



FORGING BONDS

Corporate Sustainability
Report 2013-14



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED



Sustainable Development Policy

SAIL recognizes that its business activities have direct and indirect impact on the environment and society. SAIL is committed to continuously promote Sustainable Development encompassing environmental, societal and economic aspects related to its business activities.

Guiding Principles

- Affirm its commitment to contributing towards a clean and sustainable environment and continually enhancing its environment related performance as an integral part of its business philosophy and values.
- Strive to integrate its business values in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.
- Create a positive footprint within the society to make a meaningful difference in the lives of people by continually aligning its initiatives to the goals for sustainable development.
- Regularly interact with stakeholders to assess and achieve sustainability goals associated with its business activities, through constructive dialogue.
- Maintain commitment to business and people for quality, health and safety in every aspect.

A handwritten signature in black ink, appearing to read "CS Verma".

CS Verma
Chairman

January 2012

Contents



Chairman's Message

Dear Stakeholders,

It gives me immense pleasure to present our fourth Corporate Sustainability Report 2013-14, a transparent and voluntary disclosure of the Company's environmental, economic and social performance. This report has been prepared in accordance with the 'G3' guidelines of GRI Sustainability Reporting System and aims to highlight key issues and achievements pertaining to sustainable and inclusive development, measures undertaken to deal with these issues and to communicate our future plans to all our valuable stakeholders.

Sustainability is about meeting the needs of the present without compromising the ability of the future generation to meet their needs. Building financial success, achieving environmental excellence and honoring social responsibility in partnership with all stakeholders is the key for sustainability, which is the 'key mantra' for SAIL in all its operations.

We operate in an environment which is challenging and dynamic, yet full of opportunities. The world economy has experienced subdued growth of 3.3% in 2014 (IMF). Global growth is likely to receive a boost from lower oil prices, but this boost is projected to be more than offset by negative factors, including diminished expectations about medium-term growth in many advanced and emerging market economies.

World crude steel production reached 1662 million tonne for the year 2014, up marginally by 1.2% compared to 2013. The global steel industry capacity utilization fell to 76.4% in 2014, implying sizeable global overcapacity in the steel industry.

In India, however, we are confident of good growth in the economy in the coming years with the slew of measures which have been taken by the Government. The thrust on infrastructure development, construction, rapid urbanization and expanding manufacturing capabilities, augurs well for the growth of the domestic steel consumption too in the ensuing times.

With respect to SAIL's performance, I am glad to share that during 2013-14, SAIL achieved the highest ever turnover of Rs. 51,866 crore, registering a growth of 5% over the previous year. On the production front, SAIL reached a level of 12.9 million tonnes (MT) of saleable steel in FY'14, registering an improvement of 4% over the last financial year.

With respect to the Modernization & Expansion plan, SAIL has made a giant leap forward with an increase of 5 million tonnes per annum (MTPA) in hot metal production capacity, which has increased to 19.5 MTPA. Integrated operations of 2.5 MTPA new steel plant at Burnpur commenced from November, 2014 with the lighting up of the state-of-the-art 4160 m³ Blast Furnace 'Kalyani', which is the largest Blast Furnace in India. This is the second such large volume Blast Furnace in SAIL, after the first one operationalized in Rourkela Steel Plant in August, 2013. Besides capacity addition, the Modernization & Expansion Plan (MEP) includes technological upgradation, enrichment of product mix, eliminating technological obsolescence and making the processes more environment friendly.

Company is also geared up to play a significant role in the economic development of the country with a quantum increase in its production capacity in the coming years. SAIL is finalizing its Vision-2025 document, which will steer the company to increase its production capacity of Hot Metal to 50 MTPA, along with related/enabling business activities, in line with growing demand of steel in the country. This will not only enhance SAIL's contribution to nation building but will also place SAIL amongst the top steel companies globally.

Another area of SAIL's strength and a vital source of sustenance is its raw material security. Landmark acquisition of a large coking coal mine by International Coal Ventures Pvt. Ltd. (ICVL) has recently been completed, which would help SAIL in its quest for greater raw material securitization.

In continuation of our commitment towards innovation, SAIL has developed several new products. A few of them are, Super

Formable/ High Strength Formable Steel specifically designed for producing Light Weight Cylinders; High Toughness Corrosion Resistant Rails to provide improved hardness, elongation and better fracture toughness in rails supplied to Indian Railways; production of special steel to cater to the latest trend of using high strength steel in electrical transmission towers to reduce weight and improve cost effectiveness, etc.

On the environment front, concerted efforts have resulted in reduction of 2.27% in particulate matter emissions, 2.7% in specific effluent discharge and 1.61% in specific water consumption compared to last year. Along with the same, a reduction of around 1.35% and 2.18% has been achieved in specific energy consumption and specific CO₂ emission respectively during this period. As a measure to conserve biodiversity, about 2.05 lakhs trees have been planted in and around SAIL plants and mines during the year.

Initiatives like eco-restoration of mined-out areas, plantation of trees in and around units, greening of warehouses and other environmental projects have also been undertaken. Most of our Units are certified to ISO 14001 for Environment Management System, ISO 9000 Standards for Quality Management System, SA 8000 for Social Accountability and OHSAS 18001 for Occupational Health and Safety.

With regard to social responsibility, SAIL continues to work towards its credo of making a meaningful difference in people's lives. The CSR activities are spread over in the key areas of medical and health care, education, livelihood generation, sanitation, roads, drinking water etc. along with the focus on helping the downtrodden and underprivileged section of population living in and around the SAIL townships. On the medical front, more than 38.61 million people have benefitted so far by availing the healthcare facilities provided by SAIL. In the field of education, the Company owns and maintains over 129 schools in its steel townships and in association with Akshya Patra Foundation provided Mid-Day meals to more than 73,000 students of Government schools in and around Bhilai and Rourkela every day in FY'14. I am also happy to share with you that Corporate Social Responsibility (CSR) plan for the year 2014-15 has been re-worked, giving utmost emphasis to the call of our Hon'ble Prime Minister for thrust on sanitation in schools. SAIL is committed to playing an important role in this national endeavor that will inculcate lasting behavioral change in the society towards cleanliness.

The Company is committed to conforming to the highest standards of Corporate Governance by ensuring transparency, disclosures and reporting as required under various laws, regulations and guidelines. This report represents a balanced presentation of our organization's economic, environmental and social performance. We aspire for our business to be sustainable in every sense of the word – a business that is both profitable and responsible.

To conclude, I quote Ban Ki-Moon, the 8th Secretary-General of the United Nations, "Saving our planet, lifting people out of poverty, advancing economic growth... these are one and the same fight. We must connect the dots between climate change, water scarcity, energy shortages, global health, food security and women's empowerment. Solutions to one problem must be solutions for all".

With best compliments,



C S Verma
Chairman



SAIL NETWORK



SAIL organisational network in India

About This REPORT

Report Profile

Reporting Period

Efforts towards sustainability is been showcased by SAIL through its Corporate Sustainability Report every year. The previous Corporate Sustainability Report was published for the year 2012-13 and current Report covers the financial year from 1st April 2013 to 31st March 2014.

Reporting Framework

This Report presents the sustainability actions and results across the Economic, environmental and social aspects, organized as per the Global Reporting Initiatives (GRI) G3 Sustainability Reporting guidelines. Relevant aspects have been referred from Indicator Protocol, Sector Supplements and Technical Protocol and are incorporated in the Report. The reporting principles of materiality, stakeholder inclusiveness, sustainability context and completeness have been applied in line with the Principles of Inclusivity, Materiality and Responsiveness. The Report represents the balanced and reasonable presentation of our contributions in the area of sustainability. This report is intended for the valued stakeholders described on page 16. The details on the process for defining material issues and their prioritization has been described on page 15-18.

Reporting Scope

This Report contains SAIL's performance and operational activities with respect to sustainability management. Financial information reported in economic performance section is aligned with the Annual Report published for the financial year 2013-14 ending on 31st March 2014 whereas social and environmental performance of Plants, Units and Mines have been elaborated in the respective sections.

The report has also considered the reporting guidance for boundary setting. The boundary of the report is limited to the products and services of SAIL. This year's report has been expanded to cover the mining operations of SAIL in addition to the Plants and Units which were part of the last year's report. No Unit has been closed, divested or relocated during the year 2013-14. The reporting boundary has been described in the Business Profile section. Efforts have been made to include all significant actions or events and reasonable estimates on the future impacts of past events. The Report considers the principles of defining quality viz., balance, comparability, accuracy, timeliness, clarity and reliability.

Mergers and Acquisitions

SAIL has taken up with Ministry of Commerce/Government of India for possibility of acquiring majority stake in Neelachal Ispat Nigam Limited (NINL) in Jajpur, Odisha during the year 2013-14. SAIL has reiterated its plan to develop NINL into a 5 Million Tonne Per Annum (MTPA) Steel Plant, in phases, from the current capacity of 0.9 MTPA.

Other important collaborations by SAIL include:

- Joint Venture Company (JVC) with Rail India Technical and Economic Service (RITES)
- Consortium to develop Hajigak Iron Ore Deposits in Afghanistan
- Joint venture with Kobe Steel
- Joint venture with Government of Kerala for revival of SAIL Steel Complex Limited Kerala
- Joint venture agreement with Burn Standard Company Limited (BSCL), a Public Sector Unit under Ministry of Railways.

Reporting Standards

Guidelines under the Company's Law have been the basis for reporting of financial performance of the organization. Periodical quality, environment, health, safety and social audits are conducted against International Standards such as ISO 9001, ISO 14001, OSHAS 18001 and SA 8000. Economic and Financial Systems are subjected to statutory audits by a third party and internal auditors. Further the systems are verified and reviewed by the concerned government authorities.



World Steel Association (WSA) guidelines and calculation methodologies have been followed while reporting the Carbon Dioxide (CO₂) emissions for Integrated Steel Plants (ISPs). Monitoring, measurement and calibrations are carried out as per relevant Indian Standards within purview of the Quality Management System. Work environment and safety are driven by the requirements of Factories Act and the environmental regulations prescribed by the Ministry of Environment, Forests and Climate Change (MOEF&CC).

Attempt has been made to address all the relevant and applicable core and additional indicators, while applying the reporting principles of GRI G3.

The material issues were prioritized based on its significance on economic, environmental and social performance of the organization and stakeholder engagement process.

Distribution & Feedback on Report

The full Report is published in English language. The report is available on request via email and is available on SAIL website (www.sail.co.in). Stakeholder feedback on the report will be communicated to the related department upon its receipt via email.

For additional information about SAIL's efforts towards sustainable development, you are welcome to write to:
sailsustainability@gmail.com

Assurance

SAIL has decided to get the report GRI checked and declare the reporting level accordingly. The decision for getting GRI checked is aimed to enhance the quality and credibility of the report as well as to ensure quest for improvement.

Performance Highlights

SAIL has been successful in maintaining its business growth and market share with customer oriented marketing, strengthening synergy amongst Plants, Units and Mines. SAIL is geared up to further enhance its contribution towards nation building with a quantum increase in its production capacity in near future.

Financial Performance

Financial Parameters	2011-12	2012-13	2013-14
Turnover (₹ in Crore)	50,348	49,350	51,866
Net Sales (₹ in Crore)	45,654	43,961	46,189
Profit Before Tax (₹ in Crore)	5,151	3,241	3,225
EBIDTA(₹ in Crore)	7,658	5,621	5,909
Capital Expenditure (₹ in Crore)	11,021	9,731	9,890
Total Assets (₹ in Crore)	76,337	84,218	91,962
Export Sales (₹ in Crore)	1,230	1,158	1,497
Profit After Tax (₹ in Crore)	3,543	2,170	2,616
CSR Budget (₹ in Crore)	64	42	40

Production Highlights - Plants

Production (MT)	2011-12	2012-13	2013-14
Hot Metal	14.12	14.27	14.45
Crude Steel	13.35	13.42	13.58
Pig Iron	0.11	0.21	0.22
Total Saleable Steel	12.40	12.39	12.88
Semi-Finished Steel	2.53	2.42	2.76
Finished Steel	9.87	9.96	10.12

Production Highlights - Mines

Mines Production (MT)	2011-12	2012-13	2013-14
Iron Ore Production from RMD Mines	14.54	14.07	18.04
Iron Ore Production from Bhilai Mines	7.81	7.42	7.27
Flux Production from RMD Mines	1.10	1.21	1.09
Flux Production from Bhilai Mines	0.95	0.96	1.08
Flux Production from VISL Mines	0.048	0.038	0.010

Key Performance Indicators – Environment & Social

We continue to track progress against our commitment to support the environmental improvement programs. These programs have focused on reducing energy consumption, greenhouse gas emissions, incorporating water reuse and recycling, managing wastes, reducing emissions, and mitigating the risk of environmental incidents. We are also closely monitoring various social impact indicators such as labour productivity, employee training, and our spending on CSR.

CO₂ Intensity (t/tcs)

2013-14	2.69
2012-13	2.75
2011-12	2.81

Specific Water Consumption (m³/tcs)

2013-14	3.67
2012-13	3.73
2011-12	3.86

Specific Effluent Discharge (m³/tss)

2013-14	2.16
2012-13	2.22
2011-12	2.26

Specific Energy Consumption (Gcal/tcs)

2013-14	6.59
2012-13	6.68
2011-12	6.86

Particulate Matter Emission Load (kg/tcs)

2013-14	0.86
2012-13	0.88
2011-12	1.01

Specific Effluent Load (kg/tcs)

2013-14	0.11
2012-13	0.11
2011-12	0.13

Solid Waste Utilisation (%)

2013-14	87.5
2012-13	91
2011-12	86

Female Employees (%)

2013-14	5.73
2012-13	5.77
2011-12	5.76

Labour Productivity (tcs/man/year)

2013-14	278
2012-13	258
2011-12	241

Training (man hours/employee)

2013-14	105.6
2012-13	63.2
2011-12	47.8

Spending on CSR (₹ in Crore)

2013-14	62.06
2012-13	53.29
2011-12	61.25





About the BUSINESS



Business Profile

Steel Authority of India Limited (SAIL), a Government of India undertaking, is the premier steel-making organization of India. Responsible for driving the industrial revolution of modern India since over six decades, SAIL is a fully integrated iron and steel maker, producing both basic and special steels for domestic construction, engineering, power, railway, automotive and defence industries and for sale in export markets. SAIL is among the seven Maharatnas of the country's Central Public Sector Enterprises. SAIL manufactures and sells a broad range of steel products, including hot and cold rolled sheets and coils, galvanized sheets, electrical sheets, structurals, railway products, plates, bars and rods, stainless steel and other alloy steels. SAIL produces iron and steel at five integrated plants and three special steel plants, located principally in the eastern and central regions of India and situated close to its captive iron ore, limestone and dolomite mines which are domestic sources of raw materials.

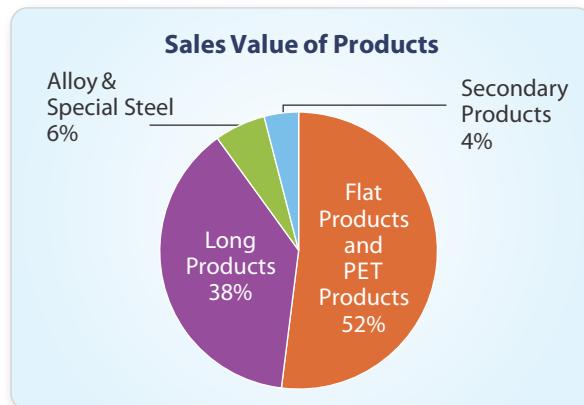
Scope of the Report

Following SAIL Plants, Unit and Mines are covered in the Scope of the Report.

Plants	Units
Bhilai Steel Plant	Central Marketing Organisation
Durgapur Steel Plant	Research and Development Centre for Iron & Steel
Rourkela Steel Plant	Centre for Engineering and Technology
Bokaro Steel Plant	SAIL Safety Organisation
IISCO Steel Plant	SAIL Growth Works, Kulti
Alloy Steels Plant	Environment Management Division
Salem Steel Plant	SAIL Refractory Unit
Visvesvaraya Iron and Steel Plant	
Chandrapur Ferro Alloy Plant	

RMD Mines	BSP Mines
Iron Ore Mines	Iron Ore Mines
Kiriburu	Rajhara
Meghahatuburu	Dalli
Gua	Jharandalli
Manoharpur	Dalli Manual
Bolani	Mahamaya
Barsua	Flux Mines
Kalta	Nandini Limestone Mines
Flux Mines	Hirri Dolomite Mines
Kuteshwar Limestone Mines	VISL Flux Mines
Bhawanathpur Limestone Mines	Bhadigund Limestone Mines
Tulsidamar Dolomite Mine	Kenchapura Dunite Mines

The vital responsibility of carrying out the marketing activity is carried out by SAIL's own Central Marketing Organization (CMO) that transacts business through its network of 37 Branch Sales Offices spread across the four regions, 25 Departmental Warehouses, 24 Functional Consignment Agents and 10 Functional Customer Contact Offices. CMO's domestic marketing effort is supplemented by its ever widening network of rural dealers who meet the demands of the smallest customers in the remotest corners of the country.



Products Portfolio

Steel Plant/Units	Location	Products
Bhilai Steel Plant	Bhilai, Chhattisgarh	Rails(13/26 m), Long Rails (65-260 m), Blooms, Billets, Slabs, Channels, Joists, Angles, TMT Rebars, Wire Rods, Crane Rails, Plates, Pig iron & Coal chemicals.
Durgapur Steel Plant	Durgapur, West Bengal	Blooms, Billets, Joists, Narrow Slabs, Channels, Angles, TMT Rebars, Skelp, Wheels & Axels, Pig iron & Coal Chemicals.
Rourkela Steel Plant	Rourkela, Odisha	Plate Mill Plates, HR Plates, HR Coils, Slabs, CR Sheets/Coils, Galvanised Sheets (plain & corrugated), ERW pipes, Spiral weld pipes, CRNO, Pig iron & Coal Chemicals.
Bokaro Steel Plant	Bokaro, Jharkhand	HR Coils, Slabs, HR Sheets/Plates, CR Coils/Sheets, GP Sheet/Coils, GC Sheets, Galvanealed Steel, HPRO, Pig iron & Coal Chemicals.
IISCO Steel Plant	Burnpur, West Bengal	Wire Rods, Bars & Rebars, Joists, Channels, Angles, Blooms, Billets, Universal & Special Sections (Z-bar, Z-Piling, MS Arch), Pig iron & Coal Chemicals.
Alloy Steels Plant	Durgapur, West Bengal	Alloy Steel Squares & Rounds, Wear Resistant Plates, forgings, Crane Wheels, Forged Rolls/Plates, Special Quality Slabs & Stainless Steel Slabs (low Ni, 300 & 400 series)
Salem Steel Plant	Salem, Tamil Nadu	Cold Rolled Stainless Steel, Hot Rolled Carbon & Stainless Steel Products, Micro-Alloyed Carbon Steel.
Visveswaraya Iron & Steel Plant	Bhadrapur, Karnataka	High Quality Rolled & Forged Alloy & Special Steel Products.
Chandrapur Ferro Alloy Plant	Chandrapur, Maharashtra	High/Medium/Low Carbon Ferro-Manganese, Silico-Manganese.

Product Applications

Steel

Structural, Construction, Engineering, Electrodes Manufacture, Bridges, Boilers, Defence, Railways, Ship building, LPG cylinders, Railways, Infrastructure projects

Stainless Steel

Utensils, tableware, automobile trims, conveyor belts, elevators, chemical and food processing equipment, building and interior decoration and pharmaceutical equipment



SAIL Products



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Engaging with **STAKEHOLDERS**

Connecting with Stakeholders

SAIL recognizes all those individuals or groups who have interest or concern in the operational or business activities of the organization as a stakeholder. It has always been an objective to build trust amongst the stakeholders and this has been achieved through a well-defined engagement mechanism aimed at addressing their feedback and concern. This engagement provides an opportunity to identify risks arising out of the stakeholder concern and develop strategies to manage them.

The identification of stakeholder is based on the business strategy and sustainability vision of SAIL and firmly based on the belief that stakeholders are the main contributors to the success of organization and the stakeholder feedback is a reflection of their needs and expectations. SAIL highly values partnership with its stakeholders and actively seeks to strengthen the alliance with these stakeholder groups encompassing the government, shareholders, employees, customers, suppliers, community, NGOs, academics, consultants, competitors, financial institutions etc. SAIL has always ensured a proactive engagement with all its esteemed stakeholders and has accorded high importance and priority to their feedback. The frequency of engagement varies with the stakeholder groups ranging from daily interaction with employees to Annual General Meetings (AGM) for shareholders. The Feedback mechanisms at SAIL have evolved and matured over several decades.

Stakeholder Engagement (SE) aims for the following aspects:



Stakeholder Engagement Model

Completeness

- Knowing & Understanding Stakeholders
- Complete & Balanced Reporting

Materiality

- Assessing Significance to Stakeholders & Management
- Deciding what to report on

Responsiveness

- Involving & Responding
- Providing Access to Information

Stakeholder Groups	Sub-Groups	Engagement Mechanism	Concerns / Perceptions	Accrued Benefits
Shareholders	<ul style="list-style-type: none"> • Government • Institutions • Insurance Companies • Individuals 	Annual General Meetings , Quarterly and half- yearly reports to shareholders, Shareholder relation meets, Investor surveys	Profitability of the Company, Creation of wealth, Stock price, Grievances and Complaints	Wealth creation for shareholders
Employees	<ul style="list-style-type: none"> • Regular • Contractual 	Labour Unions, Bipartite & Tripartite Meetings, Departmental & Zonal Committee Meetings, Various Platforms for Dialogues & Communication, CEO Interactions, Employee Satisfaction Surveys, Annual Appraisals, Internal newsletters etc.	Safe and healthy working conditions, Good remuneration package, Professional growth, Quality of life, Welfare measures, Training and Career Development	Motivated, Satisfied and enthused workforce
Suppliers	<ul style="list-style-type: none"> • Ancillaries • Bulk Suppliers • Vendors 	Vendor meetings, Meetings with Suppliers, Ancillary Association Meetings, Supplier Relationship Management	Partnership with value creation, Timely payment, Engaging more local suppliers, Supplier satisfaction etc.	Satisfied suppliers
Customers	<ul style="list-style-type: none"> • Institutional • Retail 	Customer meets, Plant visits, Director's conference with customer groups, Visits to customers and Customer satisfaction surveys	Partnership with value creation, Product quality, Delivery compliance, Customer satisfaction, Resolution of complaints etc	Lasting relationship, Satisfied customer
Community	<ul style="list-style-type: none"> • Urban • Rural • Indigenous Communities 	Community meetings, Interaction with municipalities, Town administrative committee, Involvement in local society functions	Quality of life, Job opportunities, Education, Welfare measures, Medical facilities, Sustainable livelihood	Socioeconomic development of the region, Partnership in progress
NGO's	<ul style="list-style-type: none"> • Local • National 	Visits to Plants, Seminars, Conferences, Interactions etc.	Environment quality, Human rights, Freedom of association, Compliance to regulations	Safe and healthy workforce, Environment friendly operations, Ethical operations, Compliance to Standards
Regulators	<ul style="list-style-type: none"> • Central Government • State Government • Local Bodies 	Meetings with Central & State Government/Steel Ministry / Trade Bodies, Industry Associations, Ministry of Environment, Forests & Climate Change, Other statutory bodies etc.	Economic, Environmental and Social Compliance, Human Rights, Safety, compliance to ILO conventions	Legal compliance, Beyond compliance
Competitors	<ul style="list-style-type: none"> • Local • International 	Knowledge sharing, Partnership with value creation, Anti-competitive behavior, Consumer privacy	Fair business, Partnership, Public policy advocacy	Knowledge sharing, Best practices, Ethical business
Industry Associations	<ul style="list-style-type: none"> • WSA • CII • FICCI • IIM etc. 	Conferences, Workshops, Seminars	Industry Policy, Regulations, Technology, Environment, CSR, Business Excellence	Knowledge sharing, Public policy advocacy, Best practices
Academic Bodies	<ul style="list-style-type: none"> • Institution • Research Labs 	Conferences, Workshops, Seminars	Knowledge management, R&D activities, Partnership for value creation	Knowledge sharing, New technology
Professionals / Consultants	<ul style="list-style-type: none"> • Local • International 	Visits to Plants, Seminars, Conferences, Interactions	Partnership with value creation, Training and development	Knowledge building, Value creation, Collaboration
Media	<ul style="list-style-type: none"> • Local • National 	Press Meets Interactions with Plant and Corporate Communications	Economic, Environmental and Social performance Achievements	Transparency and communication



Stakeholder Feedback

SAIL engages with its valued stakeholders through diversified modes of engagement and then incorporates their feedback in its strategy and initiatives. Inputs from shareholders feed into the strategic plan development and the consequent strategic objective setting. On the other hand, customer feedback goes into forming basis for product improvement, products and services development necessary for customer retention, market penetration and development. Interaction with suppliers allows SAIL to identify focus – areas and strengthen its relationship with them.

SAIL has developed metrics for capturing stakeholder feedback in systematic manner. Customer Satisfaction Index and Employee Satisfaction are just some of such metrics used for gauging the stakeholder feedback and its quantification. SAIL consciously also captures the employees' needs and expectation in a structured manner and ensures that the organizational policies are aligned with the employee expectations.

Materiality Assessment Process

Materiality Assessment is a framework which allows for prioritization of issues and areas pertaining to economic, environment and social aspects of Sustainability. SAIL has adopted a structured approach for understanding stakeholder expectations and analyzed relevant issues for their perceived importance as well as impact of these issues on the business.



WSA Meet

As an outcome of this exercise, SAIL has developed a materiality matrix that highlights issues which have been rated high by the stakeholders on the basis of their concern and also important to business on the basis of relevance. To carry out this materiality assessment, efforts were made to connect with the stakeholder groups by organizing interactive sessions and capturing their responses against simple questionnaires prepared by experts. While developing materiality mapping, it was ensured that there was inclusivity in the approach and due importance was paid to the views of the stakeholders with regard to sustainability challenges faced by SAIL. In total, 244 internal & external stakeholders were engaged across all the Plants, Units and Mines of SAIL.

Some of the environmental aspects which were perceived to be of high concern by the stakeholders as well as found to be of high impact to the business are resource management, recycling and recycled material utilization, waste management, CO₂ reduction and water conservation.

Economic and Social aspects found to be of concern are profitability, value added products, cost optimization, customer satisfaction, capacity utilization, process management, employee development, employee satisfaction and providing sustainable livelihood to society.



Materiality Matrix

High

↑ Stakeholder Concern

- Spending on CSR activities
- Initiatives for employment generation
- Enhancing supplier satisfaction
- Employability training to community
- Healthcare to community

- Recycling and recycled materials utilization
- Resource management
- Waste management, recycling, reuse and disposal
- Reducing GHG emissions & carbon footprint
- Water conservation, recycling and reuse
- Enhancing profitability
- Value added products & enhancing exports
- Reducing operating cost and cost saving
- Increasing customer satisfaction
- Effective asset and capacity utilisation
- Improving process management and technological parameters

- Collaboration with suppliers
- Restricting the use of Hazardous chemicals
- Reducing ozone depleting substances
- Reducing the generation of hazardous waste
- Promoting green procurement and green marketing
- Supplier and contractor practices
- Reducing environmental impacts during transportation, packaging and dispatch
- Adopting sustainable sourcing practices
- Community Initiatives
- Investment on new process and products
- Research and development of green products
- Talent retention and professional growth



सेल SAIL

- Compliance to legal regulations
- Reducing emissions, discharges and noise
- Code of Conduct/ Ethics
- Enhancing energy efficiency & adopting renewables
- Enhancing employee productivity
- Investment on research and development

Low

Business Impact

High



Stakeholder Meets

19





Sustainable
APPROACH

Sustainability Framework

Our Sustainability framework provides a consistent approach to the management of Business, Health, Safety, Environment and Community issues across our operations. Underpinned by our policy on sustainable development, implementation of this framework is supported by our Operating Model, which has been designed to create an organisation where everyone is clear about their accountabilities.

All our sustainability achievements are the result of the dedication and commitment of our people. We continue to recognize the efforts of our employees who imbibe the mission and values expressed by SAIL and who go beyond their day-to-day job to care for the community and the environment.

Our global competitiveness relies on our ability to build long term, mutually beneficial relationships with customers. We also collaborate with our suppliers to improve the contribution of our products to society and limit the impacts of production. We also work to ensure that communities share the benefits of our business.



A view of modernized Ore Blending & Beneficiation Plant, RSP.

Vision

To be a respected world-class corporation and leader in Indian steel business in quality, productivity, profitability and customer satisfaction.

Credo

- We build lasting relationships with customers based on trust and mutual benefit.
- We uphold highest ethical standards in conduct of our business.
- We create and nurture a culture that supports flexibility, learning and is proactive to change.
- We chart a challenging career for employees with opportunities for advancement and rewards.
- We value the opportunity and responsibility to make a meaningful difference in people's lives.



Sustainability Strategic Priorities for SAIL

- To continue to be mainly in the business of Steel and Steel related activities,
- To protect Market Share and grow by focusing on increasing share in growth segments
- To conduct efficient and financially sustainable business and maintain financial health by the way of asset utilization, cost reduction, productivity enhancement, technological improvement and value-added products
- To benchmark operations with the international/national best practices and achieve excellence across the value chain
- To achieve environmental excellence through adoption of Best Available Technologies
- To accelerate investment in new products and processes to meet the future global and domestic demands
- To carry out interventions to achieve all round functional improvements – Operations (Steelmaking and Mining), Marketing, Human Resources, Infrastructure & Utilities, Maintenance, Information Technology, Projects, Resource Management, Supply Chain, R&D, Risk Management, Knowledge Management, Automation, Environment, Health and Safety Management, Community Development etc.
- To remain socially responsible Company by committing towards society in the areas of peripheral development, education, health, sports, family welfare etc.
- To conduct business with high ethical standards with employees, customers, suppliers, community and engage with these stakeholders to align with sustainability initiatives



Strengths

- Diversified product mix and multi-location production units
- The largest captive iron ore operations in India
- Adequate captive power plants to meet the rising electricity demand
- Skilled manpower base with well-established systems and procedures
- Renowned in-house research establishment in form of RDCIS

Opportunities

- Growth potential in India encourages capacity expansion
- Nation-wide reach providing vantage point to consolidate market share
- New product innovation to substitute the dependence on imports
- Enhancing improvements in the areas of Marketing, Human Resources, Infrastructure & Utilities, Maintenance, Information Technology, Environment and Safety Management etc.

Sustainability Framework

Stakeholders of the Company play a predominant role in identification of key sustainability issues.

Inputs of the stakeholders are used for identifying materiality issues which finally provide platform to develop sustainability strategies based on priorities emerging out of materiality analysis.

Materiality assessment of impacts on the three pillars of sustainability provides direction towards the formulation of the Company's vision, goals, policies and strategies.



Sustainability Framework of SAIL



Core and Supporting Functions (Corporate, Plants & Mines)

Operations (Steelmaking and Mining), Marketing, Human Resource Management, Infrastructure and Utilities, Maintenance, IT, Projects, Resource Management, Supply Chain, R&D, Risk Management, Knowledge Management, Automation, Environment, Health and Safety Management, Community Development

Sustainable Development Projects

In line with the Guidelines for Sustainable Development by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India, SAIL has put in place a Sustainable Development (SD) Policy and taken up specific SD projects across its installations. For the year 2013-14 under the MoU with Government of India, SAIL has selected SD projects on "Installation of Solar Power Units at ISP hospital" and "Biodiversity Conservation at Bolani Iron Ore Mine".

Community Support by SAIL

The concept of socio-economic development of the neighborhoods and communities was in-built as one of the SAIL's important activities from the very inception. The prime objective was to plough prosperity back into the environment from where strengths emanate mainly to minimize inequalities and provide quality education, health care, sanitation, drinking water etc. Along with the economic development.



Higher Capacity Dumpers at Meghahatuburu Mine

Structure of Governance

Our vision is long term and we work closely with our employees, business partners, government and communities to improve the way in which we operate. We have a leadership opportunity to develop sensible and accountable solutions to the challenges we face as a member of the global community. We look forward to sharing our progress on this journey with our stakeholders.

Over the years, our governance structure and management processes for corporate responsibility have evolved and increasingly become part of how we run our business. We continue to benchmark our approach against other leading businesses. This helps us in ensuring robust procedures in place and to anticipate and respond to new challenges.

SAIL strives to ensure transparency, disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the Organization. The objective of enhancing shareholders value, while being a responsible corporate citizen, is firmly embedded in the governance philosophy of SAIL.

SAIL is committed to the highest standards of corporate governance and recognizes that the Board is accountable to all shareholders and that each member of the Board owes his/her first duty for protecting and furthering the interest of the Company. Corporate governance has been carried out in accordance with the Clause 49 of the Listing Agreement. The Board of Directors are guided by the organization's Vision and Credo. The composition of the Board of Directors is a mix of full time Executive and non-Executive Directors selected through a well-established procedure of the Public Sector Enterprises Board. The Board regularly reviews the performance of the organization on economic, environmental and social issues.

The Directors present the annual report of the Company together with audited accounts for FY in the Annual General Meeting (AGM) and the minutes are also prepared for the proceedings of the AGM. These minutes include suggestion, comments and feedback from the shareholders. The concern of the shareholders are discussed at the Board Meeting and after prioritization of these concerns, the management integrates the same in its business decision.

Adherence to corporate governance agenda is ensured by a number of committees of SAIL Board like Audit Committee, Nomination and Compensation Committee, Shareholder/Investors Grievance Committee and Committee of the Board (COB).

SAIL has a Code of Conduct applicable to Board Members as well as the senior management. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or for any other matter related to the capital, during last three years.

Corporate GOVERNANCE

Being a Government Company, the nomination and fixation of terms and conditions for appointment as Director is made by Government of India. The Board has constituted a Remuneration Committee comprising of six independent Directors for the purpose of finalization of Performance Related Pay (PRP) for the executives of the Company. The Non-Executive Directors (other than Government Nominee Directors) are paid only sitting fee for each Board/ Board Sub-Committee Meeting attended by them. The salary of the Whole Time Directors is governed by pay scales and Rules of the Government.



MoU 2014-15 between MoS and SAIL

The various issues pertaining to the management of economic, environmental and social area are collected, compiled and monitored through the various divisions of the SAIL Corporate Office. The agenda papers along with the status report on the economic, environment and social performances including legal compliance are made with the help of information provided by the various units in advance to all the Board Members before the meeting for review, comments and suggestions during the meeting. The feedback from the board members is analyzed by the top management and considered for business decision-making.

There were no transactions by the Company of material nature with Promoters, Directors or the Management, their Subsidiaries, relatives etc. that may have potential conflict with the interests of Company at large. The Non-Executive Directors had no pecuniary relationships or transactions vis-a-vis the Company during the year except receipt of sitting fee for attending the meetings of the Board/Board Sub-Committee.

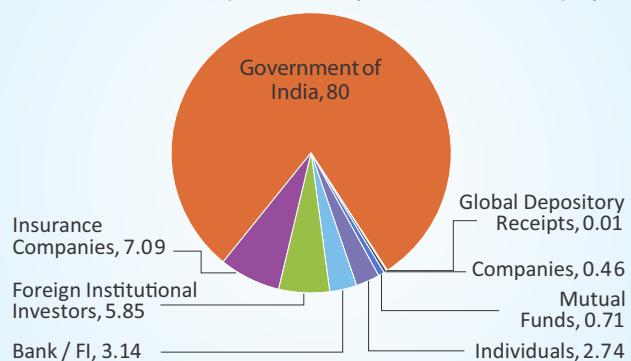
There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Government of India owns 80% of SAIL's equity and retains voting control of the company. However, SAIL, by virtue of its 'Maharatna' status enjoys significant operational and financial autonomy.

Board of Directors

As on 31st March, 2014, the Board of Directors comprised a full time Chairman, 6 whole time Directors (WTD) and 11 non-Executive Directors (Non-ED) (including 9 Independent Directors). Number of shareholders complaints received during the period from 01.04.2013 to 31.03.2014 were 49. All of these complaints were resolved during the year and no complaint was pending for redressal as on 31.03.2014.

Shareholders breakup for SAIL for year 2013-14 (% of Equity)



Board of Directors

(as on 01/01/2015)



Shri C.S. Verma
Chairman



Shri V. K. Thakral
Additional Secretary & Financial Advisor,
Ministry of Steel, Gol



Shri Sunil Barthwal
Joint Secretary,
Ministry of Steel, Gol



Shri A. K. Chaudhary
Director (Finance)



Shri S. S. Mohanty
Director (Technical)



Shri H. S. Pati
Director (Personnel)



Shri T.S. Suresh
Director (Projects &
Business Planning)



Shri Kalyan Maity
Director (Raw Materials & Logistics)



Shri Binod Kumar
Director (Commercial)



Shri Sujit Banerjee



CA. Arun Kumar Srivastava



Dr. Atmanand



Shri J.M. Mauskar

Chief Executive Officers (Permanent Invitees)



Shri G.S. Prasad
Rourkela Steel Plant



Shri P.K. Singh
Durgapur Steel Plant



Shri Anutosh Maitra
Bokaro Steel Plant



Shri S. Chandrasekaran
Bhilai Steel Plant

Awards and Accolades

SAIL

- 6 out of the 16 Prime Minister's Shram Awards awarded to PSUs were bagged by SAIL employees
- 18 out of the total 28 Vishwakarma Rashtriya Puraskar were awarded to SAIL employees



- Gold Trophy of "SCOPE Meritorious Award for Environmental Excellence & Sustainable Development" for the year 2012-13
- "Commendation Certificate for Strong Commitment to HR excellence" by CII
- "India Pride Award 2013-14" for Excellence in CSR under Central Public Sector Undertakings
- "ICC PSE Excellence Awards 2013" under Corporate Social Responsibility & Sustainability in Maharatna & Navratna Award Category
- "Company with Best CSR & Sustainability Practices Award 2013" by Asian Centre for Corporate Governance & Sustainability
- "Responsible Business Awards-2013" in the category 'CSR Leadership Award' by World CSR Day in June, 2013
- SKOCH Corporate Leadership trophy
- SKOCH Order-of-merit award in 3 award categories i.e. HRD, Environment Management and Sustainability
- Top prize in the National Energy Conservation Awards 2013 in recognition of 'Systematic and serious efforts made by BSP for efficient utilization and conservation of energy' during the last two years
- Chairman SAIL conferred with "Star PSU CMD of the year award" for outstanding performance under the Maharatna Category in BT Star PSU Excellence Awards-2013
- Town Official Language Implementation Committee (NARAKAS), PSU-Delhi, under the Chairmanship of SAIL awarded with 1st prize for the best performance in implementation of Rajbhasha in northern region

- Ispat Rajbhasha Shield (Ist prize) for the best implementation of Official Language in SAIL
- NARAKAS Rajbhasha Shield (IInd prize) for best implementation of Official Language in SAIL
- Indira Gandhi Rajbhasha Shield for best implementation of official language in 'A' (Hindi-speaking) region by Ministry of Home, Government of India



- "e-INDIA PSE Awards-2013" in the field of Education for the project "Special Schools for the Underprivileged"
- Ispat Bhasha Bharati, the Hindi House Journal of SAIL has been adjudged as the best magazine among all PSUs for the year 2012-13
- Randstad Award 2013
- 5 Quality Circle teams consisting of 29 SAIL employees have won the Gold Medal in ICQCC-2013 at Taipei, Taiwan during October, 2013

Bhilai Steel Plant (BSP)

- Prime Minister's Trophy for record 11th time, for the year 2011-12
- INSAAN Award – First prize for "Excellence in suggestion Scheme" (Theme: Institutionalizing innovation) for the year 2013
- Greentech Environment (Gold) for the year 2012-13, by Greentech Foundation
- 'Commendation Certificate' for significant role played in promoting Business Excellence in India for the year 2013, at the 21st CII National Quality Summit
- Golden Peacock Sustainability Award for its sustainability initiatives during Assessment Year 2012-13 by Institute of Directors – New Delhi
- 'IIM National Sustainability Award' for 2012-13 by Indian Institute of Metals, Kolkata.

Durgapur Steel Plant (DSP)

- Greentech Environment Award (Gold) and Greentech CSR Award (Silver) for the year 2012-13 by the Greentech Foundation
- Greentech Safety Award 2013 (Silver) for FY 2012-13 by the Greentech Foundation, New Delhi
- Srishti Good Green Governance Award 2012 for Environment (Runner up) by the Srishti Publications, New Delhi for the year 2012-13
- Greentech HR Award 2013 (Silver) for training excellence at 3rd Annual Greentech HR Awards ceremony

Rourkela Steel Plant (RSP)

- Greentech Environment Award (Gold) for the year 2012-13 by the Greentech Foundation
- Golden Peacock Environment Management Award 2012.
- Commendation certificate in the 'CII - ITC Sustainability Award 2013' for significant achievement in the journey towards Sustainable Development.
- CII-EXIM Bank Award 2012-13 for strong commitment towards excellence
- CSR Leadership Award in the Think CSR Forum jointly organized by Telfa's, the Times of India and Think Foundation
- Srishti Good Green Governance Award, 2011 received 4th times in a row.

Bokaro Steel Plant (BSL)

- Commendation for Strong Commitment to Excel, by CII Exim Bank
- CII (ER) Productivity Award 2013-14 Group 'C' by CII (ER).
- Greentech Environment Award (Gold) and Greentech CSR Award (Silver) for the year 2012-13, by the Greentech Foundation

Alloy Steels Plant (ASP)

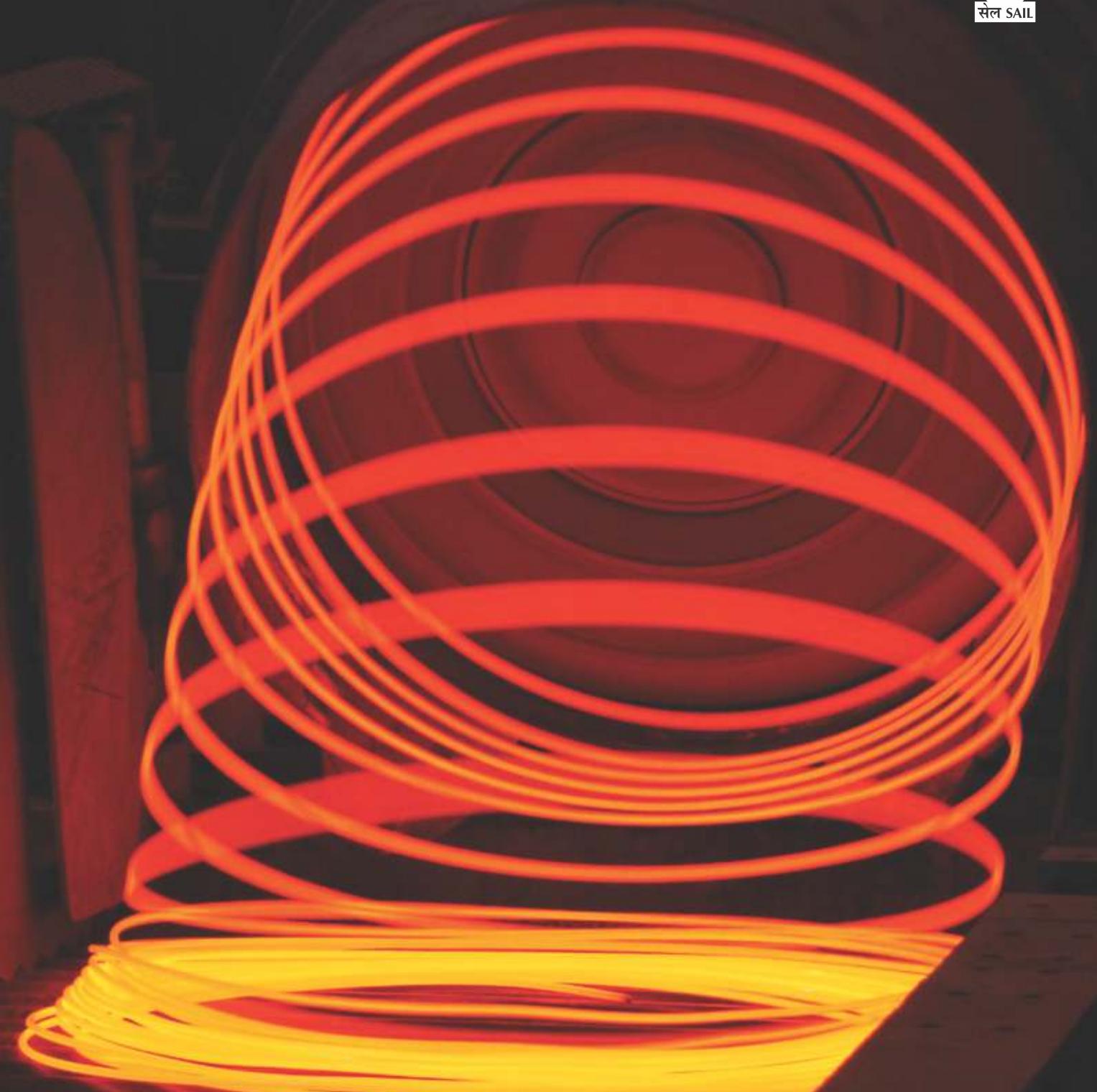
- Greentech Environment (Silver) for the year 2012-13, by the Greentech Foundation

Salem Steel Plant (SSP)

- 26 employees of Salem Steel Plant have won State Shram Award in recognition of their outstanding suggestions implemented in the work area. SSP has also won 3 safety awards.
- National Sustainability Award (Second Prize), for the year 2012-13, from Indian Institute of Metals, Kolkata amongst the Secondary Steel Plants/Alloy Steel Plants category for Ten times consecutively and 17th time since inception.

Raw Materials Division (RMD)

- Greentech CSR Award (Gold) for the year 2012-13, by the Greentech Foundation
- The quality circle team of Bolani Ores Mines has bagged the Quality Circle Award at Taipei, Taiwan for its innovative project on 'Eliminating overloading problem of Conveyor LC-2' at Bolani Ore Mines
- Barsua Iron Mines, Meghahatuburu Iron Ore Mine, Gua Ore Mines and Manoharpur Ore Mines, Chiria were awarded Prizes under various categories viz. Dust Suppression, use of Mechanized Beneficiation Equipment, Publicity & Propaganda, Reclamation & Rehabilitation and Water Management, Storage & Maintenance of Sub-grade Ores, areas of Noise, Vibration Survey & other Scientific studies, Waste Dump Management and Top soil Management in the Mines Environment & Mineral Conservation Week 2013-14 organized under the aegis of Indian Bureau of Mines, Kolkata Region.



Ethics and **TRANSPARENCY**

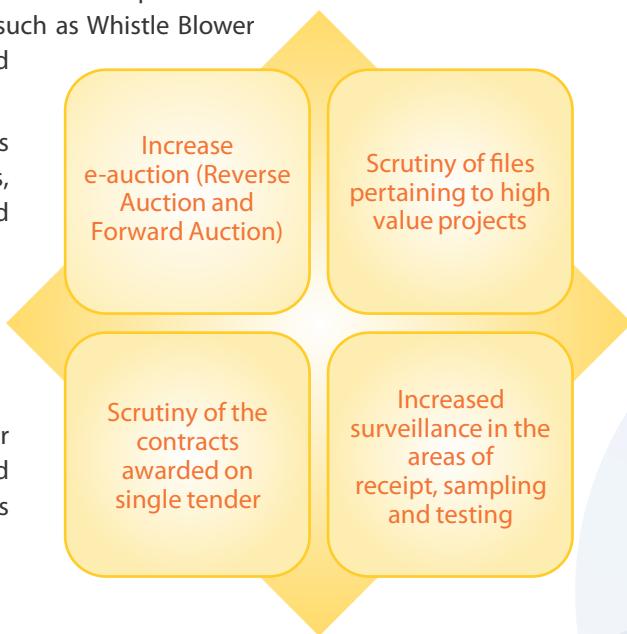
Ethical Beliefs in SAIL

At SAIL, the emphasis has always been on preventive and proactive vigilance activities to facilitate an environment enabling people to work with integrity, efficiency and impartiality by upholding highest ethical standards. SAIL has established vigilance departments in all Plants/Units with Quality Management System (QMS) to receive and investigate complaints including those relating to corruption as per the Central Vigilance Commission guidelines. A total of 3,296 surprise checks/file scrutiny were conducted in the vulnerable areas/ departments of different Plants/Units.

Several activities such as awareness sessions and workshops are undertaken on periodic basis to create vigilance awareness among the employees on aspects such as Whistle Blower Policy, Purchase/Contract Procedures, RTI Act, Conduct and Discipline Rules, System and Procedures followed in SAIL, etc.

In the year 2013-14, 147 such vigilance awareness workshops/trainings were organized at different Plants/Units, covering 3,179 employees. All line managers are covered in phased manner.

Based on the findings of the complaints, major penalty was advised against 15 employees and minor penalty was advised against 72 employees during the year 2013-14. Further, major penalties were imposed on 8 employees including dismissal of one employee and minor penalties on 73 employees during the year 2013-14. Apart from the above, various systemic improvements and preventive/administrative actions were suggested in the above cases to prevent reoccurrence of such incidents.



Four Thrust Areas of SAIL Vigilance



SAIL has not practised any anti-competitive behaviour, antitrust and monopoly practices and has not initiated any case in this regard. However, SAIL has successfully defended anti-competition allegation before the competent authority and order so passed are in favour of SAIL. SAIL does not encourage any kind of political lobbying and political influence in its working pattern. However, SAIL respects all national and state-level political representatives. SAIL has not made any monetary or in-kind contribution to any political party during the reporting period. There were no fines or sanctions for non-compliance with laws and regulations in the reporting period.

Partnerships, Associations and **MEMBERSHIPS**



Partnerships, Associations and Memberships

World Steel Association(WSA)

In pursuance of excellence in business, SAIL has been associated with WSA since long time and as a part of its membership, SAIL has subscribed to WSA principles and is committed to:

- Use co-products to reduce CO₂ emissions
- Introduce best practices
- Use of better operational practices and new technology for enhancing energy efficiency
- Research on radical new technologies
- Measure and report on CO₂ emissions

Montreal Protocol

SAIL has demonstrated its commitment to Montreal Protocol along with UNDP by successfully replacing Ozone Depleting Substances (ODS), viz. Carbon Tetrachloride (CTC) used as cleaning solvent, with tri-chloro ethylene at six steel plants at Bhilai, Durgapur, Rourkela, Bokaro, Burnpur and Salem.

UN Global Compact

SAIL has adopted the principles of UN Global Compact in letter and spirit and is committed to align its operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Stockholm Convention on Persistent Organic Pollutants

As per the Stockholm Convention (SC) on Persistent Organic Pollutants (POPs), POPs including Polychlorinated Biphenyls (PCB) are to be managed in an environmentally sound manner. SAIL, MoEF&CC and UNIDO have come together to initiate a project on environmentally sound management and disposal of PCB at BSP. PCB in electrical transformers will be treated using suitable technology being brought in by UNIDO under this project.

Charter on Corporate Responsibility for Environmental Protection (CREP)

As a part of SAIL's commitment to go beyond compliance, it has voluntarily extended its commitment to the Corporate Responsibility for Environmental Protection (CREP), a charter launched by the MoEF&CC in March 2003, to steer improvement in environmental performance in industries. As a part of this, SAIL is complying with the action points suggested under the charter and has developed strategies to improve the performance further and beyond statutory compliance.

Standing Conference on Public Enterprises (SCOPE)

SAIL, as a premier Public Sector Enterprise (PSE), is an active member of this Apex Body of the Central Government .

Other Associations & Memberships

All India Management Association (AIMA)	Indian Institute of Metals, Kolkata (IIM)
All India Organization of Employers (AIOE)	Indian Institute of Plant Engineers (IIPE)
Associated Chambers of Commerce and Industry of India (ASSOCHAM)	Indian Society for Trade and Development (ISTD)
Centre for Organization Development (COD)	Indo USSR Chamber of Commerce and Industries (IUCCI)
Confederation of Indian Industry (CII)	Institute of Public Enterprises (IPE)
Consultancy Development Centre (CDC)	Institute of Rail Transport (IRT)
Delhi Productivity Council (DPC)	Project Management Associate (PMA)
Federation of Indian Chambers for Commerce and Industry (FICCI)	The Energy and Resources Institute (TERI)
Forum of Women in Public Sector (WIPS)	The Indian Iran Chamber of Commerce and Industry (II CCI)
Global Institute For Flexible System Management (GIFT)	World Confederation of Productivity Science (WCPS)
Indian Coal Forum (ICF)	Standing Conference Of Public Enterprises (SCOPE)



Creating
ECONOMIC VALUE



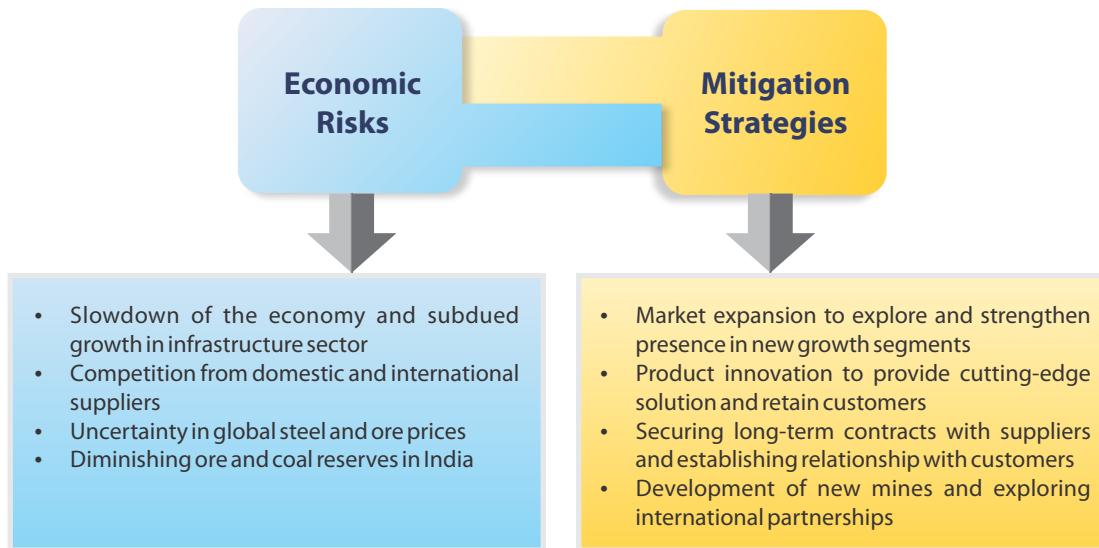
Economic Excellence

World crude steel production peaked at 1606 MT for the year 2013, with an increase of 3% in comparison to 2012. Similarly, the world finished steel consumption witnessed a growth of 3.6% in 2013 to 1.48 billion tonnes. It is foreseen that the Indian steel demand will demonstrate a positive growth of 3.3% to reach 76.2 MT in the coming year on the back of revival of construction and infrastructure sectors and continued economic growth.

During 2013-14, domestic finished steel use was 73.7 MT, a growth of 3% over 2012-13. In terms of per capita consumption of finished steel, India lags far behind the world average, providing a huge potential for growth.

SAIL has established itself as a preferred steelmaker delivering world class products which not only provide strength to the nation but are also being appreciated by its customers across the world. In order to further consolidate its leadership and extend the reach while maintaining robust financial growth, SAIL has undertaken several measures. Key areas of action include cost control measures such as productivity improvement, monitoring of high value procurement, optimising coal blend etc. SAIL has also ensured robust fund management which is reflected in the positive outlook of credit rating agencies.

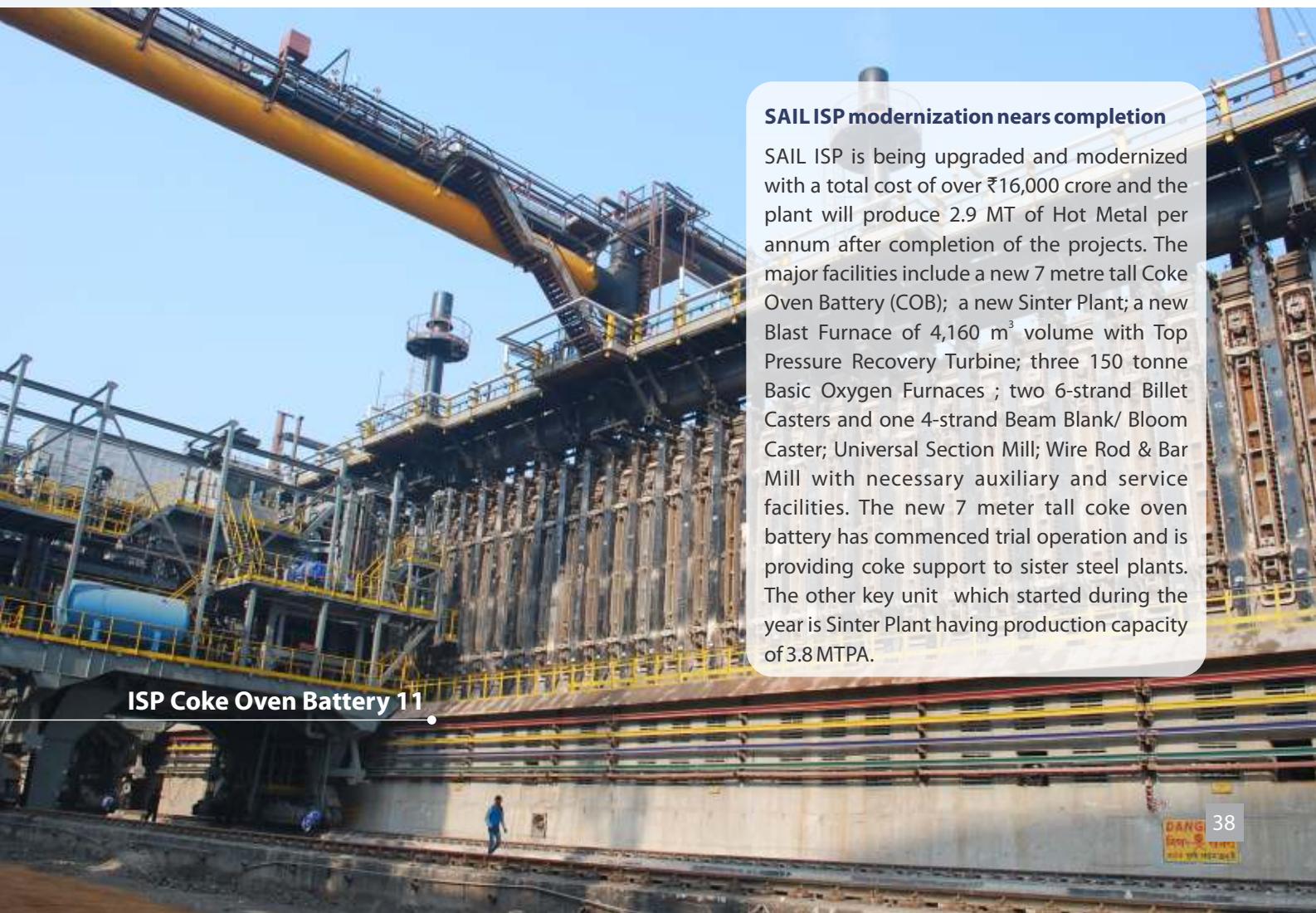
Some of the key economic risks and barriers encountered by SAIL and their mitigation strategies are briefly described below:



SAIL achieved a turnover of ₹ 51,866 crore with a growth of 5% compared to last year and the profit after tax of ₹ 2,616 crore, which was higher by 21% (₹ 446 crore) over last year (₹ 2,170 crore). SAIL has hence positioned itself amongst the world's top steel producers and commanding a significant presence in the domestic steel market. SAIL enjoys the benefit of having a diversified product mix, multi-location production units, well established marketing network, captive iron ore resources, skilled manpower, captive power plants, land bank for future expansion, dedicated R&D wing and sound financial foundation.

Key Economic Indicators (in ₹ crore)	2011-12	2012-13	2013-14
Gross Turnover (Direct Economic Value Generated)	50,348	49,350	51,866
Net Turnover	45,654	43,961	46,189
Total Cost of Operation excluding Employee Remuneration	39,707	39,923	37,680
Employee Wages & Salaries	7,932	8,637	9,579
Payments to Providers of Capital			
- Interest (Finance Cost)	678	748	968
- Interest (Capital-Expenditure During construction)	868	800	845
- Dividends	826	826	834
Community Investments (CSR Expenditure)	61	53	62
Contribution to Government / Exchequer	11,008	12,122	11,560
Operating Profit	6,091	4,218	3,233
Profit After Tax	3,543	2,170	2,616
Economic Value Retained	2,583	1,209	1,641

SAIL, with its decades of experience, has provided world class products at competitive cost, established itself in a dominant market position and received warm appreciation and patronization of its valued customers. Besides meeting the domestic steel consumption demand, SAIL has achieved a significant growth of 28% in export during the reporting year. This has been made possible through consistent innovation and adoption of new technologies.



SAIL caters to almost the entire gamut of the mild steel business - Flat Products in the form of Plates, HR Coils/Sheet, CR Coils/Sheets, Galvanized Plain/Corrugated Sheets and Long Products comprising Rails, Structural, Wire-rods and Merchant Products. In addition, Electric Resistance Welded Pipes, Spiral Welded Pipes, Electric Tin Plates and Silicon Steel Sheets form part of the Company's rich product-mix. SAIL achieved a total sales volume of 12 MT during the FY 2013-14 thus registering a growth of 7.6% over FY 2012-13. SAIL exported 0.47 MT of steel during FY 2013-14, registering a growth of 28% over the previous year. New export markets were developed, such as Saudi Arabia for Blooms, Canada for Plates and Indonesia and Thailand for Slabs.



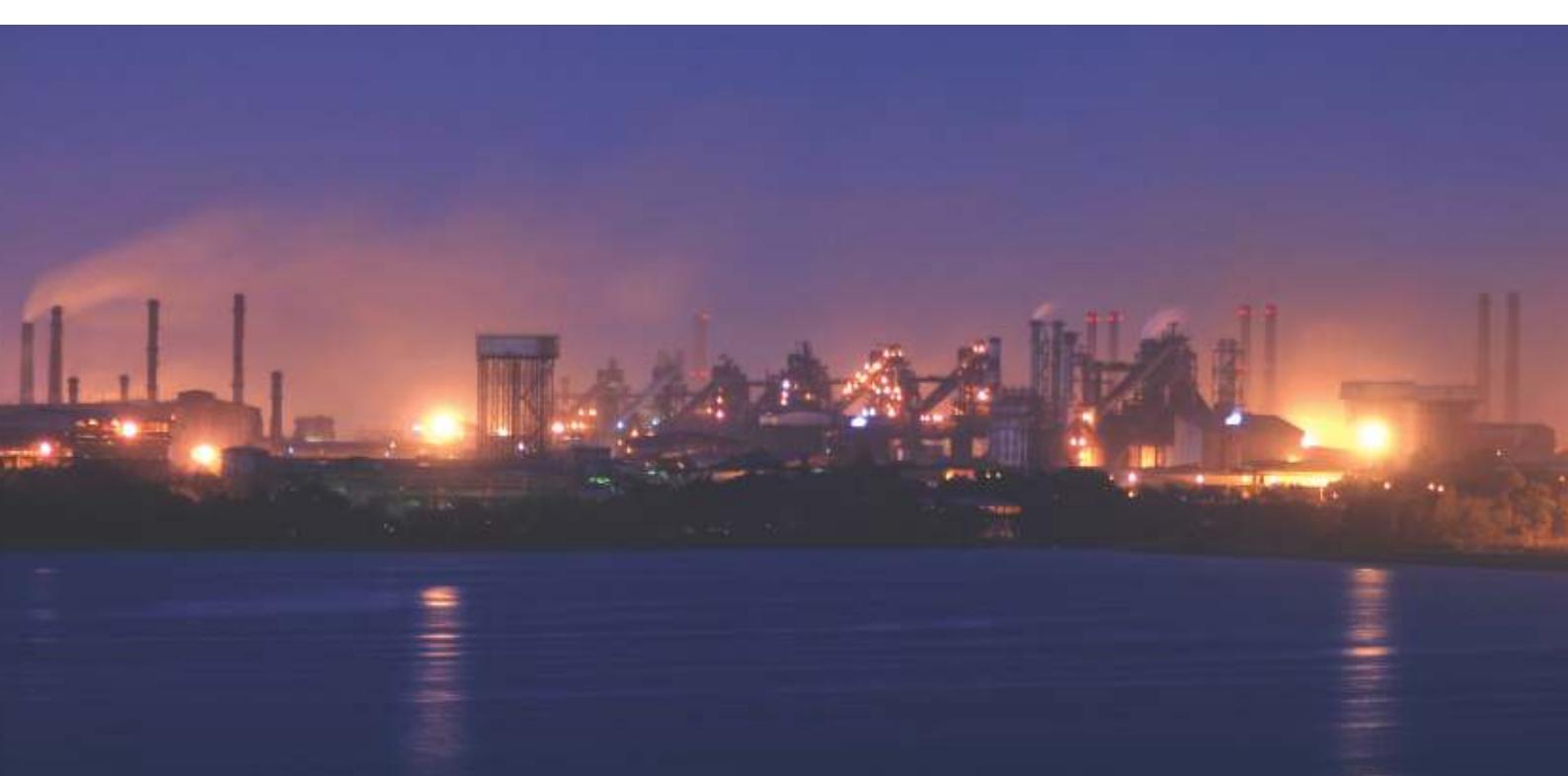
SAIL Bhilai adjudged winner of PM's Trophy for Best Integrated Steel Plant for the 11th time

SAIL BSP has been adjudged the winner of the much coveted Prime Minister's Trophy for 'Best Integrated Steel Plant' in the country for assessment year 2011-12. With this, BSP has achieved the unparalleled distinction of being the only steel plant in the country, public or private, to have been honoured with the prestigious PM's trophy 11 out of the 20 times since the institution of the award.

The employees of SAIL have demonstrated sincere commitment towards the organization and remained true partners in its success. SAIL has always considered employees as part of one extended family and has supported them during service as well as post-superannuation. Retirement plans within SAIL are based on both defined benefit plans and defined contribution plans. SAIL Pension Scheme is currently being formulated. All retirement plans currently followed are mandatory for all regular employees.

The total contribution made by the Company to the SAIL Gratuity Trust, upto 31.03.2014, was ₹3,349.09 crore. The fund size has grown to ₹ 4,594.43 crore as on 31.03.2014, net of settlement done towards payment of Gratuity. The gratuity liabilities of the employees are valued by a professional Actuary at the end of each Financial Year and based on the actuarial valuation, the contribution to the Gratuity Trust is made. SAIL has been receiving subsidy from Government of India in form of reliefs and concessions. For the year 2013-14, this figure was ₹16.51 crore compared to ₹ 13.14 crore in 2012-13.

Entry level wage is uniform in SAIL across all categories, genders and locations. However, as minimum wage is notified separately by each state govt., the ratio is different for each steel plant. The ratio of entry level wage to minimum wage for BSP is 3.43, for BSL the figure is 4.31, for RSP it is 5.13, for DSP and ISP the ratio is 2.99.



Modernisation & Expansion Programme

SAIL is implementing Modernisation & Expansion Programme of its five Integrated Steel Plants at Bhilai, Bokaro, Rourkela, Durgapur & Burnpur and Salem Steel Plant. The modernization & expansion programme envisages increase in production capacity of Hot Metal from 14.4 million tonnes per annum to 23.5 million tonnes per annum. Facilities of about ₹20,000 crore have already been operationalized till March 2014 which includes facilities at SSP, Raw Material Handling Plant, Sinter Plant, COB-11 Complex & Wire Rod Mill at ISP, New Sinter Plant-3, New Ore Bedding & Blending Plant, New Coke Oven Battery No.6 Complex including Coal Handling Plant, 3rd Single Strand Caster at RSP; Coke Oven Battery No. 2 at DSP; 2nd Sinter Machine in SP-3 at BSP. A major achievement was recorded with the new 4,060 m³ Blast Furnace (largest in the country) at RSP operationalized from August'13.

Research & Development Centre

SAIL has a well-established Research & Development Centre of its own which has earned recognition as a leading organization in the field of ferrous metallurgy. RDCIS has achieved a feat of having pursued 93 projects in the year 2013-14 and has completed 50 projects which have gone a long way in benefiting the industry.

During 2013-14, the efforts of RDCIS engineers and scientists have culminated in filing of 36 patents and 35 copyrights (in association with SAIL Plants). By RDCIS, 91 technical papers (30 international) were published and 168 papers (91 international) were presented.



सेल SAIL





Energy **MANAGEMENT**

Conserving Energy

Steelmaking, being an energy-intensive process, provides significant opportunities to SAIL for undertaking energy conservation measures. Given that burning fossil energy has several adverse impacts, it has been SAIL's endeavor to reduce its energy consumption by taking concerted efforts. Such energy conservation efforts are accorded priority within SAIL and are met with enthusiasm from the management and employees. It is worth mentioning that every Plant of SAIL has Energy Management Department which analyzes the operations and successfully come up with several energy conservation measures. This has resulted in significant savings in terms of cost as well as energy. The energy consumption pattern for SAIL Plants and Mines is given below:

Energy Consumption Pattern						
Power & Fuel Consumption	2011-12		2012-13		2013-14	
	Quantity	(TJ)	Quantity	(TJ)	Quantity	(TJ)
Electricity						
Purchased Units (M kWh)	6,946	89,305	7,170	92,185	7,414	95,322
Own Generation (M kWh)*	619	7957	636	8176	592	7610
Coal						
Coking Coal (MT) [#]	12.63	356,166	11.88	335,016	14.37	405,234
Non Coking Coal (MT) [#]	0.688	13,072	0.559	10,621	0.601	11,419
Fuel Oil ('000 KL) [#]	57	2373	59	2457	25	953
Total Energy Consumption		468,873		448,455		520,538

* Indirect Energy #Direct Energy

Rebuilt Coke Oven Battery # 2 of DSP commences production

Rebuilding of the battery is a part of the MEP of SAIL DSP under its ongoing capacity enhancement from the present level of 1.60 MT of saleable steel to 2.12 MT. The rebuilt battery has several advanced technological features leading to both qualitative and quantitative improvements in coke making. As a special feature, double gas collecting mains has been introduced in the battery which will ensure improved recovery of valuable coke oven gas from the battery. Moreover, several advanced pollution control measures, which include leak proof doors, stationary high pressure water jet door cleaner among others have been incorporated.

Coke from Coke Ovens Battery

Energy Conservation Initiatives

Important energy conservation schemes implemented/ongoing during 2013-14:

Bhilai Steel Plant (BSP)

- Hot repair of Battery No.#2 and Battery No.#10 Hydraulic Main
- Replacement of air preheater blocks in 2 nos. Russian boilers at Power and Blowing Station to enable the consumption of more BF gas in place of CO gas
- Augmentation of grinding facilities of CDI units in BF#6 & 7
- New Oxygen Plant on BOO basis
- Waste heat recovery from sinter cooler for hot water generation at SP #3

Durgapur Steel Plant (DSP)

- Rebuilding of 3 nos. ceramic and 2 nos. metallic recuperators in Soaking Pits
- Repairing/replacement job of damaged recuperator tubes of A-Furnace of Wheel Plant to improve air preheat temperature and better furnace pressure control.
- Installation of oxygen analyzer in boiler #6.
- Commissioning of BOF gas holder to improve BOF gas recovery substantially

Rourkela Steel Plant (RSP)

- Replacement of 6 nos. aluminium blades with FRP ones in cooling tower fans of WMD
- Introduction of VVVF drives in discharge side roller table of Hot Strip Mill
- Replacement of recuperator tubes RHF #5 of Hot Strip Mill
- Relining of BF stove# 4.1
- Improvement in bath temperature by replacement of heat exchanger tubes in Pickling Line#2 of CRM (RDCIS project)

Bokaro Steel Plant (BSL)

- Additional BF gas line laid & charged up to boiler end of Captive Power Plant. Connection to burner to be done after repair / replacement of burner
- Repair of 5 nos. of Soaking Pits with castables instead of bricks
- 8 Nos. of modified cover cast with castable instead of bricks in Soaking Pits
- Capital repair of 2 nos. of recuperators in Soaking Pits in Slabbing Mill
- Capital repair of 2 nos. of Bell Annealing furnaces using castables and fiber lining at CRM
- Introduction of Cast House Slag Granulation Facilities in CH-3 Blast Furnace no. 2
- Improvement in the operation of combustion system for rotary kiln of RMP

New Coke Oven Battery #6 at RSP

SAIL has also introduced various renewable energy projects like use of coal bed methane in re-heating furnaces, bio-diesel in locomotives, agro based fuel in boilers and solar water heating and lighting systems.

India's largest Blast Furnace operationalized at RSP

'Durga', the largest Blast Furnace of the country during the reporting year had become operational at SAIL RSP. Built at an approximate expenditure of ₹1,600 crore, the furnace has a useful volume of 4,060 cubic metres, and will increase SAIL's hot metal capacity by 2.5 million tonnes per annum (MTPA). With a daily hot metal production capacity of 8,000 tonnes per day, the furnace has an enhanced campaign life of 20 years, and is equipped with systems such as pulverized coal injection, cast house fume extraction, cast house slag granulation, high top pressure operation coupled with top gas pressure recovery turbine, twin material bin bell-less top, waste heat recovery and conveyor belt charging.



New Blast Furnace at RSP

Some new energy efficient technologies taken up by SAIL are coke-dry quenching, waste-heat recovery from Blast Furnace stoves & sinter machines, computerized combustion control system in Coke Ovens, installation of fuel efficient Burners & VVVF Drives, top gas pressure recovery turbine etc. Once the expansion activities are complete, SAIL Plants will undergo a major technological shift towards 100% BOF steel making and continuous casting, de-sulphurisation of hot metal and full utilization of BF and BOF slag.

New Slab Caster at RSP

Taking another major leap towards completing RSP's MEP, the new slab caster installed in SMS-II was tested successfully. The new slab caster is of latest design with state-of-the-art technology and is equipped with modern features such as ladle to tundish slag detection system, vertical high speed mould with automatic width adjustment, hydraulic mould oscillator, automatic mould level controller, break-out prediction system, air mist spray cooling system, dynamic spray cooling system, continuous straightening etc. It can cast slabs of width 1200 to 2500 mm with thickness of 220 mm, 250 mm and 300 mm.



Environment **MANAGEMENT**

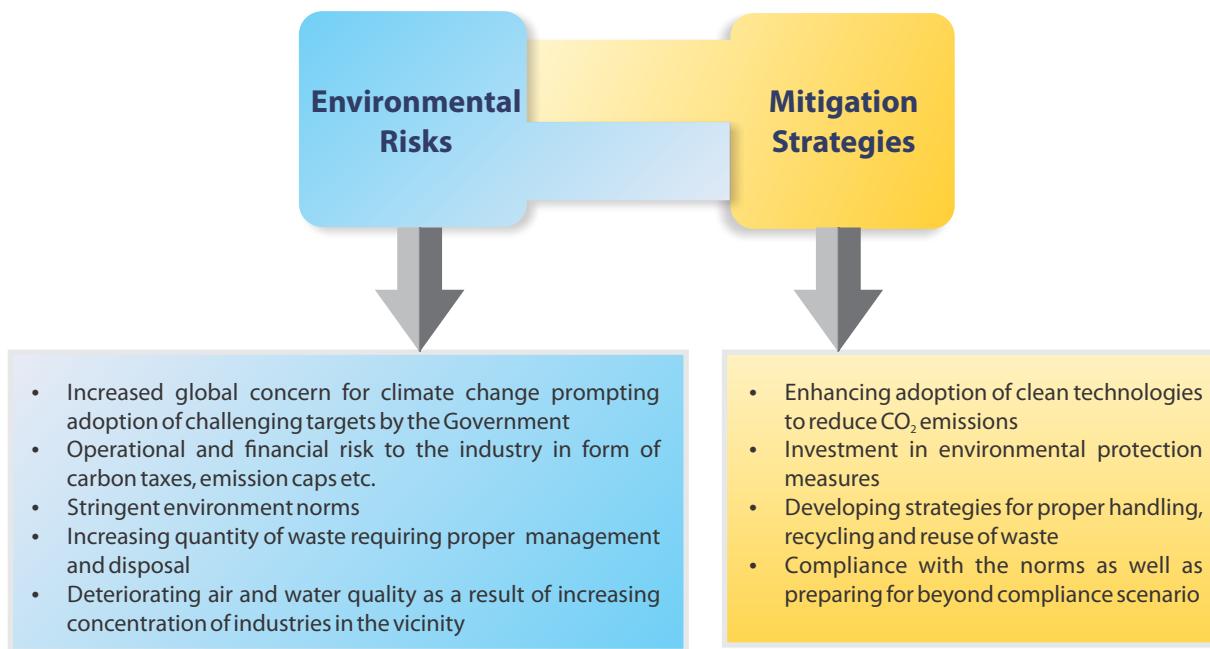


Reducing Environmental Footprints

All operations of SAIL are carried out with a firm objective of promoting clean, green and sustainable growth. This commitment of SAIL is evident in the form of its Corporate Environment Policy. Various interventions by SAIL include adoption of latest environment friendly technologies, implementing robust environmental management systems, creating awareness and training its employees on best practices.

All environmental programmes at SAIL Plants, Units and Mines attend to critical issues such as energy conservation, resource optimization, biodiversity protection, mitigation of adverse environmental impacts, if any, as well as smooth operational and maintenance programmes for environment and pollution control facilities. SAIL has progressively introduced a well defined environment management systems in its Plants, Units and Mines, resulting in significant improvement in waste minimization and recycling, water & energy conservation, noise reduction, reduction in particulate emissions and effluent discharges, in accordance with National Environmental Policy 2006. Being a responsible corporate citizen, SAIL has maintained a proactive approach to safeguard the environment. There were no fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

Some of the key environmental risks foreseen by SAIL and their mitigation strategies are briefly listed below:



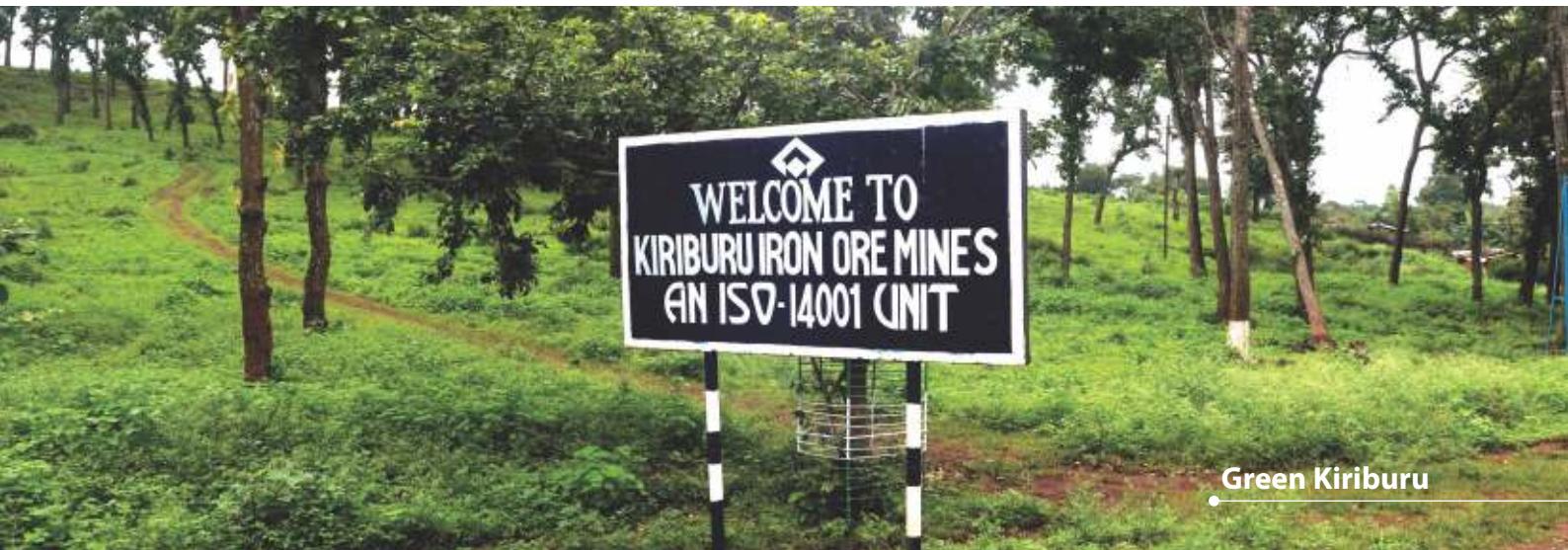
The commitment of SAIL towards sustainable development is evident from its confirming to Charter on Corporate Responsibility for Environmental Protection (CREP) requirements, which is a voluntary commitment between SAIL and MoEF&CC, Government of India and helps steel plants reduce their environmental footprint across the operations. Further as per the Sustainable Development Guidelines issued by Department of Enterprises (DPE), the Company has put in place a Sustainable Development (SD) Policy and taken up specific SD projects across its Plants, Units and Mines.

It has been SAIL's commitment to evolve its business model into one which provides steel for advancing the economic growth while ensuring that the operations are environment-friendly and create value for the society. This commitment is visible in the MEP which is currently underway and at various stages of completion across all the plants and units.

A key focus area during this MEP is to increase the production capacity, while phasing out old technologies and equipment and installing efficient & environment friendly technologies. Out of the total outlay of about ₹72,000 crore for the on-going modernization/ expansion programme, about ₹5,000 crore is being spent on pollution control schemes. The remaining schemes will also contribute towards energy efficiency/ resource conservation/ emission reduction.

Environment Management

To monitor and mitigate the environmental impact of its operational activities, SAIL has established a dedicated organization, namely, Environment Management Division (EMD) catering to the diverse environmental implications arising from its multifarious operations ranging from mineral extraction to rolling out finished steel.



EMD is a corporate unit of SAIL which has been bestowed with responsibility to monitor and facilitate the environment management and pollution control activities in SAIL Plants, Units and Mines. Besides this, each Plant and Mine has its own department manned with qualified officers for implementation of environmental protection measures. SAIL's commitment to "comply with applicable (environmental) regulations and striving to go beyond", results from concerted efforts by SAIL's fraternity towards environmental stewardship and protection of the environment in and around its operating units.

Curbing the stack emissions from chimneys has been one of focus areas of action for SAIL. The emissions from stacks affect not only the health and safety of employees, but also the health of communities residing around Plants. In order to provide a clean and green ecosystem, several steps have been taken which have led to particulate matter being limited to 0.86 kg/tcs for the year 2013-14. Emissions of SO₂ are reduced by the use of low sulphur coal and desulphurization of coke oven gas, while for NO_x control special burners and process related changes are installed.

Reduction in Carbon footprint: Various functional units of SAIL which contribute to the emission of CO₂ are Coke Ovens, Sinter Plant, Blast Furnaces, Steel Melting Shop, Power Plant etc. SAIL is participating in the World Steel Association (WSA) CO₂ data collection system through Global Steel Sector Approach.

Other relevant indirect greenhouse gas emissions are due to transportation of raw materials and finished products and employee commute. Even though these emissions are fairly insignificant, SAIL has undertaken several interventions to minimise them.

Due to various steps taken by SAIL, the CO₂ intensity for SAIL has been brought down to 2.69 t/tcs during the year 2013-14 from 2.81 t/tcs for 2011-12. As the figures testify, SAIL has been able to bring down CO₂ emissions consistently over the years.

Particulate Matter Emission Load (kg/tcs)

2013-14	0.86
2012-13	0.88
2011-12	1.01

CO₂ Intensity (t/tcs)

2013-14	2.69
2012-13	2.75
2011-12	2.81

Effluent Management

The effluent discharged from various operations in steel industry can have detrimental effect on the ecology of the local biosphere as well as on the natural resources and water bodies. It is for this reason that SAIL has shown its commitment to strictly monitor the water discharged from its operations and treat the water adequately so that the quality of water conforms to the various standards. This goes a long way in conserving the local environment and natural resources.

Water discharged by ISPs for last three years

	2011-12	2012-13	2013-14
Volume of water discharged (Mm ³)	30.86	31.74	30.26

Quality of effluent discharged from all the Plants were well within norms, for all the parameters, during the year.

Effluent Quality during the year
Unit : (mg/L except pH)

Parameters	pH	SS	BOD	COD	Phenol	Cyanide	Oil & Grease	NH3-N
Norm	5.5-9.0	100	30	250	1	0.2	10	50
BSP	7.1-8.3	38-88	10-22	35-90	BDL-0.21	BDL-0.10	1.1-3.5	1.09-13.9
DSP	7.3-8.5	5-44	11-26	120-145	0.16-0.50	0.04-0.18	1.0-3.5	1.0-36
RSP	7.6-8.0	18-72	6-12	17-48	0.07-0.18	0.012-0.06	2.0-3.0	4.3-22.8
BSL	6.5-8.2	10-58	5-15	36-93	0.003-0.128	0.004-0.032	0.12-0.85	0.24-10.0
ISP	7.3-8.1	4-54	5-15	15-96	BDL	0.004-0.032	1	0.04-5.6

Parameters	Norm	ASP	SSP	VISL	CFP
pH	5.5-9.0	7.6-8.5	7.4-9.2	6.8-8.0	7.2-7.7
Suspended Solids	100	8-87	4-40	5-86	50-84
BOD	30	4-9	--	4-9	15-23
COD	250	8-41	--	5.0-12.0	116-197
Fluoride	2	<0.2	0.11-1.4	<0.02	--
Iron	3	<0.3	<0.01-2.2	0.40-1.60	1.21-1.6
Oil & Grease	10	<1	--	0.10-0.90	--

Expansion Site

Water Management

The importance of conserving our water resources is becoming evident with every passing day. With several regulatory requirements also mandating industries to take concrete steps in the direction of water conservation, SAIL has undertaken several initiatives in this direction. It has been SAIL's endeavor to maintain balance in the surrounding ecosystem while carrying out the production activities. Initiatives by SAIL towards water conservation include setting up of Water Treatment Plants, identifying source of leakage and arresting them and assessment of the discharged water from various units and analysis by specialists to identify areas that need improvement to reduce consumption of fresh make-up water.



RSP resolves water deficit in peripheral villages

SAIL is happy to contribute to the development of peripheral villages. "The company is committed to continue its CSR activities and further enhance the quality of life of its key stakeholders," said SAIL Chairman Mr CS Verma while inaugurating a CSR initiative of SAIL RSP. Under this new initiative, RSP has connected 128 households of Ushra Colony (Kuarmunda Block) to an overhead water tank of 69,000 litres capacity, constructed after digging a bore-well.

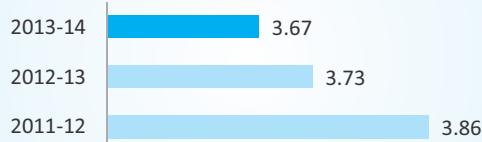
The project was initially started as an awareness campaign to educate villagers on sanitation and hygiene. As it progressed, a project plan was formulated in collaboration with villagers, and implemented in partnership with NGO. After completion, the project was handed over to a Village Executive Committee for sustainable operation.

Various initiatives taken to reduce fresh water consumption include:

- At DSP, liquid level controller has been installed at the foundry overhead tank for eliminating wastage of water due to unnoticed overflow
- At RSP, measures have been taken to plug leakages of various pipelines throughout the Plant
- BSP initiated water recycling schemes for outlet B & C
- At BSL, return from package ACs of Stock Bins area of Sinter Plant has been directed to return water system by laying a return water pipeline with in-house resources
- At SSP, water conservation measures include CRM water recycling scheme, use of treated effluent from ASTP for washing etc.
- At VISL, Blast Furnace ETP clarified water is recirculated back in the system

Water sources for various SAIL Plants & Units

Plants/Units	Water Source
BSP	River Mahanadi
DSP	River Damodar
RSP	River Brahni
BSL	River Damodar
ISP	River Damodar
ASP	River Damodar
SSP	River Kaveri
VISL	River Bhadra
CFP	Groundwater (borewells)
SGW	River Barakar

Specific Water Consumption for SAIL Plants (m³/tcs)


The Plants and Units of SAIL consumed 572 Mm³ water during the year 2013-14. Of this, 395 Mm³ water was recycled to processes, hence resulting in about 69% recycling of the water. Mines of SAIL consumed a cumulative of 17.38 Mm³ water for their operations during the reporting period.

All Plants and Mines of SAIL are located strategically to ensure availability of surface water. No operations of SAIL have negative impacts on the water sources or the nearby water bodies.

Waste Management

SAIL believes in the policy of reuse, reduce and recycle across its operations. In the iron-making process, a large quantity of wastes and by-products are generated for every ton of steel produced. These by-products include slag, dust, sludge, and used firebricks etc. Slag which accounts for a majority of by-products, is almost entirely utilized. Blast Furnace slag is used for cement making while BOF slag is used as material for road base, civil engineering work, soil improvement, fertilizer, etc. With persistent efforts, SAIL has been able to maintain solid waste utilization at 87.5% during the year 2013-14.

Solid Waste Utilisation (%)

2013-14		87.5
2012-13		91
2011-12		86

SAIL does not transport any type of waste, whether hazardous or non-hazardous outside India. There were no significant spills during the reporting period.

With the philosophy of reuse and recycle firmly embedded in the organizational approach of SAIL, there have been several initiatives to maximise the utilisation of solid waste generated at various operations. A few of these initiatives are listed below:

Initiatives for augmenting utilization of solid waste

- A project has been taken up, jointly with SAIL and the South Eastern Railways for utilization of weathered LD Slag of BSL as rail track ballast
- Under R&D Master Plan of SAIL, a project on "Laboratory Scale Study for Development of Technology for Dry Granulation of LD/BOF Slag (Hydro-mechanical study)" is in progress
- For gainful utilization of Municipal Solid Wastes, a comprehensive Municipal Solid Waste Management Model has been prepared for implementation at the Steel Plant Townships

Solid Waste Generation and Utilisation for ISPs (T)

Type of Waste	Generation	% Utilization
BF slag	5,553,097	87.3%
LD/BOF slag	1,475,826	81.6%
THF slag	165,309	214.7%
BF Flue dust	150,829	78.8%
BF Sludge	103,252	1.3%
LD/BOF Sludge	106,937	33.3%
Mill scale	273,059	99.6%
Lime/Dolo Fines	180,114	100.0%
Refractory Wastes	46,877	89.3%
Total	8,055,300	87.5%

At SSP, a secured landfill pit has been constructed for disposal of hazardous wastes generated and it is secured by concrete and impervious material like HDPE sheet so that the leachate from Hazardous waste is not allowed to pollute soil and water-table beneath it.



Solid Waste Generation and Utilisation for Units(T)

ASP	Generation	Utilization
EAF/AOD DUST	373	8.99
EAF Slag	3,419	0
Grinding Dust	637	0
Mill scale	1,963	0
Refractory bricks	566	404
Total	6,958	412.99

VISL	Generation	Utilization
BF Slag(Granulated)	7,779	1,385.64
Coke Breeze	1,258	654.34
BF Flue Dust	493	0
BF Sludge	243	0
BOF Slag	1943	0
BOF Sludge	201	0
Iron Ore Fines	4,764	22,486.55
Refractory Waste	246	93
Total	16,927	24,619.53

SSP	Generation	Utilization
ASTP Sludge	1,304.4	0
Diatomaceous Earth	33.4	0
ARS Metal Oxide Powder	358.45	0
SGL Swarf	32.61	439.46
Boiler Ash	1,658.47	0
Steel Shot Dust	149.6	886.28
Mill Scale	4102	4,868.25
SMS Slag	28,293.6	0
EAF Dust	2,110.65	0
AOD Dust	2,337.85	0
Grinding Swarf&Dust	186.2	0
Bag House Dust	39.9	0
Caster Scale Pit	69.9	0
Waste Scrap	3,363.3	0
Total	44,040.33	6,193.99

Solid Waste Generation for Mines (T)

CFP	Generation	Utilization
Fe Mn Slag	34,018	65,156
Si Mn Slag	42,074	3,381.72
Mn ore Fines	19,590	19628
Coke fines	7,260	1,985.51
Quartz Fines	717.37	0
Flux Fines	1,060.55	0
I/Ore Fines	1,147.85	0
GCP Sludge	7811	3926
Total	113,678.77	94,077.23

	2011-12	2012-13	2013-14
BSP Mines			
Overburden & Subgrade Ore	4,194,471	4,285,810	6,526,620
Tailings	707,004	742,413	808,116
RMD Mines			
Overburden & Subgrade Ore	8,090,000	7,424,000	10,132,000
Tailings	979,000	690,000	993,000
VISL Mines			
Overburden & Subgrade Ore	NIL	NIL	NIL

The challenges associated with management of hazardous waste have drawn attention from management as well as employees of SAIL. Due to the detrimental potential of these wastes, it becomes critically important to manage these wastes. SAIL has always been of the opinion that proper collection and disposal of hazardous waste is highly important as the ill effects of its contact with the environment can even result in irreparable damage to the eco-system.

Hazardous Waste Generated at ISPs (T)

Plants/Units	Generation
BSP	7,720.7
DSP	3,480.9
RSP	2,333.0
BSL	2,209.9
ISP	199.3

Material Management

It is without doubt that rapid economic growth has ushered an era of prosperity and contributed to the improved living conditions for millions. However, this has also increased the burden on already stressed resources. SAIL has ensured that it gives major attention to optimal utilization of raw materials and thus has enacted policies and taken up initiatives in this regard. At SAIL, there is always an eagerness to adopt modern technologies and practices to reduce material consumption and also to improve the recycling of waste.

Raw Material Consumption (MT) in SAIL for 2013-14

Raw Material	Iron Ore (Lumps + Fines)	Coking Coal	Dolomite	Limestone	Flux (Others)
SAIL	22.458	14.23	3.427	3.821	0.194472

Explosive Consumption (T) in SAIL Mines

Explosive Consumption	2011-12	2012-13	2013-14
Mines	5,051.10	4,972.08	5,538.88

It is widely accepted that the future of steel business will be shaped by the preparedness of the industries to recycle the steel scrap. SAIL has been aware of this and has hence taken effective steps to ensure maximum recycling of internal scrap. The scrap generated within the operational units is completely recycled, and some other wastes are reused in the Sinter Plants, Blast Furnaces and Steel Melting Shops. During the year, about 17% materials were recycled internally.

Scrap Utilization (MT) in SAIL ISPs for 2013-14

Scrap Utilization	BSP	DSP	RSP	BSL	ISP
Scrap Used at BF	0.00	0.09	0.00	0.08	0.00
Scrap Used at SMS	0.80	0.22	0.19	0.42	0.02

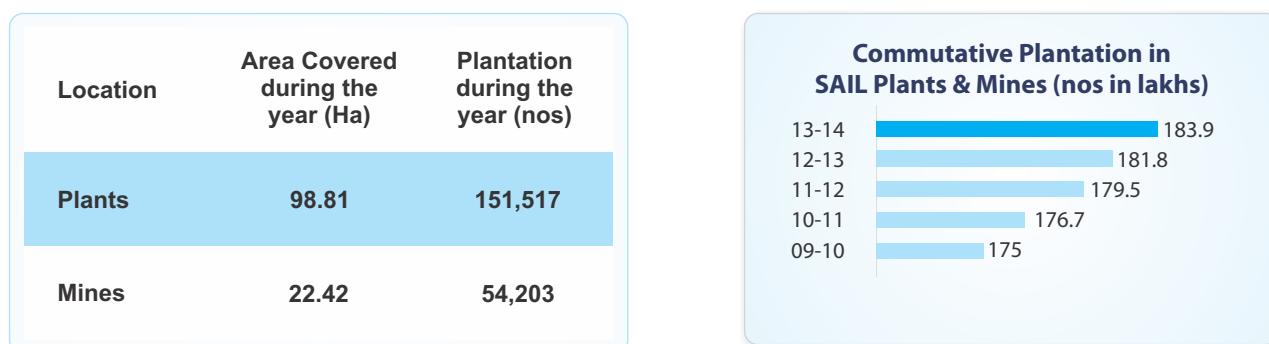
Raw Materials Handling Plant at IISCO.

Greening Efforts - Plantation with a purpose

SAIL realizes the role of plantation in overall environmental management initiatives. It is a well-known fact that plants play an important role in the eco system and function as a carbon sink. Extensive afforestation programme has been implemented in all the Plants and Mines over the years. The basis of choosing the species of plants mainly depends on availability and prevalence of local species, local soil characteristics and prevailing meteorological conditions. The green belt developed by afforestation adds not only to aesthetic environment but also helps in watershed management, soil protection, erosion control, landslide stabilization and developing windbreaks. None of the operations of SAIL are in the vicinity of protected areas. There are no IUCN red list of national conservation species with habitats in areas of operation.

SAIL Plants and Units have taken up massive plantation programmes using scientific methods to develop green belts, parks, clean and green surroundings, tree lined avenues and townships. Over 183 lakh trees have been planted since inception.

During the year 2013-14, over 2.05 lakh saplings were planted in Steel Plants and Mines. Species were selected to be endemic to the region, so that they are accustomed to grow in the local soil and prevailing climatic conditions.

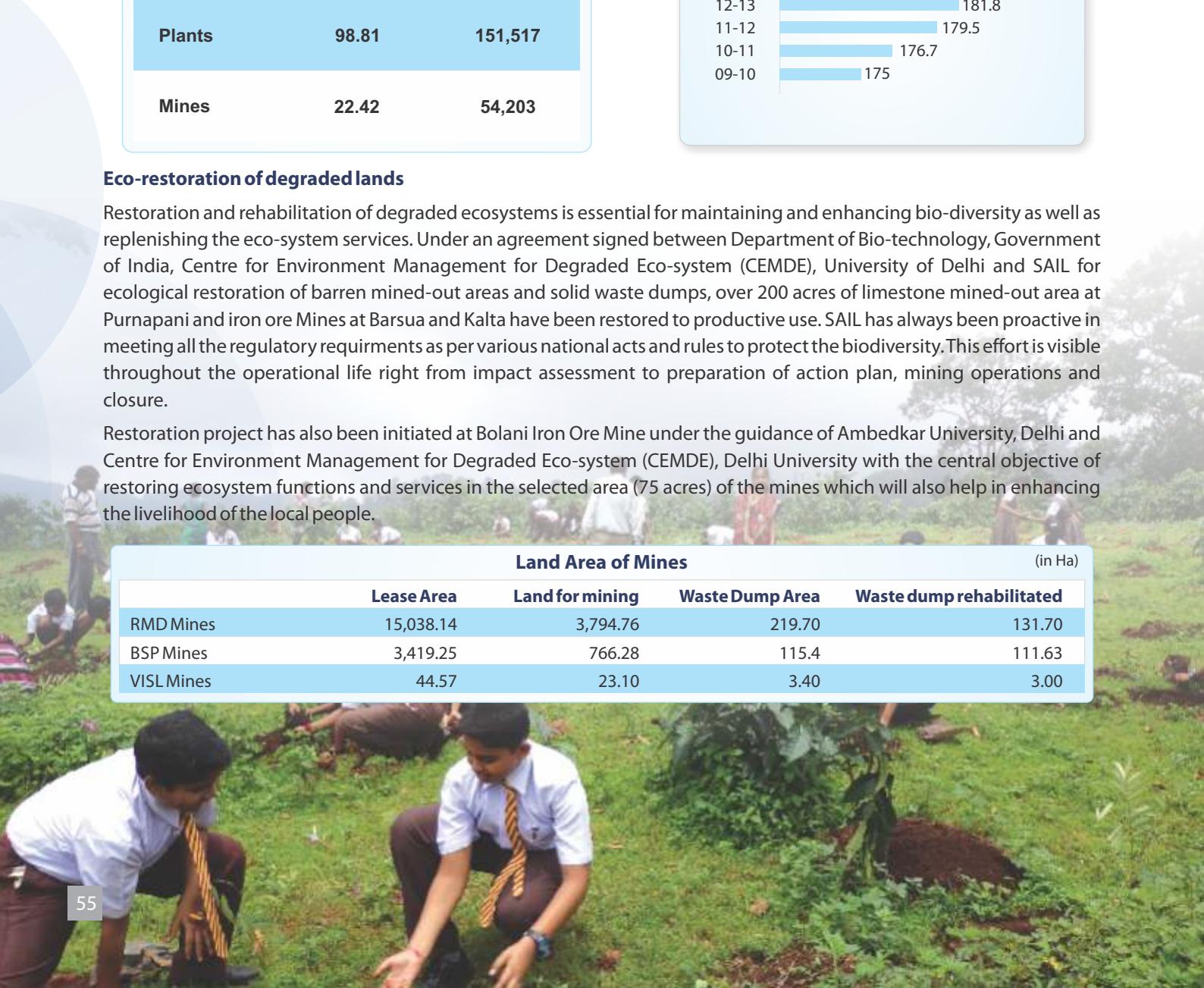


Eco-restoration of degraded lands

Restoration and rehabilitation of degraded ecosystems is essential for maintaining and enhancing bio-diversity as well as replenishing the eco-system services. Under an agreement signed between Department of Bio-technology, Government of India, Centre for Environment Management for Degraded Eco-system (CEMDE), University of Delhi and SAIL for ecological restoration of barren mined-out areas and solid waste dumps, over 200 acres of limestone mined-out area at Purnapani and iron ore Mines at Barsua and Kalta have been restored to productive use. SAIL has always been proactive in meeting all the regulatory requirements as per various national acts and rules to protect the biodiversity. This effort is visible throughout the operational life right from impact assessment to preparation of action plan, mining operations and closure.

Restoration project has also been initiated at Bolani Iron Ore Mine under the guidance of Ambedkar University, Delhi and Centre for Environment Management for Degraded Eco-system (CEMDE), Delhi University with the central objective of restoring ecosystem functions and services in the selected area (75 acres) of the mines which will also help in enhancing the livelihood of the local people.

Land Area of Mines					(in Ha)
	Lease Area	Land for mining	Waste Dump Area	Waste dump rehabilitated	
RMD Mines	15,038.14	3,794.76	219.70	131.70	
BSP Mines	3,419.25	766.28	115.4	111.63	
VISL Mines	44.57	23.10	3.40	3.00	



Environment management system (EMS) as per ISO 14001 Standard

Steel Authority of India Ltd. has been a fore-runner in the establishment of the environment management system in the steel industry in India. The company started implementation of EMS-ISO 14001 in the mid 90's with Salem Steel Plant being the first plant to get certified. Thereafter, various units of SAIL have been accredited to EMS, resulting in improvement in waste management, water & energy conservation, noise reduction, control of stack and fugitive emission, improved housekeeping, improved work zone environment etc.

Benefits derived from EMS at Plants:

- Improved work zone ambience
- Reduction of noise, heat & dust exposure
- Control of stack emissions and fugitive emissions
- Improved waste management, including handling, storing and utilisation
- Improved documentation
- Improved house keeping
- Improved awareness for the preservation of environment and natural resources
- Improved communication system
- Conservation of lubricants/ electrical energy , water and other resources

Benefits derived from EMS at Townships

- Improvement of municipal waste management
- Conservation of water
- Conservation of Electricity
- Enhanced awareness amongst children and employees

The following units of SAIL are accredited to EMS -ISO 14001:

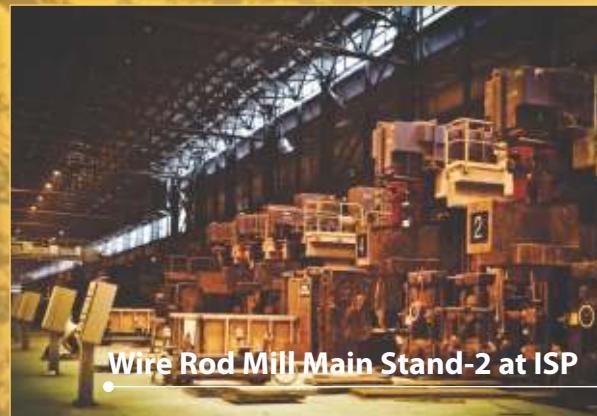
Plants/Units	Certification Status
BSP	Entire Plant & Township
DSP	Entire Plant
RSP	Silicon Steel Mill, Sinter Plant-II, Hot Strip Mill, Plate Mill, ERW Pipe Plant, SW Pipe Plant, Special Plate Plant & RSP Township and Environment Engineering Department
BSL	Entire Plant
SSP	Entire Plant & Township
ISP	Rolling Mill Complex
VISL	Entire Plant
CFP	Entire Plant
CMO	Faridabad, Dankuni, Kalamboli, Chennai, Hyderabad, Ahmedabad & Ghaziabad Warehouses
T&S Organization	BTSOVizag
Mines	
Dalli Iron Ore Mine	Entire Mine
Kiruburu Iron Ore Mine	Entire Mine
Megatuburu Iron Ore Mine	Entire Mine
Bolani Ore Mine	Entire Mine
Kuteshwar Lime Stone Mine	Entire Mine



Automated rail loading facility in long rail complex of BSP



Cold Rolling Mill at BSL



Wire Rod Mill Main Stand-2 at ISP

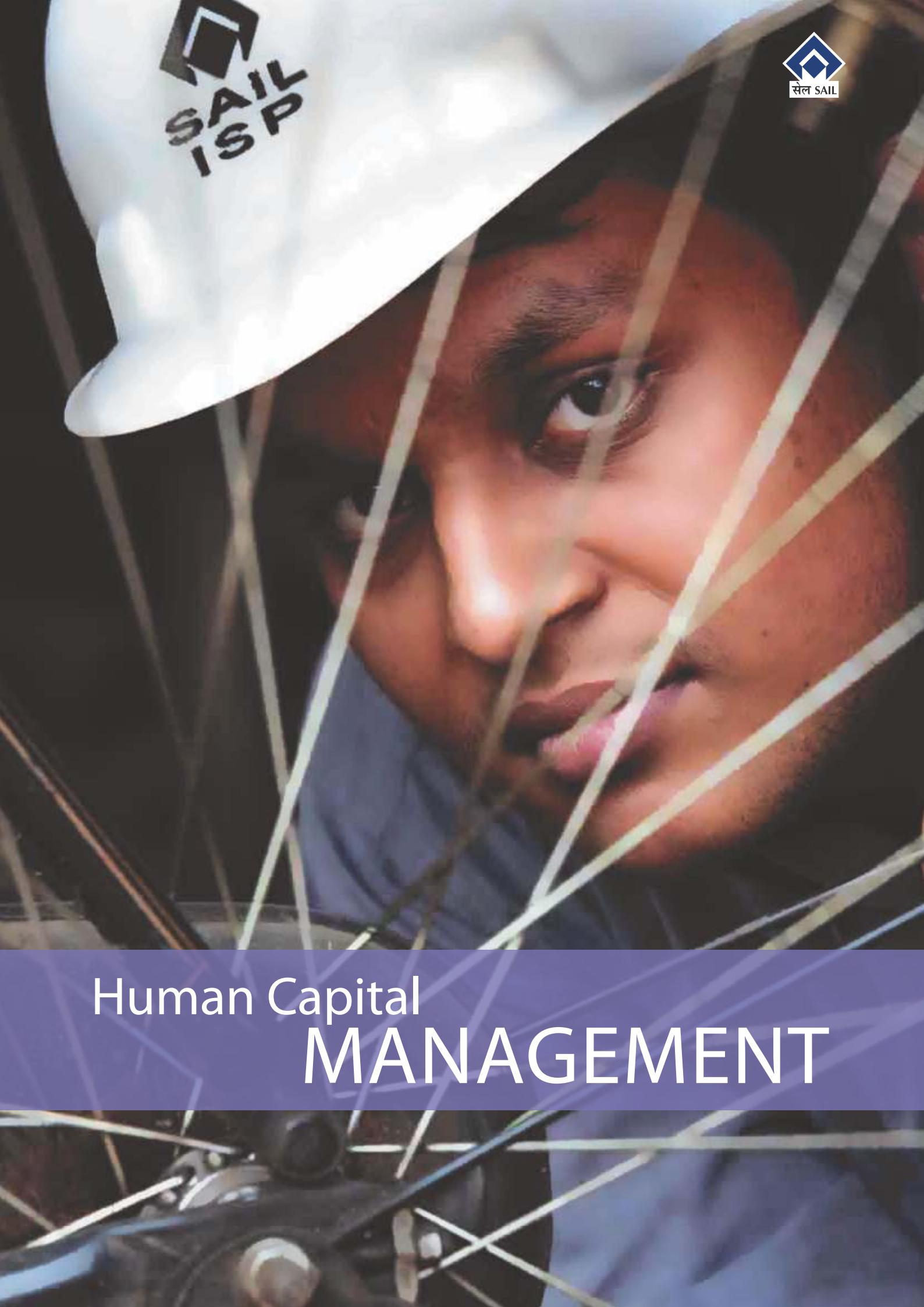
Responsible Growth

The practice of environmental protection in line with economic growth has been inculcated in SAIL's fraternity since inception. As SAIL continues to grow and expand, the commitment towards responsible growth also becomes a fundamental ingredient of its business activities.

SAIL's efforts towards environment management go beyond national boundaries also. SAIL has successfully implemented projects in collaboration with UNDP.

SAIL has also joined MoEF&CC and UNIDO in their endeavour to implement a Polychlorinated Biphenyls (PCB) management and disposal project in India and the project is coming up at BSP. PCB is a highly polluting chemical used in electrical transformers. This is the first project in India for PCB management and disposal. The facility at Bhilai will also cater to the needs of industry in the country.

There have been no cases of significant fines and sanctions for non-compliance with environmental laws and regulations against SAIL during the year 2013-14.



Human Capital **MANAGEMENT**

Our People Our Wealth

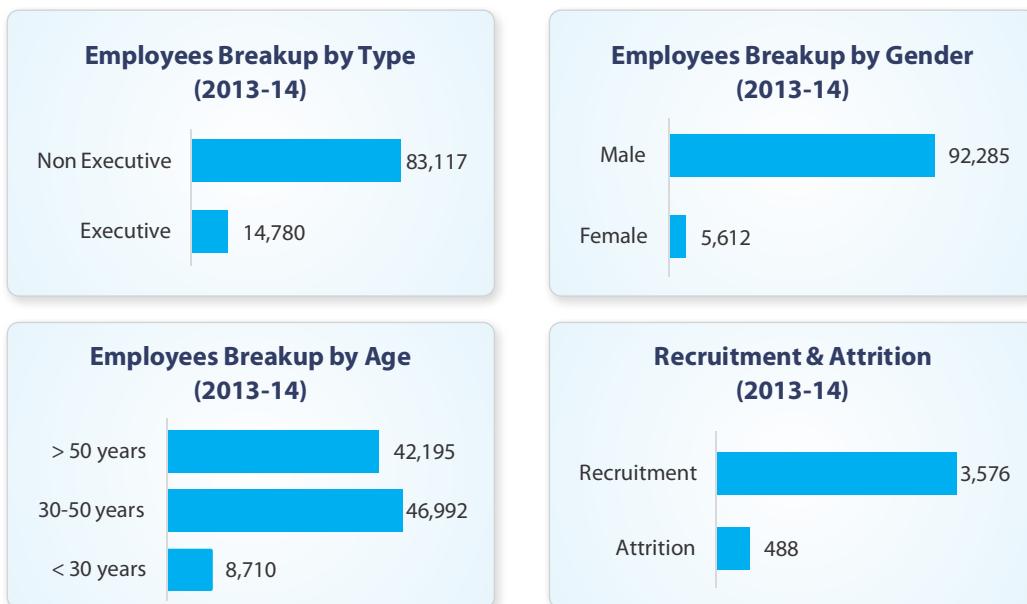
SAIL considers its employees as its most valuable resource and this is evident in the organizational strategy towards developing capabilities and realization of best potential of its people. It is needless to say that committed human resources go a long way in providing competitive advantage and SAIL attributes its success to the investment in human capital who are behind every activity, every technology and every innovation.

Knowing that the development of skills of employees helps in growth of the industry, SAIL is actively conducting various programs to strengthen the overall capabilities of each employee. Specifically, the identification of skills and capabilities required for certain work sites are being done and corresponding on-the-job training is being planned through dialogue between a supervisor and his/her subordinate.

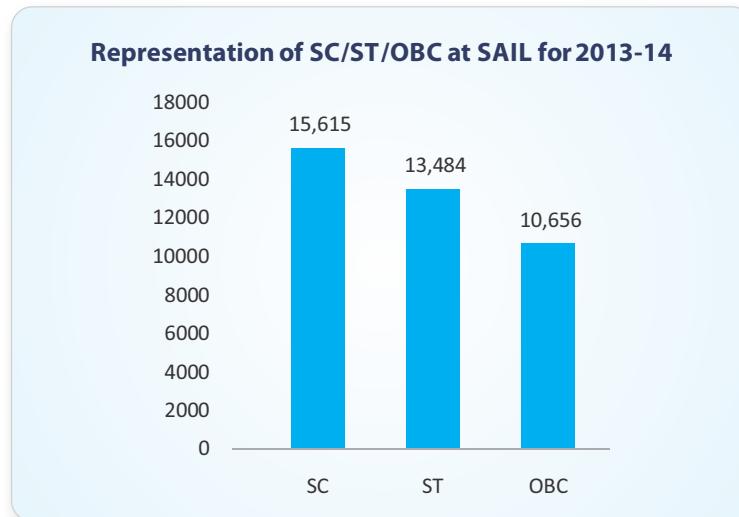
In order to promote avenues for employment amongst local residents, SAIL publishes vacancy information on several channels including website and national & local newspapers. Female employees are also given ample opportunities. SAIL being an equal opportunity provider does not discriminate between gender on remuneration or other aspects. During career progression, promotions are strictly based on merit.

SAIL provides parental leaves to all its employees. Maternity leave up to 12 weeks and 1 year child care leave is provided to women employees. Graphs below give break up of the permanent employees of SAIL, who are engaged full time. SAIL doesn't give employment on part-time/ temporary basis. All plants, mines and other operations of SAIL for which employee break up is reported are located in India.

(in Nos)



SAIL awards job contracts transparently through tendering process. Wages to contractual workers are paid by the contractors engaging them in terms of the minimum wages notified by the Appropriate Government. SAIL, as a Principal Employer, ensures regular & correct payment by Contractor to the contractual workers. Workers are paid wages by the contractors over and above the notified minimum wages of the respective appropriate governments at all establishments of SAIL. Compliance to various statutory provisions viz. PF deductions, ESI coverage, EPS'95 etc. is ensured through a dedicated contract labour cell. Specific terms & conditions are also incorporated in the tender documents for ensuring contract labour welfare by the contractors.



SAIL has always displayed a sense of responsibility towards the workers who are associated with SAIL on contract basis. In order to provide them a healthy and safe working environment, access to all the basic welfare facilities like Canteen/Public Conveniences/Drinking water/Restroom etc. are provided inside the work premises. General safety training & personal protective equipment (PPEs) are also provided to them for their safety at work place.

Increase in the engagement of contractual workers in the recent past has been mainly on account of ongoing MEP. Nearly 65% of the workers engaged by the contractors are deployed at Project sites on account of this only.

Contractual Worker (Nos)	2011-12	2012-13	2013-14
SAIL	82,056	84,320	95,829

SAIL won Standing Conference of Public Enterprises (SCOPE) Award

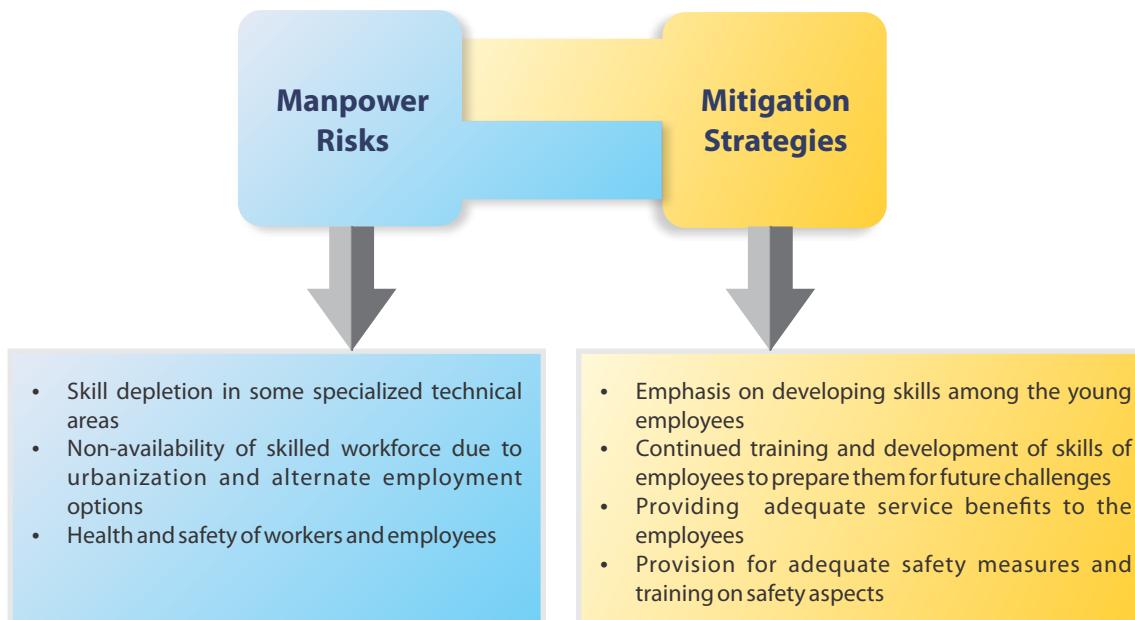
SAIL won the prestigious Standing Conference of Public Enterprises (SCOPE) Award for Best Practices in Human Resource Management for the year 2011-12. The focus of SAIL's management led by its Chairman, Mr CS Verma on strategic alignment of HR Management to the company's business objectives has helped the organization deal with the emerging, multifarious challenges confronting the companies in the steel sector. A number of HR initiatives have been launched which have contributed to building a conducive ambience in which the creativity and innovation of employees is gainfully unleashed.

Employee Engagement

SAIL management has given its prime attention towards the issues related to the employees. Several initiatives have been taken to ensure that the development of employees and development of SAIL always remain mutually inclusive. As a direct result of a vibrant work culture, duly supporting flexibility and learning opportunities, employees have charted out challenging career opportunities to scale up their professional ladder.

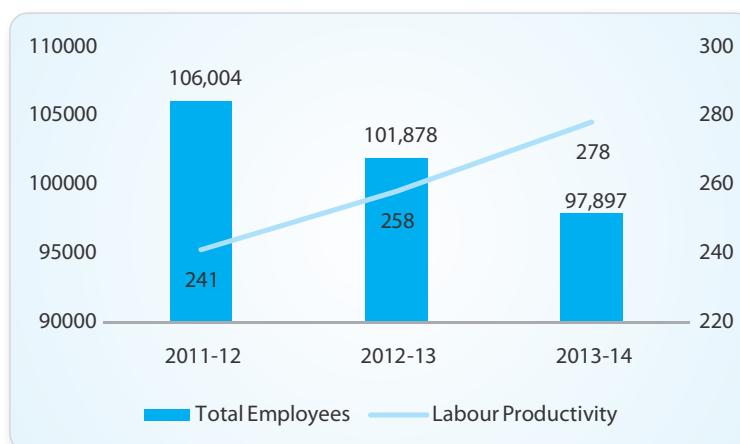
SAIL has been conducting various programs that are based on the concept of fair personnel management so that its employees can carry out their jobs with a long-term commitment and with a sense of security and enthusiasm.

Some of the labour risks arising out of the local and national factors along with their mitigation strategies being adopted by SAIL are listed below:



SAIL is an equal opportunity employer and being a Public Sector Unit, recruitments are guided by the rules of the Company and the relevant guidelines issued by the Government of India from time to time.

Total Employees (Nos) and Labor Productivity (tcs/man/year)



Building a rewarding career

As part of SAIL's "people-building philosophy", there is an HR policy where the involvement of all employees in innovation, production and productive work environment are given a major thrust. Regardless of gender, cast, religion or marital status, new employees are recruited and given equal opportunities. Whenever there is requirement to change the duty hours, the management informs representatives of employees and contractual worker in advance. An employee is required to serve notice period of 3 months prior to release on resignation.

All full time employees enjoy the Benefits like Life Insurance, Health care, Disability/ invalidity coverage, Maternity Leave, Retirement Benefits etc. Workman engaged by the Contractors in establishments of SAIL, are covered under the ESI Benefits.



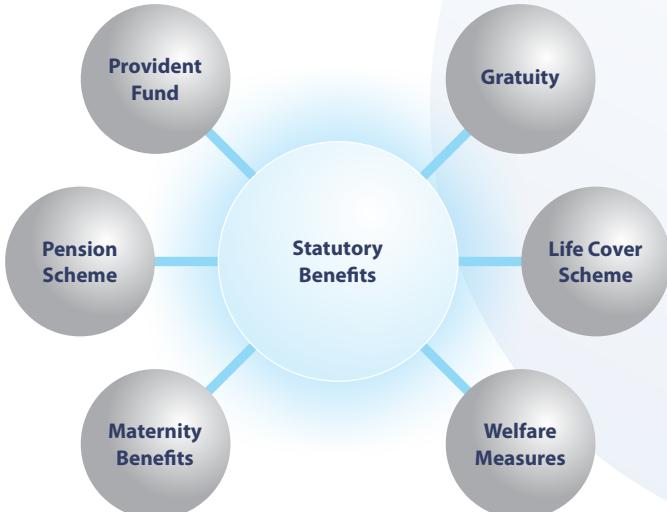
SAIL Foundation Day Celebrations

SAIL Plants have their own Super Specialty Hospitals with state-of-the-art facilities where free outdoor and indoor medical treatment is provided to all regular employees and their eligible dependants. Employees and their wards who require specialized treatments which are not available at SAIL hospitals, are also referred to other specialist hospitals at the cost of the Company. It is our continuous endeavour to further improve the existing facilities.

SAIL has also been a pioneer in providing various social benefits to its employees in the form of housing, education, civic amenities, sports & recreation and social welfare. SAIL has developed full fledged townships over the years at all its Plant locations equipped with all the modern infrastructural facilities along with premier schools, super specialty hospitals, shopping malls, mutiplexes, parks, gymnasium, stadiums etc.

Together with corporate governance, collective bargaining is part of an overall framework that contributes to responsible management. It is an instrument used by parties to facilitate collaborative efforts to enhance the positive social impacts of an organization. All employees of SAIL are covered by collective bargaining agreements.

For non-executive employees, National Joint Committee for Steel Industry (NJCS) is a unique bipartite forum which consists of representatives from major Central Trade Union Organizations and representatives from recognized unions of main Plants and management of major steels producers. All Plants/Units have recognized union for non-executive employees. Executives are represented by the respective Officer Associations (OA) of their Plants which are affiliated to Steel Executives' Federation of India (SEFI) - the apex body representing executives in SAIL.



Workmen Compensation

Steel Authority of India Limited has an established system of workers' participation at different levels right from National level up to shop-floor level. Some of these forums are functioning since early seventies and are sufficiently empowered to address different issues related to wage, safety, and welfare of worker, arising from time to time thus helping in conducive work environment.

National Joint Committee for the Steel Industry (NJCS) which is a bipartite forum comprising of members representing both the employers as well as employees, decides wages and benefits of non-executive employees. All regular non-executive employees are covered under the purview of this collective bargaining body.

Each Plant/Unit/Mines has designated Labour Welfare Officers who also interact with government labour machinery as per requirement and also deal with statutory labour matter.

There is no discrimination towards any section/category of employees in SAIL. This is ensured by the Personnel department which regularly monitors fairness in activities and services. Freedom of Association, as enshrined under the constitution of India and envisaged in the Trade Union Act, is also ensured. There are no such operations in SAIL where right to exercise the Freedom of Association and Collective Bargaining is at significant risk.

SAIL strongly believes in protection of Fundamental Rights described in the Constitution of India. There was no recorded case during the reporting year on any violation of human rights. 100% employees receive regular performance and career development reviews.

SAIL is including human rights related clauses in all the new contracts. Periodic checks are being done with respect to various suppliers/contractors on compliance of human rights. The practices of SA 8000 are promoted among suppliers on regular basis. Training & awareness workshop on different aspects of SA 8000 pertaining to child labour, forced labour, non-discrimination, and freedom of association, safe work environment and health & safety of employees are provided to the employees. The SA 8000 clause on child labour that includes employment of persons of only age 18 and above is a preconditioned to partnering with SAIL, and that, in the event of any kind of violation by vendors within or outside the Company premises, liabilities for the education of the child until the completion of high school will accrue to the defaulting party, is always communicated to all vendors and suppliers while engaging with them.

SAIL has full-fledged support and services of Central Industrial Security Force (CISF) for ensuring security in and around plant. CISF personnel are given training on issues like safety practices and human rights. There are no known cases of discrimination on any grounds nor were there any violations of human rights in SAIL.





Health and **SAFETY**

Care for All

Believing the fact that "safety and health are the most valuable factors that take precedence over all other things and they are the basis that support business development", SAIL has been constantly improving its safety and health management department in order to ensure a safe and healthy workplace. The organizational commitment is evident in the form of well-defined organizational Occupational Health & Safety (OH&S) Policy as well as Plant level OH&S Policy. Objectives and targets are achieved through established OH&S management programmes. In view of ongoing mega MEP of enhancing production capacity, specific thrust is being laid upon safety issues involved during execution & commissioning of the projects.



The objective of Safety Policy is to provide a safe and conducive work environment to all the employees involved in the mining and steelmaking process including regular or contractual employees, visitors & vendors within the premises as well as in society at large. In order to spread awareness and inculcate safe working practices, various initiatives and drives are undertaken periodically. There are safety committees at various levels of hierarchy starting from Apex Safety Committees at organization level right down to Departmental Safety Committees with enthusiastic representation from workers. Meetings for these committees are convened on regular basis where all the issues pertaining to health and safety are discussed.

The views of bi-partite forums are considered while revising the Hazard Identification and Risk Assessment (HIRA) documents and Occupational Health and Safety Policy of the organization. Joint Committee on Safety, Health & Environment in Steel Industry (JCSSI), a unique bipartite forum at national level with representation from major central trade unions and management of major steel producers of the country jointly evolve recommendations/action plans for



Three Tier Safety Audit Structure at SAIL

ensuring safe & healthy work culture. This gets substantiated from the harmonious industrial relations enjoyed over the years by SAIL Plants, with diverse work culture at multi-locations. All secretarial functions are centrally being performed by the SAIL Safety Organization (SSO), Ranchi. Annual meetings and award functions are organized at Ranchi as well as at member plant locations.

To ensure safe & healthy work environment, both management and workers' representatives reiterate their commitment to develop, promote and enforce the best standards for safety, occupational health and environment protection and maintain specified Standards of OHSAS 18001:2008, ISO 9001:2008 & ISO 14001:2004.

Most of the SAIL Plants/Units have adopted and implemented OHSAS 18001: 2008, an internationally recognized Standard in the area of Occupational Health & Safety Management that supports and promotes good OH&S practices, in balance with socio-economic needs.



Some of the Safety / Surveillance audits conducted during 2013-14 are:-

- Safety audits by SSO in BSP (Oxygen Plant -II, Water Management Deptt, BF # 1 to 7, Project Area), DSP (Sinter Plant, Coke Ovens, Projects area), BSL (Steel Melting Shop – I, Sintering Plant, Coke Oven Deptt, SMS-II & CCS), RSP (SED, CPP-I), RMD (Kiriburu & Meghahatuburu Iron Ore Mines), Collieries (Chasnalla & Jitpur) and SAIL Growth Works, Kulti.
- Safety audits by the external agency namely, NSC- India at ASP, Oxygen Plant of ISP.
- Surveillance / re-certification audits under OHSAS by M/s. TUV and M/s. DNV

Management commitment:

The Company is visibly committed towards preventing occurrence of accident in Plants/Units/Mines. Safety performance is being monitored at the highest level of management i.e. Chairman and Director's level as well as by the Chief Executives of respective Plants, Units and Mines.

Safety setup in SAIL:

At Corporate level, SAIL Safety Organization (SSO) coordinates and monitors the operational and fire safety activities. In each Plant/ Unit of SAIL, Safety Engineering Department (SED) is having infrastructural facilities to ensure operational safety & fire prevention related aspects. SEDs periodically undertake awareness generation drives and campaigns in respective Plant/Unit/Mines. Departmental Safety Officer & Safety Steward in each department / shop ensures adherence to laid down Standards & safe Working procedures.

Systems and Procedures:

SOPs & SMPs are formulated in consonance with statutory rules and regulations on safety. For hazardous & critical jobs involving multiple agencies, systems like Permit to Work and Protocol incorporating safety provisions exist and are monitored for strict adherence. Safety surveillance during all major Capital repairs/Shut down jobs is ensured for safe completion. All employees of SAIL are covered by the formal joint management-worker health and safety committees wherein issues on health and safety are communicated, consulted and discussed thoroughly. The contractual workers are also imparted safety and work environment related training.



Training forms an important component of implementing an effective safety strategy. Continuous education, training, counseling, prevention and risk-control programmes are organized to assist workforce members, their families and other community. Area specific workshops are conducted and job specific safety training is imparted to the workers. Safety related information is also broadcast through local TV network at Plant Townships.

Periodic review of safety performance is made at top management level of respective Plants/Units/Mines as well as centrally at organization level through scheduled Heads of Safety meetings of SAIL Plants/Units/Mines.



Salient good safety practices followed at SAIL Plant/Unit/Mines are:

1. National Seminar on Safety and Health in the Steel Industry (NSSHR), on the theme 'Challenges and Approach for Sustainability' was organized for the first time at Ranchi in Sept 2013. 150 delegates from 30 reputed steel manufacturers & associated industries attended the seminar, wherein 28 technical papers were presented by the experts.
2. Safety issues are being discussed as 'First Agenda' point in monthly review meeting by the top management of Plant/Units/Mines.
3. Safety audit of Safety Engineering Departments and Project, construction sites, different contractors at different sites and other operation areas are being carried out
4. Extensive Interaction sessions with GMs & HoDs and safety review at Plants/ Units/Mines by SSO.
5. SSO Information Portal developed with in-house resources for information dissemination is accessible through intranet to all employees across SAIL.
6. Improved safety awareness amongst all regular employees, contractual workers, visitors etc. are organised. Short oral test being conducted at the end of training to determine the extent of basic learning.
7. Development of safety portal in ERP system for online entry of unsafe acts / conditions, near miss cases and their elimination.
8. Use of CCTV cameras for monitoring adherence of safety norms at major shops
9. Various housekeeping competitions and safety championship schemes implemented to improve safety and housekeeping of the departments.
10. Surprise checks for Crash Helmet and Heavy Vehicles are being conducted at strategic locations inside the Plant.
11. Increased frequency of Mock Drills for identified emergencies.
12. Reflective type sign boards on Gas safety, Overhead cranes, Rail/ Road safety etc. displayed at important locations inside the Plants.
13. Use of 24 volt DC LED lamps in place of 220 volt AC hand lamp in confined places.
14. Adopting steel scaffolding for all height work activities / construction activities and compulsory use of full body harness, fall arrester during height works.
15. Provision of Earth Wire and Earth Leakage Circuit Breakers in all welding machines and chicken mesh guard and double earthing in all man coolers.
16. Display of Safety Posters and distribution of Safety Calendars to propagate and enhance safety awareness among all cross section of employees.
17. Display of Safety appliances for exhibition for general public.
18. Roll over protection provided in dozers.
19. Emphasis on 100 % usage of PPEs at all locations.
20. Fire-fighting training programme with the help of fire brigade.



Occupational Health

SAIL has set benchmarks in the area of 'Occupational Health Service' (OHS). Corporate Policy of SAIL inculcates the value of Occupational Health. SAIL has established full-fledged OHS Centres equipped with modern equipment at its all Units. SAIL is committed to the values of giving priority for improving workers' health by covering 100% employees under OHS programmes. Multi-disciplinary, multi-dimensional OHS of Bhilai Steel Plant emerged as a National OHS Centre and also functioning as a Central Nodal Agency to monitor occupational health activities in different SAIL Units.

To provide comprehensive health care, preventive, promotive, curative and rehabilitative health services are being rendered through integrated approach. For keeping work environment friendly, compliance to the requirements of OHSAS 18001: 2008 & SA 8000: 2008 certification and central audit are made. Special days like World Health Day, Occupational Health Day, AIDS Awareness Day, World TB Day, Doctor's Day are celebrated to promote awareness on health issues.



Facilities for Employees and Workers

Lung Function Test, Biochemical Investigation, Clinical Pathology, Digital X-Ray, Vision Test, Health Education & Training, OHS Library, ECG, Psychology, Health Information System, Audiometry etc.

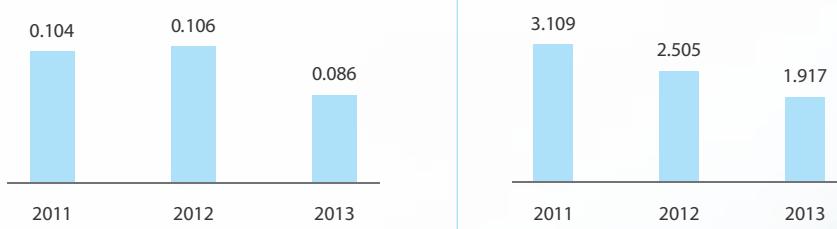
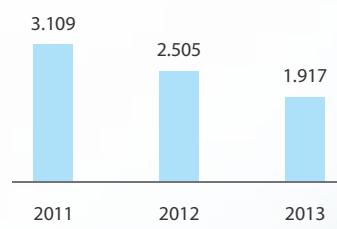
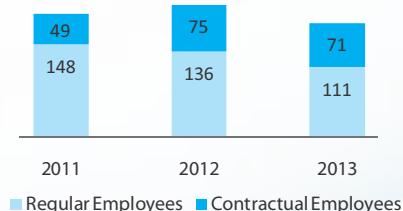
Salient activities undertaken by OHS centres:

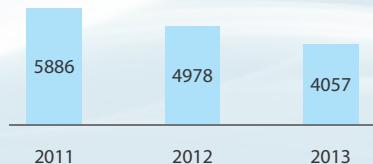
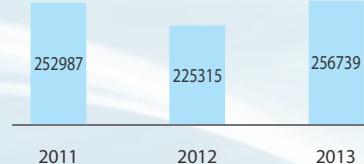
- Periodical Medical Examination, Pre-Employment Medical Examination, Pre-Retirement Medical Examination, Employee Wellness Programme & Vision Conservation Programmes, Tests on Audiometry Pulmonary function, ECG, Chest X-ray for the employees of Plants & Mines. Contractual workers & CISF personnel are also being covered by some OHS centres.
- Occupational Hygiene Surveys for Dust, Noise, Heat, Radiation, Illumination etc. are conducted.
- Under biological monitoring, Urine phenol estimation and Pathological tests for the employees of Benzol Rectification & Recovery Plant are carried out.
- Curative activities like OHS OPD and Emergency cases, Physiotherapy etc. are undertaken.
- Work Physiology Activities covering Pulmonary Function Test, ECG, Energy expenditure study, Maximum Oxygen uptake $\text{VO}_2(\text{max})$ are carried out.
- Industrial Psychology covering test for Personality, Stress Assessment, Identification & counseling of stressed persons and follow up etc are carried out.

- Health education programmes/ workshop on Modular First Aid, Work place hazards & prevention, Stress Management, Diabetes Mellitus, Hypertension, Cancer, AIDS Awareness, Occupational Health Hazard Disease & prevention, Safe physical work environment, Hygiene, Life Style Diseases, Women's Health, Chemical Burn and other Burn injury management, Food & Personal Hygiene, Aging gracefully etc. are conducted in most of the OHS centres.
- Upgraded NOHSC website at BSP was inaugurated on the occasion of Occupational Health Day.
- OHS personnel took part in First Aid demonstration, Mock drill, Gas Safety, Stress Management, Medical Boards for Pre-employment, Rehabilitative, Disability, Job Rotation, Emergency, long unfit, Job Assessment review etc.
- Renovated the OHS of DSP equipped with multi-channel oxygen facility for 32 persons at a time for oxygen therapy to combat disaster caused from gas exposure. Peripheral activities like AIDS awareness program among the Truck drivers, CISF personnel and sex workers in and outside DSP
- Staff of OHSC at RSP have taken active roles for rescue of 'Phailin' (Natural Disaster) affected people of Odisha.
- 'Arogyam' organized for executives above 50 years of age for Computer Vision Syndrome and 'Hepatitis-B'.

Occupational Hygiene aspects taken care through Work Place monitoring, Personal sampling, Area sampling for Dust, Noise, Heat Stress, Gas / Chemical, Radiation, illumination etc. Based on various surveys conducted, Data analysis, Hazard quantification, Reporting to respective department with recommendations for control measures and follow up is made for its compliance.



Safety Statistics (Plants and Mines)
Lost Time Injury Frequency Rate (per 200,000 hours worked)

Lost Day Rate

Accident Statistics

Accidents by Type

Mandays Lost due to Accidents

Total No. of Safety Trainings Imparted

Safe Working




Training and SKILL DEVELOPMENT

Empowering Human Resource

It has always been a strong belief within SAIL that the excellence achieved over all these decades is a result of the dedication and commitment of its employees and it is hence paramount to continually upgrade their skill set and prepare them for future challenges.

The employees of the Company are the driving force for the organization and SAIL takes pride for having human resource capital which has constantly challenged the limits and excelled in their area of work. Human Resource Policy of SAIL ensures competence and committed team engaged in building a culture of learning to achieve excellence in performance and employee satisfaction through innovation and continual improvement.

All policies and procedures of the Company abide by the statutory norms and ensure that none of the practices override the basic human rights. There has been no case related to violation of human rights in the year 2013-14.

The focus on improving productivity and adoption of best practices in every area is being pursued relentlessly. Efforts for active participation by employees, provision of a conducive ambience for employees and ensuring a climate that reflects synergy and contagious enthusiasm has been at the core of Human Resource (HR) initiatives and interventions. Strategic alignment of Human Resource Management (HRM) to business priorities and objectives facilitated steps for ensuring a smooth transition for upcoming new facilities in the MEP. HR initiatives also aided in building competent teams with cross functional expertise leading to further enrichment of the repositories of competencies in the Company.

The HR Policy of the Company is based on the business thrust areas in tune with the Vision Statement and Corporate Plan of SAIL. Competence Mapping is used to impart training to the employees. This system allows assessment the competence gap of the individual employees. This information is further used as input for determining the overall training needs. The effectiveness of the training plan is evaluated at the reaction, learning and application levels.

The training functions are validated by the apex referral body known as TAB (Training Advisory Board), which is headed by the Chairman, SAIL, and has as its members all the Directors of the Company. The Directors take their respective agenda points from the TAC (Training Advisory Committee), which is attended by zonal and departmental heads, and chaired by the respective CEOs. These bodies generate several organizational learning needs and thrust areas which are included in the annual plans. The training department is also covered under QMS and EMS. Every shop has its own training coordinator who is responsible for imparting training in various areas along with the identified trainers.



Training hours breakup for the year 2013-14

	Executive	Non-Executive	Total
External Training (including MTI/CPTI)	112,336	40,616	152,952
Foreign Training	20,296	-	20,296
Specific Areas	20,664	197,680	218,344
Managerial Competence Enhancement	87,376	227,352	314,728
Technical Competence Enhancement	203,888	530,496	734,384
Fresh Entrants	1,364,936	7,111,632	8,476,568
Other Areas	43,808	870,144	913,952

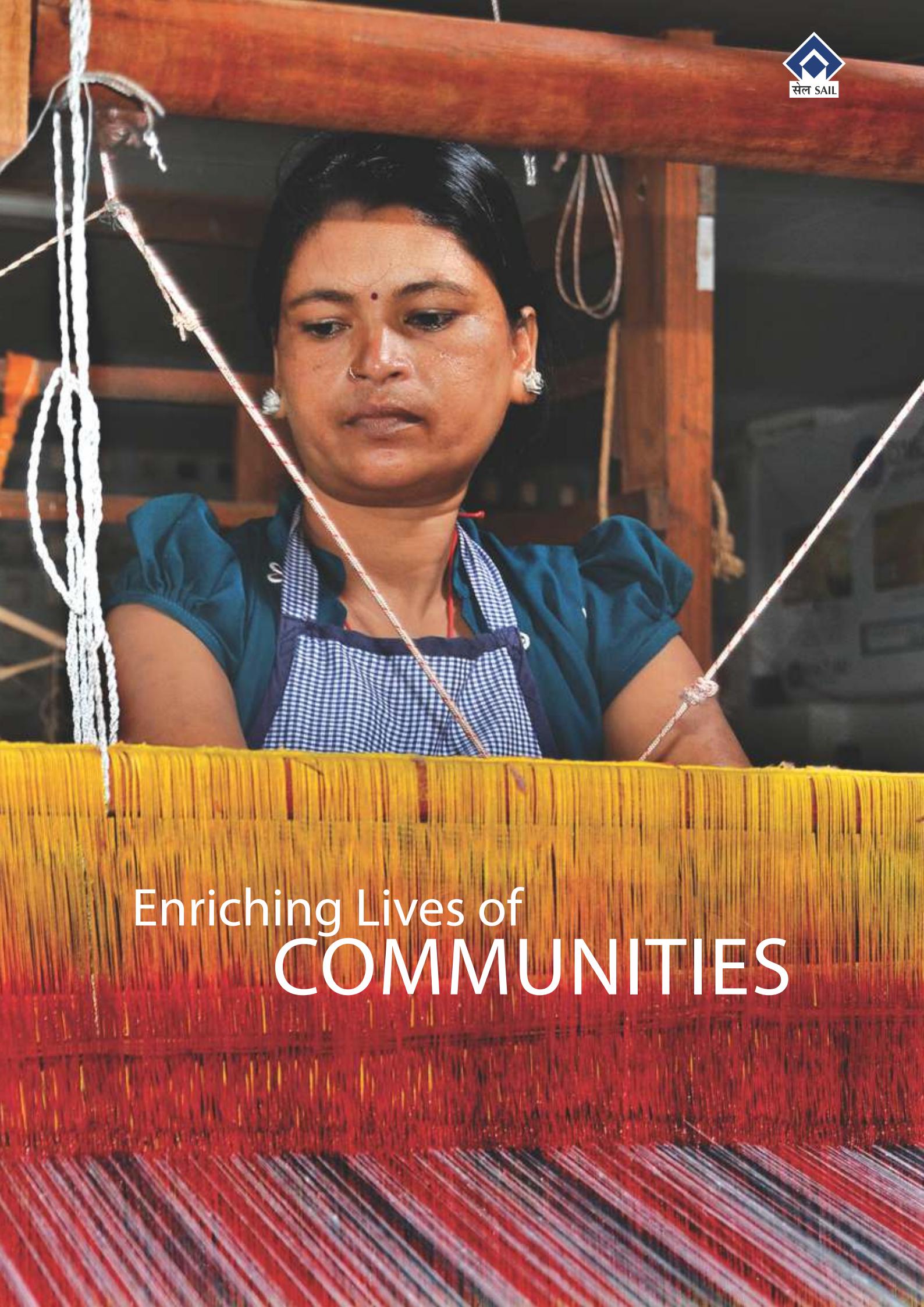
Pre-employment training is given by the Plant/Mines level Training Institutes for training operatives, trade apprentices and graduate engineers. Post-operative training is also being imparted. Steel Plant visits are organized by various Plants of SAIL. This exercise has resulted in broadening of outlook of the employees, learning good practices, better awareness and a sense of pride. In order to train the Management Trainees "System of Mentoring" has been introduced. Main objective of such system is to stimulate and manage the individual growth necessary for MT's to deliver a business performance beyond the boundaries of the present levels and beliefs. The process of mentoring aims to help management trainees in:

- Developing confidence and leadership qualities
- Building strong personal foundation and determining appropriate goals, strategies, tactics and action plans
- Imbibing shared vision, mission and values

Performance Improvement Workshops (PIWs) are organized every year, for gap analysis, brain storming and building an action plan regarding issues like production and productivity, cost reduction, maintenance, housekeeping and safety. The workshops involve mostly the non-executive employees of the respective shops. Apart from these, specialized technical training and vocational training programme for college students are also organized every year. SAIL also publishes quarterly in-house management and technical journals.





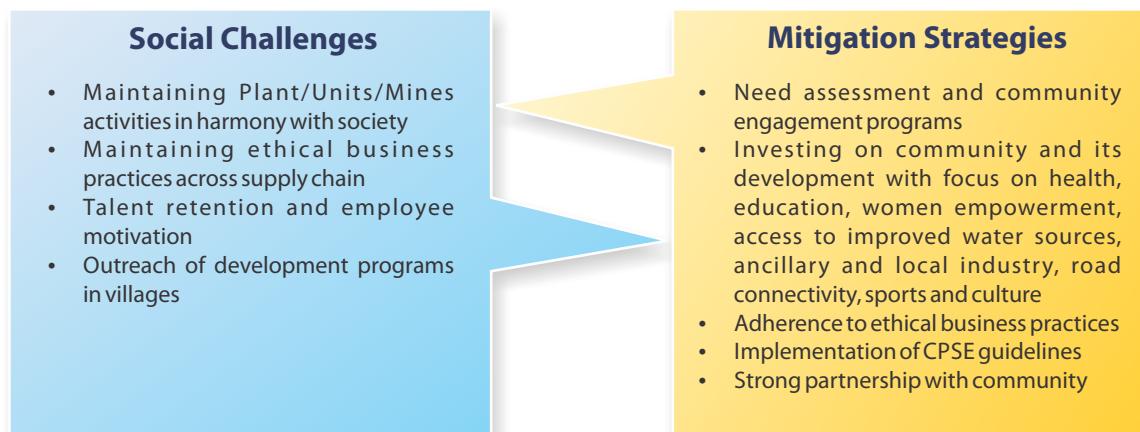


Enriching Lives of
COMMUNITIES

Paying Back to Society

For any organization, CSR begins by being aware of the impact of its business on society. With this underlying philosophy and a credo "to make a meaningful difference in people's lives", SAIL has been structuring and implementing CSR initiatives right from the inception. The Company is undertaking its projects under CSR in the peripheries of its areas of operations throughout the country. These efforts have seen the obscure villages turn into industrial centers today.

Some of the Social Challenges associated with SAIL operations and mitigation strategies adopted have been listed below:



During 2011-12 to 2013-14, CSR budget allocation and other CSR activities were undertaken in line with the DPE Guidelines in this respect.

Year	Turnover	Profit after Tax	CSR Budget Allocation	Utilization
2011-12	50348	3543	64.00	61.25
2012-13	49350	2170	42.00	53.29
2013-14	51866	2616	40.00 (CSR+SD budget)	62.06

In addition to this direct expenditure, expenditure to the tune of ₹ 200 crores is also incurred annually on non-SAIL populace living in and around the Plant/Unit locations, on Health, Education, Township etc. The facilities created in the steel townships are accessed by the local Non-SAIL populace either free or at a very nominal cost.

CSR Activities:

CSR initiatives of the Company are carried out in and around the steel townships, mines and far flung locations across the country for providing Medical and Health Care facilities, Immunization, Pre and post natal care, Education, Access to water facilities, Women Empowerment, Sustainable Income Generation through Self Help Groups, Assistance to people with disabilities, Promotion of Sports, Art, Culture etc. in line with the Government statutes like Guidelines on CSR & Sustainability and provisions of Company Act & CSR Rule.

Some of the notable activities undertaken during the year are:

Healthcare

Under Healthcare area, SAIL has established 57 Primary Health Centers, 7 Reproductive and Child Health Centers, 21 Hospitals, and 7 Super-Specialty Hospitals to provide specialized and basic healthcare to more than 38.61million people living in the vicinity of its plants and units.

Primary Health Centre	- 57
RCH Centres	- 7
No. of Hospitals	- 21
No. of Specialty Hospitals	- 7
No. of beds	- 3790
No. of doctors	- 706
No. of paramedical staff	- 3790
No. of beneficiaries during the year	- 42,32,876
No of beneficiaries upto the year	- 2,68,97,408
Immunization during the year	- 52,670
Sterilization during the year	- 5,557



In order to reach at the door steps of the underprivileged, over 4300 health camps have been organized across the country benefitting more than 2 Lakh people by providing free health check-up, path lab treatment, medicine, immunization, etc. during the year 2012-13. In 2013-14, over 3000 camps were organized across the country benefitting around 2.16 Lakh people. To help the poor and downtrodden, 90 numbers of Mobile Medical Units (MMUs)/ Ambulances have been provided to various NGOs since 2007-08.

Seven Health centres (Kalyan Chikitsalaya) are being run at Plants exclusively for providing free medical care including medicines, to poor and needy families. In 2012-13, healthcare was provided to more than 87,000 persons through these exclusive health centres and during 2013-14 around 90,000 persons were covered.

In its commitment to reach out to the communities, SAIL has supported Life Line Express, a train with fully equipped operation theatre during the month of November 2013. During the course of journey through the remote parts of India, procedures related to restoration of sight, hearing, movement, cleft lip, dental & epilepsy treatment were undertaken, benefitting a total of 6,221 patients. This includes surgeries, dental procedures, epilepsy treatment, provision of hearing aids and splints.



Education

To develop the society through education, SAIL has opened over 129 schools in the townships to provide modern education to more than 59,000 children and is providing assistance to over 629 schools with about 92,000 students. Seven Special Schools for BPL (Kalyan Vidyalaya) at five steel plants with facilities of free education, mid-day meals, uniform including shoes, text books, stationery items, school bag, water bottles and transportation in some cases were operating during the year.

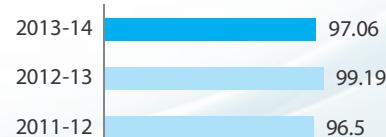


Education :

	2013-14
* Survival Rate in Primary School	- 97.06%
* Ratio of Girls : Boys (Overall)	- 1:1
* No. of additional class rooms built during the year	- 174

	2013-14	No's	Students
* Schools within township	-		
* Primary	-	33	13927
* Secondary	-	68	30183
* Tertiary	-	28	15172
* Total	-	129	59282
* Schools outside township	-		
* Primary	-	559	78361
* Secondary	-	66	11998
* Tertiary	-	4	1409
* Total	-	629	91768

Survival Rate in primary school %



Students in schools within township



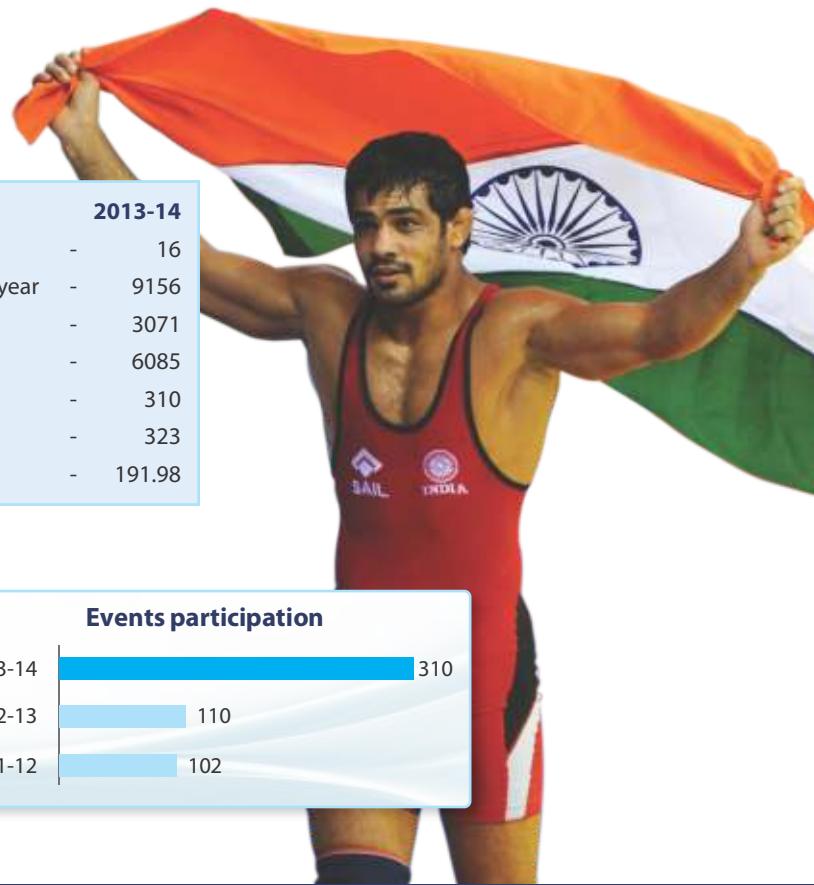


The strength of students in these schools was more than 1600. Scholarships to deserving undergraduate & postgraduate engineering students, extremist affected tribal children, nearly extinct Birhore Tribes, sponsoring youths for Industrial Training & Nursing course, etc. were the major steps taken by the Company for uplifting the poor and those from, OBC, SC, ST, etc. SAIL is providing Mid-Day Meal to more than 73000 students everyday in about 550 different government schools of Bhilai and Rourkela through Akshya Patra Foundation.

Bokaro breeds excellence

For football enthusiasts across the country, SAIL Football Academy (SFA) is much more than just a professional sports academy. It is perceived as a training school which can eventually facilitate enrolment in one of the premier football clubs of the country. Bokaro launched this academy on the Independence Day of the year 1998. As of now, 40 cadets are undergoing training and around 150 have been trained since inception. In the year 2000, one teenager from the heart of Kolkata, Lal Kamal Bhaumick (then 13), with dreams in his eyes and football in his dreams, found himself in the SAIL Football Academy in Bokaro Steel City. Today, Lal Kamal plays for the United Sports Club, Kolkata, representing India. "Just like my talent was spotted and nurtured by others, I dream of opening my own academy where I can identify deserving youth and give them a chance," says Bhaumick.




Sports:

	2013-14
Number of new sports facilities built during the year	- 16
Total number of people for whom -training provided during the year	- 9156
- from SAIL family	- 3071
- from local community	- 6085
Total number of events participated in during the year	- 310
Prizes won during the year	- 323
Investment in sports facilities (₹ Lakhs)	- 191.98

New sports facilities built

2013-14	
2012-13	
2011-12	

Events participation

2013-14	
2012-13	
2011-12	

Saranda's own Eklavyas

Apart from the plethora of activities undertaken under CSR by the Raw Material Division of SAIL in this area, the Eklavya Archery Academy (EAA) deserves special mention. Started in the year 2008 by RMD, the EAA is presently home to eighteen budding archers (nine boys & nine girls). The present group is only the second batch at the academy while selection process for the third batch is already underway. The selection of cadets is done every two years mostly from the Saranda region itself. Incidentally, most of the cadets selected hail from the economically low strata, including BPL families. On its part, SAIL has ensured that the cadets get the right ambience, right coaching and right equipment to help them prepare for international events. No wonder, over the last few years, several EAA cadets have brought laurels to the Academy at both national and international levels. The recent participation of three EAA cadets in the Youth World Archery Championship in China stands testimony to this.



Connectivity & Water Facilities

SAIL has provided access to over 77.04 Lakh people across 435 villages since inception by constructing and repairing roads. The Company has provided access to water infrastructure to people living in far-flung areas by installing over 7625 water sources, thereby providing drinking water access to around over 42.70 lakh people.

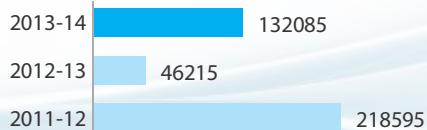
Access to improved Water Sources : (2013-14)

No. of water infrastructure created during the year	- 244
Number of people benefitted during the year	-1,32,085
Total no. of water infrastructure created upto the year	- 7625
Total no. of people Benefitted upto the year	-42,69,830

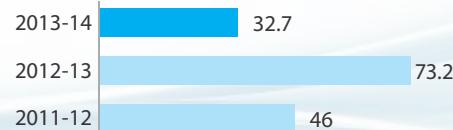
Road Connectivity :

Length of road constructed / repaired during the year (km)	- 32.76
Total number of villages impacted during the year	- 32
Total number of beneficiaries during the year	-1,68,727
Total number of beneficiaries upto the year	-77,03,844

People benefitted during year from water sources



Length of road constructed / repaired (km)



Model Steel Villages: In order to bridge the gap between rural and urban areas and to provide comprehensive development of both physical and social infrastructure, 79 villages have been identified as "Model Steel Villages" across the country (in eight states). The developmental activities undertaken in these villages include medical & health services, education, roads & connectivity, sanitation, community centers, livelihood generation, sports facilities, etc.

Renewable Energy: To promote renewable sources of energy, Solar street lights were installed in the rural areas across the country and Solar Lanterns and smokeless chullahs have been distributed among the poor and needy in different parts of country.

Disaster relief: SAIL, as a responsible corporate citizen, supported the rehabilitation initiatives for the people affected by Flash Floods in Uttarakhand and Phylin cyclone in Odisha by contributing Rs. 1 Crore and Rs. 20 Crore, respectively.

SARANDA Action plan: In an effort to bring the marginalized masses of the remote forest areas to the mainstream of development, SAIL in association with the Govt. of Jharkhand and Ministry of Rural Development, Gol actively participated in the development process of Saranda forest, Jharkhand. The Company provided ambulances, bicycles, transistors, solar lanterns and set up an Integrated Development Centre (IDC) at Digha village in Saranda forest. IDC comprises of facilities like bank, Panchayat Office, Ration shop, Telecom office, Anganwadi Centre, Meeting room etc. for the local populace.



SAIL Supported CSR Activities

Sustainable Income generation: Vocational training has been provided in areas such as Agriculture, Mushroom cultivation, Goatery, Poultry, Fishery, Piggery, Achar / Pappad/ Agarbatyi making, Welder, Fitter & Electrician Training, Sewing & embroidery, Smoke less chullah making etc. Vocational Training centre for rural and unemployed youths – ‘Bhilai Ispat Kaushal Kutir’ & ‘Swayamsiddha’ at Bhilai, Skill Development and Self Employment Training Institute (SDSETI) at Durgapur, Garment Technician Training at Salem, JHARCRAFT centre at Bokaro and self-employment centre “KIRAN” at Kiriburu Ore Mines are benefiting common masses by way of financial inclusion/ SHG/training for income generation and then empowering them to join mainstream.

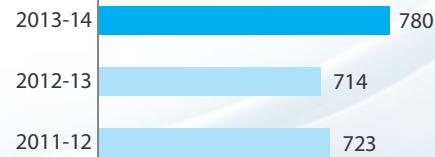
Engendering Development (Women Employed):

Number of women employed	- 5184
Women in Senior management	98
Women in management	- 780
Women in non-executive position	- 4306
No. of women engaged in institutions (Mahila Samaj)	- 690

Ancillary & Local Industry :

Number of units recognized	- 648
People employed	- 15441

No. of Women in Management



Growth and development of ancillary units has created employment opportunities for the local people, mobilizing local skills, which has, in turn, improved the quality of life of the people and has led to overall development of the region. SAIL has led from front in ensuring that local ancillaries around its operational area get due support and encouragement by the way of timely delivery, competitive pricing and minimum inventory holding at various plants while also ensuring steady order booking to the ancillary units. SAIL also formulates preferential policy for ancillary development every year. The Company organizes vendor development programs regularly and SAIL employees collaborate with vendors to achieve import substitution, cost reduction and quality improvement.

Art & Culture: For promoting the local art & culture, Chhattisgarh Lok Kala Mahotsav and Gramin Lokotsav are being organized every year. To promote local culture and games various Gramin Lokotsavas and Gramin Athletics Competition were organized by the Company at different locations throughout the year.

The Road Ahead....

From April 1, 2014, the provisions of Company’s Act, 2013, its Rule and Schedule-VII have come into effect w.r.t. the CSR activities. SAIL CSR focus areas are in absolute alignment with the respective provisions of the Act. As per the statute, in every financial year, it is required to spend at least 2% of the average net profit during the 3 preceding fiscals on CSR endeavors. In compliance to the statute, a CSR Committee comprising of 3 Functional and 2 Independent Directors has been constituted to formulate and monitor SAIL CSR Policy.

During 2014-15, an amount of ₹ 78 Crore has been allocated by SAIL Board towards CSR expenditure. A substantial amount of the budget has been earmarked towards “**Swachh Bharat: Swachh Vidyalay**” campaign; set off by the Hon’ble Prime Minister during his Independence Day speech.



SAIL Supported CSR Activities

A large cable-stayed bridge with two tall towers and many stay cables is shown against a clear blue sky. The bridge spans a body of water where a small boat is visible. The entire scene is overlaid with a semi-transparent blue rectangular area containing the text.

Product **RESPONSIBILITY**

Reliable Products

Research and Development Centre for Iron and Steel (RDCIS) plays a lead role in the product development activities of SAIL. RDCIS provides innovative technological inputs to different Plants/Units of SAIL with special emphasis on cost reduction, quality improvement, product development, energy conservation and automation.

The Company has always been at the forefront when it comes to developing futuristic products and meet the demand of the customers. SAIL has been amongst the pioneers in India for developing earthquake resistant, light weight, corrosion resistant TMT rebars. Such high strength and corrosion resistant materials have revolutionized the construction industry in India while making safe and reliable infrastructure accessible to the nation.

SAIL facilitates India's indigenisation initiative by producing high grade warship steel

When the 37,500-tonne INS Vikrant, the country's first indigenous aircraft carrier was launched in the Kochi shipyard, SAIL added a new chapter in the history by contributing 26,000 tonnes of special high-grade steel for the aircraft carrier. The special grade metal needed to combine the contradictory qualities of hardness and toughness, just as a champion gymnast must be strong as well as flexible. The special steel grades were produced by SAIL plants in Bhilai, Bokaro, Durgapur and Rourkela, and will also be used for all subsequent Indian warships.

The company has quality and environment policies which ensure production of safe and sustainable products. The product complies with the quality norms of the Bureau of Indian Standards or with the specific customer requirement depending upon the application. SAIL also has well-established systems and procedures to ensure compliance with requirements related to product labeling, marketing, communications and customer privacy. The Central Marketing Organization (CMO) is primarily responsible for marketing of steel products. All marketing communication are governed by the guidelines of the Corporate Manual.

Customer Health and Safety

SAIL has about 10,000 varieties of products in its basket for marketing. The Technical Certificates (TC) are issued as per the Standards prescribed by the Bureau of Indian Standards. Since steel products are generally environment-friendly and do not pose any health or safety hazard during their use, specific procedures for preserving customer health and safety during the use of its products are not required. However use of safety appliances like safety helmets, boots, gloves etc. is mandatory. Hazardous waste handling is done as per the Hazardous Waste (Management and Handling) Amended Rules 2003. SAIL Plants, Units and Mines have received authorization for the same. There has been no incidence of non-compliance with respect to regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycle. All products conform to BIS Standards.



Product and Service Labeling

SAIL's detailed product information is available on its website. There are several catalogues available containing details on grade, size and application.

All norms for physical dimensions, chemical composition and technical delivery conditions for the associated specifications are strictly adhered to during production and dispatch of various products manufactured by SAIL. Test certificates are issued along with the deliveries to the customers so that the material can be identified and there is no mix up and the correct quality gets supplied to the customer. There was no incidence of non-compliance with respect to regulations and voluntary codes concerning product and service information and labeling.

During transportation of steel product, SAIL uses minimal packaging material. Many a times, steel strips are used as packaging whose mass is negligible compared to that of product and hence SAIL does not reclaim the packaging material. SAIL has also established extensive rail network for transporting raw materials and finished products hence reducing the environmental impact.

Brand Management

Corporate Affairs Division of SAIL is engaged in reputation/ corporate brand building of SAIL. As and when products related branding is required, Central Marketing Organization of SAIL is involved in the process but the activity is undertaken by the Corporate Affairs Division.

In CMO, product (also service related brand management regarding SAIL dealership and e-sales) related brand management is being done mainly through dealers. Items of mass consumption like Re-bars and Galvanized Sheets, required by common man are being sold through SAIL dealers.

Following brand building initiatives have been undertaken in Central Marketing Organization of SAIL for promotion of SAIL steel:

- Wide spread Wall Paintings done at various locations including rural areas.
- Hoardings at important locations, highways, major Airports and in metros and Tier-II cities across the country.
- Advertisement on Railway Tickets, Railway Trolley, Bus Shelters etc.
- Product brochures/technical literature given to the dealers for distributing among customer.
- Promotional items (calendars/pens/key chains) distributed among dealers
- Regular meets with architects and masons along with its dealers for promotion of SAIL steel as well as steel usage.
- Hand holding meetings with Rural dealers to make them aware of SAIL products.
- Technical presentations from time to time to customers for launching new products.
- Participation in trade fairs and exhibitions highlighting various usages of steel.

In addition, Central Marketing Organization also organized presentations on product development to various project customers like CPWD, DMRC, NHPC, L&T, etc. for communicating the advantages of SAIL products over competitors' products.



Product improvement/product development:

SAIL has launched R&D Master Plan, with Centre of Excellences at Plant, levels to focus on product development and up gradation.

The Company continuously interacts with its customers for product development with a view to improve customer satisfaction. Customers' needs are identified and product improvements are undertaken through customer feedbacks. SAIL introduced several new products required by the various sectors crucial for growth and development of the Indian economy like, construction, railways, defence, etc.

Steel is also used for manufacturing of products such as vehicles wherein there are many opportunities available for reducing the weight. Recognizing this, SAIL has channeled its research capabilities to come up with higher strength steel products which are light in nature, thus facilitating significant reduction in environmental impacts during their usage phase.

Customer Satisfaction

SAIL highly values its customers whose patronage has earned SAIL its commanding position in the market. In order to assess the customer feedback and systematically record the grievances and issues, SAIL has established a Customer Satisfaction Index (CSI), feedback regarding which is collected every month from all key customers through personally administered feedback forms which include various parameters related to quality, supply and service.

The responsibility for reaching out to the customers has also been entrusted to the Central Marketing Organization (CMO), which conducts a market survey annually and makes forecasts with respect to customer groups and market segments to be served by SAIL and communicates the same to the Plants.

SAIL has a well-defined Key Account Management (KAM) system under which, the requirements of important customers are captured and their compliance is recorded and analysed. Every month, a Plant-CMO meeting is held to discuss the specific requirements of customers as well as their feedback. The monthly production and rolling plan is finalized on basis of this meeting and customer orders are released by CMO accordingly.

All signages at all CMO offices, BSOs, Ware Houses, Regional Offices etc. follow the guidelines contained in the Corporate Manual.

Communication

The Corporate Affairs Division of SAIL addresses the comprehensive system of advertising for Corporate image and product promotion. The advertisements for all the plants are managed by SAIL at the corporate level. Various advertisement campaigns are conducted on regular basis.

Our advertising campaign being part of overall communication strategy is focused to target multiple stakeholders. New corporate and product advertisements were designed and developed to enhance the image of the Company. Some of the slogans used in advertisements are as follows:

- Steely strategies to accelerate growth
- SAIL TMT Rebars – Mazbooti Bemisaal
- SAIL TMT Rebars – The Bond of Strength and Trust
- Tested by Time. Trusted by Professionals
- Transforming Talents. Creating Champions
- Corporate Social Responsibility - Passion for Steel, Compassion for Society
- Environment & Progress Together
- A Caring Company for a Greener Tomorrow
- Empowering People, Sustaining Environment, Supporting Sports, Helping building the Nation

SAIL, along with the State Bank of India (SBI), organized the SAIL-SBI Open 2014 Golf Tournament with support from 'Incredible India', Ministry of Tourism. The game of Football being a very popular one in the neighborhood of our Plants, was promoted by collaborating with Baichung Bhutia Football School for providing training to the cadets as well as the coaches of the Football Academies of the Company.

SAIL has been making focused efforts to engage and interact with the employees across various Plant/Unit locations, to build a sustainable organization. The objectives and achievements of the organization are communicated to the employees through multilayered framework like messages of Management, in-house television channels, video-conferencing, face-to-face communication and newsletters etc. In order to instill a greater feeling of ownership, drive and sense of pride amongst employees of the Company, a new initiative – “My SAIL My Pride” has been launched.

Media Relations

Company's communication with the various target audience was strengthened through different channels by regularly informing our stakeholders about various initiatives through press releases, press meets, one-to-one interactions with media within India and internationally. Chief of Corporate Affairs, the official spokesperson of the Company, also keeps in regular touch with media houses. Key highlights of SAIL's achievements throughout the year, such as, milestones for Company's MEP, production and sales records, development of value added products, engaging our customers, etc. were some of the news items that generated positive coverage for the Company.

On-line Publication and Archiving

E-version of all PR publication is currently underway at all plants and units of SAIL. There is no incidence of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion of sponsorships etc. The privacy related to consumer information, such as specifications of special products developed for specific consumers, are protected through confidentiality agreements. No incidents have been reported regarding non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. No complaints have been received regarding breaches of customer privacy and loss of customer data. SAIL has not been imposed with any fine for non-compliance with laws and regulations concerning the provision and use of products and services during the year 2013-14.



GRI Content Index

Disclosure	Description	Reported	Page No.
STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES			
1.0 STRATEGY AND ANALYSIS			
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	●	1-2
1.2	Description of key impacts, risks and opportunities	●	1-2, 23, 37, 47, 61, 77
2.0 ORGANIZATIONAL PROFILE			
2.1	Name of the organisation.	●	11
2.2	Primary brands, products, and/or services	●	12
2.3	Operational structure of the organisation including main divisions, operating companies, subsidiaries and joint ventures.	●	3, 11
2.4	Location of organization's headquarters	●	3, End cover
2.5	Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	3, 11-12
2.6	Nature of ownership and legal form.	●	27
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	●	3, 11-12
2.8	Scale of the reporting organisation	●	7-8
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	5
2.10	Awards received in the reporting period.	●	29-31
3.0 REPORT PARAMETERS			
Report Profile			
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	●	5
3.2	Date of most recent previous report (if any).	●	5
3.3	Reporting cycle (annual, biennial, etc.)	●	5
3.4	Contact point for questions regarding the report or its contents.	●	6
Report Scope and Boundary			
3.5	Process for defining report content	●	5, 15-18
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) See GRI Boundary Protocol for further guidance.	●	11
3.7	State any specific limitations on the scope or boundary of the report.	●	11
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	●	5
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	●	5, 6
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statements (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	5
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	5
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	●	89
Assurance			
3.13	Policies and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	●	6
4 GOVERNANCE, COMMITMENTS AND ENGAGEMENT			
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organization oversight.	●	26, 27, 28
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	●	27
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	27

4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	27
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance (including social and environmental performance)	●	27
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	27
4.7	Process for determining the qualifications, and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics.	●	26
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic environmental, and social performance and the status of their implementation.	●	Inside Cover, 7,8,22,23
4.9	Procedure of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	26
4.10	Process for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	●	27
Commitment to External Initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	●	23-24
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	35
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	●	35
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.	●	16
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	15
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	15-17
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	17,19

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

DMA EC	Disclosure on Management Approach EC	●	37
DMA EN	Disclosure on Management Approach EN	●	47
DMA LA	Disclosure on Management Approach LA	●	59,61
DMA HR	Disclosure on Management Approach HR	●	63
DMA SO	Disclosure on Management Approach SO	●	33,77
DMA PR	Disclosure on Management Approach PR	●	85

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS

Aspect: Economic Performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	38
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	23,47
EC3	Coverage of the organization's defined benefit plan obligations.	●	39-40
EC4	Significant financial assistance received from government.	●	40

Aspect: Market Presence

EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	●	40
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	83
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	●	61

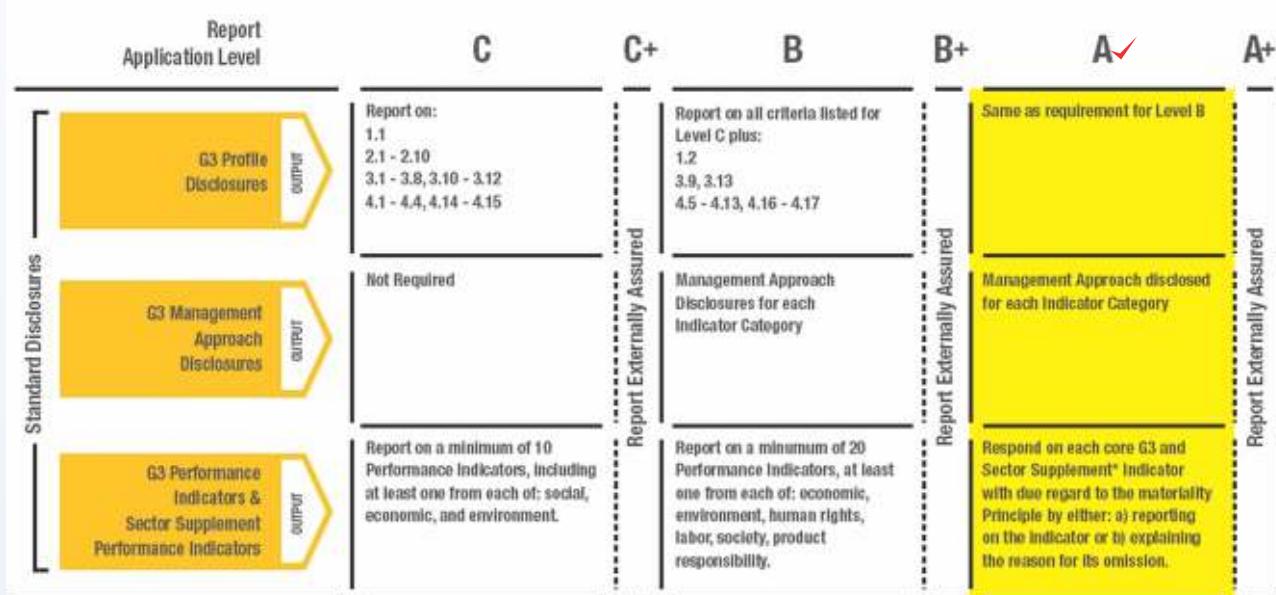
Aspect: Indirect Economic Impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	●	77
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EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	83
ENVIRONMENTAL PERFORMANCE INDICATORS			
Aspect: Materials			
EN1	Materials used by weight or volume.	●	54
EN2	Percentage of materials used that are recycled input materials.	●	54
Aspect: Energy			
EN3	Direct energy consumption by primary energy source.	●	43
EN4	Indirect energy consumption by primary source.	●	43
EN5	Energy saved due to conservation and efficiency improvements.	●	44-45
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reduction in energy requirements as a result of these initiatives.	●	44-45, 85
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	44-45
Aspect: Water			
EN8	Total water withdrawal by source.	●	51
EN9	Water sources significantly affected by withdrawal of water.	●	51
EN10	Percentage and total volume of water recycled and reused.	●	51
Aspect: Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas.	●	55
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas of high biodiversity value outside protected areas.	●	55
EN13	Habitats protected or restored.	●	55
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	55
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinctions risk.	●	55
Aspect: Emissions, Effluents, and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	48
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	48
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	44-45
EN19	Emissions of ozone-depleting substances by weight.	●	35
EN20	NO _x , SO _x and other significant air emissions by type and weight.	●	48
EN21	Total water discharge by quality and destination.	●	49
EN22	Total weight of waste by type and disposal method.	●	52-53
EN23	Total number and volume of significant spills.	●	52
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	●	52
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	●	51
Aspect: Product and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impacts mitigation	●	85
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	86
Aspect: Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	47
Aspect: Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	86
Aspect: Overall			
EN30	Total environmental protection expenditures and investments by type.	●	47
LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS			
Aspect: Employment			
LA1	Total workforce by employment type, employment contract, and region	●	59-61
LA2	Total number and rate of employee turnover by age group, gender, and region	●	59
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	●	62

	Aspect: Labor / Management Relations	
LA4	Percentage of employees covered by collective bargaining agreements.	● 62
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	● 62
	Aspect: Occupation Health and Safety	
LA6	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs.	● 65
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	● 71
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	● 69-70
LA9	Health and safety topics covered in formal agreements with trade unions.	● 65
	Aspect: Training and Education	
LA10	Average hours of training per year per employee by employee category.	● 73
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	● 73
LA12	Percentage of employees receiving regular performance and career development reviews	● 63
	Aspect: Diversity and Equal Opportunity	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	● 28, 59
	Equal Remuneration for Women and Men	
LA14	Ratio of basic salary of men to women by employee category.	● 59
	HUMAN RIGHTS PERFORMANCE INDICATORS	
	Aspect: Investment and Procurement Practices	
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	● 63
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	● 63
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	● 63
	Aspect: Non-discrimination	
HR4	Total number of incidents of discrimination and actions taken.	● 63
	Aspect: Freedom of Association and Collective Bargaining	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	● 63
	Aspect: Child Labor	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	● 63
	Aspect: Forced and Compulsory Labor	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	● 63
	Aspect: Security Practices	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	● 63
	Aspect: Indigenous Rights	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	● 63
	SOCIETY PERFORMANCE INDICATORS	
	Aspect: Local Communities	
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	● 77-83
	Aspect: Corruption	
SO2	Percentage and total number of business units analysed for risks related to corruption	● 33
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	● 33
SO4	Actions taken in response to incidents of corruption.	● 33

	Aspect: Public Policy		
SO5	Public policy positions and participation in public policy development and lobbying.	●	33
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	33
	Aspect: Anti-competitive Behavior		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	33
	Aspect: Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	33
	PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS		
	Aspect: Customer Health and Safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	85
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	85
	Aspect: Product and Service Labeling		
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	●	86
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	86
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	87
	Aspect: Marketing Communications		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	86-87
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	●	88
	Aspect: Customer Privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	88
	Aspect: Compliance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	88



*Sector supplement in final version

GRI sector supplement for Metals and Mining sector

MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.
Response	Page 55
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.
Response	SAIL has submitted action plans for all its mining operations to Ministry of Environment, Forests and Climate Change as per the statutory requirements
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.
Response	Page 53
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.
Response	There have been no strikes or lock-outs
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.
Response	While setting up and carrying out its operations, SAIL adheres to all local regulatory requirements
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.
Response	There have been no significant disputes relating to land use, customary rights of local communities and Indigenous Peoples
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.
Response	There have been no significant disputes relating to land use, customary rights of local communities and Indigenous Peoples
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.
Response	There are no such operating sites
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.
Response	There have been no resettlements
MM10	Number and percentage of operations with closure plans.
Response	SAIL has ensured that all of its operations are meeting the regulatory requirements with respect to closure plans
MM11	Programs and progress relating to materials stewardship.
Response	Page 54

Abbreviations

AAQ	Ambient Air Quality	DSP	Durgapur Steel Plant
AC	Air Conditioner	EAA	Eklavya Archery Academy
AC	Alternate Current	EAF	Electric Arc Furnace
AIDS	Acquired Immune Deficiency Syndrome	EBIDTA	Earnings Before Interest, Depreciation, Taxes, and Amortization
AIMA	All India Management Association	ECG	Electrocardiography
AOIE	All India Organisation of Employers	ED	Executive Director
AITUC	All India Trade Union Congress	EMD	Environment Management Division
AMR	Addition Modification Replacement	ERM	Enterprise Risk Management
AOD	Argon Oxygen Decarburization	ERP	Enterprise Resource Planning
ASP	Alloy Steels Plant	ESP	Electro Static Precipitator
ASSOCHAM	Associated Chamber of Commerce and Industry of India	ETP	Effluent Treatment Plant
ASTP	Acid Sludge Treatment Plant	EVA	Economic Value Added
BF	Blast Furnace	F & A	Finance & Accounts
BOD	Biochemical Oxygen Demand	FY	Financial Year
BOF	Basic Oxygen Furnace	GCal	Giga Calorie
BPL	Below Poverty Line	GD	Growth Division
BSCL	Burn Standard Company Limited	GDP	Gross Domestic Production
BSL	Bokaro Steel Plant	GHG	Green House Gas
BSP	Bhilai Steel Plant	GIFT	Global Institute of Flexible System Management
CaO	Calcium Oxide	Gol	Government of India
CCS	Continuous Casting Shop	GRI	Global Reporting Initiative
CCTV	Close Circuit Television	GRI G3	Global Reporting Initiative Third Generation
CDC	Consultancy Development Centre	Ha	Hectare
CEO	Chief Executive Officer	HMS	Hind Mazdoor Sabha
CET	Centre for Engineering and Technology	HR	Human Resource
CFP	Chandrapur Ferro Alloy Plant	HRD	Human Resource Development
CH	Cast House	HRM	Hot Rolling Mill
CII	Confederation of Indian Industries	ICF	Indian Coal Forum
CISF	Central Industrial Security Force	ICQCC	International Convention on Quality Control Circles
CITU	Centre of Indian Trade Unions	IDC	Integrated Development Centre
CMO	Central Marketing Organisation	IICCI	The Indian Iran Chamber of Commerce and Industry
CO	Coke Oven	IIM	Indian Institute of Metals
CO ₂	Carbon Dioxide	IIPE	Indian Institute of Plant Engineers
COB	Committee of the Board	INR	Indian Rupee
COD	Centre for Organisational Development	INSAAN	Indian National Suggestion Schemes Association
COD	Chemical Oxygen Demand	IOD	Institute of Directors
CPCB	Central Pollution Control Board	IRT	Institute of Rail Transport
CPP	Captive Power Plant	ISO	International Organization for Standardization
CPSE	Central Public Sector Enterprises	ISP	IISCO Steel Plant
CPTI	Central Power Training Institute	ISPs	Integrated Steel Plants
CPWD	Central Public Works Development	ISTD	Indian Society for Trade and Development
CREP	Corporate Responsibility for Environment Protection	JCSSI	Joint Committee on Safety, Health and Environment in the Steel Industry
CRM	Cold Rolling Mill	JVC	Joint Venture Company
Crore	Ten Millions	KAM	Key Account Management
CSR	Corporate Social Responsibility	L&T	Larsen & Toubro
CTC	Carbon Tetra Chloride	Lakhs	Hundred Thousand
DMRC	Delhi Metro Rail Corporation	LD	Linz Donawitz
DNV	Det Norske Veritas	LDR	Lost day Rate
Dolo	Dolomite	LED	Light Emitting Diode
DPC	Delhi Productivity Council	IISCO	Indian Iron & Steel Company
DPE	Department of Public Enterprises		

LTIFR	Lost Time Injury Frequency Rate	RMD	Raw Materials Division
m3	Cubic Meter	RMP	Refractory Material Plant
MEL	Maharashtra Elektrosmelt limited	RSP	Rourkela Steel Plant
MEP	Modernization and Expansion Plan	RTI	Right to Information
MLD	Million liter Per Day	SA	Social Accountability
MnO	Manganese Oxide	SAF	Submerged Arc Furnace
MoEF& CC	Ministry of Environment, Forests and Climate Change	SAIL	Steel Authority of India Limited
MoS	Ministry of Steel	SBI	State Bank of India
MoU	Memorandum of Understanding	SC	Scheduled Caste
MSVs	Model Steel Villages	SCOPE	Standing Conference of Public Enterprises
MT	Millions Tonnes	SD	Sustainable Development
MTI	Management Training Institute	SED	Safety Engineering Department
MTPA	Million Tonnes Per Annum	SEFI	Steel Executives Federation of India
MTT	Management Trainee Technical	SGL	Shot Grinding Line
NGO	Non-Governmental Organization	SGW	SAIL Growth Works, Kulti
NH ₃ -N	Ammonical Nitrogen	Si-Mn	Silico Manganese
NHPC	National Hydel Power Corporation	SMPs	Standard Maintenance Practices
NINL	Neelachal Ispat Nigam Limited	SMS	Steel Melting Shop
NJCS	National Joint Committee for the Steel Industry	SOP	Standard Operating Practices
NOHSC	National Occupational Health Service Centre	SP	Sinter Plant
O&G	Oil & Grease	SRU	SAIL Refractory Unit
OA	Officers Association	SS	Suspended Solids
OB'C	Other Backward Class	SSO	SAIL Safety Organization
ODS	Ozone Depleting Substances	SSP	Salem Steel Plant
OHS	Occupational Health & Safety	ST	Scheduled Tribe
OHSAS	Occupational Health and Safety Management System	TAB	Training Advisory Board
OHSC	Occupational Health Service Centre	TAC	Training Advisory Committee
PAT	Profit After Tax	TB	Tuberculosis
PBS	Power & Blowing Station	TC	Technical Certificates
PCB	Polychlorinated BiPhenyls	tcs	tonnes of crude steel
PET	Pipe/ Electrical Sheet/Tin Plate	TERI	The Energy and Resource Institute
PM	Particulate Matter	tfs	tonnes of finished steel
PMA	Project Management Association	thm	tonnes of hot metal
PPEs	Personal Protective Equipments	TJ	Tera Joule
PSE	Public Sector Enterprise	TMT	Thermo Mechanically Treated
PSU	Public Sector Undertaking	tss	Tonnes of Saleable Steel
QMS	Quality Management System	TUV	Technical Inspection Association
R&D	Research & Development	UNDP	United Nations Development Programme
R&E	Research & Engineering	UNGC	United Nations Global Compact
R&S	Rail and Structural Mill	VISL	Visvesvaraya Iron and Steel Plant
RCH	Reproductive and Child Health	VVVF	Variable Voltage Variable Frequency
RDCIS	Research & Development Centre for Iron & Steel	WCPS	World Confederation of Productivity Science
RHF	Reheating Furnace	WIPS	Forum of Women in Public Sector
RITES	Rail India Technical and Economic Service	WMD	World Management Development
		WSA	World Steel Association



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