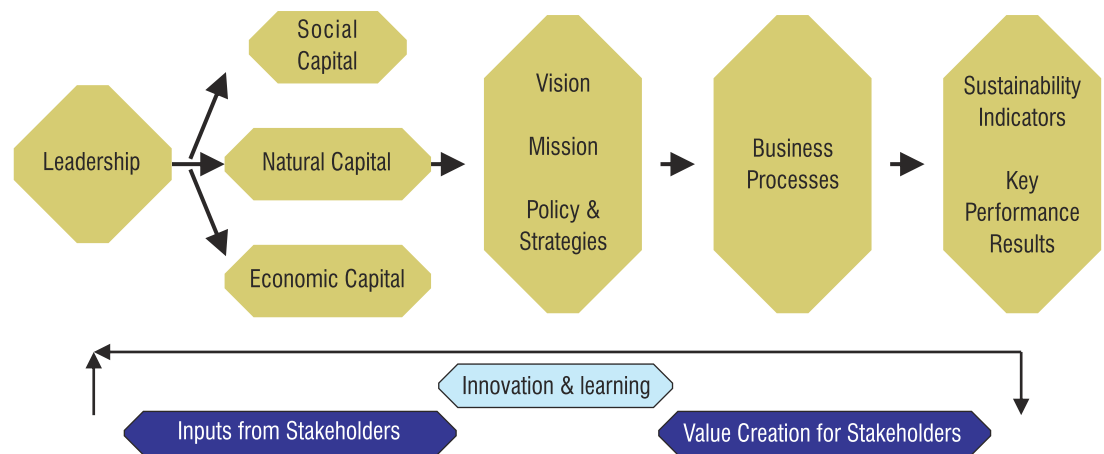


SUSTAINABILITY MODEL OF BSP

For a better tomorrow

Leadership of the organization at various level gives emphasis on balanced approach towards economic, natural and social capital. The utilization of these resources has been done in such a manner that the impacts of the operations are minimized and the value creation is maximized. Assessment of impacts on these capitals provides direction towards formulation of company's vision, goal, policies and strategies. These strategies are subsequently implemented across the various business processes of the organization. Key performance results are monitored by the management at various level through systematic identification of sustainability performance indicators. Indicators provide fuel to the employees for innovation and learning, which is again used as feedback for re-envisioning and updation of strategies. Stakeholders of the company play a predominant role in identification of key sustainability issues. Inputs of the stakeholders are used for preparation of sustainability objectives and targets. After implementation of objectives and targets, the value creation is evaluated and communicated to the stakeholders. The diagrammatical representation of BSP's sustainability model is given below:



SUSTAINABILITY MODEL OF BSP

Key Opportunities and Risks

The strategy planning process to identification of Sustainability opportunities & risks starts with analysis of various internal and external factors such as present and future needs of the stakeholders, SWOT Analysis, industry analysis, etc.

Strengths

- Huge repository of knowledge in iron / steel making and Skilled Manpower
- Excellent work-culture
- Adaptability to change
- Economy of scale
- Captive Iron Ore Mines and Flux Mines
- Diverse Product mix (Plate, Rail, TMT etc.)
- Strong financials
- Strong Partnership across value chain
- Customer loyalty
- Countrywide marketing network of CMO
- Adequate land bank for future expansion
- Research facilities – RDCIS / CET
- Good Training Facilities (MTI, BMDC, HRDC)

Opportunities

- Growing domestic and World demand
- Low domestic per capita steel consumption
- Increased demand for value added products
- Growth in Infrastructure sector

Weaknesses

- Old technology in many areas and ageing of equipments
- Labour intensive processes
- Dependence on imported coal
- Organizational Structural bottlenecks impacting decision making
- Increasing silica in iron ore as mining is going deeper & depleting iron ore reserves in currently operative mines.
- Adverse Age-mix.

Threats

- Rising input costs; Imported coal availability
- Emerging competition in Rails and Plates
- Dumping of steel by foreign Companies.
- Logistics especially Port, Rail, Road network

Sustainability Strategies

Bhilai Steel Plant's sustainability strategy aims to integrate the economic, environmental and social aspects. BSP not only focuses exclusively on improving the production, sales results and performance but also give thrust to achieve improvements on all fronts including safety and health of employees, environment and the all round development of nearby areas.

BSP has been committed to the major challenge towards its contribution to the welfare and well being of current generation without compromising the potential for a better quality of life of future generations. BSP has targeted itself to adopt environment friendly technology and ensure high level of health and safety standards for workers and communities while implementing the strategy to enhance shareholder value and ensure long term viability to the company. The business strategies along with environment, social and innovation approach adopted at BSP are summarized below

Business Strategies

- Profitability with sustained growth
- Retain/Enhance market share and deliver world class products
- Enhancing shareholders value and adherence to financial discipline
- Sustainable growth through investment in state of art technologies and timely completion of projects
- Ensuring profit through Innovation and new technologies
- Reducing cost of production
- Increasing the operational efficiencies and process yield
- Quality improvement and ISO 9001 implementation
- Flexibility to suit market dynamics and customer needs
- Customer & Supplier Partnership
- New product development to meet market/societal needs

Environment Strategies

- Implementation of EMS-ISO 14001 standard
- Reducing Particulate emission, effluent discharges
- Enhancing solid waste recycling and toxicity reduction
- Resource Conservation
- Improving energy efficiency and reducing CO2 emissions
- Biodiversity – Afforestation
- Water conservation and recycling to achieve zero discharge
- Life Cycle Assessment and Benchmarking
- Rainwater harvesting
- Opting for renewable
- Development of CDM projects
- Creating Environment Awareness and skill development

Social Strategies

- Health and Safety of employees Implementation of OHSAS - 18001
- Attract and secure human resource skills and propagating the culture of Learning
- Compliance to SA 8000, ILO conventions and GRI
- Structured stakeholder engagement & Providing services to the community
- Conduct business with high ethical standards.
- Sports and Cultural activities
- Ancillary development
- Community Initiatives
- Employment Generation and sustainable livelihood
- Medical & Health Care
- Education
- Infrastructure Development
- AIDS Control
- Water and Sanitation
- Women Empowerment

Innovation

- Process Innovation - Larger Blast Furnaces, Coal dust injection, continuous casting, walking beam furnaces, Yield improvement, energy efficiency improvement projects
- Material Innovation- Use of Iron ore fines, application of slag, recycling
- Product Innovation- High functionality steel products, light weight, high strength, longer service life, high temperature and fire resistant
- Management Innovation- Benchmarking, IMS, Six sigma, Knowledge management, ERP
- Application Innovation- Ship building, construction, ATM, boiler quality plates, long rails
- R&D in product & process development, material & energy conservation

