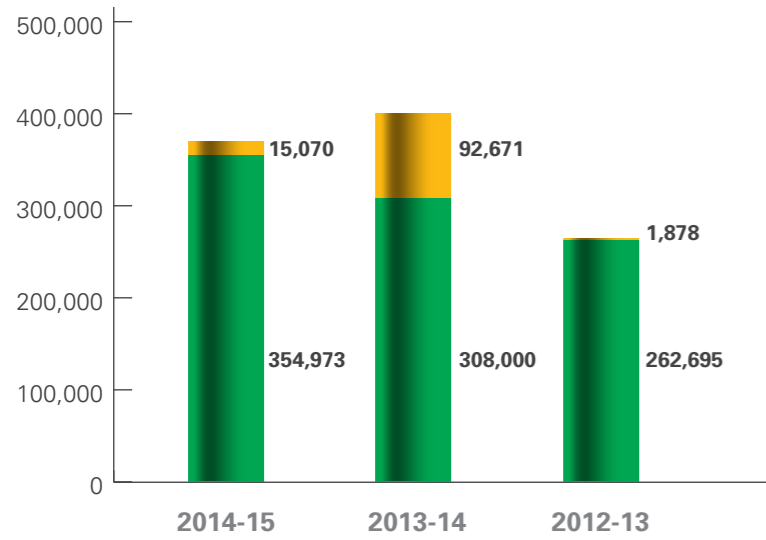


## Initiatives To Mitigate GHGs

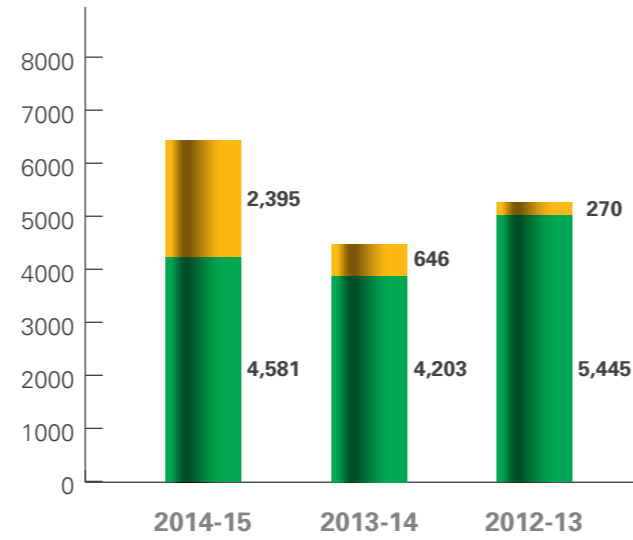


## Energy

JSW SL Energy Consumption



JSW SCPL Energy Consumption

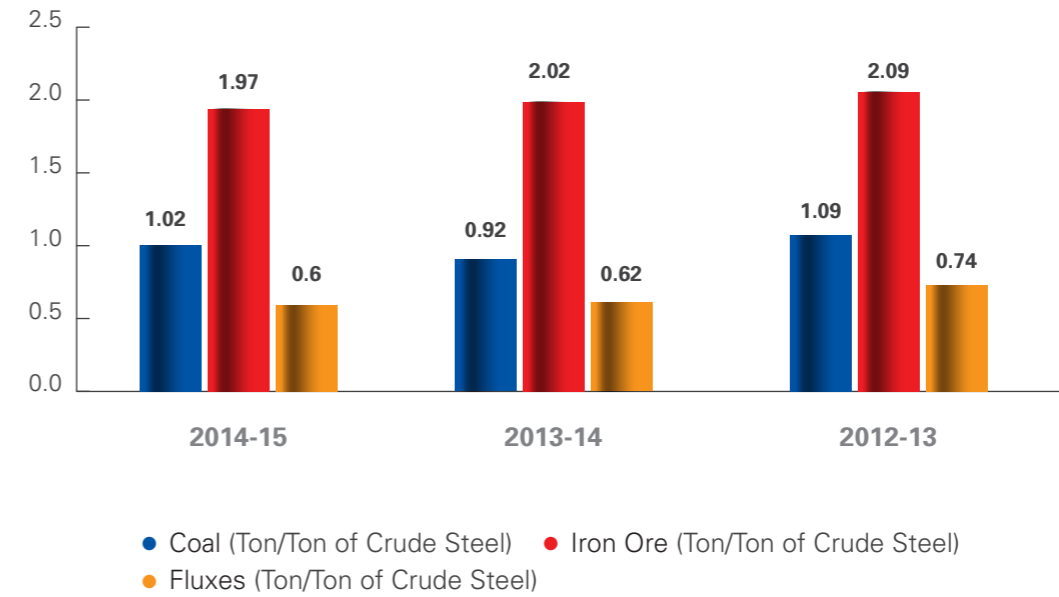


JSW SPCL & ARCL consume indirect energy **17,239 and 692,252 (000 GJ)**, respectively.

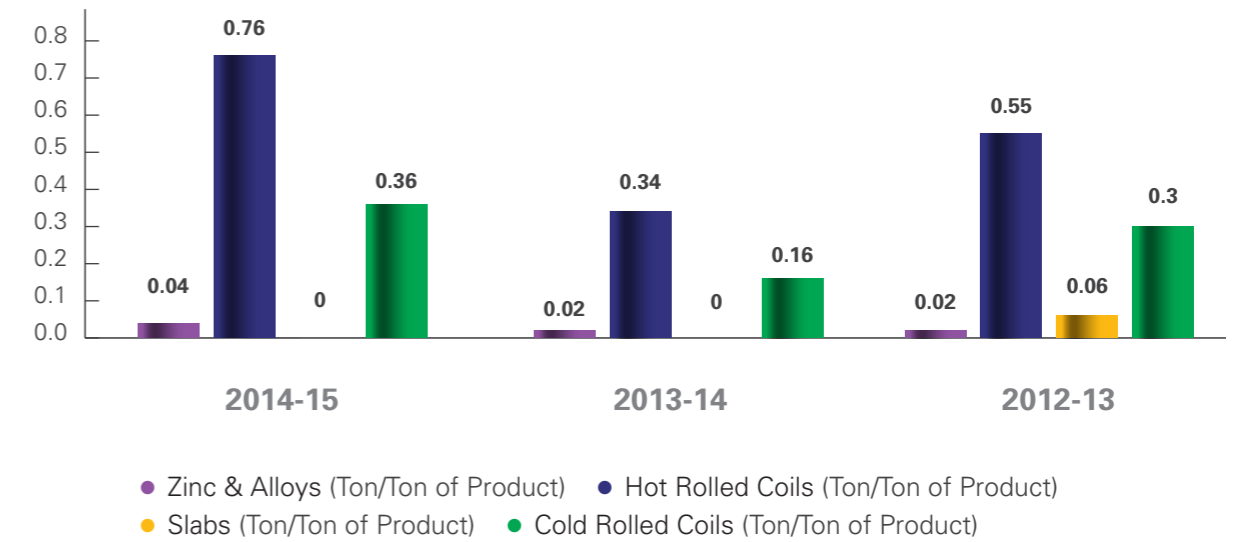
- Direct Energy Consumption (000 GJ)
- Indirect Energy Consumption (000 GJ)

## Materials

JSW SL Specific Material Consumption



JSW SCPL Specific Material Consumption

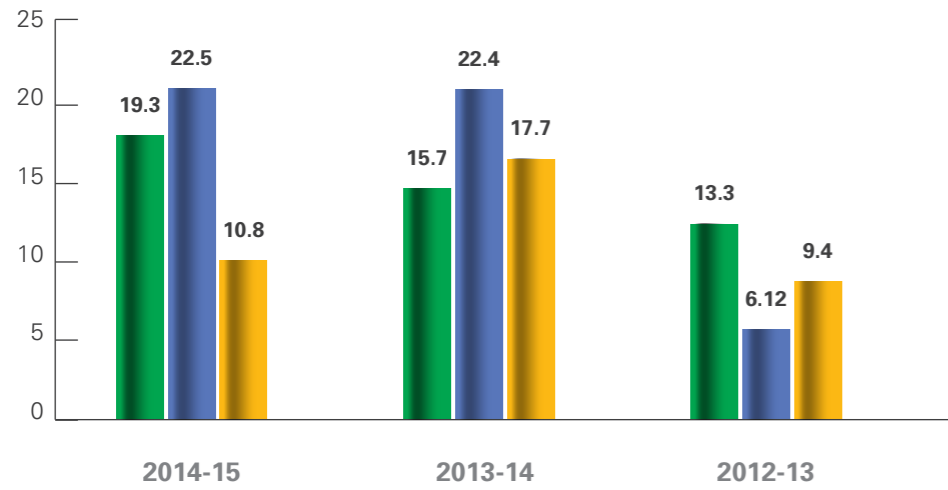


Material Consumption for JSW SPCL & ARCL **4.42 and 1,461 tonnes**, respectively.



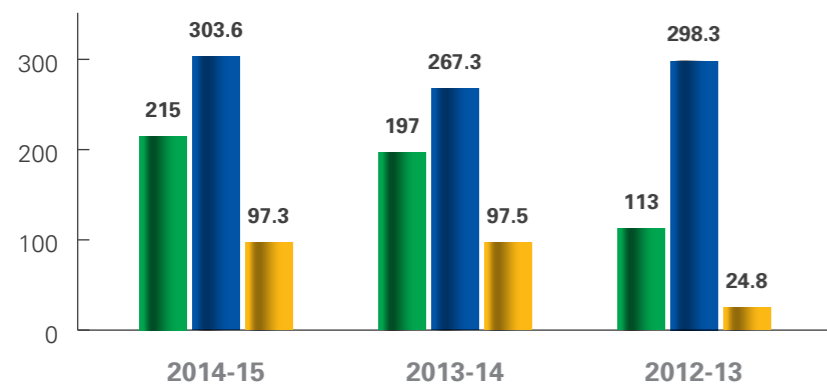
## Emissions

### JSW SL



Emissions of ODS (tonnes of CFC-11eq) are **0.002, 0.099, 0.027** for the years 2014-15, 2013-14 and 2012-13 respectively

### JSW SCPL



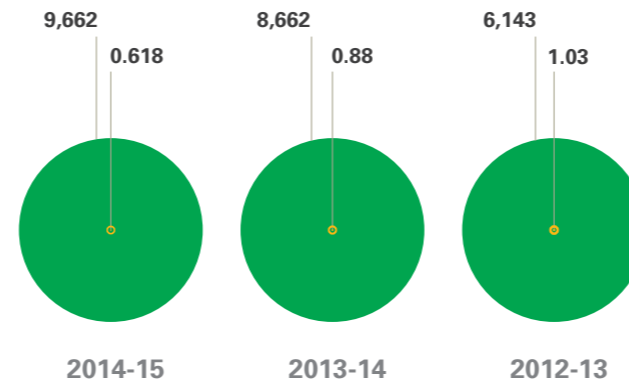
Emissions of ODS (tonnes of CFC-11eq) are **0.11, 0.01, 0.01** for the years 2014-15, 2013-14 and 2012-13 respectively

Emissions for JSW SPCL and ARCL are Nil.

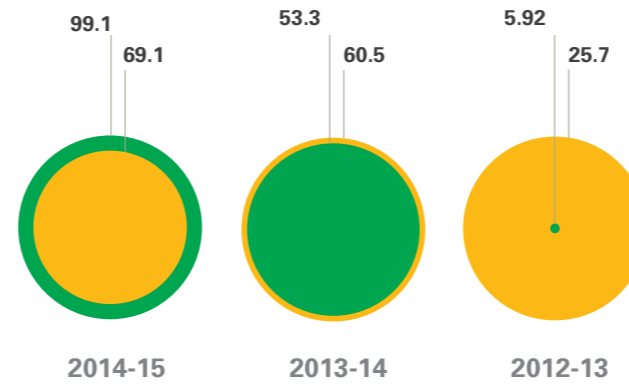
● SPM (000tons/year) ● SOx (000tons/year) ● NOx (000tons/year)

## Waste

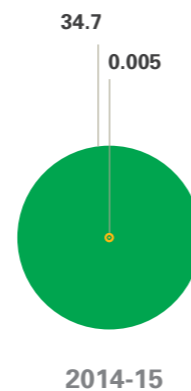
### JSW SL



### JSW SCPL



### JSW SPCL



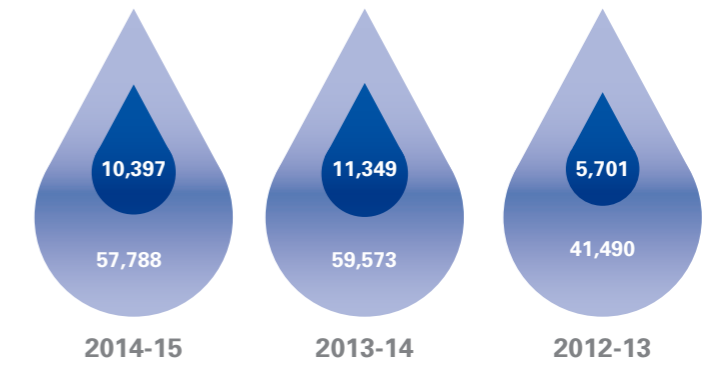
### JSW ARCL



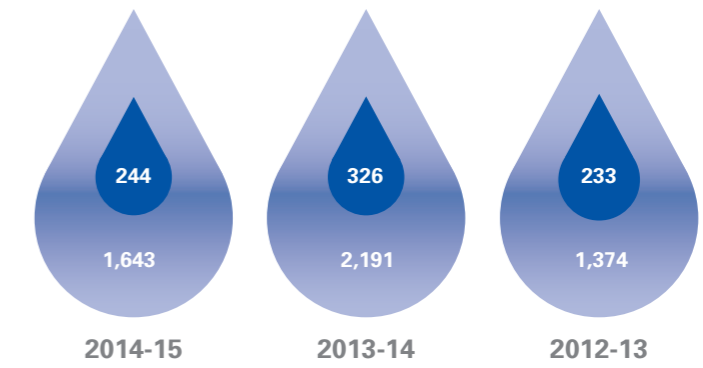
● Hazardous Waste ('000 tonnes)  
● Non-Hazardous Waste ('000 tonnes)

## Water Consumption

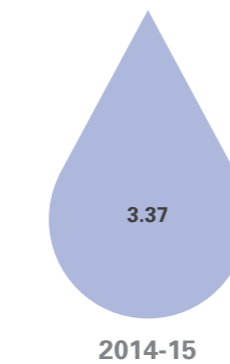
### JSW SL



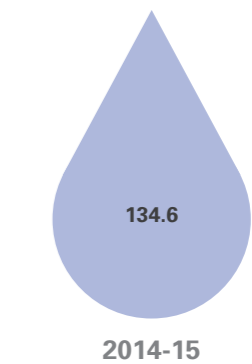
### JSW SCPL



### JSW SPCL



### JSW ARCL



● Total Water Consumption (000 m³) ● Total Recycled Water (000 m³)



## Biological Diversity

Manufacturing operations of JSW Steel do not cause any significant negative impact on biological diversity. JSW Steel expects its suppliers involved in mining and similar operations, with potential impact on biodiversity, to be compliant with applicable laws and take due care of biodiversity. In addition, JSW Steel undertakes activities in and around our manufacturing sites to conserve, preserve and enhance the biological diversity. We are signatories to the India Business & Biodiversity Initiative.

The Vijayanagar Works has implemented a plethora of initiatives to enhance the biological diversity in its neighbourhood. Some of these include setting up a biodiversity park containing medicinal plants on the IUCN red-list [i.e., endangered species], treating the sewage from the township using root zone treatment with the help of select plants, undertaking watershed management programme in the neighbouring villages resulting in multiple crops and improving agricultural yields, extending the green belt in and around the Works area and township, and many more.



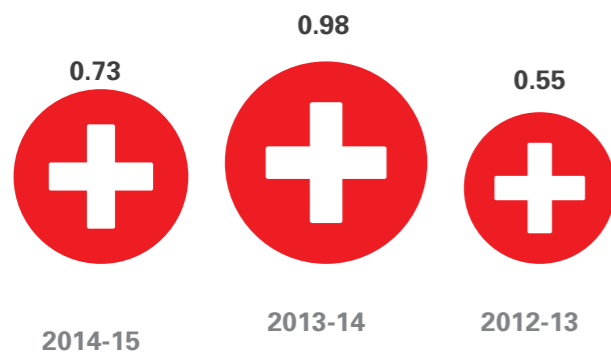
### Improved avi fauna around our Vijayanagar plant

JSW Steel Disseminated traditional irrigation methods for developed green cover on barren hillocks surrounding operations Horizontal Reed Bed system of capacity of 1MLD for treating domestic sewage from Vidhyanagar Township was established. This system is the country's largest reed bed system installed and being operated. This Reed Bed system has an area cover of 25,800 sq m, with 72 different plant species.



## Safe and Healthy Workplace

Lost time injury frequency rate



As per WSA formula

	JSW SL			JSW SCPL			JSW SPCL		ARCL	
	2014-2015	2013-2014	2012-2013	2014-2015	2013-2014	2012-2013	2014-2015	2013-2014	2014-2015	2013-2014
<b>Injuries (Nos.)</b>	77	290	83	7	5	5	0	2	2	1
<b>Injury Rate (per 100 workforce per year)</b>	0.096	0.52	0.15	0.10	0.239	0.234	0	0.61	0.17	0.014
<b>Lost Days</b>	4,931	8,144	1,295	336	364	0	0	104	272	2
<b>Lost Day Rate (per 100 workforce per year)</b>	6.16	14.63	2.27	4.78	17.4	0	0	32.1	22.7	0.03
<b>Man Hours Worked (million)</b>	160.04	111.33	110.2	14.06	4.18	4.27	4.57	0.64	2.39	7.16
<b>Fatalities (Nos.)</b>	11	1	6	1	0	0	0	0	0	0



## Message from Director, Commercial and Marketing

### Responsible Value Chain

At JSW Steel we are excited about the growth we could undertake, and envisage for the days to come. Such uninterrupted growth is only possible in an enabling ecosystem. Our suppliers of input materials, logistic support providers, labour contractors, etc. have all contributed to our success story. Looking ahead, we require them to be even more efficient and resilient enough to address the transforming market place. At all sites and for all our innovative products we had to ensure the enabling ecosystem was a prerequisite. At times we even had to build capacity of the providers of goods, materials and services. Our customers are delighted, and new customers have indicated their trust on us for our dynamism, passion for learning, ability to address the developmental challenges, and roll out new and customised products for the rapidly transforming markets.

We extend our responsibility beyond our business, and strive to promote responsible behaviour

*“Our customers are delighted, and new customers have indicated their trust on us for our dynamism, passion for learning, ability to address the developmental challenges, and roll out new and customised products for the rapidly transforming markets.”*

throughout our sphere of influence. This is most notable in our supply chain which involves mining, transport of bulk material while keeping in mind the sensitivity of impacts to the environment and society, and also activities of our organisation as well as of our suppliers, vendors and contractors. Accordingly, we focus on ensuring that every stakeholder in our value chain conducts its operations in total regulatory compliance and demonstrates responsible behaviour. In FY 2014-15, 83% of all goods were transported via rail, as compared to 76% in FY 2013-14, resulting in significant reduction of footprint.

We follow fair, transparent and non-discriminatory procurement practices. We expect and encourage our suppliers to act in a safe and responsible manner. We specify the mandatory standards that suppliers must adhere to, with specific emphasis to business ethics, human rights, labour rights, safety, health, environmental management and community relations. We take a risk-based approach to supply chain sustainability, identifying the high-risk suppliers with whom proactive engagement is needed. In addition, we work collaboratively with suppliers to identify opportunities to develop and implement safer and more sustainably effective products and solutions.

Our activities aimed at promoting sustainability in our supply chain are complemented by our commitment to promote local procurement. For example, in Karnataka, for the reporting period, we have locally procured goods (excluding iron ore) and services for Vijayanagar Works amounting to 47% of the total procurement costs for the site by value.

JSW Steel strives to create value for our customers through the untiring efforts in product development and innovation. The Company offers a large portfolio of steel products encompassing hot rolled, cold rolled, galvanised, galvalume, pre-painted galvanised, pre-painted galvalume, TMT bars, wire rods, special steel bars, rounds, blooms, and others.

JSW's focus remains to be a supplier of choice, in all markets while improving the well-being of customers and society in general. We are committed to operate our processes and conduct marketing promotions in a transparent and responsible manner by sharing product information. We strive to ensure an efficient customer feedback mechanism and conduct regular customer satisfaction surveys to understand their expectations and concerns. To facilitate this, we have portals for customers and suppliers. While this facilitates procurement and delivery, they are also used to gauge evolving customer requirements and supplier capabilities. With some customers and suppliers we even collaborate and co-create. This

type of innovation has helped in mutual profitability, while also reducing emissions, use of energy and other resources. In addition, a grievance redressal mechanism is available to all stakeholders. Besides resolving the grievances seamlessly, this also provides us an opportunity to engage more closely with our value chain.

Our **Policy on Engaging with and Providing Value to Customers and Consumers** in conjunction with other policies and guidance, steer us through value chain with responsibility.

**Jayant Acharya**

### Responsible Value Chain

We believe that our responsibility to environment, economy and society extends across our supply chain, logistics, immediate customers and end users. Our diligence along supply chain and logistics aids our continued and future uninterrupted operations. Our focus on customers and their continuously evolving requirements helps us to adapt to markets and future proofs our business. Beyond diligence, we also collaborate and co create with our partners to address sustainability challenges.

## Product Stewardship

### Sustainable Steel Production

The Company believes that steel has a major role in assisting the transition towards a sustainable economy where economic growth, conservation of environment and social responsibility work together. Towards this, the Company strives to:

- Ensure resource-efficient and sustainable manufacturing processes and technologies

- Focus on product stewardship throughout the life cycle and provide information on their safe use and recycling

- Review and implement new developments in steel making technologies

- Optimise utilisation of natural resources viz. water, raw materials, energy while focussing to reduce, reuse and recycle opportunities of these resources.

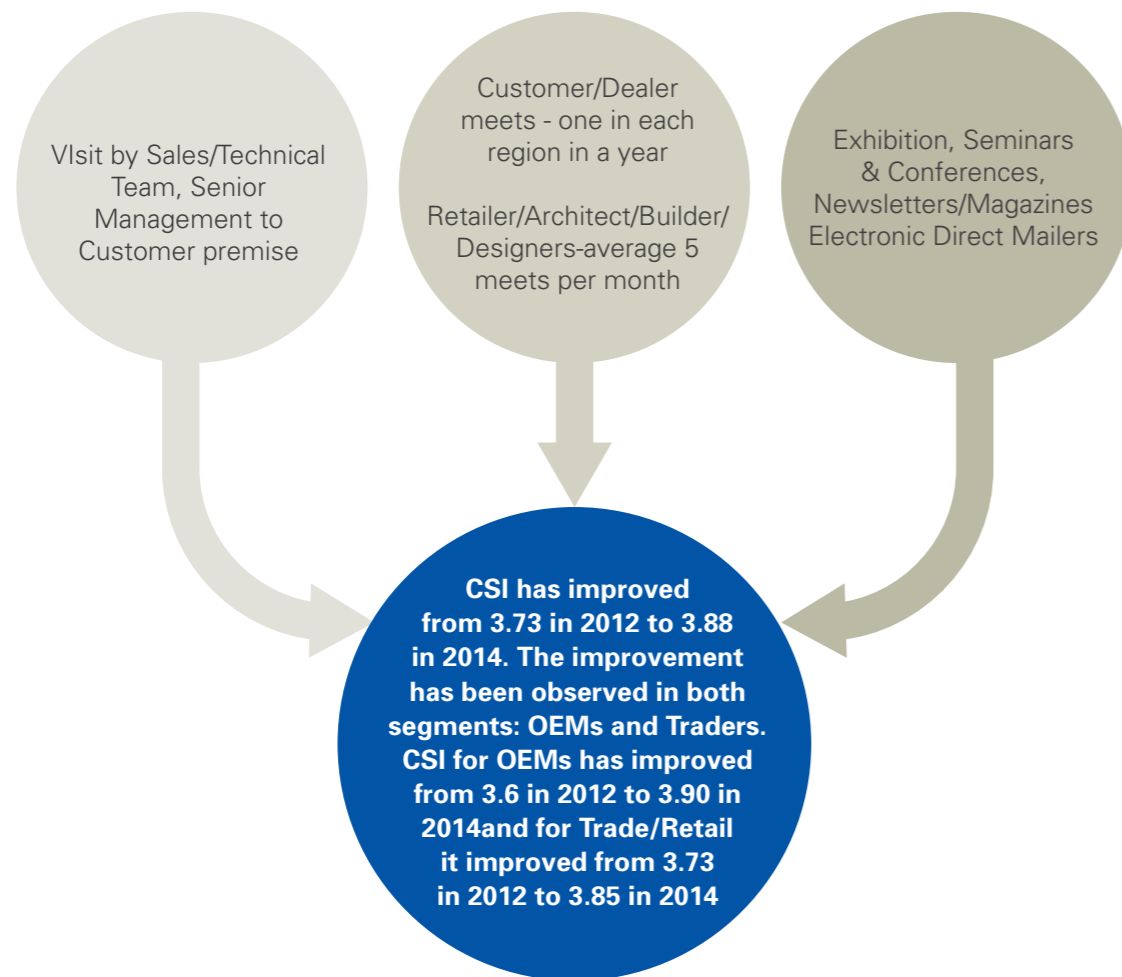


JSW Steel believes that developing sustainable products to reduce the environmental and social impacts is an important element of future-proofing the business. In FY 2014-15, new grades of steel for the automobile sector were developed, such as high-strength low-carbon steel, high-strength low-thickness steel etc. First step in product stewardship is to reduce operational footprint and accordingly, we have achieved during the reporting period:

- Utilising waste heat: 78.3%
- Re-utilising waste gases: over 91 million GJ (98.5% of total waste gases/ energy)
- Scrap recycling: 848,872 metric tonnes
- Waste recycling (hazardous + non-hazardous): over 2.2 million metric tonnes
- Recycling and reuse of wastewater: 10.4 million m<sup>3</sup>
- GHG emissions mitigated through initiatives: over 281,000 tCO<sub>2</sub>e

## Caring For Customers

### Customer Satisfaction



### Customer Speak

*"We are well placed with JSW and we hope to do much more than what we are doing today, almost double our current volume."*

**Umesh Aggarwal**  
Sri Aggarwal Ispat

*"In comparison to other companies, JSW has placed full faith in their Distributors and Dealers. JSW has always stood by us be in during good times or bad. The company has always supported us to grow. We always meet each other as a family."*

**Anil Mendiratta**  
Standard Strips India Pvt. Ltd.

*"JSW has been doing business with us as a family. People are very co-operative. They understand the problems we face on account of our day-to-day business. When people from the Plant, Head Office as well as Branch visit us, it brings people closer."*

**Nand Kishore Aggarwal**  
International Trading Corporation

## Responsible Supply Chain

An effective supply chain management ensures uninterrupted business activity and flexibility. JSW Steel key elements of supply chain include, (i) procurement of key raw materials like, coal, iron ore, lime stone, dolomite, coke etc. (ii) transportation of raw materials (iii) procurement of support services. Raw materials are procured from within the country and also from outside. JSW Steel use ship, rail and road transportation. Also, the company has been able to achieve, reduction in logistical footprint by making conscious efforts to increasingly shift to transportation of raw materials and products within India by rail. In FY 2014-15, about 83% of all goods were transported via rail, as compared to 76% in FY 2013-14.

JSW Steel's code of conduct and our policies related to work conditions, human rights, environment, and safety, are applicable to our suppliers. These form a part of our contract with our suppliers and suppliers from time to time are made aware and assisted in complying with these requirements. Our supply chain audits will have to be further complimented with stress on EHS,

Labor, Human Rights and Societal Impact aspects. Supplier engagement, in the form of interactions and supplier meet, is carried out at JSW Steel. JSW Steel is sensitive to possible impacts of our supply chain on environment, society and economy, and take preventive actions. JSW Steel identifies service providers that potentially could engage in unfair labor practices and monitoring, evaluation of such suppliers, regarding issues related to labor practices including human rights, is made rigorous. During the reporting period, there were no penal actions or notices by relevant regulators, for violation of labor practices in the supply chain. JSW Steel ensures that its suppliers deliver goods and services as per contract and, in turn, are paid, as in contract, on time.

To generate value for local economy and to create positive economic impact, JSW Steel engages with local suppliers. JSW Steel is in the process of setting up a mechanism to define capture and track the extent and type of local suppliers. Presently, JSW Steel identifies and builds capacity of local suppliers, before and during the engagement with them.



## Message from President, Group Human Resources

### Caring, Sharing and Growing

JSW Steel has expanded its production capacity by over ten-fold in the last two decades through the twin route of expansion and acquisition. While expansion involves workers of contractors on the site as well as recruitment of new persons, acquisitions implied addition of work force that had different practices, norms and work culture. This continuous churn is a challenge, and is compounded by the learning needs of a dynamic work force to keep up with changes in technology, product innovation and regulatory requirements, to name a few.

We depend on nearly 12,300 people who have the necessary and relevant capabilities, commitment and enthusiasm to achieve our business goals. Further, we are supported by about 30,500 workers engaged through our contractors.

*"Engaging with employees to shape our business goals and creating a culture that supports these is fundamental to our ability to deliver our commitment to customers. This lies at the heart of everything we do."*

We aim to attract, develop and retain the best human capital by providing a motivating and healthy workplace, identifying and developing talent, and promoting employee well-being. Our priority is to engage effectively with our employees, understand their views, communicate the strategic directions of the Company, respond to their feedback, and implement initiatives to improve. We monitor the engagement with employees and their satisfaction levels through surveys, and assess managers on the experience they create for their team.

Engaging with employees to shape our business goals and creating a culture that supports these is fundamental to our ability to deliver our commitment to customers. This lies at the heart of everything we do. A conducive work environment for diverse people allows us to serve the demanding markets effectively.

In order to sustain a competitive advantage, JSW Steel adopts policies to ensure the well-being of employees. We review the people management practices periodically to ensure they are relevant and employee-friendly. Believing that employees are the most important component for competitiveness, the Company will continue to foster happiness and professional growth for all its employees.

We believe that diverse work force is a key ingredient of an innovative ecosystem, and strive to keep our workplace free from any kind of discrimination. Our advantage is we are a youthful organisation, reflecting the demographic trend of India; employees under the age of 30 years constitute 78% and 61% of the workforce in JSW Steel and JSW Steel Coated Products. We are striving to improve the gender diversity by increasing the recruitment of women at all positions, and providing a friendly, harassment-free work environment bereft of discrimination for employees. The number of knowledge workers in the form of new joiners in 2014-15 was 53%

higher than in the previous year. This allows new ideas to come in, and contributes to our ability to increasingly create and share value.

We enable and encourage our employees to upgrade their skills, enhance professional knowledge through various means such as classroom training, e-learning and field training. Our learning modules encompass functional and management aspects such as leadership, marketing, human rights, ethics, compliance, diversity, sustainability, finance, energy, manufacturing excellence, and several other competencies. The average per capita training hours during this reporting period was 33.6, which is higher than the average for the last 3 years. We encourage innovation at all levels and functions through innovation awards and many other measures to create a supportive ecosystem.

JSW Steel ensures its employees contribute to business decisions through a participatory approach. Employees give feedback through various mechanisms which include interaction sessions, tool-box talks, town-hall sessions, joint



safety committees, etc. The Dolvi Works has a recognised employee association and all non-management employees are free to get affiliated to it. About 12% of the Company's entire permanent workforce is represented through this recognised trade union. Our agreements with the workers include conditions on how they would take the responsibility of safety and health. Our overtime and work allocation practices ensure fair practices are followed. Further, forced labour and child labour are completely avoided. We take care to ensure our security forces are taken care of by following all applicable regulations and respecting human rights.

We look forward to further building a dynamic, passionate, diverse and sensitive workforce - the lever to sustainable business at JSW Steel.

Our **Policy on Employee Welfare** in conjunction with other policies and guidance, guide us in caring, sharing and growing our human capital.

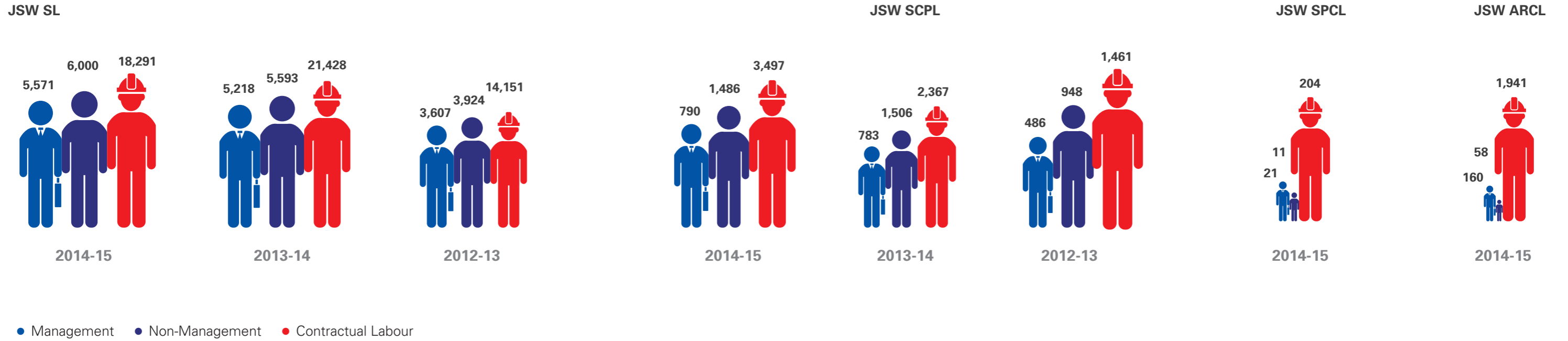
**Yugesh Goutam**





# People & Diversity

## Workforce Breakdown

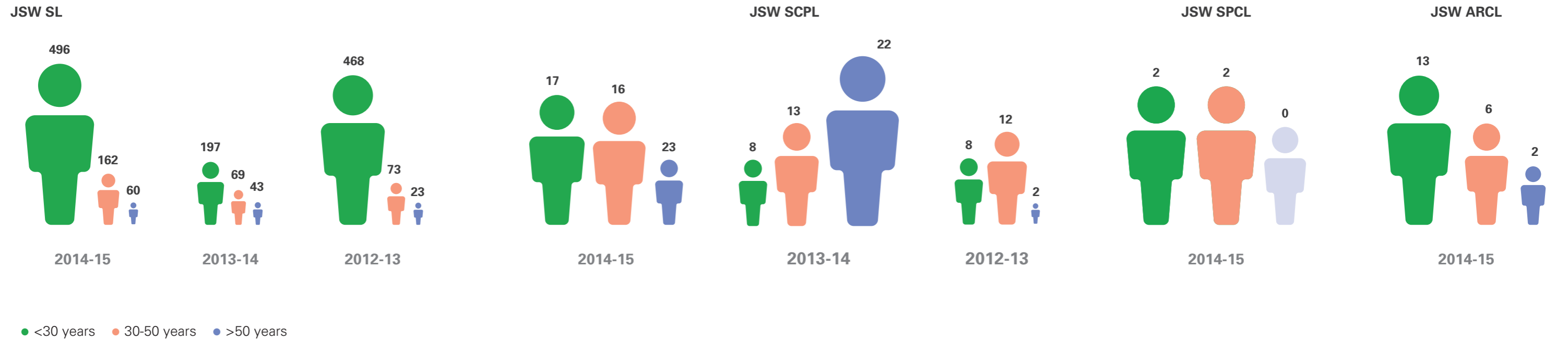


## Workforce Turnover

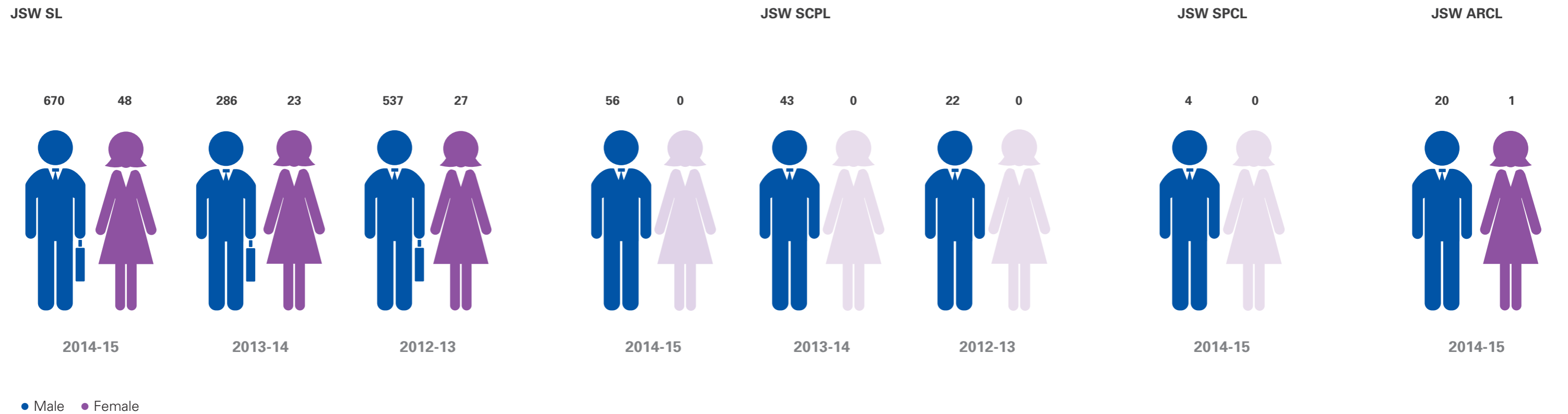




### Workforce Turnover Age-wise



### Workforce Turnover Gender-wise





## Creating a Women-Friendly Work Environment

JSW Steel's commitment towards women is reflected through its Gender Balance Initiative, measures for Legal Awareness for women employees, zero tolerance to sexual harassment at work place and other special training for women employees across the organisation. JSW Steel provides equal opportunity to all employees and strives to increase the number of positions held by women employees every year.

Special programmes on personality development, managerial development and leadership development are being organised for grooming and enhancing the competencies of women employees for positions of higher responsibilities. Special training for women employees were conducted including life enrichment, first aid, life etiquette, among others.

### Exclusive Benefits for Women

- Maternity leave for period not exceeding 12 weeks can be taken before/after the date of the confinement at the convenience of the applicant, at the earliest but not before 6 weeks before date of delivery
- A female employee suffering from illness arising out of pregnancy, delivery, premature birth of child or miscarriage shall, on production of such proof, be entitled to additional maternity leave for a maximum of 30 days

## Passion for Learning

### Enhancing Capabilities and Capacities

The Company has consistently been investing in building and enhancing technical capabilities of its employees. As part of this effort, the Company encourages its employees to acquire skills by participating in sponsored programs both in India and abroad. Simultaneously, the Company also provides multiple learning and development opportunities to its employees to acquire new skills, knowledge and enhance their capabilities.

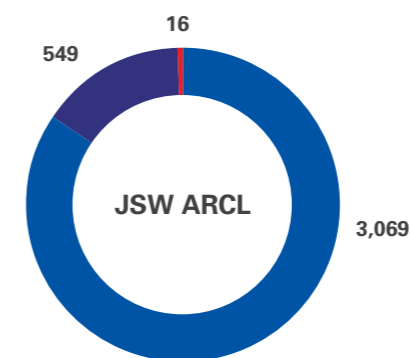
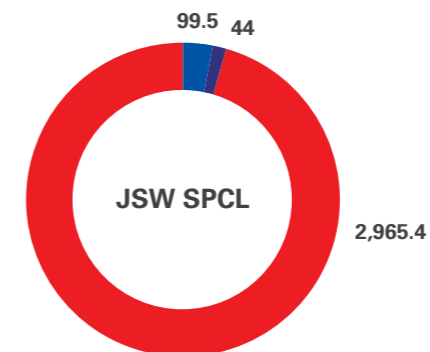
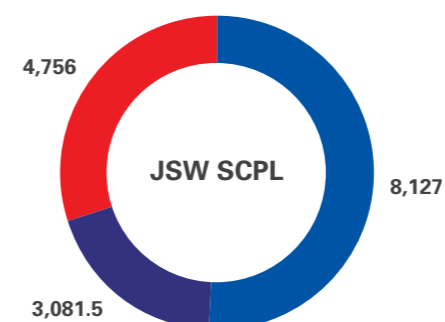
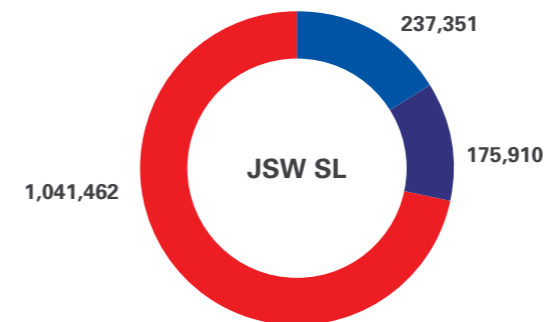
Some of the key training programmes attended by our employees include:

- Management Development Program at Indian Institute of Management, Ahmedabad for selected high potential employees for enhancing their business acumen.
- Young Leaders Development Program: Identification and grooming of high potential managers below the age of 32 years.
- More than 500 technical training programmes were conducted in-house by both internal and external faculty.
- More than 200 behavioral training programs were conducted in-house by both internal and external faculty.
- Tie ups with Premier Institutes for Employee Education: Our tie ups for off-campus B.S. course with BITS Pilani, M. Tech. with IIT Bombay and Post-graduate Diploma in Industrial Safety with RGIST encourage continuous learning and have been received well.

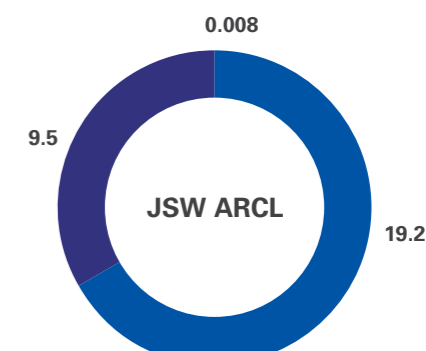
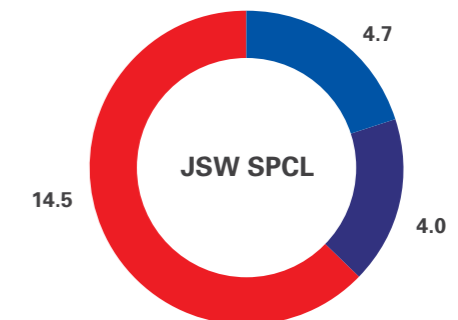
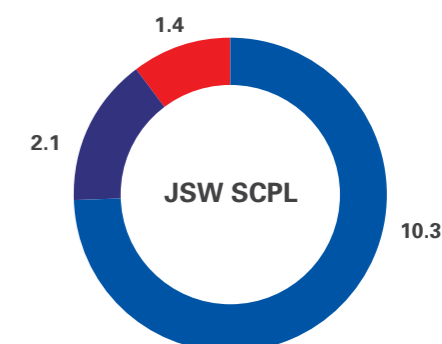
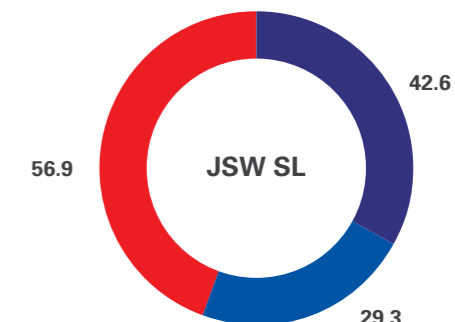
### Encouraging Creativity and Innovation

- A rewards and recognition mechanism is designed to encourage creativity and innovation at work. The idea has been to evolve a culture of creativity and innovation through the use of various mechanisms to recognise employees, either as individuals or as part of a team, for high level performance that facilitate the Company's pursuit of its strategic goals and objectives.
- Apart from the already existing series of awards for Best Employee, Exemplary Work, Best Suggestion, Best Safety Man, Bravery and Courage award, Best QC, Intellectual Property Rights and Award for Best Contractor, a new award called Quarterly Departmental/ Cluster Champions has been added to the glossary of awards this year. The quarterly award of Cluster Champion is given in recognition of self-initiated improvements, Best Safety Practices, Trouble shooting Skills, Innovation & Creativity.
- The innovation awards, at JSW, recognise the best innovations from all the locations of JSW group. The innovation awards have provided a platform to showcase achievements and help in replicating such innovation at other locations. During the reporting period, 21 entries submitted on group level out of which 8 were awarded as best cases on **SMART (Specific-Measurable-Achievable-Realistic-Time-bound Objective)** criteria basis.

### Training Hours



### Training Hours per Capita



• Management • Non-Management • Contractual Labour



## Message from Chief Executive Officer, JSW Foundation

### Empowering and Inclusion

The one word that sums up everything about JSW Steel is "dynamic". It added capacity in the last one and half decades through a combination of organic and inorganic routes; also, its product range is now very diverse, including value-added products for the small consumers and rural market. JSW recognises the potential outcomes of investing in the community, and consequent mutual benefits that accrue through community cooperation and collaboration.

Our community investments are rapidly becoming strategic, and leveraging much larger resource deployment by linking up with communities and government. The governance and managerial wisdom that it deploys in business is increasingly being applied for social investments and interventions. Accordingly, the Company has identified five specific focus areas for our community development initiatives: Nutrition and Health Care; Water and Sanitation;

*"Our community investments are rapidly becoming strategic, and leveraging much larger resource deployment by linking up with communities and government. The governance and managerial wisdom that it deploys in business is increasingly being applied for social investments and interventions."*

Education; Skill Development; and Art, Culture and Sports. All these are being undertaken in a project mode and are expected to deliver measurable outcomes. JSW Steel monitors the CSR programmes by both internal and external experts. As per the CSR policy, progress of the programmes is reviewed periodically by the Board-level CSR Committee, as well as the management at the sites.

Each manufacturing site has a dedicated team of development professionals. Advice and insights of expert organisations and individuals are also sought for specific initiatives.

For FY 2014-15 the Company adopted a theme Janam Se Janani Tak - JSW Aap Ke Saath, a long-term commitment to meet the needs, thereby empowering women and children living in the direct impact zone and beyond at all manufacturing sites. A case in point is Vijayanagar where 358 institutional deliveries were undertaken, catalysing the creation of self-help groups (SHGs) benefitting nearly 550 women, and providing quality education to more than 3,500 children.

In the vicinity of our operations we have enhanced the green belt through plantations, and made more water available through water conservation and watershed development projects.

Together, these projects are aimed at alleviating climate and water risks. We propose to extend such activities to encompass the watershed of our water sources, in the near future.

In this report we have presented a summary description of the the positive impacts we have created in each thrust area via our interventions.

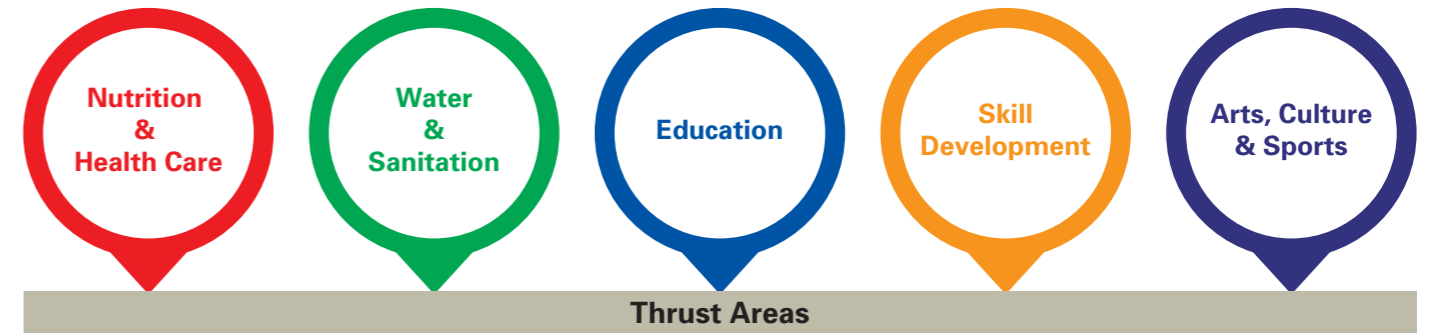
Our approach to social development in conjunction with **CSR Policy**, provide direction to empower communities and work for inclusive development in our neighbouring communities.

**Sumantra Sen**

## Empowering Communities - Harnessing Partnerships

### Our Corporate Social Investment- Thrust Areas

The thrust areas, where community investments are prioritised, are chosen in engagement with the local community and beneficiaries.



JSW Steel has a dedicated CSR team of development professionals at each of its plant locations. It also brings on board the expert organisations and individuals to help run specific initiatives in and around the plants. The Company is also working with the Government to tackle the issue of malnutrition in the states of Maharashtra and Karnataka.



JSW Steel Company's budgeted contribution to community development projects for FY 2014-15 is **₹ 43.70 crores**

JSW Foundation received NASSCOM Foundation award under social innovation category in the year 2014. The award recognized the efforts to empower women through basic computer literacy and job opportunity in Data Halli; approximately **1,500 women have received benefit** so far, presently 95 women associates are working in Data Halli.



## Delivering Measured Outcomes

### NUTRITION

- JSW Foundation has adopted a lifecycle approach where the nutritional status of the child is tracked from foetus (-nine months) till the age of six years (age when the child migrates to school education system from the Anganwadi system).
- Complementing the existing government program to enhance its efficiency
- Use of technology for decision making and appropriate service delivery

**10,000+** children tracked in Maharashtra

Trained **1000** government cadre in Maharashtra

**Location:** Thane and Palghar districts. Plan is to scale up to all JSW locations.

### SAFE MOTHERHOOD

- The emphasis has been on infrastructure development - working towards upgrading the facilities in government run primary care centres to help them provide institutional delivery services to catchment population
- Also facilitating training of ASHAs/Mid Wives/Facilitators and ANMs on counselling relevant for pre and post pregnancy, childcare and nutrition
- Initiation of a 24\*7 call centre (91-9448763456) for mother and child health care

**100%** institutional delivery in DIZ

**Location:** Bellary district, Karnataka. Plan is to scale up to all JSW locations

**1000+** mothers and children benefitted

**800+** infants immunised

- Water access through pipe line and over head tanks
- Water purification through installation of RO plants
- Water conservation via soil & moisture conservation, wretched structures for water retention and ground water recharge

### WATER CONSERVATION

**100+** hectare land under water conservation, to be augmented to **1000+** hectares

**130+** farmers benefitted  
**14000+** fruit tress saplings planted

**Location:** Salem

- JSW Group is aligning its skill development interventions to the National Skill Mission for wider footprint in creating skilled manpower for industries
- JSW is currently approaching skill development in two ways - Establishing and running O.P. Jindal Vocational Training Centre (OPJCs) - Supporting government's industrial training institutes across India

**500+** students completed their respective courses successfully

Also working with **21** government industrial training institutes under PPP

**900+** women trained in tailoring

**80** women engaged in regular stitching of garments

**120** women is going through the three month training tailoring in satellite centres around Vijayanagar

Rural BPO for women benefitted **800+** women

**96** women associates are working at Vijaynagar

Almost **100%** OPJC students are skilfully employed

ITI Nettur in Tamilnadu recently won **ASSOCHAM** for the best PPP model award

The rural BPO at Vijayanagar is called 'Data Halli' has recently received the award of '**Best Social Innovation**' by NASSCOM Foundation

### SWACHH BHARAT

**All Steel Locations**

- Facilitating the construction of individual toilets at home
- Repair and construction of school toilets
- Spread the awareness among communities about sanitation practices

**4000+** individual toilets

**85+** schools toilets

### SKILL DEVELOPMENT

**Location:** Three OP Jindal Vocational training centres (OPJC) at Vijayanagar, Vasind

### HEALTH CAMPS

- General health camps
- Mobile health camps
- Specialised health camps
- Eye check-up camps

**All Steel Locations**

**3000+** people benefitted

### WOMEN EMPOWERMENT

- Empowerment initiatives at SHG level which gives skill inputs on managing accounts and also skills for starting small scale business units through SHGs and thus empower for generating employment at village level

**200+** functional Self Help Groups  
**2500+** Women  
Produced **10000+** packets

**Location:** Bellary district, Karnataka



## Endnote by Chief Sustainability Officer

### Our Priorities for Tomorrow

This report has provided several glimpses of how sustainable development is synonymous with growth at JSW Steel. The way we understand sustainability is about how we continue to carry out various activities in a commercially successful way whilst contributing towards a stronger and more just society, and minimising the environmental footprint.

In other words, sustainability is all about solutions. Every business, especially those that grow, is bound to face challenges and constraints. Success lies in being able to offer breakthrough solutions. JSW Steel's ability to develop solutions lies in the quality of its people, many of whom have been with the organisation for over 20 years. The dedication and passion they demonstrate time and again is testimony to the high degree of motivation that prevails, and the work force is envied across the industry. The passion to excel will always drive further changes,

*"A significant shift has been to view all material aspects of business and relevant initiatives in an integrated manner, and engage effectively with the key stakeholders."*

enabling the Company to scale newer heights of success, as enshrined in the vision, mission and values.

Another factor has been our collaborative approach along the value chain. This led to an increase in the share of value-added products in the overall portfolio. From an environmental perspective, reducing the footprint in operations and products has been the key feature. Finally, in the field of social and community development, providing innovative and holistic yet affordable solutions for the masses has been the highlight.

The need to systematically identify, prioritise and manage risks, and develop opportunities, has come sharply to the fore due to the overall global economic scenario in FY 2014-15. Engagement with internal and external stakeholders and greater experience with the risk management framework have helped the business take better decisions. Consequently, there have been efforts to introduce and strengthen systems and practices for various subjects, including energy management, human capital, safety and community development.

The ultimate aim is to become world-class; be it innovation in steel-making, environmental protection, mainstreaming marginalised sections of the society, or even in governance, transparency and disclosure. In other words, become investor-friendly in order to realise the ambitious growth aspirations. A significant shift has been to view all material aspects of business and relevant initiatives in an integrated manner, and engage effectively with the key stakeholders.

JSW Steel has emerged as a front runner in terms of the number of Industrial Training Institutes [ITIs] it supports in India. This effort to skill the youth helps meet the growing demand of skilled work force, and hence livelihood opportunities. This is one of the many ways in which the Company makes a positive impact.

Vijayanagar Works was bestowed with the coveted Prime Minister's Trophy as the best Integrated Iron & Steel Plant of India, and also recognised as a winner of the CII-ITC Sustainability Awards in 2014.

Our leadership team takes full responsibility, and is accountable for various aspects of corporate sustainability. Going forward, you would witness

sharper focus on the material issues, strategic stakeholder engagement along the value chain, and enhanced integration of sustainability in our business strategy to deliver long term stakeholder value.

**Dr. S. Majumdar**



We welcome your feedback on our Sustainability Report 2014-15.

For any additional information, or to provide feedback on this report, please write to: [suman.majumdar@jsw.in](mailto:suman.majumdar@jsw.in)



## Key Accomplishments

JSW Steel continues to be recognised by the world for its expertise and capabilities. The awards won during FY 2014-15 include the following:

### Platts Global Metal Awards 2015

The Platts Global Metals Awards is modelled after the Platts Global Energy Awards, now in its 17th year.



### Porter Prize 2015

Porter Prize, named after Michael E Porter, Professor, Harvard Business School, living legend and father of modern strategy, propels companies to compete on the basis of value creation, innovation and strategy.



Prime Minister's Trophy

### Site Achievements

1. Vijayanagar Plant won the prestigious Prime Minister's Trophy for excellence in performance of Integrated Steel Plants for the year 2012-13.
2. CII-EXIM Bank Business Excellence Award - 2014, awarded by the Confederation of Indian Industry (CII): Commendation Certificate for Significant Achievement received on November 20, 2014.
3. CII-ITC Sustainability Award 2014: Awarded Commendation Certificate for Significant Achievement received on December 19, 2014.
4. IMC Ramakrishna Bajaj National Quality Award 2014: Won the IMC Ramakrishna Bajaj National Quality Award in the Manufacturing Category award received on March 20, 2015.
5. Salem Plant has won Second prize in IIM Sustainability Award under the Alloy Steel category.
6. Salem Plant has won Gold Trophy from ASSOCHAM for the Best ITI Skill Development through PPP Scheme in India.

### Team Achievements

1. International Convention on Quality Circle Chapter (ICQCC): Gold Award to Innovator Quality Circle Team" from SMS-II received on October 15, 2014 at Sri Lanka.
2. National Convention on Quality Circle (NCQC): Three teams (Innovators - SMS-2, Janani-BF3, and Abhimanyu-BF4) were conferred with Par Excellence award, which is the highest honour in the category and one team (Sarathak-Coke Oven) was adjudged excellent award, the second highest honour and was received on December 22, 2014 at Pune.
3. Chapter Convention on Quality Circle (CCQC) All the teams (Innovators – SMS-2, Janani-BF3, and Abhimanyu-BF4, Sarthak – Coke Oven) were conferred with Gold award on September 7, 2014 at Bengaluru.
4. JSW Steel Ltd., Salem Par Excellence Award from National Convention on Quality Concepts for Six Sigma project

## Independent Assurance Statement

JSW Steel Limited (the Company) has requested KPMG to provide an independent assurance on its Sustainability Report 2014-15.

The Company's management is responsible for content of the report, identification of the key issues, engagement with stakeholders and its presentation.

KPMG's responsibility is to provide limited assurance on the report content as described in the scope of assurance.

The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

### SCOPE OF ASSURANCE

The scope of assurance covers the following aspects of the report:

- Data and information related to the Company's sustainability performance in the period 01 April 2014 to 31 March 2015.
- The sustainability specific data and information covering the Company's operations at Vijayanagar, Salem and Dolvi and its subsidiaries JSW Steel Coated Products Limited, JSW Steel Processing Centres Limited and Amba River Coke Limited.
- The Company's internal protocols, processes, and controls related to the collection, collation, and reporting of sustainability performance data.
- The Company's approach to identify material issues and engage with its stakeholders.

### EXCLUSIONS

The assurance scope excludes;

- The Company's financial performance;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;

### INDEPENDENCE

Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

### RESPONSIBILITIES

Our responsibility is to express our conclusions in relation to the assurance scope listed above. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and economic information and with experience in similar engagements. JSW Steel is responsible for developing the report contents. JSW Steel is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This assurance statement is made solely to JSW Steel



in accordance with the terms of our engagement. Our work has been undertaken so that we might state to JSW Steel those matters we have been engaged for. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than JSW Steel for our work, for this statement, or for the conclusions we have reached. By reading this statement, stakeholders accept and agree to the limitations and disclaimers mentioned above.

#### METHODOLOGY ADOPTED FOR ASSURANCE:

We conducted our review in accordance with International Standard on Assurance Engagements (ISAE 3000), "assurance engagements other than audits of review of historical information" issued by International Audit and Assurance Standards board. The process of assurance involved -

- Discussion on sustainability with senior executives at the different plant locations and at the corporate office to understand their perspectives, expectations and future plans
- Site visits to the operational locations at Vijayanagar, Salem and Dolvi and subsidiaries JSW Steel Coated Products Limited located at Tarapur, Vasind and Kalmeshwar, JSW Steel Processing Centres Limited located at Vijayanagar and Amba River Coke Limited, located at Dolvi on a quarterly basis for
- Testing reliability and accuracy of data on a sample basis
  - » Understanding technical values considered
  - » Assessment of the stakeholder engagement process through interactions with relevant internal stakeholders and review of relevant documentation
  - » Review of the processes deployed for collection, compilation, and reporting of sustainability performance indicators at corporate and plant level. Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team physically verified the documents.

#### OBSERVATIONS

Our observations are as follows:

- JSW Steel has started taking steps to increase awareness on sustainability reporting across the organisation.
- JSW Steel has initiated the process for systematic stakeholder engagement and materiality assessment.
- The data management system could be further improved to identify responsibilities of monitoring and review which will help enhance the reliability and accuracy of data reported.

#### CONCLUSIONS

On the basis of our assurance methodology, nothing has come to our attention that would cause us not to believe that:

- The report does present JSW Steel's sustainability performance covering its operations as mentioned in the scope.
- Material issues that have impact on JSW Steel and are of interest to its stakeholders have been highlighted in the report.
- The report meets the requirements of A+ application level of GRI G3.1 Guidelines on Sustainability Reporting.

#### Santhosh Jayaram

Director  
KPMG India  
June 4, 2015

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## NVG Mapping

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## SDG Mapping

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## WSA Indicators

	Units	Industry Average	2014-15	2013-14	2012-13	2011-12	2010-11
Investment in new processes and products	% of Revenue	7.5	0.05	0.06	0.62	7.90	0.17
Economic Value Distributed	Billion USD	954	7.78	8.04	6.79	6.09	4.79
Economic Value Distributed	% of Revenue	97.30	95.7	97.31	94.45	89.28	73.75
Employee Training	Training Days/ Employee	6.5	4.20	6.08	9.42	7.17	4.42
Lost-time Injury Frequency Rate	Injuries / million hours worked	1.4	0.55	2.55	0.73	0.99	2.19

## Abbreviations

- » ASSOCHAM: The Associated Chambers of Commerce of India
- » BF: Blast furnace
- » BPO: Business process outsourcing
- » CCQC: Chapter Convention Quality Circle
- » CII: Confederation of Indian Industry
- » COG: Coke oven gas
- » CSR: Corporate Social Responsibility
- » EHS: Environment, Health and Safety
- » GHGs: Greenhouse Gases
- » GJ: Giga Joules
- » GRI: Global Reporting Initiative
- » HRC: Hot rolled coils
- » ICQCC: International Convention on Quality Circle Chapter
- » IFAC: International Federation of Accountants
- » JSW ARCL: JSW Amba River Coke Limited
- » JSW SCPL: JSW Steel Coated Products Limited
- » JSW SL: JSW Steel Limited
- » JSW SPCL: JSW Steel Processing Centres Limited
- » KPIs: Key Performance Indicators
- » MLD: Million litres per day
- » MTPA: Metric tonnes per annum
- » NCQC: National Convention on Quality Concepts
- » NGOs: Non-governmental organisations
- » NVG: National Voluntary Guidelines
- » ODS: Ozone Depleting Substances
- » OEM: Original equipment manufacturer
- » SDGs: Sustainable Development Goals
- » SEBI: Securities and Exchange Board of India
- » SHG: Self –help Group
- » SMART: Specific-Measurable-Achievable-Realistic-Time-bound Objective
- » SMS: Steel melting shop
- » tCO<sub>2</sub>e: Metric Ton of Carbon Dioxide Equivalent
- » TMT: Thermo Mechanical Treated
- » TPM: Total Productive Maintenance
- » TQM: Total Quality Management
- » VFD: Variable Frequency Drive
- » WSA: World Steel Association



This report is a version for web only.  
It is not available in print.

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