

# STAKE HOLDER ENGAGEMENT

## Building bonds of trust

The framework for stakeholder engagement represents BSP's commitment to work collaboratively and form and maintain inclusive relationships with our internal and external stakeholders. It has been developed over the years and was refined through a detailed stakeholder engagement exercise. The underlying principles of the stakeholder engagement framework are responsiveness, inclusiveness, openness, transparency and trust. The core objective is to ensure consistent, customized and strategic engagement across stakeholders in a collaborative space characterized by mutual respect.

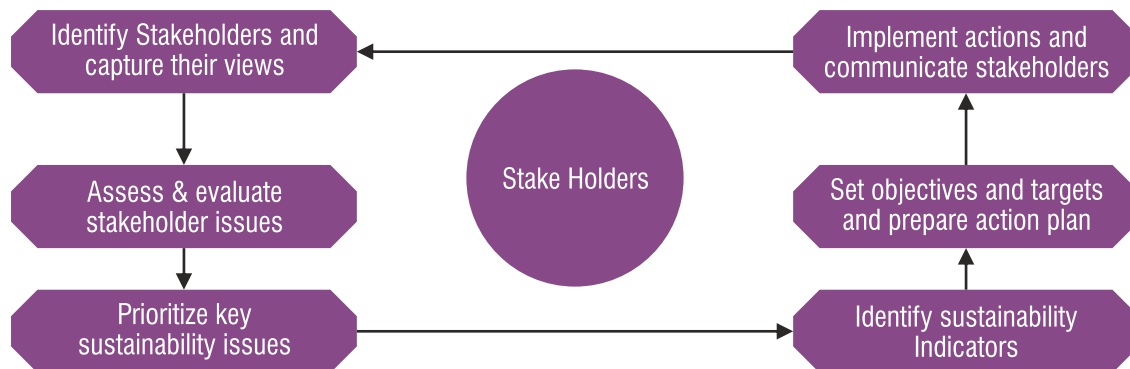
Insights culled from the engagements help us identify material issues and address them appropriately. We communicate to our stakeholders by means of stakeholder consultations which forms the crux of our strategy.

### **The objectives of these consultations are:**

- To elicit stakeholders preferences and priorities
- To identify commonalities and differences in stakeholders aspirations and
- To determine a manageable set of priorities, preferably through consensus



## Stakeholder Engagement Process at BSP



## Stakeholder Concerns, Responsibilities & their Benefits

Stakeholders	Prioritised Stakeholder Concerns/perceptions	Responsibility (Process Owners)	Benefits
* Shareholders	Profitability of the company, Creation of wealth, Stock price, Grievances & complaints	Core, support & mgmt Processes, Marketing, Finance	Wealth creation for shareholders
Employees	Safe and healthy working condition, Good remuneration packages & professional growth, Quality of life & welfare measures, Training & career development	Personnel, Town Services, HRD, Safety & Health	Motivated, satisfied and enthused workforce
Suppliers	Partnership with value creation, Timely payment, % of local suppliers, Supplier satisfaction	Materials management, Finance, AD&VD	Satisfied suppliers
Customers	Partnership with value creation, Product Quality, delivery compliance & customer satisfaction, Complaints, Consumer privacy	Marketing, RCL, Concerned shops	Lasting relationship, satisfied customers
Community	Quality of life, Job opportunities, Education, Welfare measures, Medical facilities	Personnel, CSR, Town Services, M&HS	Socio-economic development of the region, Partnership in progress
Government	Revenue and tax distribution, Profitability, Employment & contribution to GDP, Safe working & environment compliance	Core, support & mgmt processes, EHS	Contribution to exchequer to Govt, employment opportunities, import independence
Banks & Insurers	Financial risk, Debts and borrowings, Potential liabilities, Compliance to statutory requirements	Finance, Law, Projects	Safe investment, contribution to economy
NGOs	Environment quality, Human rights issues, Freedom of association, Compliance to Child & forced labour	Personnel & Admn, EHS, PRO	Safe and healthy workforce, environment friendly operations, ethical operation, compliance to standards
Regulators	Environmental compliance, Human rights issues, Number of accidents, Compliance to ILO conventions	EHS, Personnel & Admn, Law	Legal Compliance, going beyond compliance
Professional	Partnership with value creation, Employment & contribution to GDP, Training & development, Ethics violations	HRD, CSR, EHS, Personnel & Admin	Knowledge building & value creation
Competitors	Knowledge sharing, Partnership with value creation, Anti competitive behaviour,	Core, support & mgmt Processes, marketing, PRO, R&D	Knowledge sharing, best practices, ethical business

\* BSP as such does not directly communicate with shareholders. Communication is being done at SAIL level.



## Communication Mechanism for Stakeholder Engagement

Stakeholders	Forum for Assessing Requirements, Communicating Directions & Receiving Feedback	Frequency
Shareholders*	Annual General Meetings; Quarterly and half-yearly reports to shareholders; Shareholder Relations; Meets, Investors Survey	Annual As per plan As per Plan
Customer	Customer meet; MD's conferences with customer groups, Sales Visits to Customer & Customer Visit Report, Customer Satisfaction Survey, Prime Minister Trophy survey and feedback	Annual & or As per plan
Suppliers	Vendor meeting, Meeting with Suppliers,	As per plan
External Public/ Govt./regulators	Meetings with Central & State Govt./Steel Ministry/ Trade Bodies, Industry Association, NGOs, Visit of Parliamentary committee, PM's Trophy team, Visit of central and state Govt. officials, Ministry of Environment & Forests etc.	Regularly through meeting / publications
Community	Community meeting, Mahila Samaj Meeting, Interaction of Doctors on health issues, Involvement of senior Officials as a chief guest in local society functions (education, health, sports, culture etc)	As per plan
Employees	Production committee meeting, Safety and welfare committee meeting.	As per plan
NGOs/ Professional bodies	Visit to plant, seminars, conferences	As per plan

\* BSP as such does not directly communicate with shareholders. Communication is being done at SAIL level.



## Information generated by stakeholder consultation/ engagement

<b>Shareholders</b>	Essentially provide a feedback on the overall performance of the SAIL and its implications as regards market capitalization and creation of shareholder value. The process primarily aims to serve as a platform for the shareholders to express their opinion, views, suggestions, etc., to understand the influencing factors in their investment decision making process, to gauge the communication gap, if any, and to build and strengthen the relationship between the Company and its shareholders.
<b>Employees</b>	The information on civic amenities in the town like hospital services, water supply and electric supply, education, etc. is received from the employees during the discussions and is used in business decision-making process for betterment of employee services.
<b>Supplier</b>	Engagement aims to create win-win collaboration between BSP and the suppliers, who are increasingly being seen as business partners rather than suppliers.
<b>Customer</b>	Engagement provides information essentially on the user needs; need satisfaction and product quality and functionality.
<b>Society</b>	Top Management reviews the status of the efforts undertaken by BSP for community and rural development. The ED (P&A) carries out the regular reviews of jobs undertaken by Town Services Department for peripheral development and the activities for the welfare of women.
<b>Government and External Public</b>	The meetings with Government, Steel Ministry, Environment Ministry, and Trade Bodies are aimed at understanding the requirement under statutes related to steel and allied business. This also includes the meetings with Factory Inspector, Labour Commissioner, Police, District Administration, State Pollution Control Board, State Electricity Boards, Electrical Inspector, and Boiler Inspector etc.





## Use of information from stakeholder engagements

The feedback received from shareholders at SAIL level is often manifested in the market capitalization and share price performance of the company. This feedback forms one of the significant inputs to the strategic plan development and the consequent strategic objective setting. The inputs received from customers form the basis for product improvement and products & services development initiatives, necessary for customer retention, market penetration and development. The information generated during supplier engagement essentially focuses on identifying areas with conflicting goals such as payments, material rejection information etc. This has a

bearing on Working Capital Management and inventory management primarily. The feedback is also used to finetune the vendor rating and evaluation procedure. The expectations of employees are also systematically captured and actions are initiated to align the goal of company and that of the individual for ensuring professional growth, retainment and motivation. The feedback from these stakeholders is inherent in the performance indicators like, Customer Satisfaction Index & Employee Satisfaction Index. The feedback received from the villagers, local people is used to plan for their development in the areas of road, health & hygiene, sanitation, drinking water, irrigation, etc. The feedback from Government officials is used to implement the guidelines and directives from central and local authorities.

