Sustainable Development Performance Report 2011-12

GRI G3 Certified Application Level 'A'

Sustaining Actions Improving Lives

स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LTD

Statement
GRI Application Level Check

GRI hereby states that **Steel Authority of India Limited** has presented its report "Sustaining Actions Improving Lives. Sustainable Development Performance Report 2011-12" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 18 March 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 6 March 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

Contents

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

CS Verma

(CS Verma)
Chairman

January 2012

Chairman's Message

Never before in history has there been a greater need for sustainability..... Initiatives for attaining higher sustainability be it economic, environmental or social is indeed the most important investment for future....

Dear Stakeholders,

SAIL, since its inception has been a front-runner in sustainability initiatives. SAIL was awarded an 'A' level GRI Check recognition for our first Corporate Sustainability Report last year, which is certainly encouraging. This year as we release our second Sustainability Report, the subject continues to be a high priority area for our Company with an enhanced strategic relevance.

As we move into the volatile business realities of tomorrow, with economic upheavals and environmental & social concerns, we have been constantly working towards a comprehensive sustainability strategy which is relevant to all stakeholders. This strategy strengthens our credo of 'Making a meaningful difference in people's lives'.

Our Modernization & Expansion Programme has started yielding results with additional capacity coming on-stream across the plants/units. The adoption of state of the art technologies would help us to improve our productivity and cost effectiveness and also help us to make our processes more environment friendly. Our investment outlay for the 12th 5-year plan is also substantive and is geared towards realizing our 2020 vision of sustainable growth to a capacity of 45 MTPA.

We continue to enhance our focus on Research and Development for improving sustainability. Our R&D Master Plan comprises High Impact Projects & Technology Mission Projects including initiatives addressing eco-issues, development/acquisition of break-through technologies etc. Our R&D investments are helping us on several fronts such as, towards cost reduction, productivity improvements, optimum utilisation of raw materials, energy reduction and product improvement.

We strongly believe that employees are our pillar of strength. We are continuously inculcating an organisational culture that supports flexibility, learning and is proactive to change. We chart a challenging career for employees with opportunities for advancement and rewards.

In addition to our internal efforts, we are also open to strategic alliances to enhance our value for all stakeholders and the society at large. A few strategic interventions in this regard were conceptualized during the course of the year which should help us to unleash our potential in the coming years.

SAIL has always been a key player in the infrastructural development and societal care in its operating regions. We continue to make meaningful contributions towards healthcare, education, vocational training etc. These initiatives are directed not only towards the employees but are available for the non-employees as well with an added focus on the underprivileged sections of the society which form a substantial proportion of the populace in the localities around the plant and mines.

In keeping with our thrust on dealing with ecological contours, our key operational interventions have reduced particulate matter emission, specific water consumption and effluent discharge. There has been a reduction of 56%, 15% and 9% in these parameters respectively over the past 6 years.

We continue our perseverance on reducing specific energy consumption and optimizing consumption of virgin raw materials. This is being done through a judicious combination of imbibing technological advancement & improved process discipline across the steel manufacturing value chain right from the mines to the consumption points.

Sustainability is and will continue to be our prime focus as we work towards our long term vision & strategy. The attached report details our various measures, thrust areas, initiatives & achievements over the past year towards our sustainability endeavour. As we navigate our way to future, we would welcome inputs & suggestions from you, our valuable stakeholders, towards creating a sustainable and rewarding tomorrow.

This report has been prepared in accordance with the 'G3' guidelines of GRI Sustainability Reporting and intended to communicate our sustainability initiatives and achievements to our stakeholders. It represents a balanced presentation of our organization's economic, environmental and social performance.

To conclude, I affirm our commitment towards sustainability aptly described through the quote by Theodore Roosevelt: "The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired in value."

With best compliments

(C S Verma)
Chairman

Business Profile

Steel Authority of India Limited (SAIL), a Government of India undertaking is one of the largest state-owned steel-making companies and one of the largest steelmakers in the World with a production of 12.96 million tonnes of crude steel during 2011-12. With a turnover of INR 503.48 billion (US$9.42 billion), the Company is among the top five profit earning corporates of the country. Headquartered at New Delhi, SAIL is also among the five Maharatnas of the country's Central Public Sector Enterprises (CPSE).

Offering vast range with 50 mild, special and alloy steel products in 1000 qualities and 5000 dimensions, the Company not only straddles the domestic steel industry but also commands a market share of 18%. It has a considerable international presence with SAIL steel finding ready acceptance in over 30 countries worldwide. SAIL manufactures and sells a broad range of steel products, including hot and cold rolled sheets and coils, galvanised sheets, electrical sheets, structurals, railway products, plates, bars & rods, stainless steel and other alloy steels including branded products such as SAIL TMT and SAIL JYOTI. SAIL is a fully integrated iron and steel maker, producing both basic and special steels for domestic construction, engineering, power, oil & gas, railway, automotive, defence and atomic energy industries and for sale in export markets.

The government holds the majority of shares (85.82%) with the remaining being held by different financial institutions, banks, mutual funds, Foreign Institutional Investors and the general public. This vital responsibility of carrying out the marketing activity is carried out by SAIL's own Central Marketing Organisation (CMO) that transacts business through its network of 37 Branch Sales Offices spread across the four regions, 25 Departmental Warehouses, 42 Consignment Agents and 27 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. With a wide marketing network having more than 3000 dealers, SAIL ensures presence of quality steel in every district of the country.

The various plants and units of SAIL which are considered in the scope of this report are as follows:

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	SAIL Refractory Unit, Bhandaridah
Salem Steel Plant	SAIL Refractory Unit, Ranchi Road
Visvesvaraya Iron and Steel Plant	SAIL Refractory Unit, Bhilai
Chandrapur Ferro Alloy Plant	SAIL Refractory Unit, IFICO, Ramgarh

Production overview ('000 tonnes)

Item	2009-10	2010-11	2011-12
Hot Metal	14379	14757	13998
Crude Steel	13199	13453	12961
Pig Iron	319	258	97
Semi -Finished Steel	2392	2394	2527
Finished Steel	9736	9931	9328
Saleable Steel	12128	12325	11855
Special Steel Plants (Saleable Steel)	504	562	544
Total Saleable Steel	12632	12887	12400

Performance Highlights

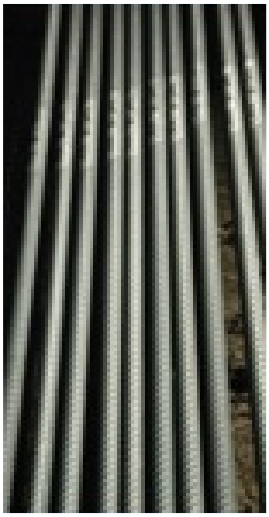
Financial Performance

Financial Performance	2009-10	2010-11	2011-12
Total Saleable Steel ('000 tonnes)	12632	12887	12400
Turnover (billion INR)	439.35	470.41	503.48
Net Sales (billion INR)	405.51	427.19	456.54
Profit Before Tax (billion INR)	101.32	71.94	51.51
EBIDTA (billion INR)	118.71	90.30	76.58
Capital Expenditure (billion INR)	106.06	112.80	110.21
Total Assets (billion INR)	683.91	760.83	763.37
Sales Foreign Countries (billion INR)	7.83	9.81	12.30
Profit After Tax (billion INR)	67.54	49.05	35.43
Budget Allocation for CSR (million INR)	800	940	640

Non-Financial Performance

Non-Financial Performance	2009-10	2010-11	2011-12
Number of Employees	116950	110794	106004
Female Employees (%)	5.56	5.70	6.00
Labour Productivity (tcs/man/year)	226	241	241
Lost Time Injury Frequency Rate (for 2009, 2010 and 2011)	0.15	0.13	0.08
Specific Energy Consumption (GCal/tcs)	6.72	6.81	6.86
Coke Rate (kg/thm)	517	520	517
Specific CO_2 Emission (T/tcs)	2.91	2.87	2.81
Specific Water Consumption (m^3/tcs)	3.96	4.06	3.86
Solid Waste Utilisation (%)	80	84	86
Villages supported for Infrastructural Development (Cumulative)	54	62	71

Products and Its Applications



Long Products

- Crane Rails
- Z-Section Centre Sill
- Z-Type Sheet-piling Section
- M S Arch
- Bars, Rods & Rebars: SAIL TMT
- Wire Rods

Applications - Structural, Construction, Engineering, Electrodes Manufacture, Bridge

Flat Products

- HR Coils, Sheets & Skelp
- CR Coils & Sheets
- Plates
- GP Sheets & Coils, GC Sheets: SAIL JYOTI
- Tin Plates
- Electrical Steel
- Stainless Steel

Applications: Boilers, Defence, Railways, Ship Building, LPG cylinders, Irrigation, Thermal/Hydro Power Projects, Merchant, Cargo Vessel, Rolling Shutters

Stainless Steel: Utensils, Tableware, Automobile Trims, Conveyor Belts, Elevators, Chemical and Food Processing Equipment, Building and Interior Decoration and Pharmaceutical Equipment

Pipes

Applications: High Pressure Transportation of Oil & Water Sewage Disposal, Tube Wells, Transportation of Crude Oil Natural Gas and Slurry Transportation

Railway Products

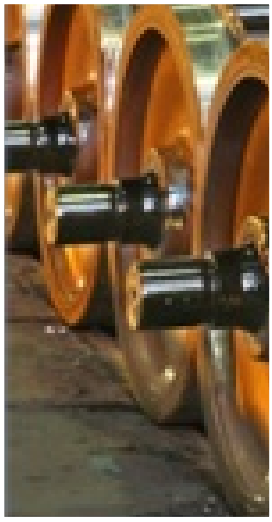
- Rails
- Wheels, Wheel Sets
- Axles

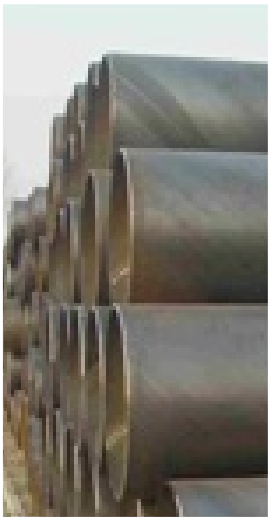
Applications: Indian Railways, Infrastructure projects

Semis

- Blooms
- Billets
- Slabs

Applications: Re-rolling





SAIL organisational network in India

Report Profile

SAIL aims to create value for its stakeholders, develop new opportunities to generate prosperity, enhance quality of life, and resolve risks and threats to sustainability in the context of social aspects, environment conservation and long-term economic growth. Our approach to sustainability is guided and supported by effective stakeholder engagement.

This is the second Corporate Sustainability Report covering the fiscal year 2011-12. The first Sustainability Report for SAIL was prepared for the fiscal year 2010-11.

The reporting has been done as per the GRI G3 sustainability reporting guidelines. Relevant aspects have been referred from Indicator Protocols, Sector Supplements and Technical Protocols and incorporated in the report. The reporting principles of materiality, stakeholder inclusiveness, sustainability context and completeness have been applied in the report as per the AA1000 AccountAbility Principles Standard (AA1000APS)-2008: the principles of Inclusivity, Materiality and Responsiveness. The report represents the balanced and reasonable presentation of our contributions in the area of sustainability.

The report has also considered the reporting guidance for boundary setting. The boundary of the report is limited to the product and services of SAIL. 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.

The reporting level of 'A' is being declared for GRI Application Level Check as per GRI G3 guidelines. The GRI check is aimed at enhancing the quality and credibility of the report as well as for ensuring quest for improvement.

The scope of report has been enhanced to cover more units this year under the framework of sustainability reporting. No unit has been closed, divested or relocated during the year 2011-12.

During 2011-12, SAIL's subsidiary, Maharashtra Elektrosmelt Ltd. (MEL), was amalgamated with SAIL and renamed as Chandrapur Ferro Alloy Plant (CFP). Salem Refractory Unit of Burn Standard Company Ltd. (BSCL)

was also transferred to SAIL Refractory Company Ltd. (SRCL), a wholly owned subsidiary of SAIL during the year.

Joint Venture Company "SAIL RITES Bengal Wagon Industry Pvt. Ltd." has been incorporated to manufacture 1500 wagons per annum (manufacture of 1200 wagons and rehabilitation of 300 wagons) which will include BOXN-type wagons, specialized high-end wagons and modern stainless steel wagons at SAIL Growth Works Kulti, West Bengal.

SAIL signed an MOU with M/s Mishra Dhatu Nigam Limited (MIDHANI) for exploring synergetic business opportunities in production of value-added products, enhanced research & development activities, exchange of technical know-how and joint investment between the two companies.

SAIL and Burn Standard Co. Ltd. (BSCL), a PSU under the Ministry of Railways, entered into an MOU for setting up a Wagon Components Manufacturing Facility (WCMF) as a 50:50 Joint Venture (JV), for the manufacturing of Cast Steel Bogies, Couplers and related products for use on the Wagons running on Indian Railways. The project is planned to be set up on leasehold land under the possession of M/s Burn Standard Co. Ltd. (BSCL) at Jellingham, West Bengal.

Reporting Standards

Statutory audit of economic and financial systems are conducted by auditors. Internal audits are also carried out within the organization. Government auditors conduct verification and review.

Quality, Environment, Health, Safety and Social audits are conducted by external auditors/internal auditors on a regular basis as per the requirement of ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2008 and SA 8000:2008.

Financial reports are prepared as per the guidelines provided by company law in India.

Energy and carbon dioxide calculation are carried out as per World Steel Association (WSA) guidelines.

Monitoring, measurement and calibration are carried out as per relevant Indian Standards. Documentation and communication are done as per the requirements of ISO 9001, ISO 14001, OHSAS 18001 and SA 8000. Norms and procedures prescribed for the work place safety under the Ministry of Labour & Welfare (Factories Act) and the Ministry of Environment and Forests are followed.

While applying the reporting principles approach, attempt has been made to address all the relevant and applicable core and additional indicators. The appropriate topics and indicators were selected based on its significance on economic, environmental and social performance of the organization and its substantial influence on the assessment and decision of stakeholders.

SAIL shall continue to report on sustainability performance on a yearly basis. For additional information about SAIL efforts towards sustainable development, you are welcome to write to: **sailsustainability@gmail.com**

Awards & Accolades

SAIL

- "MoU Excellence Award" for the year 2010-11 for the 9th consecutive year, from GoI
- Prime Minister's Shram Awards (11 out of 33)
- Vishwakarma Rashtriya Puraskar (14 out of total 28)
- 7 teams won "Excellent" and 3 won "Distinguished QC" award at The International Convention on Quality Circle 2011 held at Yokohama, Japan in September, 2011
- 33 teams won "Par Excellence", 2 teams won "Excellent" and 3 teams won "Distinguished" Award at National Convention on Quality Concepts-2011 held at Hyderabad in December, 2011
- SCOPE Meritorious Award 2010-11 for "Corporate Governance" and "Environment Excellence & Sustainable Development" for 2009-10
- "Performance Excellence Award" 2010-11 from Indian Institute of Industrial Engineering
- 13 Awards (6 winners and 7 runner up) out of total 123 "National Safety Awards-2009", from GoI
- "Golden Peacock Environment Management Award 2011" from IOD
- "Randstad Award - 2011" under Manufacturing Industries category from Randstad Holdings, Netherlands
- "Dainik Bhaskar India Pride Gold Award-2011" in the category of Metals & Minerals & Trade including Mining, for Central PSUs
- "IEI Industry Excellence Award 2011" from Institute of Engineers, India
- "Skoch Award" for Financial inclusion under the category of Women Empowerment
- First prize at Town Level from Town Official Language Implementation Committee (TOLIC), GoI

BSP

- Prime Minister's Trophy for the Best Integrated Plant in India for the Year 2009-10
- "Golden Peacock Eco Innovation Award 2011" from IOD
- "Golden Peacock HR Excellence Award for the Year 2011" from IOD
- "Greentech HR Excellence Award 2011" under the award category "Employee Services" from Greentech Foundation, New Delhi

DSP

- "Golden Peacock National Quality Award-2011" from IOD
- "Indian Achiever's Award 2010" on Corporate Leadership from Indian Achievers Forum, New Delhi
- "Greentech Environment Excellence Award (Gold) - 2010" in Metals and Mining Category for environmental preservation from Greentech Foundation, New Delhi
- "Greentech CSR Award (Gold)-2010" in Metals & Mining Category by Greentech Foundation, New Delhi
- "Golden Peacock National Quality Award-2011" by IOD

RSP

- "Rajbhasha Gaurav Samman" from the Bhartiya Rajbhasha Vikas Sansthaan, Dehradun
- "Greentech Environment Excellence (Gold) Award" in Environment Management from Greentech Foundation, New Delhi

BSL

- "Golden Peacock Award - 2011" for Innovative Product/Services from IOD

SSP

- 2nd Prize of National Sustainability Award in the Secondary Steel Plants / Alloy Steel Plant Category from Indian Institute of Metals, Kolkata for the year 2010-11

RDCIS

- "Most Innovative Energy Saving Product" Award institutionalized by CII for Curtain Flame Ignition System
- "NRDC Meritorious Invention Award-2010" for Curtain Flame Ignition Technology for Sinter Machine in Steel Plants from National Research Development Corporation, New Delhi

Business Risks and Strategies

Risk assessment and strategy planning has assumed more importance than ever due to volatile market scenario and unpredictability. SAIL has always been alert of this and has been proactively trying to gauge the various risks faced by the organisation.

Risk and Strategies for SAIL

Indicators	Risk	Strategies
Economics	▪ Intense competition amongst domestic suppliers ▪ Diminished rate of growth in infrastructure ▪ Fluctuating international prices ▪ Delayed Projects implementation ▪ Fast depleting captive mines ▪ Inadequate infrastructure for movement of imported inputs/distribution of output ▪ Dependence on imported coal	▪ To protect Market Share and grow by focusing on increasing share in growth segments. ▪ Product, process and application innovation ▪ Strategizing for raw material security ▪ Development of new mines ▪ Close monitoring of project activities ▪ SAIL's ongoing expansion will be able to bridge the gap between demand & supply ▪ Aim at excellence in quality across the value chain
Labour	▪ Skill depletion in the technical areas ▪ Availability of skilled contractual workforce ▪ Health and safety during project implementation ▪ Talent retention and employee motivation	▪ Focus on specific training and capacity building at different levels ▪ Emphasis on recruitment of skilled workforce for manning of upcoming facilities & recoupment against attrition and superannuating manpower ▪ Inculcating excellent work culture with strong adaptability to change ▪ Adherence to ethical business practice standards
Environment	▪ Stringent environmental norms may require investments for technological and process innovation ▪ Increased concern on global climate issues may pose significant operational and financial risks to the industry, in the form of carbon taxes, emission caps etc. ▪ Waste generation and disposal issues ▪ Air and water quality management around production facilities and its regulatory implications	▪ Investment in environmental protection and stewardship ▪ Energy conservation ▪ Enhancing material use efficiency ▪ Waste minimization and management ▪ Complying with air emission norms ▪ Improving water use efficiency and reducing effluent discharge
Social	▪ Maintaining plant activities in harmony with society ▪ Maintaining ethical business practices across supply chain ▪ Outreach of development programme in villages	▪ Need assessment and community engagement programme ▪ Investing on community and its development with focus on health, education, women empowerment, access to improved water sources, ancillary and local industry, road connectivity, sports and culture ▪ Implementation of CPSE guidelines ▪ Strong partnership with community

SAIL being among the top steel producers of India and a respected steel supplier in the world, enjoys a vantage point when it comes to leveraging its position in the steel market. The unique position of having nationwide presence, dedicated workforce and highly stable captive mines operations provides SAIL several opportunities.

Strength and Opportunities

Strengths	Opportunities
▪ Diversified product mix and multi location production units ▪ The largest captive iron ore operations in India ▪ Skilled manpower base - Labour Productivity of 241 tonnes of crude steel per man per year during 2011-12 ▪ 70% of its total power need is fulfilled by captive power plants ▪ SAIL's RDCIS is one of the biggest in-house research and development centres in Asia. ▪ Low overall borrowings ▪ Committed huge investment on modernisation ▪ Well established systems and procedures	▪ India's strong medium term demand encourages capacity expansion ▪ Nationwide dealers' network is ideally placed to tap the emerging demand of quality steel ▪ Quality production for Import substitution ▪ Augmentation of power plants capacities under Joint Venture, to have security in this key input ▪ Enhancing improvements in the areas of Marketing, Human Resources, Infrastructure & Utilities, Maintenance, Information Technology, Environment and Safety Management etc.

Corporate Governance

The philosophy of the Company in relation to corporate governance is to ensure transparency, disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the Organization, with the primary objective of enhancing shareholders value, while being a responsible corporate citizen. The Company is committed to conforming to the highest standards of corporate governance in the Country. It 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 organisation's vision and credo. The composition of the Board of Directors is a mix of full time executive and non-executive Directors. The selection of the Directors is done following a well established process by Central Government through Public Enterprises Selection Board. The board members regularly review the performance of the organisation on economic, environmental and social issues.

The Directors present the annual report of the Company together with audited accounts for each Financial Year and the minutes are also prepared for the proceedings of the Annual General Meeting. These minutes includes suggestions, comments and feedback from the shareholders. The concern of the shareholders are discussed at the Board Meeting and after prioritisation of these concerns, the management integrates the same in its business decision.

The SAIL Board Committees are Audit Committee, Nomination and Compensation Committee, Shareholder/Investors Grievance Committee, and Committee of the Board (COB) and Sustainable Development Committee.

The Company has in place a Code of Conduct applicable to the Board Members as well as the senior management and the same has been posted on the Company's website. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchange or SEBI or any other matter related to the capital, during last three years.

The Balanced Scorecard initiative was launched in August, 2010, and after deliberations by the top management in the Annual Business Plan meeting in March 2011, Enterprise Scorecard of the company has been framed. Based on the Enterprise Scorecard, exercise for preparation of Unit Scorecard and Individual Scorecards up to the rank of General Managers and Executive Directors is being undertaken.

Being a Public Sector Undertaking, the nomination and fixation of terms and conditions for appointment as Director is made by Government of India. As such, the Nomination and Compensation Committee has not been constituted. However, the Board has constituted a Remuneration Committee comprising of three independent Directors for the purpose of finalization of Performance Related Pay (PRP) for the executives of the Company in terms of Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises. 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.

The various issues pertaining to the management of economic, environmental and social areas are collected, compiled and monitored through the various divisions of the SAIL Corporate Office. The agenda papers along with

Board of Directors

As on 31st March, 2012, 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). During the year, 11 Board meetings and 1 Annual General Meeting were held. Number of shareholders complaints received during the period from 01.04.2011 to 31.03.2012 were 30. All of these complaints were resolved during the year and no complaint was pending for redressal as on 31.03.2012.

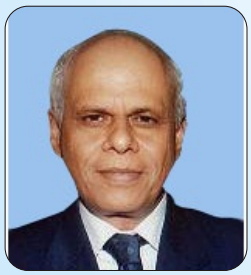
Shri C.S. Verma
Chairman

Shri S. Mukherjee
Director
Commercial

Shri Anil Kumar Chaudhary
Director
Finance

Shri S. S. Mohanty
Director
Technical

Shri H. S. Pati
Director
Personnel



Shri T. S. Suresh
Director
Projects & Business Planning

Shri A. K. Pandey
Director
Raw Material & Logistics

Shri E.K. Bharat Bhushan
Additional Secretary &
Financial Adviser,
Ministry of Steel, GoI

Shri Upendra Prasad Singh
Joint Secretary
Ministry of Steel, GoI

Independent Directors

Prof. Deepak Nayyar

Shri A. K. Goswami

Dr. Jagdish Khattar

Prof. Subrata Chaudhuri

Shri P. C. Jha

Shri P. K. Sengupta

Dr. Isher Judge Ahluwalia

Shri Sujit Banerjee

Shri Arun Kumar Srivastava

Chief Executive Officers (Permanent Invitees)

Shri Pankaj Gautam
CEO Bhilai Steel Plant

Shri N. K. Jha
CEO IISCO Steel Plant

Shri G. S. Prasad
CEO Rourkela Steel Plant

Shri Anutosh Maitra
CEO Bokaro Steel Plant

Shri P. K. Singh
CEO Durgapur Steel Plant

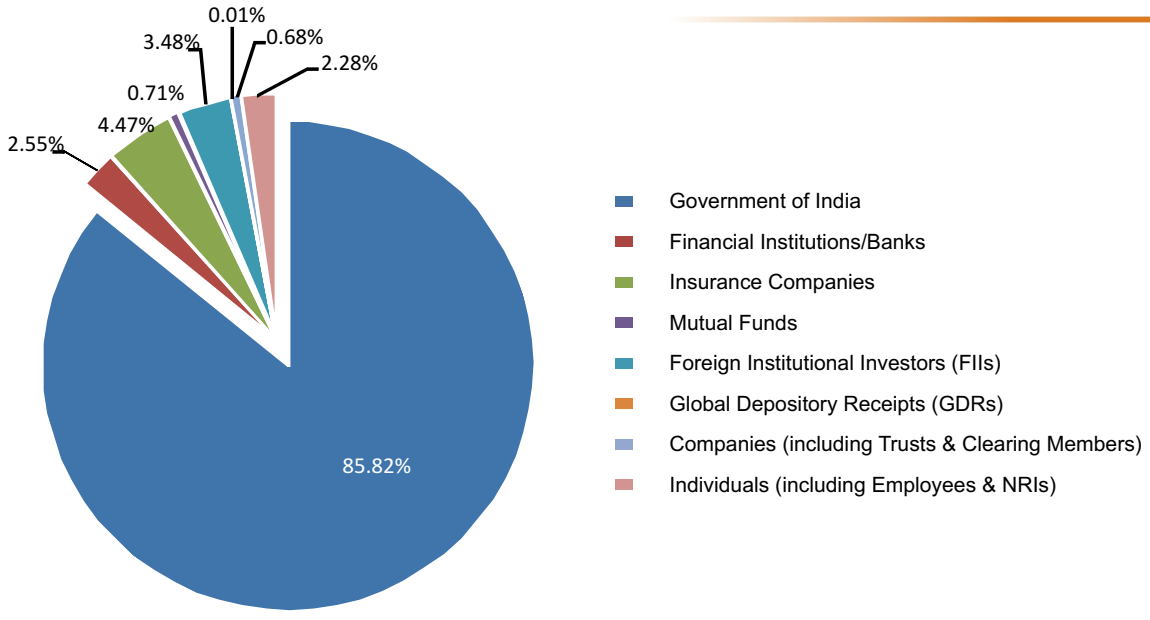
Shri Devinder Kumar
Executive Director (F&A) &
Secretary

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. Executive compensation is based on the achievements of individuals in the financial and non-financial areas. The financial benefits are based on the performance of the individual shops in the form of incentives, which are fixed on the basis of the performance and quality targets finalized at the beginning of the year. Non-financial benefits include various motivational schemes and awards.

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. None of the Non-Executive Director held any Share/convertible instrument of the Company.

Iron & Steel making is a continuous process industry with complex technology. To operate this industry, SAIL needs highly skilled personnel and competent managers and administrators. In order to meet the present and future manpower needs in diverse disciplines, multiple skills and different work areas, SAIL is committed to a system of selection that ensures induction of the best and most competent personnel to take up challenging assignments in the company. The selection system seeks to emphasise evaluation of individual capabilities in terms of their potential for fulfilment of Company's objectives. Few executives, in due course of time, rise to the highest governance body, in which other members are also inducted as per recommendations & guidelines of Government of India. Chairman and Full time Directors are appointed by Department of Public Enterprises through open advertisement. There is no bias against gender or other forms of diversity.

The GoI owns about 86% 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.



Shareholders breakup for SAIL for year 2011-12

Stakeholder Engagement

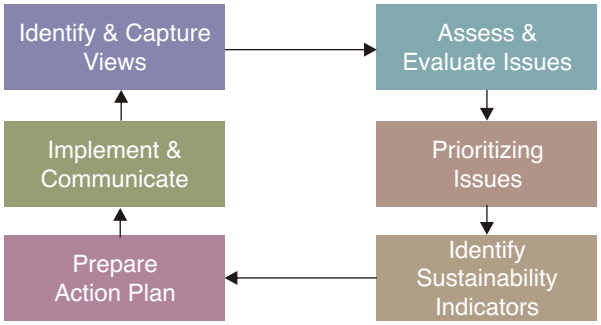
Stakeholders are broadly defined as those groups or individuals who can be reasonably expected to be significantly affected by the organisation's activities, products and/or services and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its goals.

Stakeholder Engagement is an essential element of SAIL business. It helps the company to learn from the stakeholders to identify and manage risks, to build trust and strong relationships and to identify ways to improve its performance. Stakeholder engagement aims for the following aspects:

Completeness: Knowing and understanding stakeholders and providing complete and balanced reporting of practices and performances.

Materiality: Assessing the significance to stakeholders and to management and deciding what to report on**.**

Responsiveness: Involving, responding, and providing access to information on management decisions. The aim is to meet the requirements of the AA1000 Stakeholder Engagement Standard (AA1000SES) for "Thinking and Planning", "Preparing and Engaging" and "Responding and Measuring".



Stakeholder Engagement Model

The identification of stakeholders originates from the vision of the Company. The vision indicates that all efforts shall be directed towards quality, productivity, profitability and customer satisfaction, whilst establishing value partnership with suppliers and social development through contributing to the nation. Thus, the internal and external stakeholder base of the company encompasses the government, shareholders, employees, customers, suppliers, community, NGOs, academics, consultants, competitors, financial institutions etc.

Stakeholder expectation and engagement benefits:

Stakeholders	Prioritised Stakeholder Concerns/Perception	Benefits
Shareholders	Profitability of the company, creation of wealth, stock price, grievances and complaints	Wealth Creation for Shareholders
Employees	Safe and healthy working conditions, good remuneration package and professional growth, quality of life and welfare measures, training and career development	Motivated, satisfied and enthused workforce
Suppliers	Partnership with value creation, timely payment, engaging more local suppliers, supplier satisfaction	Satisfied suppliers and lasting relationships
Customers	Partnership with value creation, product quality, delivery compliance and customer satisfaction, resolution of complaints	Lasting relationship, satisfied customer
Community	Quality of life, job opportunities, education, welfare measures, medical facilities	Socio-economic development of the region, partnership in progress
Government	Revenue and tax distribution, profitability, employment and contribution to GDP, safe working environment	Contribution to government exchequer, employment opportunities, import independence
Banks and Insurers	Financial risks, debts and borrowing, potential liabilities, compliance to statutory requirement	Safe investment, contribution to economy
NGO's	Environment quality, human rights issues, freedom of association, compliance with regulations pertaining to child and forced labour	Safe and healthy workforce, environment friendly operations, ethical and transparent operations, compliance to standards
Regulators	Environmental compliance, human rights issues, safety, compliance to ILO conventions	Legal compliance, beyond compliance
Professionals / Consultants	Partnership with value creation, employment and contribution to GDP, training and development, ethics violations	Knowledge building, value creation, collaboration
Competitors	Knowledge sharing, partnership with value creation, anti competitive behaviour, consumer privacy	Knowledge sharing, implementing best practices, ethical business
Academic	Knowledge management, R&D activities, partnership for value creation	Knowledge sharing, new technology

Stakeholder engagement mechanism:

Stakeholders	Forum for assessing requirements and communicating directions
Shareholders	Annual General Meetings , Quarterly and half-yearly reports to shareholders, Shareholder relation meets, Investor surveys
Customers	Customer meets, Director's conference with customer groups, Sales visits to customers, Customer satisfaction surveys
Suppliers	Vendor meetings, meetings with suppliers
External public/ Government/Regulators	Meetings with Central & State Government/Steel Ministry/Trade Bodies, Industry Association, NGOs, Ministry of Environment & Forests etc.
Community	Community meetings, Interaction with doctors on health issues, Involvement of senior officials as chief guest at local society functions, Town administrative committee
NGOs/ Professionals	Visits to plants, seminars, conferences, interactions

Use of information from stakeholder engagement

The feedback received from shareholders at the 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 the customer form the basis of product improvement, products and services development 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, primarily on the Working Capital Management and Inventory Management. The feedback is also used to fine-tune the vendor rating and evaluation procedure. The feedback from these stakeholders is inherent in performance indicators like Customer Satisfaction Index and Employee Satisfaction etc. The expectations of employees are also systematically captured and actions are initiated to align the goals of the Company with that of the individual to ensure professional growth, retention and motivation. The feedback received from the villagers and local people is used to plan for their development in areas like roads, health and hygiene, sanitation, drinking water, irrigation etc. Meetings with the Government, Steel Ministry, Environment Ministry and Trade Bodies are aimed at understanding the requirements under statutes related to steel and its allied business. The new legislations/ordinances are analysed and incorporated in the business decisions during the strategic planning. This also includes meeting with the Factory Inspectors, Labour Commissioners, Police, District Administration, State Pollution Control Boards, Electrical Inspectors, Boiler Inspectors etc.

Materiality Assessment

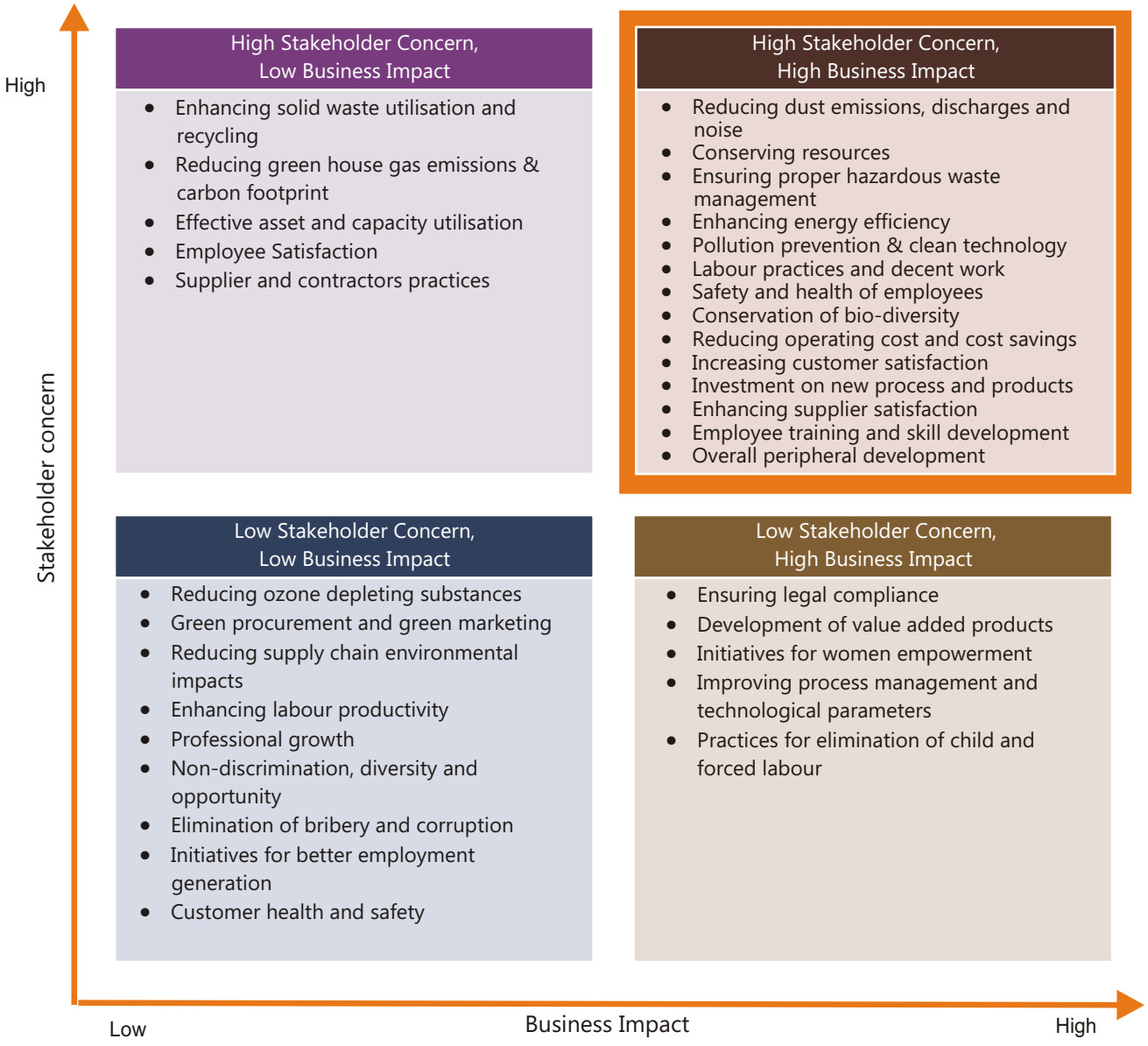
Materiality is used for assessing the significance to stakeholders and to management and deciding what to report on, i.e., it is used to determine the threshold and depth of the topics to be addressed in the sustainability report. The assessment helps in identifying the impact on business and also stakeholders concern for various sustainability issues. A materiality assessment is a powerful tool to understand where business interests overlap with the sustainability priorities of a Company's stakeholders.

Materiality assessment was performed by interacting with various stakeholders of SAIL and considering the alignment of the sustainability issues with SAIL's policies and strategies. Effort was made to connect as accurately as possible with the stakeholders by organising interactive sessions wherein, questionnaires on sustainability issues were prepared by experts and circulated amongst various stakeholders for identifying the issues and gauging their perceptions. 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.

While engaging with the stakeholders, it was observed that stakeholders echoed a strong sentiment towards

reducing emissions and discharge in an effort to conserve the environment and local eco-system. In the current scenario where environmental regulations and various governmental bodies are emphasizing the need for cleaner development, the stakeholders have voiced their affirmation for investment in new processes and products. It is noteworthy that stakeholders are highly concerned about customer satisfaction. This validates the business strategy of SAIL which has customers at the heart of its business strategy. Also evident from this survey was that safety and health of employees assumed high value among the stakeholders. A significant majority of stakeholders also commended the efforts being put by SAIL for ensuring that sustainability practices always remain at the heart of its business strategy.

Materiality Issues



Stakeholder engagement model in SAIL is governed through Citizen's Charter and Sevottam model.

Citizen's Charter

Citizen's Charter is a document which represents a systematic effort to focus on the commitment of SAIL towards its Citizens in respects of Standard of Services, Information, Choice and Consultation, Non-discrimination and Accessibility, Grievance Redressal, Courtesy and Value for Money. This also includes expectations of the Organisation from the Citizen for fulfilling the commitment of the Organisation.

The charter demonstrates SAIL's ability to consistently provide quality products and efficient and responsive services that meet requirements of the Citizens with applicable legal, statutory and regulatory requirements. It aims at enhancing Citizens' satisfaction and continually improve products and service delivery process.

Commitment between two entities i.e. SAIL and Citizens requires mutual appreciation of objectives of Citizen's Charter, Management Commitment and obligation of Citizens to facilitate the process of service delivery.

Objectives of Citizen's Charter

The significant objectives of the Citizen's Charter of SAIL are summarised as given below:

- Ensuring Citizen-centric focus across all its processes by adopting Excellence enabler for improvement of products and services
- Ensuring effective Citizen Communications Channels
- Demonstrating Transparency and Openness of its business operations by hosting the Citizen's Charter on the SAIL's web site i.e. www.sail.co.in
- Working towards delight of Citizens by fail-safe processes and in case of exigencies leveraging its Service Recovery Processes like Grievance Redressal, Handling Complaints etc

Four Step Sevottam Model

1 Citizen Identification

Identification mechanism to lay down policies in order to serve Stakeholders and incorporate a feedback mechanism in order to increase customer satisfaction and improvement in service

2 Developing Policy to meet stakeholder expectation

Based upon the identification and management of stakeholders, a comprehensive set of policies has been adopted by SAIL in order to meet their expectations

3 Delivering Services and Products as per the stakeholder expectations

Ability to consistently provide quality products and efficient services to meet the requirements of the stakeholders

4 Feedback Mechanism

SAIL issues prompt acknowledgements and redresses complaints of its Citizens through a formal procedure and robust feedback mechanism

Responsible Stewardship

Policies

Enterprise Risk Management Policy
Interplant Standardisation in Steel Industry (IPSS)
Corporate Environmental Policy
Quality Policy
Safety Policy
Human Resource Policy
Information Technology Security Policy
Sustainable Development Policy

Strengthening Relationships and Adding Values

Policies

Corporate Social Responsibility Policy
HIV/AIDS Policy
SAIL Mediclaim Scheme for Retired Employees

Charter

Citizens Charter

Sustainability Management

Vision

To be a respected world-class corporation and the 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

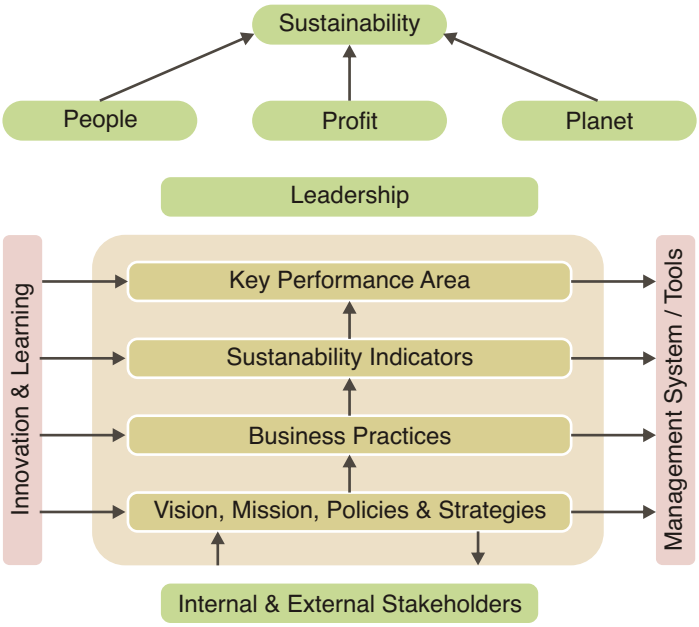
Strategy

Current strategy of the Company is reflected in its major objectives, as defined below:

- 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 aim at achieving international/national benchmarks on product cost and consumption ratios especially in new units with due allowance for prevailing conditions, technology, facilities, inputs etc.
- To aim at excellence in quality across the value chain
- To build Customer Centric Processes, Systems, Structure and Procedures
- To maintain Financial Health with rational investment and controlled borrowing
- To carry out interventions to achieve all round functional improvements Marketing, Human Resources, Infrastructure & Utilities, Maintenance, Information Technology, Environment and Safety Management etc.
- To remain socially responsible Company by committing certain amount of profit towards society in the areas of peripheral development, education, health, sports, family welfare etc.

Sustainability Model

The leadership of the organisation at various levels lays emphasis on a balanced approach towards people, profit and planet. Assessment of impacts on the three pillars of sustainability provides direction towards the formulation of the Company's vision, goals, policies and strategies. These strategies are subsequently implemented across the various business processes of the organisation. The key performance results are monitored by the management at various levels 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-envisaging and updating strategies. Stakeholders of the Company play a predominant role in identification of key sustainability issues. Inputs of the stakeholders are used for preparation of the sustainability objectives and targets. After implementation of the objectives and targets, the value creation is evaluated and communicated. In Line with DPE Guidelines on Sustainability, SAIL released its Sustainability Development (SD) policy in January 2012.



Management Tools and Concepts

- Quality Management Systems (ISO 9001:2008)
- Quality Circles
- Six Sigma
- Benchmarking
- Enterprise Resource Planning
- Environment Management Systems (ISO 14001:2004)
- Clean Development Mechanism
- Clean Technology/Pollution Prevention
- Sustainability Reporting
- Occupational Health and Safety (OHSAS 18001:2008)
- Social Accountability (SA 8000:2008)
- Enterprise Scorecard

Management approach

Economic

SAIL holds a significant market share of domestic crude steel production. The diversified product mix and multi location production units are an area of strength for the Company. SAIL has a nationwide distribution network with a presence in every district in India. This makes quality steel available throughout the length and breadth of the country.

The Company draws its strength from its talented, committed and passionate employees who are driven by their motivation to make a difference in lives of people and to contribute in their area of work. SAIL has been successful in leading the economic growth of the country through its world class products which not only provide strength to the nation but are also being appreciated by its customers across the world. This has been made possible through innovation and adoption of new technologies. SAIL envisions further strengthening of the role of nation building as well as showcasing the technological dexterity of India to the world on the back of its strategy of ensuring that each of its business is world-class and internationally competitive. To enable this, SAIL aims to further streamline its operations to improve operational efficiencies and energy effectiveness. Flexibility to suit market dynamics and customer needs has allowed SAIL to keep its bottom-line strong during market fluctuations.

Environment

The Corporate Environment Policy of SAIL affirms its commitment to positive contribution towards a cleaner, greener and sustainable development and continuously improving its environmental performance as an integral part of its business philosophy and values. SAIL pursues environmental excellence across their processes by adopting latest technologies, implementing environmental management system, creating awareness and training their employees on good environmental management practices. The Company has adopted an ISO 14001:2004 based Environment Management System to achieve excellence in environmental performance. In accordance with the National Environmental Policy (NEP-2006), SAIL is building management systems at its different plants and units for environment protection. Being a responsible corporate citizen, the Company has maintained a proactive

approach to safeguard the environment. This is evident by environmental performance of SAIL in reducing particulate matter emission and effluent discharges, enhancing solid waste utilisation, improving energy efficiency and afforestation. Charter on Corporate Responsibility for Environmental Protection (CREP) which is a voluntary commitment between SAIL and Ministry of Environment and Forests, Government of India helps steel plants to reduce environmental footprint across their operations.

Funding green measures and initiatives continues to be a priority area of SAIL. Apart from substantial amount being spent by the plants/units over the year, the company is spending around INR 50 billion on pollution control schemes, out of the total outlay of about INR 720 billion for the ongoing expansion/modernisation programme.

Social

SAIL's focus on social responsibility remains unwavering. Being a signatory to the UN Global Compact, SAIL is firmly committed to advance the ten principles in areas of human rights, labour, environment and anti-corruption. By adopting OHSAS 18001:2008, SA 8000:2008 and ILO conventions, SAIL has shown its commitment to society. The pivotal role of education, health, income generation and sustainable development is the cornerstone of its Corporate Social Responsibility.

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Labour Practices and Decent Work

SAIL nurtures a work culture which is proactive to change,

duly supporting flexibility and learning opportunities. This helps in charting out challenging career for employees and scaling up the professional ladder. SAIL's planned technological upgradation and expansion of its steel manufacturing capacity continued in 2011-12. In order to meet the growth in its manpower, SAIL has been continuously investing in its employees through systematic and well-planned training programmes to keep them updated with the latest knowledge/technology trends in the sector.

Human Capital Management

The employees of SAIL are the driving force for the organisation and SAIL prides itself for having human resource which has constantly challenged the limits and excelled in their area of work. Human Resource Policy of the Company ensures competent and committed team engaged in building a culture of learning to achieve excellence in performance and employee satisfaction through innovation and continual improvement. SAIL recognizes the potential of human resources in providing competitive advantage and considers its employees as most valuable resource.

Product Responsibility

The Indian steel industry has made rapid progress on strong fundamentals over the recent few years and is expected to continue with further growth, given robust business investment, spending on infrastructure and industrial activity. The product complies with the quality norms of the Bureau of Indian Standards or with the specific customer requirement depending upon the application. SAIL has well-established systems and

procedures to ensure compliance with requirements related to product labeling, marketing communications and customer privacy. CMO is primarily responsible for marketing of steel products. All marketing communications are governed by the guidelines of the Corporate Design Manual.

Human Rights

SAIL believes in pursuing efforts to maximize value for all its stakeholders with utmost consideration for business ethics and rights of individuals. This helps manage risks, foster a positive business climate and improve stakeholder relations. All SAIL's policies and procedures abide by the statutory norms and ensure that none of the practices overrides the basic human rights. There has been no case with regards to violation of human rights in 2011-12. SAIL forbids bribery and anti-competitive behaviour and commits to contribute to sustainable development. SAIL does not and has never indulged in Anti-Competitive behaviour. Being a public sector enterprise the Company condemns child labour and any form of forced or compulsory labour. SAIL has evolved an effective grievance redressal mechanism to address concerns relating to service conditions, wage, work, welfare, etc. As a Public Sector Undertaking, SAIL in its contracts and agreements with suppliers and other business partners is governed by - the standard Purchase/Contract Procedure 2009 (PCP-09); Statutory laws and relevant acts that are mandated in India; and other standard norms of the Company, which also takes care of Human Rights issues.

Ethics and Transparency

SAIL Corporate Vigilance lays emphasis on facilitating a conducive environment for enabling people to work with integrity, impartiality and efficiency. It further intends to ensure highest ethical standards to enhance reputation and create value for the organization.

There are vigilance departments in all plants/units of SAIL. All complaints including those relating to corruption, received in the SAIL vigilance, are investigated as per the Central Vigilance Commission guidelines. As a part of preventive action, the Corporate Vigilance performs periodic/surprise checks, joint checks, scrutiny of contracts etc. All business units of SAIL are analyzed and checked for risks related to corruption. SAIL Vigilance has implemented Quality Management System (QMS-ISO9001:2008) in all the Vigilance Departments, with the objective of enhancing transparency, efficiency and accountability.

Regular training programme covering contract procedures, conduct and discipline rules and other systems and procedures are being conducted at various plants/units.

During the year, few incidents of corruptions were reported. While most of these were advised for disciplinary actions, 5 employees were dismissed from the service. Additionally, systemic improvements and administrative actions were suggested in some cases to prevent recurrence of such incidents.

Integrity Pact

Integrity Pact is a tool aimed at preventing corruption in public contracting developed by Transparency International (TI), an international NGO. The pact is an integral part of all its high value tenders, contracts and long term agreements valuing INR 200 million and above. In fact, the Integrity Pact of SAIL has been taken as a model pact by Central Vigilance Commission and the same has been posted on CVC site for reference by others.

SAIL is amongst the pioneer Public Sector Undertakings (PSUs) in the country to have adopted Integrity Pact with effect from 16th August 2007. Several initiatives have been taken by SAIL towards establishing high standards of Corporate Governance and Transparency.

E-Commerce Activities

SAIL is the first PSU to introduce e-procurement through reverse auction and thus has reinforced transparency in its procurement system.

Online Payment

A system for online transactions with vendors and suppliers has been introduced to improve transparency in payments.

Labour Payment

A system to make payment to contract labour through banks has been implemented in some plants, which have been highly appreciated by the beneficiaries and the labour unions.

External Audits

The management has made available sufficient resources for conducting external audits.

Redressal System

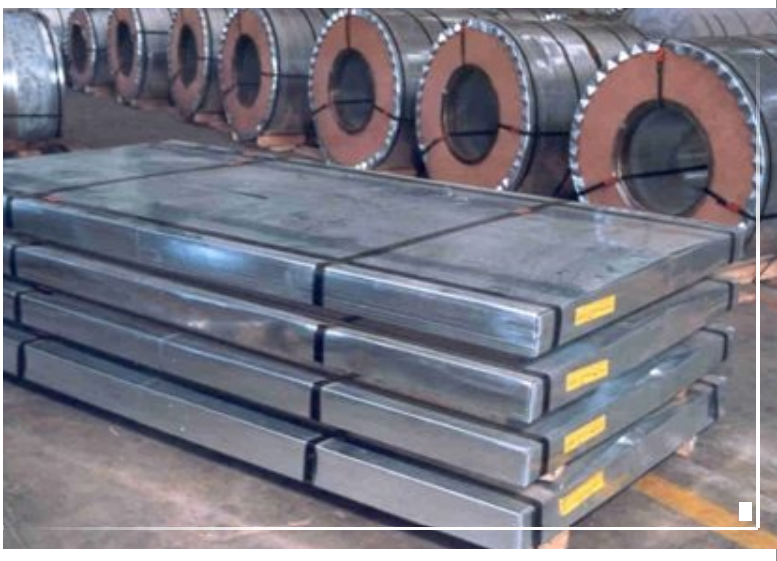
SAIL has a complaint redressal system where shareholder's complaints are received through Security Exchange Board of India, Stock Exchange, Department of Company Affairs, Registrar of Companies and Investor Forums either directly or through Registrar and Transfer Agents. The Integrity Pact also acts as a redressal system for vendors through independent external monitors

To enhance awareness amongst employees, vigilance awareness sessions and workshops on systems and procedures are regularly held at various Plants and Units of SAIL. A total of 140 such workshops involving 2937 participants were held on Purchase/Contract procedures, Conduct & Discipline Rules, RTI Act, etc. A total of 3755 periodic checks, including surprise checks and the file scrutiny were conducted in the vulnerable areas/departments of different Plants & Units. The Company disposed off 2650 Staff Grievances during 2011-12.

Various initiatives have been taken by SAIL Vigilance to increase leveraging of technology in vigilance function. These include provision for on-line submission of Property Returns, provision for generating on-line Vigilance Status, augmentation of on-line submission of Management Information System reports by vigilance departments of Plants & Units of SAIL, online File Tracking System, Knowledge Portal, Vigilance Blog for discussions relating to vigilance related issues etc. For effective implementation of the Integrity Pact, review meetings were conducted periodically with the Independent External Monitors (IEMs). To inculcate ethics amongst the Children at their formative stage, an initiative has been taken by SAIL Vigilance for nurturing ethics amongst the School Children. As a part of this initiative, Ethics Club has been launched in BSP, BSL and RSP. A case study forwarded by SAIL Vigilance on "Use of Sub-Standard Grade Roofing Sheets in Construction of Bloom Caster Shop" has been awarded the "National

Vigilance Excellence Award 2011" by Vigilance Study Circle, Hyderabad.

SAIL does not encourage any kind of political lobbying and political influence in its working pattern. However, SAIL gives respect to all national and state level political representatives. SAIL has not paid any money to any political party during the reporting year. 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. There were no fines and non-monetary sanctions for non-compliance with laws and regulations during the year 2011-12.



Partnerships, Associations and Memberships

UN Global Compact

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. SAIL has adopted these principles and initiatives which are also a part of its business strategy.

Pact with Kobe Steel

SAIL and Kobe Steel have sealed a pact to bring environment-friendly steel making to India. The agreement entails setting up a 5 million tonne per annum iron nugget making plant using Kobe's patented ITmK3 technology at SAIL's Alloy Steels Plant in Durgapur, with an investment of INR 15 billion.

Charter on Corporate Responsibility for Environmental Protection

SAIL has voluntarily extended commitment to Corporate Responsibility for Environmental Protection (CREP), a charter, to steer improvement in environmental excellence in industries. SAIL has agreed to comply with the action points suggested under the charter and has developed strategies to improve the performance further and beyond statutory compliance.

World Steel Association

SAIL is a member of WSA and is committed to:

- Increase recycling
- Use co-products to reduce CO_2 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 GHG emissions

Montreal Protocol

SAIL along with UNDP implemented an umbrella project for replacement of Ozone Depleting Substance (ODS) - Carbon Tetrachloride (CTC) used as cleaning solvent, has been replaced by tri-chloro ethylene at six steel plants at Bhilai, Durgapur, Rourkela, Bokaro, Burnpur and Salem. The project was developed in line with the objectives of Montreal Protocol. SAIL has stopped using CTC altogether. Following activities have also been initiated:

- Elimination of equipment based on CFC refrigerants R-12 by HCFC system, thereby eliminating 66 percent of the equipment based on CFC
- Induction of HFC refrigerant based equipment
- Replacement of outlived packaged air conditioners based on HCFC (R-22) refrigerant
- Adherence to standard maintenance practices

Stockholm Convention on Persistent Organic Pollutants

The Stockholm Convention (SC) on Persistent Organic Pollutants (POPs) recognizes that POPs including polychlorinated biphenyls (PCBs) need to be disposed off in an environmentally sound manner. The MoEF, SAIL and UNIDO have joined hands to initiate and implement a PCB management and disposal project at Bhilai Steel Plant of SAIL. Under this project, the PCB in transformers at Bhilai Steel Plant will be treated using appropriate technology by setting up a static facility within BSP premises.

Associations & Memberships

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

Modernisation & Expansion Programme

Over the past few years, SAIL has been giving importance to the need of modernising and streamlining its operations in order to maintain its competitive edge in wake of turbulent global scenario. The current modernization & expansion programme of the Company is being implemented simultaneously in all Plants/Units, through various schemes. These include new Raw Material Handling Plants, Sinter Plants, Coke Oven Batteries, Blast Furnaces, Steel Melting Shops and Finishing Mills, etc. All the Schemes are at various stages of implementation.

Major facilities completed at SAIL during 2011-12

- At Bhilai Steel Plant, Up-gradation of facilities under Plate Mill and the linked facilities like Compressed Air Station-4 and installation of CNC Roll Grinding Machine have been completed. Further, cold repair of Coke Oven Battery-6, Lime Dosing System in Sinter Plant II, Online Eddy Current Testing M/c & Optico-Visual Inspection System in Rail & Structural Mill have been completed during 2011-12. 700 TPD Air Separation Unit has also been completed.
- At Durgapur Steel Plant, Barrel Re-claimer for Raw Material Handling Plant has been commissioned in Feb'12.
- At Rourkela Steel Plant, the Sinter Plant-3 and the linked facilities like Ore Bedding & Blending Plant have been completed in Apr'12. 700 TPD Oxygen Plant and Simultaneous Blowing of Converters in SMS-II have already been completed.
- At Bokaro Steel Plant, under CRM-III Complex, Manual Strip Threading has been done in Pickling Line Tandem Cold Mill. Also, the Coil Packaging Line-2 has been completed. For power supply from MSDS-9, the Switchyard, Transformer & Control Room have been commissioned.
- Re-building of Coke Oven Battery 1 & 2, installation of new Turbo-blower-8 for BF-2 and Blast Furnace-5 with up-graded two stoves has also been completed.
- At IISCO Steel Plant, the facilities like Raw Material Handling System, Coke Oven Battery Complex, Sinter Plant complex and Oxygen Plant under the expansion program are ready for commissioning. The auxiliary and supporting infrastructure like 220 kV DVC Power Supply and Main Receiving Station for supply of power to the expansion units, Water Supply System, Upgraded West Railway Yard for dispatch of finished steel, coke, sinter and granulated slag from expansion project have been completed during 2011-12.

Economic Performance

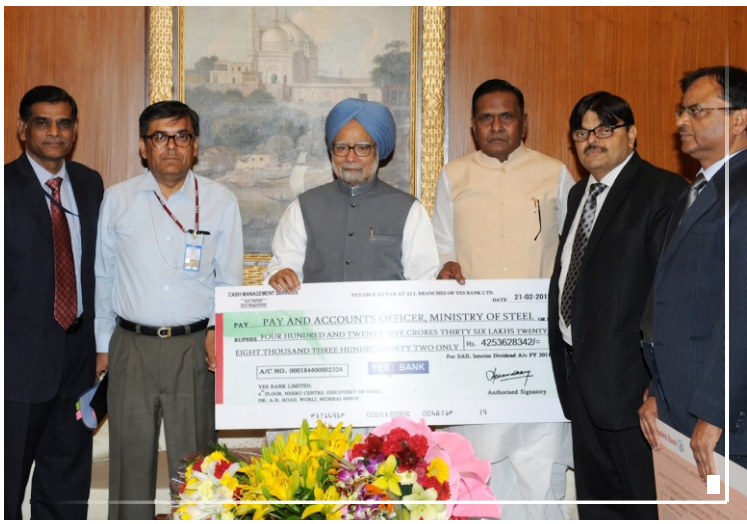
The Global Steel Industry is going through a rough phase with demand declining and the major steel economies like USA and Europe running into oversupply. The World crude steel production in 2011 stood at 1518 million tonnes, growing at 6.2% over 2010, with China contributing as high as 52% to the incremental production. The Global steel demand during 2012 is expected to grow by 3.6% to 1422 Million Tonnes, moderating slightly as compared to a 5.6% growth in 2011.

India maintained its ranking as the 4th largest steel producer in the World with a production of 71.3 million tonnes in 2011, registering a growth rate of 4.4% over 2010, as per WSA. According to JPC estimates, domestic finished steel consumption posted a growth of 6.8% during 2011-12 to 70.92 Million Tonnes.

A growth rate of 8-9% in the next few years is expected to be sustained mainly by factors such as the 1 trillion USD investment envisaged for the infrastructure sector in the 12th Five Year Plan, greater emphasis on increasing growth rate of the manufacturing sector, higher rates of urbanization, rising middle class population and tapping the potential of the rural market. Also, in terms of per capita consumption of finished steel, India at 57 kg lags behind the world average of 214.7 kg, indicating a huge potential for growth.

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, Galvanised Plain / Corrugated Sheets and Long Products comprising Rails, Structurals, 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 the saleable steel production of 12.4 Million tonne representing 112% of capacity utilisation. SAIL achieved the turnover of INR 503.48 billion which was higher by 7% as compared to previous year, mainly due to increase in average net sales realisation of saleable steel during 2011-12. The profit of the Company for the year 2011-12 was affected, mainly due to adverse impact of higher prices of inputs. Another key factor affecting the profitability was the impact of foreign exchange variation.



The Company's main business arena continued to be the domestic market, which provided about 97% of its total sales turnover. Saleable steel export at 0.334 million tonne during 2011-12, was higher by about 1%. Export incentives of 0.34 billion were earned during the year.

New Products Development

Some of the new products developed by SAIL are:

- SAIL Forming 350 / 450 HR Coil (BSL) for auto components which has resulted in weight reduction of the component to the tune of 13%
- Ultra high Strength MnB Steel (BSL) for auto sectors, with UTS > 1600 MPa achieved in the formed component
- Z Ductility Guaranteed Special Plates (BSP) - special quality plates equivalent to EN 10025 S 355 grade and ASTM 537 Cl 1
- Micro Alloyed Al-Killed CC Blooms for rolling into thicker section (>20 mm) TLT members (DSP)
- Soft Iron Plates (BSP)- development taken up in association with BARC for use in the country's first underground experimental laboratory to be setup at Pottipuram Village in Bodi West Hills for detection and study of neutrinos, the smallest particles known to humans
- High seismic resistant TMT Rebars (IISCO, Durgapur, Bhilai) with UTS/YS ratio of 1.25

Various Initiatives Undertaken

Cost Control Measures

- Emphasis on cost reduction and productivity improvement through application of new technology, process improvement, R&D efforts and strong awareness to control cost
- Monitoring of procurement of high value items and maximising use of in-house engineering shops and optimization in procurement
- Optimisation of coal blend, higher yield, higher Continuous Casting production
- Aggressive modernisation and expansion plan, improved utilisation of existing capacities
- Higher value-added steel production and strengthened-marketing initiatives

Fund Management

- SAIL earned interest of INR 13.05 billion through short-term deposits with scheduled banks
- M/s FITCH and M/s CARE, RBI approved credit rating agencies, maintained "AAA" ratings indicating the highest safety, to SAIL's long term borrowing programme
- Standard and Poor's, an International Rating Agency and M/s. FITCH have maintained rating of "BBB-" for SAIL, based on the sovereign rating of India

Capital Investment

- SAIL has undertaken modernization and expansion plan to increase capacity of Hot Metal production from 13.80 MTPA to 23.46 MTPA

Marketing

- Supplies of long rail to Indian Railways registered 24% growth
- Number of SAIL dealers increased to 3138 including rural dealers

Socio-economic performance

Economic Value (in billion INR)	2009-10	2010-11	2011-12
Economic Value generated	472.20	490.74	526.10
Operating Costs	248.54	295.56	336.84
Employee Wage & Benefits	54.16	76.23	79.32
Payments to providers of capital	20.92	20.73	23.72
Payment to Government/Exchequer	101.05	101.40	101.57
Community Investments	0.79	0.68	0.61
Total Expenditure	425.48	494.61	542.06
Economic Value retained	46.73	-3.87	-15.96

The operating costs for SAIL stood at INR 336.84 billion for the year 2011-12 as compared to INR 295.56 billion for 2010-11. There has been a steady increase in the wages and benefits offered to SAIL employees and it has grown to INR 79.32 billion during the year 2011-12 from INR 76.23 billion for 2010-11. The community investments made by SAIL as a part of its corporate social responsibility has seen a decline for past few years due to tough market situation resulting in lowered profits. SAIL made community investments of INR 0.61 billion during the year 2011-12. This investment was INR 0.68 billion for 2010-11 and INR 0.79 billion during 2009-10.

SAIL has always been committed to provide thorough support to its employees during their service as well as post-superannuation. The structure of retirement plans is based on both defined benefit plans and defined contribution plans. The retirement plan liabilities are met through mix of SAIL's general resources and through a Gratuity Trust. The liability towards Gratuity of employees is fully covered by the assets of the Gratuity Trust. 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 by SAIL.

SAIL Pension Scheme is currently being formulated. All retirement plans currently followed are mandatory for all

regular employees. The structure of retirement plans is based on both defined benefit plans and defined contribution plans.

SAIL has been receiving subsidy from Government of India in form of reliefs and concessions. For the year 2011-12, this figure was INR 0.13 billion compared to INR 0.12 billion for 2010-11 and INR 0.12 billion for 2009-10.

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 5.42, for BSL the figure is 6.87, for RSP it is 7.6, for DSP the ratio is 4.83 and it is 4.83 for ISP. Minimum wage is applicable for the particular state in which it is notified. In the above case, minimum wage of each state in which main (integrated) steel plants of SAIL are located, i.e. Chhattisgarh, Jharkhand, Odisha & West Bengal have been used.

Vendor development is also important for import substitution, cost reduction and quality improvement. Vendor development needs are dependent on factors such as make-or-buy decisions, amount of sub-contracting, breakeven points at manufacturing and plant capacity. Ancillary units located in the vicinity of the SAIL plants are considered as locally-based suppliers.

SAIL has taken a lead role in ancillary development for ensuring timely delivery, competitive pricing and minimum inventory holding at various plants while also ensuring steady order booking to the ancillary units. Plants have got different levels of committees in operation for implementation of policy decisions and to interact with various ancillary units and Government association. Preferential policy is formulated every year for development of ancillary units. Plant representative(s) also visit the works of ancillary units to assess their existing facilities and manufacturing activities. Meetings are also held at regular intervals with these units. Vendor development programme are also organized by various units on regular basis. The 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 lead to overall development of the region.

Benefits Derived as a result of R & D Efforts (2011-12)

Cost Reduction

- Performance Improvement of Coal Crushing System at DSP
- Improvement in overall coke quality of COB # 10 w.r.t. coke strength and moisture at ISP
- Enhancement of Coal Dust Injection rate in BF # 4 at DSP
- Oxygen Enrichment in BF # 2 & 3 at RSP
- Control of Steel Making & Casting Process Technology for Production of Non-oriented Silicon Steel in SMS-I at RSP
- Modification of De-oxidation & Steel Refining Practice for Reduction in Ferro-alloy Input Cost at DSP
- Enhancement of lining life of steel ladles in SMS-II at RSP
- Improvement in performance of Reheating Furnace in HSM at BSL
- Introduction of Superior Roll Cooling System in Reversing Mill and Strip Cooling System in Tandem Anneal Line of Silicon Steel Mill at RSP

- Improvement in bath condition in PL#2 of CRM at RSP

Quality Improvement

- Control of Rhomboidity in Bloom Caster at DSP

Energy Conservation

- Modification of combustion system in RHF of Section Mill at DSP
- Reduction of furnace oil consumption in Plate Mill at BSP

Product Development & Application

Some of the other products which were developed in-house:

- High seismic resistant TMT Rebars (BSP, DSP and ISP) with UTS/YS ratio of 1.25
- Development of HSFQ grade HR coil at RSP
- High seismic resistant TMT rebars and wire rods (UTS/YS > 1.25) at BSP, DSP & ISP for Nuclear Power Corporation of India limited (NPCIL)
- Special Quality Roll Threaded Bolts at DSP for Underground mines/ Construction
- Spring Steel Billets at ISP for Automotive leaf spring / Elastic railway clip
- IS 2062 (Al Killed) Structural at ISP for Angles/ Channels used in Construction

Automation

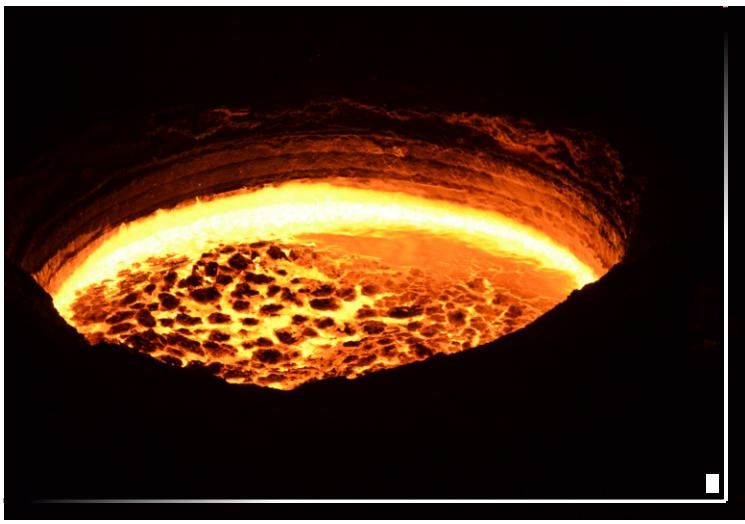
- Development of a display system for Horizontal Looper Storage in PL#1 of CRM at BSL
- Automation of Charging & Furnace Area control drives and Industrial Process Controller for increasing equipment availability in Merchant Mill at DSP
- Process monitoring, cobble detection and analysis system for Merchant Mill at DSP

SAIL Into the Future

SAIL is in the process of modernising and expanding its production units, raw material resources and other facilities to maintain its dominant position in the market.

Objective of Expansion Plan:

- 100% production of steel through BOF route
- 100% processing of steel through continuous casting
- Value addition by reduction of semi-finished steel
- Auxiliary fuel injection system in all the BFs
- State-of-art process control computerisation/automation
- State-of-art on line testing and quality control
- Energy saving schemes
- Adhering to environment norms



Environmental Performance

Environment Management has been an integral part of overall management system of SAIL with commitment to safeguard, maintain and improve the quality of environment and protect human health.

SAIL is committed to evolve a pro-environment and socially responsible trajectory of growth. The Corporate Environment Policy reiterates the Company's view to "conduct our operations in an environmentally responsible manner". The ongoing modernization/ expansion programme of SAIL, in addition to increasing the production, will also address the vital issues of elimination of technological obsolescence by phasing out old technologies and equipment, installation of efficient & environment friendly technologies and incorporation of the latest pollution control technologies and equipment. Out of the total outlay of about INR 720 billion for the on-going modernization/ expansion programme, about INR 50 billion is being spent on pollution control schemes. The remaining schemes will also contribute towards improvement of environmental performance besides being more efficient and enhancing production.

The environment management set-up in SAIL has a highly specialized and multi-layered infrastructure catering to the diverse environmental implications arising from its multifarious operations ranging from mineral extraction to rolling out finished steel. Environment Management Division (EMD) is a corporate unit monitoring and facilitating the environment management and pollution control activities in the SAIL plants and mines. Besides this, each plant has its own environment control department manned with highly qualified officers for

implementation of environmental protection measures and management. SAIL's commitment to "conducting its operations in an environmentally responsible manner, complying with applicable regulations and striving to go beyond", results from concerted efforts by the SAIL fraternity towards environmental stewardship for protection of the environment in and around its operating units.

Materials

Conservation of raw materials is becoming increasingly important for steel makers, to ensure their availability in the long term while sustaining useful natural resources. Optimal utilization of raw material is given major attention. SAIL is constantly adopting technologies and practices to improve and optimize the specific material

Raw Material Inputs for last three years

Raw material consumption (MT)	2009-10	2010-11	2011-12
Iron Ore	23.24	23.07	21.98
Coking Coal	13.60	13.94	12.63
Coke	0.08	0.23	0.71
Limestone	3.06	3.22	3.28
Dolomite	2.95	3.09	2.84
Ferro Manganese	0.07	0.07	0.07
Ferro Silicon	0.02	0.03	0.02
Silico Manganese	0.12	0.13	0.12
Hot Rolled Stainless Steel Coils	0.004	0.02	0.0002
Intermediary Products	0.07	0.00006	0.52
Zinc	0.01	0.01	0.01
Aluminium	0.02	0.02	0.02
Total	43.25	43.83	42.20

Research & Engineering Master Plan

In order to maintain its competitive edge and stronghold in the changing global scenario, SAIL has envisaged several projects to modernise the operations at its various plants. These projects are aimed at further improving the operational efficiency of the plants and at same time, reducing the impacts on environment.

High Impact Projects

Objective

Developing capabilities for in-house process development and design related to areas of common interest to all Integrated Steel Plants (like coal, coke, beneficiation, burden preparation, sinter and pellet preparation and environment)

Project 1 Iron ore beneficiation and pelletisation

Project 2 Iron making, including coke, sinter and blast furnace

Project 3 Environment and energy projects

Technology Mission Projects

Objective

Development/Adaptation of radically new technologies which are strategically important for performance (energy/environment) and product enhancement.

Project 1: To assess, select, acquire, adapt technology and set up facility for thin slab casting with in-line hot rolling

Project 2: To assess, select, acquire, adapt and set up facility for the production of CRGO steels

consumption per ton of steel produced. Increasing the recycling of wastes to reduce the consumption of coal, iron ore and flux materials like dolomite and limestone have resulted in lesser raw material consumption.

Special attention is being given to optimally utilize the raw materials. Adding to the ever-rising demand of steel in numerous sector, it is essential to recycle the scrap steel. The scrap generated within the operational units is completely recycled, and some of the waste is reused in the sinter plants, blast furnace and steel melting shop.

Scrap Utilisation

Scrap etc. (T)	2009-10	2010-11	2011-12
Scrap Used at BF	129573	130678	168418
Scrap Used at SMS	1661264	1638872	1441223
Other Recycled Inputs	8734344	8855682	6438042
Total Input Materials Used	36118503	37098711	36766261
Recycled Materials (%)	29.14	28.64	21.89

Energy and Climate Change

The environmental footprint of the organization is shaped in part by its choice of energy sources. It is for this reason that SAIL has always made a sincere effort to focus on innovation and efficient consumption of fuel in order to contribute to a greener world.

The energy consumption figures are given below:

Energy Consumption

Power & Fuel Consumtion	2009-10		2010-11		2011-12	
	Quantity	(TJ)	Quantity	(TJ)	Quantity	(TJ)
Purchased Electricity (MkWh)*	6631	85253	6777	87132	6946	89303
Generated Electricity (MkWh)*	797	10246	724	9307	619	7957
Coking Coal (MT)#	13.6	383520	13.94	393108	12.63	356166
Non Coking Coal (MT)#	0.733	13927	0.7	13300	0.688	13072
Injection Coal (MT)#	0.25	7050	0.29	8178	2.79	59502
Furnace Oil (KL)#	37	1.541	36	1.499	2927	121.90

*Indirect Energy #Direct Energy

Systematic efforts coupled with general awareness of importance of energy conservation, and adherences to standard operational practices have begun to yield positive results.

Energy Conservation Initiatives

The following energy efficiency schemes were completed during the year:

Bhilai Steel Plant

- LD Gas Holder repair along with in-situ repair of the roof structure with in-house resources, resulting in increase in average LD gas recovery from 295,000 m^3/day to 385,000 m^3/day
- Commissioning of VVVF Drives in Aluminium wire feeder of Argon Rinsing Unit- 2 Lift & Turn rotation mechanism of Slag Casting Machine 1 & 3, LT mechanism of Scarfing Crane - 4 and Slag Breaker Temperature Lance and Hybrid Lance at SMS - 2
- Installation and Commissioning of 14 nos. VVVF drives in different areas of RSM
- Commissioning of VVVF drives for energy conservation and reduction of Torque Jerks at 5 nos. Roller Table section and for Disc Rotation Motor and Tilting Motor in Merchant Mill
- Optimum capacity utilisation of Compressed Air Station (CAS-4) by modification in IPPL network and redistribution of consumer load which helped in switching off 2 nos. Compressors at CAS-3, resulting in net power saving of 2.66 MWh/day
- In-house development and installation of 1 no. of Metallic Recuperator in Furnace 1 of Rail & Structural Mill

Durgapur Steel Plant

- Modification of Combustion System of Reheating Furnaces No. 1 & 2 of Section Mill

Rourkela Steel Plant

- Thyristorization of CTS drive in Plate Mill & for RTS drive in Hot Strip Mill
- Replacement of 2 nos. of Primary Gas Coolers in Coal Chemical Department
- Introduction of mixed gas firing in MP Boiler#1 & 2 of CPP-I
- Replacement of recuperator in Re-Heating Furnace No. 5 and 6 of Hot Strip Mill
- Installation of Septum Valve in BF#3 for increasing high top pressure and thermal insulation of steam lines covering 1500 m^2

Bokaro Steel Plant

- Systematic repair of stoves to optimise stove heating, resulting in increase in Hot Blast Temperature from 917°C to 948°C
- Replacement of GCM controller by Electro Hydraulic controller in Battery No.6
- Revisioning of BF gas valves and BF gas firing system to maximise BF gas consumption in power plant to 174 tcm/hr from previous average of 158 tcm/hr
- About 3600 m^2 insulation of steam line replaced along with 22 nos. of new of steam traps

IISCO Steel Plant

- Introduction of PLC System in Coal Handling Plant and Air Blaster in Coke Oven Battery#10
- Introduction of BF Gas Firing System in Boiler Unit - A

Chandrapur Ferro Alloy Plant

- Replacement of Reciprocating Compressor with energy efficient Screw Compressor at Sinter Plant

The Government of India under the aegis of the Prime Minister's National Action Plan for Climate Change (NAPCC) envisages a sustainable future for the country through multi-pronged actions ranging from energy efficiency to forest conservation to greater share of energy from renewable sources. One of the key actions taken by the GoI and regulatory bodies has been to introduce Renewable Energy Purchase Obligation (REPO) in India. REPO is one of the tools of implementing this ambitious goal. Under these rules, distribution companies, open access consumers and captive consumers are obligated to buy a certain percentage of their power from renewable sources of energy.

Several projects using renewable energy have been taken up by SAIL units, some of which are:

- Use of agro based fuel at the boiler of SSP
- Use of coal bed methane in the re-heating furnace of BSL
- Use of biodiesel in locomotives at BSL and BSP
- Electricity generation from municipal solid waste at BSP
- Solar power plant at BSP

SAIL encourages and promotes use of renewable energy in the form of solar electricity. Remote villages in the vicinity of SAIL's operational activities have been provided with solar street lights. The guest houses of SAIL use solar energy for heating of water for domestic use. Lanes and avenues in the township are also lit up through solar panels.

SAIL realises that the response to climate change will be a critical factor in the business performance. Climate change is an opportunity that will strengthen the organisation and position SAIL for future growth and success. The climate change regulations have the potential to affect the competitive sectors of any organisation impacting the trade flows and profit potential. Hence, it is necessary to have a structured approach to carbon management to mitigate the impact of climate regulations. Key drivers to the climate change strategy include regulation, stakeholder expectations, revenue generation and cost reduction.

The combustion of fossil fuels like coal, furnace oils and other petroleum and coal based products at various process units results in emission of Green House Gases, mainly CO_2. Various functional units of SAIL which contribute to the emission of CO_2 are Coke Ovens, Sinter Plant, Blast Furnaces, Steel Melting Shop, Mills, Power Plant and other auxiliary shops.
The other indirect relevant greenhouse gas emissions are:

- Emissions during transportation of raw materials from captive mines and other sources
- Emissions during transportation of products to customers
- Emissions due to movement of employees by two wheelers and four wheelers

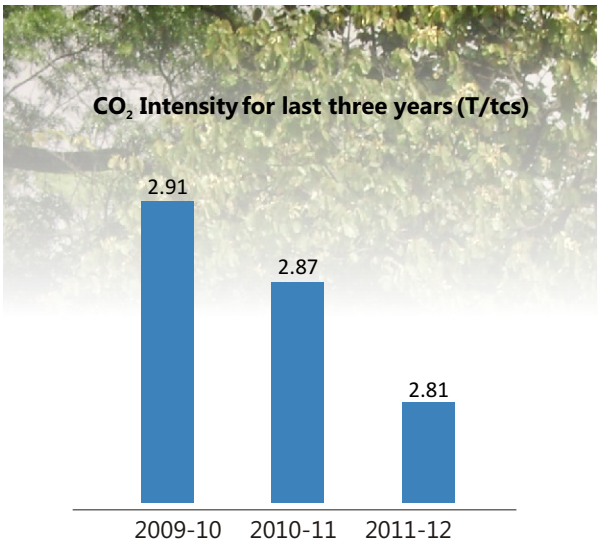
SAIL is participating in the World Steel Association (WSA) new Climate Change Policy for CO_2 reduction in steel companies through Global Steel Sector Approach. CO_2 intensity data for SAIL for the last three financial years is given:

CO_2 emission

CO_2 Intensity (T/tcs)	BSP	DSP	RSP	BSL	ISP	SAIL
2009-10	2.70	2.63	3.02	3.21	4.02	2.91
2010-11	2.73	2.64	3.05	3.02	3.55	2.87
2011-12	2.71	2.63	3.07	2.86	3.20	2.81

The above mentioned specific CO_2 emission figures include direct and indirect GHG emissions, calculated as per WSA methodology. SAIL has always given high priority to sustainable development and as a result of this, constant efforts are taken to ensure that emissions to the atmosphere can be minimised. Due to various steps taken by SAIL, the CO_2 intensity for SAIL has been brought down to 2.81 t/tcs during the year 2011-12 from 2.91 t/tcs for 2009-10.

As the figures testify, SAIL has been able to bring down CO_2 emissions consistently over the years.



Water Management

With the inspiration to create a sustainable world, SAIL has recognized the importance of water resources. As a result, SAIL has established various water management strategies and has been practicing them to reduce the risk of disturbance in the water balance. SAIL has introduced assessment of the discharged water from various units by specialists to identify areas that need improvement to reduce consumption of fresh make-up water.

Activities are planned to maximize the reuse of effluents. The bulk of water consumed at production sites is used in process cooling, scrubbing flue gases and downstream rolling mills. Water for industrial and domestic purposes at various location of integrated steel plant is mainly sourced from the regional rivers. To conserve the fresh water resource and reduce the water stress, rain water harvesting has been developed at various units of SAIL.

Various initiatives taken to reduce fresh water consumption include:

- At BSP 10.60 Mm^3 Rain water is collected in Reservoirs (2 nos. of cooling ponds) which is used as industrial make-up and for drinking
- Installation of new sewage treatment plant of 30Ml/day at BSP for treatment and utilisation of treated water for industrial purpose
- Optimizing the water pressure at make-up water header at RSP
- Treatment of waste water by reverse osmosis at SSP
- At VISL 2.4 lakh m^3 rain water was collected and utilised for industrial usage.
- For minimizing discharge, treatment and recycling of waste water has been improved by efficient functioning of effluent treatment plants (ETP) of Coke Ovens, Blast Furnaces, Steel Melting Shop, Continuous Casting Plant and Rolling Mills at all plants
- Regular monitoring and maintenance to stop leakages/ overflow from pipe joints, glands, valves, etc.
- Providing arrangement for collection and channelling the storm water for recovery of water through the supply channel
- Replacement of old corroded pipelines

Water sources for various SAIL plants

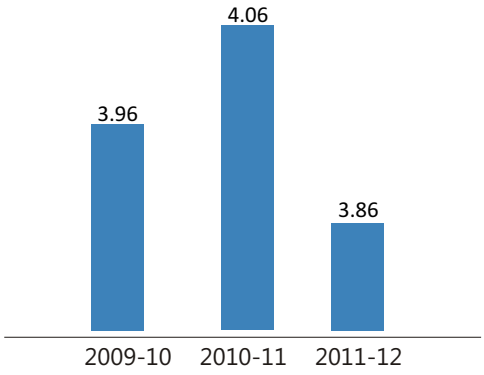
Name of Location	Water Source
BSP	River Mahanadi
DSP	River Damodar
RSP	River Brahmni
BSL	River Damodar & Garga
ISP	River Damodar
ASP	River Damodar
SSP	River Kaveri
VISL	River Bhadra
SGW	River Barakar

The plants and units of SAIL are located strategically near to water resources. All the plants draw water from rivers which are perennial in nature.

SAIL has been continuously striving for perfection which has enabled it to bring down the specific water consumption to 3.86 m^3/tcs though various water conservation measures. With several novel initiatives in pipeline, it is envisaged that water usage will be further reduced in coming years.

SAIL plants do not envisage any ground water withdrawal and hence no impact on ground water is anticipated. Moreover, the water sources for the plants are rivers which are perennial in nature and withdrawal of water for industrial purposes by the plants will not affect the sources.

Specific Water Consumption (m^3/tcs)



Percentage & total volume of water re-cycled & re-used

Year	Industrial Makeup Water Mm^3	Industrial Water Recycled Mm^3	Total Industrial Water Mm^3	Makeup Water % of Total	Recycled Water % of Total
2009-10	183.65	1386.46	1570.11	11.70	88.30
2010-11	211.29	1610.23	1821.52	11.60	88.40
2011-12	216.41	1787.16	2003.58	10.80	89.20

De-Fluoridation Plant

Salem Steel Plant has installed a De-fluoridation Plant at a cost of INR 136 million to reduce the fluoride and dissolved solid levels in neutralized effluent from the CRM of SSP. This is the first-of-its-kind plant in the stainless steel industry of the country wherein, effluent from the plant is fed through Flash Mixer and High Rate Solids Contact Clarifier (HRSCC), to reduce the hardness & suspended solids by lime soda process and poly electrolyte dosing. The sludge from HRSCC is pumped to the Filter Press and then disposed. The clarified water is taken through Dual Media Filter, UF Membrane System, Weak Acid Cation (WAC) and defluoridised in Fluoride Selective Ion Exchange Column. After reverse osmosis process the water is reused resulting in saving of precious water.

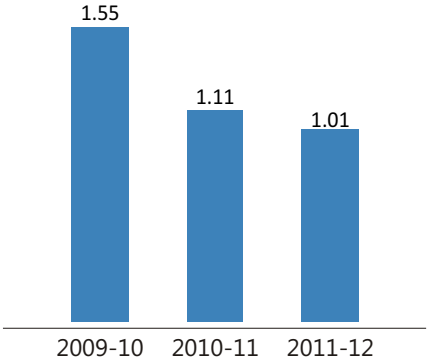
Environmental Excellence

Particulate matter emissions from stacks of chimney have severe impact on the environment as well as the health and safety of employees and people of community. SAIL has taken several steps to bring down particulate matter emissions by installing bag filters, scrubbers and electrostatic precipitators. These proactive steps coupled with efforts to use the fuel efficiently by using energy efficient burners etc. have led to particulate matter being limited to 1.01 kg/tcs in the year 2011-12 from 1.55 kg/tcs during 2009-10, a reduction of almost 35% achieved in last three years. Emissions of SO_2 are reduced by the use of low sulphur coal only, while for NOx control, special burners and process related changes are installed.

Particulate Matter Emission from Plants (kg/tcs)

Plants	2009-10	2010-11	2011-12
BSP	0.8	0.72	0.72
DSP	0.9	0.93	0.82
RSP	3.45	1.27	1.12
BSL	1.9	1.58	1.41
ISP	1.2	2.19	1.07
SAIL	1.55	1.11	1.01

Particulate Matter Emission for SAIL (kg/tcs)



It has always been an endeavour for SAIL to contain pollution levels, ensuring safe working conditions for employees as well as providing clean and green living conditions for the local community. Several initiatives taken by SAIL have resulted in complying with stack emission norms set by Central/State Pollution Control Boards.

In an effort to preserve the water quality, plants are meticulously maintaining effluent treatment plants, improving water re-circulation efficiency and quality of effluent discharged. BSP and BSL are provided with centralized water re-circulation systems while DSP and RSP are provided with localized water recirculation systems. Quality of recirculation water is maintained through dosing of conditioning chemicals for controlling corrosion, scale deposits and bacterial growth. No-Dig technology is adopted in some of the units to clear hard deposits in the underground return water trunk lines.

Water discharged by plants during last three years

Parameter	2009-10	2010-11	2011-12
Volume of water discharged (Mm^3)	34.91	34.93	30.86

Discharge water quality during the year 2011-12

Parameters (mg/l)*	Norm	BSP	DSP	RSP	BSL	ISP
pH	5.5 - 9.0	7.2 - 8.5	7.3 - 8.5	7.2 - 8.1	6.5 - 8.5	6.8 - 7.9
SS	100	26 - 84	5 - 48	12 - 99	12 - 89	18 - 38
BOD	30	11 - 26	12 - 26	5 - 15	6 - 13	2 - 12
COD	250	45 - 158	121 - 157	9 - 91	32 - 102	16 - 39
Phenol	1.0	BDL - 0.61	0.3 - 0.6	0.06 - 0.44	0.01 - 0.87	BDL - 0.33
Cynaide	0.2	BDL - 0.10	0.1 - 0.19	0.05 - 0.11	0.004 - 0.09	0.01 - 0.19
Oil & Grease	10	0.2 - 3.7	1.0 - 3.6	2.0 - 4.5	0.19-0.7	1.8 - 8.6
NH_3-N	50	0.74 - 10.7	12- 43	5.5 - 10.9	0.094 - 5.1	3.0 - 29.7

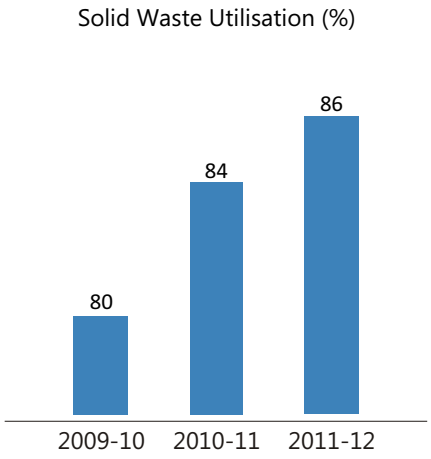
*Except pH

Solid Waste Management

SAIL has its focus firmly on continually increasing the efforts to reuse, reduce and recycle waste across all its plants and units. It is this philosophy of SAIL which motivates the organisation to come up with several initiatives to maximise the utilisation of solid waste generated at various operations. A few of these initiatives are listed below.

- Sale of BF granulated slag
- Sale and recycling of BF flue dust
- Re-use of LD slag, lime and dolomite dust, mill scale and ETP sludge
- Commissioning of slag based cement plant of capacity 2.2 MTPA at BSP and 2.0 MTPA at BSL

With these persistent efforts, SAIL has been able to increase solid waste utilisation from 80% in 2009-10 to 86% during the year 2011-12. This has been made possible by the concerted efforts of management and employees who implemented several schemes to make the best possible use of solid wastes. From a financial perspective, the reduction of waste contributes directly to lower costs for input materials, processing, and disposal. Utilization of LD slag has been a major challenge and many initiatives such as use in cement manufacturing, construction materials, pavement block making, soil conditioner etc have been taken up by SAIL. SAIL has effectively adopted waste minimization strategies, including conservation at source, recovery and recycling.



This trend of improved solid waste utilisation can also be observed from the figures of 5 ISPs where solid waste utilization has been improved over past years.

ISPs	2011-12	
Solid Wastes	Generation (T)	Utilisation (%)
BF Slags	5398272	90.94
BOF Slag	1380153	84.61
BF Flue Dust	170644	81.08
BOF Sludge	96957	38.93
Lime / Dolo Fines	172989	100
Mill Scale	280223	99.17
Refractory Wastes	58008	89.83
Acetylene Sludge	2404	95.67

ASP	2011-12	
Solid By-Product	Generation (T)	Utilisation (%)
EAF Slags	5339	0
Mill Scale	1982	28.51
Refractory Bricks	426	143.9
Grinding Dust	824	100
EAF Dust	371	0

SSP	2011-12	
Solid By-Product	Generation (T)	Utilisation (%)
Steel Shot Dust	495.09	112.42
SGL Swarf	25.12	111.11
Scale Pit Dust	3247.01	123.3

VISL	2011-12	
Solid By-Product	Generation (T)	Utilisation (%)
BF Slag	42351	100.92
BOF Slag	13762	0
Refractory Bricks	1027	95.03
BF Flue Dust	2774	0
BF Sludge	1375	0
BOF Sludge	1427	0

CFP	2011-12	
Solid By-Product	Generation (T)	Utilisation (%)
High MnO Slag	56631	46.86
Low MnO Slag	22162	28.2
Mn Ore Fines	27345	86.59
Coke Fines	8307	72.11
Flux Fines	2274	0

There have been no cases of significant fines and sanctions for non compliance with environmental laws and regulations against SAIL during the year 2011-12. During the year 2011-12, few SAIL plants submitted time-bound Action Plans along with Bank Guarantee in response to the directives issued by regulatory authorities for non-compliance with the applicable environmental laws.

Hazardous Waste Management

Hazardous wastes pose a critical threat to the environment as well as the employees and hence handling of such wastes must be accorded prime importance. SAIL has always been conscious of the danger arising due to hazardous wastes and has been making continuous efforts to ensure that such wastes are disposed off appropriately and with extreme care. There was no incident of spills during the year 2011-12.

Hazardous Waste Management at SAIL is being followed as per CPCB guidelines. Hazardous waste generated in plants is recycled/sold to authorized agencies/disposed of in Secured Land Fills or sent for disposal to State Pollution Control Board authorized Common Hazardous Waste Storage Treatment & Disposal Facility, depending on the type of hazardous waste generated. No hazardous wastes were shipped internationally.

Break-up of Hazardous Waste Generation (T)

Plants	2009-10	2010-11	2011-12
Bhilai Steel Plant	7918.35	8660.15	6064.03
Durgapur Steel Plant	3069.99	3484.95	3648.19
Rourkela Steel Plant	1340.00	1260.00	213.26
Bokaro Steel Plant	2220.00	3229.00	2311.00
IISCO Steel Plant	87.26	160.66	90.12
Alloy Steel Plant	512.00	399.00	371.00
Salem Steel Plant	1152.75	1577.84	1959.58
Visvesvaraya Iron & Steel Plant	3.33	3.11	3.65

Landfill Facility

All SAIL plants are either having a Secured Landfill Facility to dispose off hazardous waste or send them to authorised common hazardous wastes disposal facility.

A Secured Landfill Facility (SLF) has recently been created at RSP. The hazardous waste generated from the various process units will be safely disposed off here to prevent ground water pollution. The main objective of the project is to prevent contamination of ground water because of the dumping of hazardous wastes. The facility will be extended subsequently to accommodate hazardous wastes for the next 15 years.

Activities to reduce pollution due to vehicles

- Maximization of rail transportation for movement of raw materials from mines, collieries, and other manufacturing facilities
- SAIL prefers transport of its products through rail, thereby reducing road transportation and its carbon footprint.
- Conveyors are used for the movement of raw material inside the manufacturing facilities.
- Use of covered vehicle for road transportation, wherever possible.

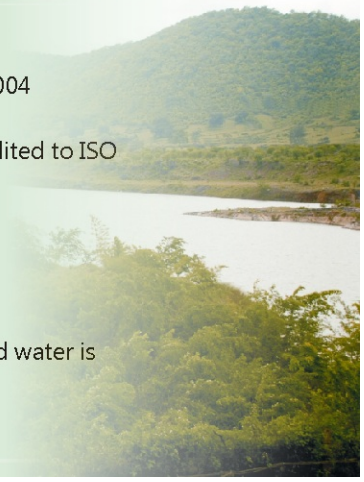
Sustainable Performance Highlights 2011-12

Economic

- 526.1 billion INR economic value generated (Revenue)
- 8.26 billion INR dividend paid
- 0.61 billion INR community investments
- 79.32 billion INR employee wages and benefits

Environment

- Entire plant at BSP, DSP, BSL, VISL and SSP are accredited to the ISO 14001:2004 Environment Management System
- Rolling Mills and few shops of RSP and Rolling Mill Complex of ISP are accredited to ISO 14001:2004 Environment Management System
- 89.20% of total water usage recycled in the process
- CO_2 intensity brought down to 2.81 T/tcs
- Particulate matter emission brought down to 1.01 kg/tcs
- Total solid waste utilisation enhanced to 86%
- Surface water is the only source of water for production processes no ground water is withdrawn for production activities



Social

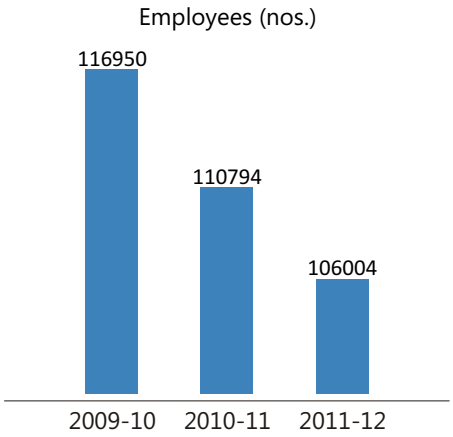
- LTIFR and LDR are reduced by 47% and 44% respectively during the last three years (2009 to 2011)
- Specialised health care to more than 30 million people
- Over 2400 free health check-up camps organised across the country, benefitting around 1.8 lakh underprivileged person
- Modern education to about 70000 children through Company's more than 146 schools
- Providing Mid-Day Meal to more than 18000 students in different schools of Bhilai everyday
- 71 Model Steel Villages completed till 2011-12
- Installed over 6000 water sources in far-flung areas, providing drinking water access to around 30 lakh people

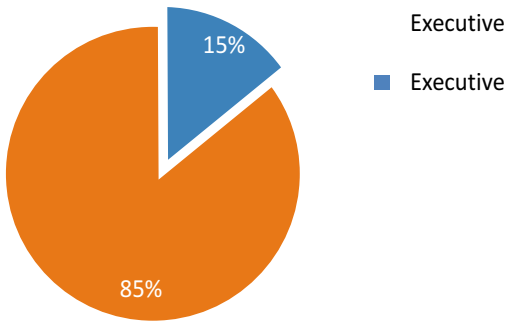
Social Performance

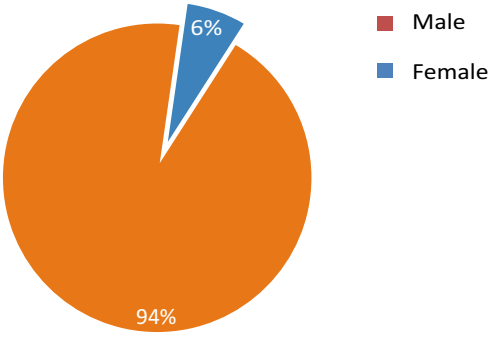
SAIL has been a firm believer that society forms the backbone of any organisation. It is for this reason that issues related to employees and community has always drawn attention of decision makers at SAIL. Several initiatives have been taken to ensure that the development of community and development of SAIL always remain mutually inclusive.

Human Capital Management

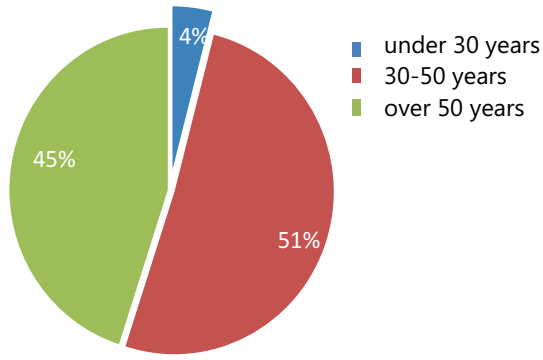
SAIL recognises the potential of human resources in providing competitive advantage and considers its employees as most valuable resource. The Company has achieved its present level of excellence through investing in its human resource, which are behind every activity, every technology and every innovation. The Company continues to work for developing capabilities and realization of best potential of its people. SAIL's first priority is the safety and health of its employees based on the principles of respect for human rights.



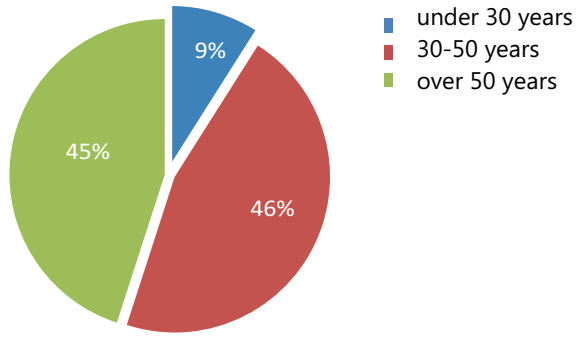




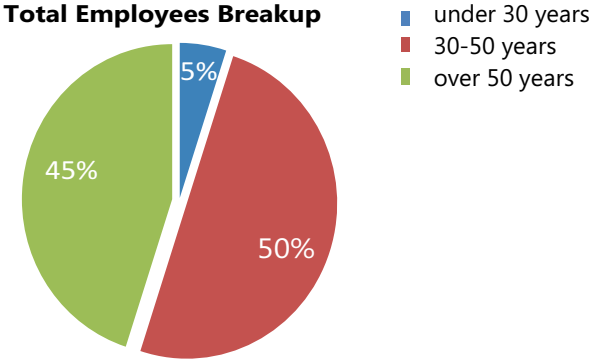
Non-Executive Employees Breakup



Executive Employees Breakup



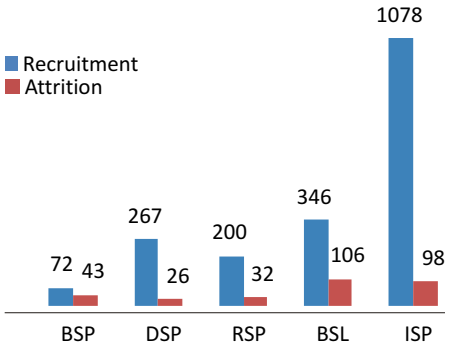
Total Employees Breakup



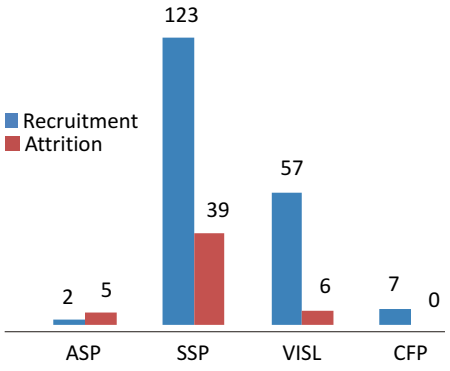
SAIL is an equal opportunity employer and being a Public Sector Unit, recruitments are guided by the rules of the Company and the relevant guidelines issued by the Government of India from time to time. In terms of the Employment Exchange (Compulsory Notification of Vacancies) Act and Supreme Court's judgment in "Excise Superintendent, Malkapatnam, Krishna District, A.P. vs. K.P.N. Visweshwara Rao and others" case, vacancies, as and when arise, are notified to the local employment exchange and are also published in the National as well as Local vernacular newspapers with prescribed qualification, age, experience etc. for each category of post. The vacancies are also displayed on the SAIL website for wider circulation.

Local residents, who are otherwise eligible for the posts notified, are eligible to apply against such posts. Female employees are given ample opportunity. Their representation stands at near 6% of the total workforce for the year 2011-12 and has been on a constant rise over the past years. During career progression, promotions are strictly based on merit.

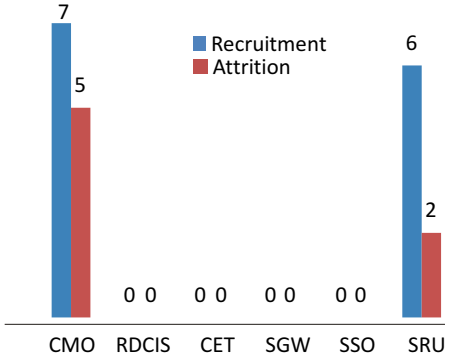
Human Resource Turnover at Integrated Steel Plants



Human Resource Turnover at Special Steel Plants



Human Resource Turnover at other Units



In SAIL, there is absolutely no difference in basic salary and remuneration paid to men and women employees within a particular grade / category. As such the ratio of the basic salary and remuneration of women to men for each employee category is 1:1.

SAIL provides parental leaves to all its employees. Maternity leave up to 12 weeks and 1 year child care is provided to women employees.

Job Contracts in non core activities are awarded to contractors through tendering process to carry out different seasonal/temporary activities incidental to work and for the jobs of specialized & intermittent nature. Contractors engage labour for executing the jobs.

Service conditions of these Contract Labours are governed under the provisions of Contract Labour (Regularization & Abolition) Act 1970 and other applicable Labour Laws. Wages to contract labour 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 contract labours. Contract labours 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. In addition, contract workers are also having access to all the basic welfare facilities like Canteen/Public Conveniences/Drinking water/Restroom etc. inside the work premises. General safety training & personal protective equipments are also provided to them for their safety at work place.

Increase in the engagement of contract labours in the recent past has been mainly on account of ongoing modernization & expansion programme.

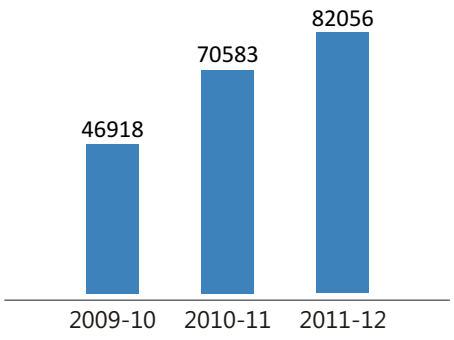
Over the years, SAIL has kept its belief in "people-building philosophy". New employees are recruited with equal opportunities being provided to all, without any discrimination with regard to gender, caste, religion or marital status. SAIL has an HR policy where the involvement of all employees in innovation, production and productive work environment are given a major thrust.

To enable employees to plan their work, utilise their capabilities and maximise their contribution, SAIL has instituted Executive Performance Management System. The objective of this system is to foster a performance oriented culture among the employees to drive the organisation on the path of excellence. Online Competency based Performance Management System has been implemented for all executives irrespective of gender. Performance appraisals and reviews are done manually for all non executive employees, irrespective of gender. SAIL has several schemes such as Quality Circles

Representation of SC/ST for last three years

SC Employees			ST Employees			Total Employees		
2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
18112	17373	16720	15016	14466	13982	116950	110794	106004

Contractual Labour at SAIL Units



(QC) and suggestion scheme. QC projects are encouraged by SAIL and selected projects are documented and published in form of booklet. Projects team members are also sponsored for national and international competitions, bringing laurels to SAIL.

As per the Right to Information Act 2005, all the SAIL plants and units have RTI Cell which facilitates common citizens in seeking any information related to the plant.

An employee is required to serve notice period of 3 months prior to release on resignation. Whenever there is requirement to change the duty hours, the management informs representatives of employees and contract labour in advance.

Benefits like Life Insurance, Health care, Disability/ Invalidity coverage, Maternity Leave, Retirement Benefits etc. are standard for full-time employees of the organization. Contract Labourers engaged by the Contractors in establishments of SAIL, are covered under the ESI Benefits. 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 been a pioneer in providing various social benefits to its employees in the form of housing, civic amenities, education, sports & recreation and social welfare. SAIL has developed full fledged townships over the years at its plant locations. These townships have all the modern infrastructural facilities along with premier schools, super specialty hospitals, shopping malls, multiplexes, parks, gyms, 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. This is the most direct way to demonstrate an organization's practices in relation to freedom of association.

In SAIL, wages and benefits of non-executive employees are decided by NJCS (National Joint Committee for the Steel Industry), which is a bipartite forum comprising of members representing both the employers as well as

Statutory Benefits	Non Statutory Benefits
Provident Fund	Group Insurance Scheme
Gratuity	Compassionate Employment
Employees' Pension Scheme	Medical Facility to Employees
Life Cover Scheme	SAIL Group Mediclaim Policy
Workmen Compensation	Workmen Compensation
Welfare measures under the Factories Act	Education Facilities
Maternity Benefits	Festival Advance
Funeral Expenses	Conveyance Advance
	House Building Advance
	Long Service Award
	Scholarship Schemes
	Child Care leave upto 1 year
	Farewell to Superannuating Employee
	Life cover scheme (in Total Permanent Disablement cases
	Employee Family Benefit Scheme for disabled and separated employees or family of deceased employee

employees. Each plant also has Labour Welfare Officers who interact with government labour officials to ensure statutory compliance. From the employees' side, three employees each from the four Central Trade Union organisations of INTUC, AITUC, HMS and CITU and one each from the recognised trade union organisations of the main steel plants of BSP, DSP, RSP, BSL, ISP, ASP, SSP, VISP,CFP & RINL are members of the Committee. From the employers' side, Chief Executive Officers/Executive Directors of Steel Plants of BSP, RSP, DSP, BSL, ISP, ASP, SSP, VISP, CFP & Director (Personnel) of RINL are members of this Committee. From SAIL Corporate Office, Director (Finance) is a member and Director (Personnel) is the Convenor-Member of the Committee. All regular employees are covered under the purview of this collective bargaining body.

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 workers, arising from time to time thus helping in conducive work environment.

Statutory compliances related to labour matters are dealt by designated Labour Welfare Officers at each plant/unit, who also interact with government labour machinery as per requirement.

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. Our constitution enshrines all relevant principles and guidelines prescribed by the International Labour Organisation (ILO) on human rights. There was no recorded case during the reporting year on any violation of human rights. 100% employees receive regular performance and career development reviews.
In all the new contracts, SAIL is including human rights related clauses. Periodic checks are being done with respect to various suppliers/contractors regarding 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. No structured training programme has been arranged on this subject during the reporting period.

The Company's recruitment policy requires appropriate age proof for employment. The SA 8000 clause on child labour guides communication to vendors and stakeholders that employment of persons only of age 18 years 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. Being a public sector enterprise, SAIL condemns child labour and any form of forced or compulsory labour.

SAIL has full-fledged support and services of Central Industrial Security Force (CISF) for ensuring security in and around plant. There are no known cases of discrimination on any grounds. There are no violations of human rights in SAIL.

Health and Safety

Iron and Steel making is a continuous process industry with complex technology. SAIL recognizes the importance of maintaining a healthy & safe work environment for consistent production and its sustenance. Moreover, while implementing a mega modernization and expansion plan to enhance its production, SAIL is giving special thrust on Project Safety during its execution.

SAIL plants are having well defined Occupational Health & Safety (OH&S) Policy. OH&S objectives and targets are achieved through established OH&S management programme for maintaining consciousness on safety & health amongst employees for successful implementation of safe & healthy work practices. Visible concern of top management and individual employees are demonstrated through participative approach adopted for controlling the OH&S risks / issues, consistent with the OH&S Policy and objectives for sound occupational health and safety performance.

Both management and workers' representatives agree that they have a vital interest and role to ensure a healthy and safe working environment for all employees. Joint Committee on Safety, Health & Environment in Steel Industry (JCSSI), a unique bipartite forum with representation from major central trade unions as well as management representatives of major steel producers of the country, exist at national level to jointly evolve recommendations/ action plans for ensuring a safe & harmonious work culture which gets substantiated from the harmonious Industrial Relations enjoyed over the years by SAIL plants, marked with diverse work culture at multi-locations. In addition, at plant/unit level, Departmental Safety Committees are functioning with adequate representation from workers' side which meets at fixed interval to discuss all issues related with safety, health & welfare of employees.

The committee helps to monitor and advises on occupational health and safety programme across various units. The views of JCSSI and corresponding committees formed at plant levels are taken into consideration.

Safety of employees and workers has always been highly important at SAIL. While SAIL plants have been setting records for production, safety and occupational health standards have improved proportionally. This has been made possible due to the sincere commitment of top management in spearheading the safety drive.

SAIL plants have adopted and implemented OHSAS-18001. It is an internationally recognized standard in the area of Occupational Health & Safety Management and is compatible with ISO 9001 and ISO 14001, that supports and promotes good OH&S practices, in balance with socio-economic needs. Similarly, HIRA (Hazard Identification and Risk Assessment) documents are prepared for identified areas with control measures to bring the risks to acceptable range. The emphasis is on practices being proactive and preventive by the identification of hazards and the evaluation & control of work related risks.

Safety Audits

Three-tier Safety Audits are conducted at plants and units:

- By Safety Engineering Dept. of Plants and Units
- By SAIL Safety Organisation in association with representatives of other Plants/Units
- By external agencies viz. National Safety Council, OHSAS auditors, Regional Labour Institute etc.

Essential Ingredients of Safety Management System and Practices at SAIL:

- Adequate emphasis is given on safety of human resources. OHSAS Certification across SAIL's Steel Plants covers the occupational health and safety of all regular employees, contract personnel, visitors and any other person at the work place.
- Visible Management Commitment: The Company is committed towards preventing any accident. Safety is monitored at the highest level of management i.e. Chairman and Director's level as well as by Chief Executives of respective Plants.
- Safety setup in SAIL: At Corporate level, SAIL Safety Organisation (SSO) coordinates and monitors the operational and fire safety activities. Each Plant/ unit of SAIL has a full fledged Safety Engineering Department to take care of operational safety & fire related aspects on day-to-day basis. Each department / shop have Departmental Safety Officer to promote safety awareness amongst the employees.
- Systems and Procedures: Standard Operating Procedures (SOPs) and Standard Maintenance Procedures (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 are in place which are followed up for strict adherence. Safety surveillance during all major Capital repairs / Shutdown jobs is ensured for safe working.

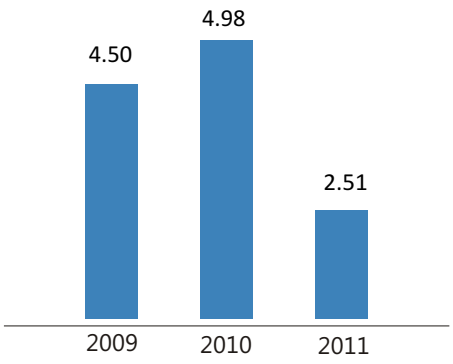
All the employees of SAIL are covered by the formal joint management-worker health and safety committees. These committees are generally called for meeting once a month in all departments and all the issues related to health and safety such as the organisation's commitment, maintenance of good health, safe environment, welfare of employees, security of the plant, etc. are communicated, consulted and discussed thoroughly and minutely. 100% of contract workers have been given safety and environment training.

Categories of OHS Programme

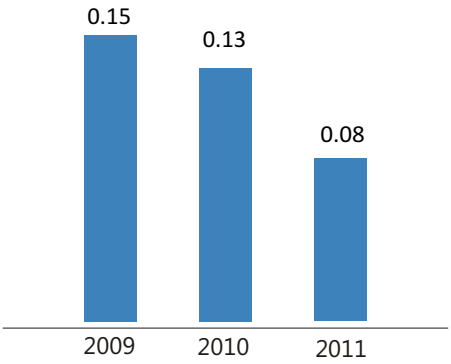
Workers

First aid, work place hazards and prevention, AIDS awareness, diabetic counseling, stress management programme, occupational psychology counseling, application of ergonomics in the work area, effect of environmental pollution on health and gas safety.

Lost Day Rate



Lost Time Injury Frequency Rate



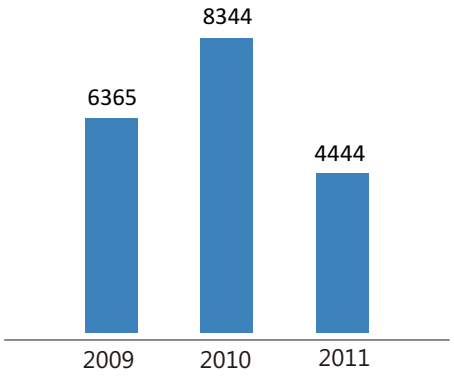
Families

AIDS awareness, family planning, communicable diseases like TB, Polio, Typhoid, Malaria, etc.

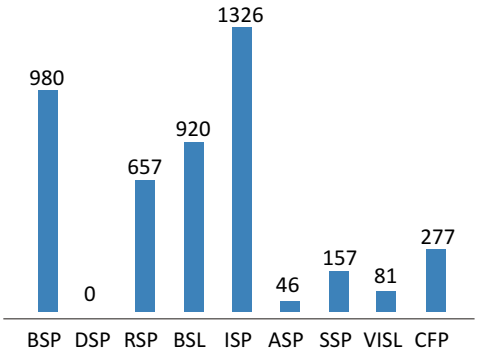
Communities

Family planning, mother and child health, immunization, nutrition, blindness control, AIDS awareness, personal hygiene.

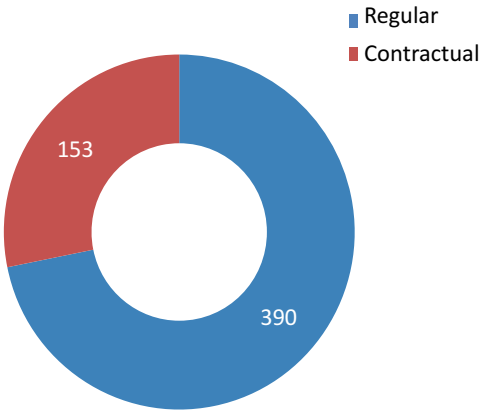
Man Day Lost



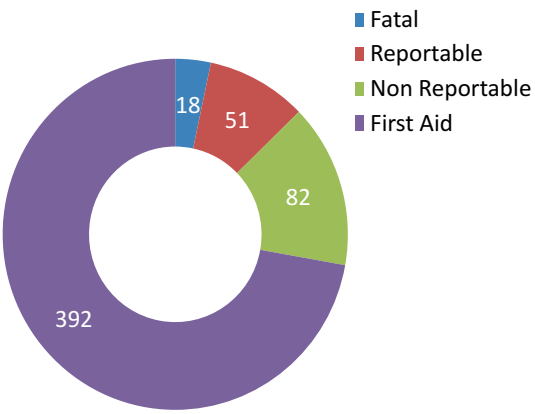
Man Day Lost for year 2011



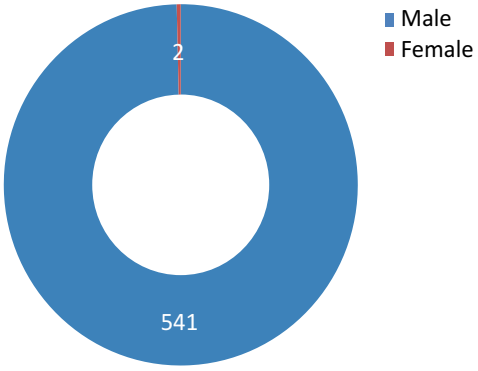
Total accidents breakup for 2011-12 by employee category



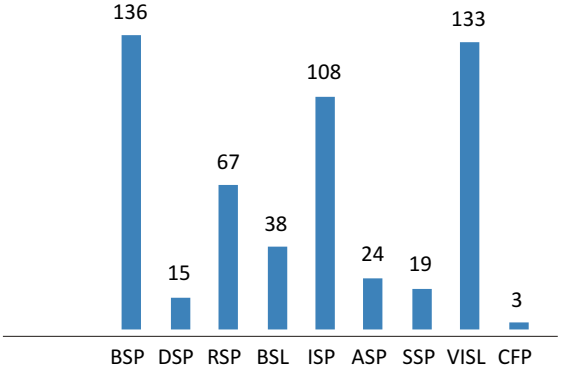
Total accidents breakup for 2011-12 by type



Total accidents breakup for 2011-12 by gender



Total accidents breakup for 2011-12



Training forms an important component of implementing an effective safety strategy. Continuous education, training, counseling, prevention and risk-control programmes are organised 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. Training on safety is also imparted to the persons of Central Industrial Security Force (CISF) hired for ensuring security in and around the plants. All CISF personnel are trained on Human Rights aspects at their individual training camps as per standard training procedure of Government of India (GoI) for security personnel.

Safety initiatives at various plants of SAIL

- Reporting, investigation of all accident cases including near miss cases / dangerous occurrences and implementation of remedial measures for preventing recurrence.
- Monitoring of Project / construction activities by senior officers of Project and Safety Engg. Deptt. for ongoing large scale modernisation and expansion programmes.
- Providing user friendly conventional & job specific personal protective equipment and ensuring the usage. Enforcing usage of Full Body harnesses during height jobs.
- Scheduled preventive inspections conducted in fire prone areas and remedial measures implemented for loss prevention. Periodic inspection of cable galleries / tunnels and oil cellars.
- Mock drills conducted as per schedule and identified weaknesses are attended for emergency preparedness.
- Special drives & campaigns are launched for inspection of vital equipment & areas like welding transformers, crane walkways, over head platforms, pedestal fans/man coolers, pressure vessels, scaffoldings, conveyors, cable galleries, oil cellars, rail-road crossings, crash helmet checking etc.. ROKO-TOKO drives are also undertaken for unsafe work practices
- HRD intervention by imparting Induction training, Refresher training, Job specific /Specialised trainings etc. helping in educating for adopting safe work practices. Concepts of Behaviour Based Safety (BBS) has been introduced to minimize at risk behaviour & reinforce safe behaviour amongst all employees including contractor workers
- Awareness generation by showing films / making presentation on BBS, displaying safety posters/ banners/ hoardings/models, etc. at strategic locations, organising Safety Exhibitions, celebration of Safety Week in various departments, organising various Safety competitions, imparting Safety training to School children etc.
- Safety aspects of contractors' workers are adequately addressed by imparting induction training to all contract workers before issue of Gate Pass. Job related Safety trainings, Training for working at height and medical check-up of contractor workers before issue of height pass are in vogue. Safety conditions in the terms of contracts awarded require adherence to safety norms and imposing fine for violations of safety norms. Surprise inspections of contractual jobs are carried out.
- Administrative measures like fixing accountability for accidents involving regular employees and contractor employees, issue of warning letters / advisory letters, enforcement of corrective / punitive actions in case of safety violations are already implemented.

BSP

- Internal audits in contractors' areas in works extended to projects area
- Introduction of 'On-line Safety Management System'
- Specific safety inputs based on-job safety analysis for contract jobs

DSP

- Implementation of BBS in CEM, RCL, Skelp Mill and HM&C department
- Installation of more than 70 CCTVs across all major shops and project areas

RSP

- Emphasis on safety in weekly mass contact exercises
- Road safety campaigns to check usage of crash helmets

BSL

- Reporting and analysis of near miss cases
- 2-days induction and 2-days refresher training to contractor workers
- Weekly safety awareness workshops

ISP

- Periodic safety interactions by CEO
- Safety training of contractor and sub-contractors' supervisors
- Surprise safety inspection in works and project sites by cross functional teams

Occupational Health

Occupational Health is one of the thrust areas in the corporate policy of SAIL. Health is considered as an essential parameter of human resource to enhance productivity, prevent occupational diseases, bring down health impairment and improve the quality of work life. Accordingly the concept of "Total Health Care" i.e Preventive, Promotive, Protective, Curative & Rehabilitative with emphasis on early detection & intervention has been introduced for work related problems and creating health awareness among employees to make work environment more humane. Fully equipped multi disciplinary OHS centres in steel plants are functioning with this concept. No reportable occupational disease has been reported at any of its plants and units.

Following OHS activities are conducted by various plants and units of SAIL:

- Preventive activities like periodic health check-up for Anthropometry, Pulmonary Function Test, Audiometry, Oxymetry, Refraction, ECG, Blood Sugar, Urine Protein, Clinical Examination etc.
- Curative activities like attending general health problems, accidental injuries and follow-up of life style diseases
- Promotive activities like Holistic Health Care by Yoga, Psychological Counselling, De-addiction Drive for Smoking/ Tobacco chewing/ Alcoholism.
- Use of PPEs in enhancing Safety & Health standards at work place and reducing absenteeism & rehabilitation
- Vision Conservation Programme of all Mobile Equipment Operators conducted to detect visual disorder and to take necessary measure for correction
- Work environment monitoring and control in respect of Dust, Gases, Heat, Noise, Vibration, Radiation, Illumination etc.
- Computerisation of health information to facilitate study of morbidity pattern
- Mass Immunisation programme, Epidemiological studies, Biological monitoring and Biochemical studies to evaluate effect of various chemicals in different departments
- Work Physiology, Health Statistics, Health Education, Psychological Assessment, Counselling and similar functions at workplace with emphasis on preventive care. Special care is taken for the women employees working in plant premises
- In addition to various health education & training programmes including AIDS/HIV prevention organized throughout the year, Special Health Awareness programme organized during celebration of World Health Day, Occupational Health Day etc.
- Research activities and presentation of papers in different national seminars/ workshops

Training and Capacity Building

SAIL recognises the potential of human resources in providing competitive advantage and considers its employees as most valuable resource. The Company has achieved its present level of excellence through investing in its human resource, which are at the back of every activity, every technology and every innovation. SAIL continues to work for developing capabilities and realisation of best potential of its people. The thrust on achieving higher growth coupled with optimal utilisation of manpower continued. The focus on improving productivity and adoption of best practices in every area are being pursued relentlessly. Efforts for active participation by employees, implanting a conducive ambience for exhibiting creativity and innovation by 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 Modernization and Expansion Programme. HR initiatives also aided in building competent teams with cross functional expertise leading to further enriching of the repositories of competencies in the Company.

The HR policy of SAIL 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 assessing the competence gap of 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 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 chaired by CEOs and its meeting is attended by zonal and departmental heads. These bodies generate several organisational 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.

Pre-employment training is given by the plant-level Training Institute 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 Management Trainees to deliver a business performance beyond the boundaries of the present levels and beliefs. The process of monitoring 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

Training hours breakup by employee category

Type of Training	Executive 2011-12	Non-Executive 2011-12	Total 2011-12
External training (including MTI/CPTI)	2714	1229	3943
Foreign training	262	0	262
Specific areas	765	8707	9472
Managerial competence enhancement	5667	3426	9093
Technical enhancement	4186	138217	142403
Fresh entrants	627	1881	2508
Other areas	3603	2878	6481

Training statistics for last three years

Performance Indicator	2009-10	2010-11	2011-12
Employees trained (%)	41.5	45.1	47.5
Training (man hours / employee)	54.4	40.8	47.8
Employees trained (nos.)	54323	53137	52967

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

Responsible Corporate Citizenship

SAIL has been at the forefront in the context of corporate citizenship with unwavering dedication towards development of the community in the vicinity of its plants and units. This commitment from SAIL has earned it a huge support from the members of community which has been a major contributor in positioning SAIL among the world leaders in steel making.

CSR initiatives are carried out in and around steel townships and far flung location across the country in the area of village development including development of Model Steel Villages (MSVs), providing Medical and Health Care, Immunization, Ante and Post Natal Care, Education, Access to Water Facilities, Construction and Repair of Roads, Road Side Drains & Street Lights, Environmental Initiatives, Women Empowerment, Assistance to people with disabilities, Sustainable Income Generation through Self Help Groups, Promotion of Sports, Art, Culture & Recreational Activities, Preservation of National Heritage etc.

CSR Highlights

- 54 Primary Health Centres, 4 Reproductive and Child Health Centres, 23 Hospitals and 7 Specialty Hospitals to provide specialized healthcare facilities
- Over 137 schools in the steel townships to provide modern education to about 56,765 children
- Access to around 7.480 million people across 86 villages during the year by constructing and repairing of roads
- Installation of over 6052 water sources, thereby providing drinking water access to around 4.091 million people

For carrying out social responsibilities, a portion of net annual distributable surplus has been earmarked every year.

Expenditure on CSR activities during last three years

Year	Budget Allocation (Million INR)	Budget Utilisation (Million INR)
2009-10	800	787.9
2010-11	940	689.5
2011-12	640	612

In addition, expenditure to the tune of INR 2 billion annually is also incurred on non-SAIL people living in and around the plant/unit location/townships on account of Health, Education, Township, etc. The facilities created in the steel townships at plants/units locations are being used by the local non-SAIL population either free of cost or at a very nominal cost.

Health

Healthcare of the community where the organization operates is critical as it creates a positive atmosphere which, in turn, maintains the health of the organization. SAIL has taken cognizance of this and has been closely involved in ensuring the well-being of community members:

No. of Primary Health Centre	-	54
No. of RCH Centres	-	4
No. Of Hospitals	-	23
No. of Specialty Hospitals	-	7
No. of beds	-	4039
No. of doctors	-	739
No. of paramedical staff	-	2967
No. of beneficiaries during the year	-	44,05,928
No of beneficiaries up to the year	-	2,04,00,888
Immunization during the year (nos.)	-	1,14,891
Sterilization during the year (nos.)	-	12,027

BSP

- Medical camps at Rowghat area for the benefit of people
- Sound proof van to an NGO "PRAYAS" to identify the deaf and dumb children

DSP

- Refractometer for eye operation of Durgapur Blind Relief Society
- Endoscopy Machine, Procedural Table, diagnosis and treatment of cancer diseases at Sree Sree Mohanananda Cancer Diagnostic, Research and Welfare Society
- Free distribution of 450 nos. of Artificial Limbs, 50 nos. of Wheel Chairs and 6 pairs of Hearing Aids

RSP

- Weekly Medical Camps at 17 villages providing free treatment and medicine treating 61773 patients
- Establishment of Mother Culture Lab at IPD and Spawn Centres at Dalposh & Chungimati villages
- Free medical centres at Chikatmati and Jalda Resettlement colony, taking care of 26050 patients
- Project Akshay: Identification and treatment of tuberculosis cases, treating 278 patients in 2011-12
- Project Sneha: Centre for free examination and treatment of leprosy patients, benefiting 576 patients

ISP

- Providing ambulance to Debasish Ghatak foundation
- Regular medical facility to peripheral villages through extended OPD facility by mobile medical van

RDCIS

- Medical assistance and health camps at various charitable hospitals
- Installation of ventilator, colour Doppler system and ECG machine at various hospitals in Ranchi

Education

Children are the future of the nation and SAIL has always been committed to nurturing them. It has been SAIL's endeavour to provide quality education to students of its townships and nearby villages. The efforts by SAIL and its plants are validated by the fact that townships like those of BSP, DSP and RSP are renowned as a hub for quality technical education:

Survival Rate in primary school	-		96.50%
Ratio of Girls : Boys (Overall)	-		1.14 : 1
No. of additional classrooms built during year	-		20
Total no. of Adult education centre	-		7
Schools within township			Students
Primary	-	44	19499
Secondary	-	54	20532
Tertiary	-	39	16734
Total	-	137	56765
Schools outside township			Students
Primary	-	183	27735
Secondary	-	137	47978
Tertiary	-	26	6468
Total	-	346	82181

BSP
- Running of school for under privileged children and tribal children at Bhilai
- Mid day meal to 22000 students through Akshaya Patra Foundation at schools around Bhilai

DSP
- Construction of more classrooms and laboratory at Shri Ramkrishna Sevashram Vidyapith, Dormat
- Improvement of Mitalli Sangha Library, Gopalpur, Durgapur
- Provision of school kits and furnitures by Ispat Mahila Co-op Society (IMCS), Durgapur

RSP
- Mid day meal to 247 students in schools in Rourkela
- Computer& library buildings at two peripheral village schools of Dumerta and Bisra Girl's High School
- Scholarships to 99 underprivileged students of peripheral villages
- "Deepika Ispat Sikhya Sadan", a special school for underprivileged children (Class-1 to 6) with free education, dress, books and mid-day refreshments.

BSL
- Construction of rooms at Kalyaneshwari Ucha Vidyalaya, Bahadurpur and at Kalapathar
- Construction of community hall at Aakandgora

ISP
- Basic provisions like generator, computers to Ramakrishna Mission free coaching centre at Asansol
- Financial assistance for providing tiffin & educational kits to various schools and ashrams

SSP
- Anganwadi noon meal at Panchayat union elementary school
- Other development in schools like provision of toilets and playgrounds, school uniforms

RDCIS
- Provision of books, stationary and infrastructure to orphanage, SAIL assisted schools at Khunti, Hatia

Engendering Development

Women empowerment has been one of the critical issues for the nation and SAIL has duly recognized this, taking several proactive steps to enhance the contribution of women to the society. Initiatives such as training in various vocational courses to village women, education facilities for girls etc. have gone a long way in empowering them:

Number of women employed	-	5234
Women in Senior management (nos.)	-	110
Women in management (nos.)	-	723
Women in non-executive position (nos.)	-	4517
No. of women engaged in institutions (Mahila Samaj)	-	1664
Quantum of order generated in 2011-12 (Amount in million INR)	-	6.758

BSP
- Nursing education to 20 tribal girls at Bhilai

DSP
- Training on Production of Biofertilizer and tailoring to village women
- Jr. Nursing Asstt. Training at Indian Red Cross Society, Durgapur

RSP
- Training for 40 Master Trainers of 10 Women Resource Centres on Group Management, Training Methodology and Evaluation, Health & Hygiene, Handicrafts, Improved Chullah, Mushroom Cultivation and Land & Water Management.

ISP
- 24 sewing machines to teach tailoring to 144 village women
- Course on Hair & Skin care and garment designing & dress making to 40 village women

SSP
- Women empowerment-Multiskilled garment technician training to village women

RDCIS
- Education, healthcare and income generation by Ispat Mahila Samaj, Ranchi

SAIL
- Besides above, various SAIL units have taken initiatives for facilitating empowerment of women belonging to a lower strata of the society through various projects like "Swayamsidhha", "Kishori", "Kiran", etc

Water Sources

Water has aptly been referred to as elixir of life and SAIL has been always dedicated to provide good water infrastructure to the community where SAIL plants operate. There have been continuous efforts for providing safe drinking water and SAIL has benefited millions of people through its ventures:

No. of water infrastructure created during the year	-	796
Number of people for whom water infrastructure created during the year	-	2,18,595
Total no. of people for whom created	-	40,91,530
No. of beneficiaries per water source	-	4950

Roads Connectivity

Roads are the most basic means of connectivity and SAIL has recognized the fact that one of the biggest hindrances to the development of villages is poor road network and hence providing good road infrastructure has been a high priority for SAIL:

Length of road constructed / repaired during the year (km)	-	46
Total number of beneficiaries during the year	-	1,02,000
Total number of beneficiaries	-	74,80,067
Total number of villages impacted	-	86

BSP
- Road side plantation on 125km of highways and development of garden at Nawagarh- Bemetara
- Distribution of Solar Lanterns and other infrastructural development such as construction of Community Hall, Cultural Stage, Swayamsidda Bhavan, Cremation shed, roads etc at various Model Steel Villages.

DSP
- Construction of Well/Reservoir of Bharat Sevashram Sangha
- Extension of Workshop building & equipment for disabled learners
- Construction of building of Sri Ram Krishna Vivekananda Sevashram, Rammohan Avenue
- Repair & Renovation of Old Age Home run by Durgapur Vivekananda Bhab Samaj

RSP
- Provision of sanitation and water points at Dumerjore, Baniguni, Jagdishpur, Ushra
- Bituminous and concrete road construction at various locations
- 'Suraksha Path', a Foot Cross Over Bridge near Indira Gandhi Park
- Renovation of football ground at Sector-22 in Rourkela
- 126 households water tank with a capacity of 65,000 litres for water supply

BSL
- Installation of 99 handpumps and digging of more than 30 bores
- Construction of road and gate at AVVK working for the empowerment of differently-abled children
- Construction of bituminous road at Model Steel Villages

ISP
- Construction of 40 nos. low cost sanitation at Dhenua
- Construction of roads, green park Shishu Udyan, shed for cultural activities at Model Steel Villages

Sports

SAIL has had a glorious history of producing fine sportspersons. The credit for this goes to the 6 sports academies which have been built at the SAIL townships. These include football academy at Bokaro and Burnpur, hockey academy at Rourkela, athletics academy at Bhilai and Durgapur and archery academy at Kiriburu. In recognition of the promotion of sports by SAIL, it has been awarded the prestigious Rashtriya Khel Protsahan Purushkar, 2012 for Community Sports Identification and Nurturing of Budding Young Talent.

In a matter of great pride to the nation, Sushil Kumar and Yogeshwar Dutt have won silver and bronze medal respectively in wrestling at London Olympics 2012. SAIL has been sponsoring these wrestlers right from their budding years and has provided them thorough support. The Company's contribution towards sports is narrated below:

Number of new sports facilities built during the year	-	5
Total number of people for whom -training provided during the year	-	10,263
From SAIL family	-	2479
From local community	-	7784
Total number of events participated in during the year	-	102
Prizes won during the year (nos.)	-	129
Investment in sports facilities (Amount in million INR)		
Infrastructure building and maintenance	-	3.862
Sports materials (equipment, sports gear, etc)	-	3.821

BSP
- Annual sports mela at Narayanpur to promote and encourage local sports talent

DSP
- Construction of Table Tennis Room and Gymnasium Room of Steel Club, Durgapur
- Two seperate players' Dressing Rooms, for boys & girls, with attached Toilets. Renovation of Basketball Court
- Upgradation of facilities at Nehru Stadium at DSP Township

RSP
- Construction of gallery shed at Ispat Stadium

ISP
- Organising Inter-village Kabaddi and Football tournament
- Providing necessary help for Football coaching camp organized by Burnpur United Club

RDCIS
- Coaching in badminton, volleyball and cricket

Ancillary and Local Development

Ancillaries have rendered a strong support to SAIL plants, as well as providing employment opportunities. SAIL has always encouraged ancillary units and provided them adequate assistance so that they can play their role in nation building along with SAIL:

Number of units recognized	-	689
People employed (nos.)	-	10321
Quantum of orders generated in 2011-12 (Amount in billion INR)	-	3.35

Electronic & Power Control Co., an enterprise of Kakku Electronic & Power Control (P) Ltd., was formed in 1969 as an important substitute unit engaged in development of electro-mechanical control equipments imported from the erstwhile USSR, for Bhilai Steel Plant. With the continuous support of engineers of BSP, Kakku was able to develop a wide range of other import substitute products to satisfy the requirements of its mother plant, BSP and jointly contributed in saving our country's foreign exchange reserves. Today, Kakku has become one of the leading manufacturers of various types of electro-mechanical control equipment, material handling equipment, etc.

Vocational Training and Income Generation

Providing assistance to the community and encouraging their stride on the path of development has always been part of SAIL's social efforts. SAIL plants regularly organize training workshops for villagers where they are imparted skills in various income generation means. Such programme have played a key role in the development of villages:

BSP
- Developing and training villagers for mushroom spawn cultivation
- Cottage industry development such as rug weaving, wax candle and sweet boxes making

DSP
- IGP programme on sustainable agriculture at Pratappur MSV
- Training on Self Management Skill at SRREOSHI, Durgapur

RSP
- Project Duckery, Bankibahal MSV: income generation through duck rearing
- A mushroom mother culture laboratory at IPD with mushroom spawn production centres at Dalposh & Chungimati villages were established to cater to quality mushroom spawn requirement

ISP
- Vocational training for 110 village youths

Preservation of Art and Culture

India being a land of rich culture and vast heritage, it has been the Company's constant endeavour to ensure that this heritage is provided platform so that it is not lost with passage of time. With this motivation, SAIL plants have actively reached out to the community to encourage the local culture and showcase it to the nation and the world:

- Lok Kala Mahotsav in Bhilai & Mines location
- Installation of Statues of Rabindranath Tagore & Swami Vivekananda at DSP Township to commemorate their 150th Birth Anniversary
- Financial assistance to ten cultural organisations for purchase of musical instruments and assets by SAIL

Birhor Tribe

Bokaro Steel Plant started a scheme for adopting children from the near-extinct Birhor tribe from the thick jungles of Jharkhand and providing them with special fooding and lodging facilities , to help them adjust to city life. So far, 30 Birhor children have been adopted under the scheme.

Out of these 14 children, aged between six to seven years, have been adopted by the BSL under its corporate social responsibility scheme. They are residents of Tulbul, Khakhanda, Chotki Sidhiwara and Dumri Vihar villages, situated about 70 km from the district headquarters, in Gomia block. The children seem to be happy with the change as they are getting good food, a spic and span home equipped with television, fan, table and chair, bathroom, clothes, variety of sport items and stuffs.

Mr Mukesh Birhor a child, said he was enjoying here with his friends. They love having cold drinks, dosa and paratha. "We have not seen these food before in our village. We also like playing football."

Product Responsibility

SAIL is in constant endeavour in developing its product keeping in view the safe design of various structures by product development like TMT re-bars of earth quake resistant quality and TMT re-bars of high corrosion resistant quality in addition to development of high strength rock bolts and other varieties of steel. Stainless steel is one of the proven environment-friendly, recyclable raw materials that strongly support factors like hygiene, freedom from maintenance, long life in terms of usage and resistance to fire, rust etc.

Customer Health and Safety

SAIL CMO has about 10,000 varieties of products in its basket for marketing. The technical certificates (TC) are issued as per the standards prescribed by Bureau of Indian Standards. The main products of SAIL are various kinds of steel products and process by-products. Steel products are generally environment-friendly and do not pose any health or safety hazard during their use. Therefore, specific procedures for preserving customer health and safety during the use of its products are not required. The process by-products like slag and some hazardous wastes are also generated. Use of safety appliances like safety helmets, boots, gloves etc. is mandatory for the workmen. Hazardous waste handling is done as per the Hazardous Waste (Management, Handling & Trans boundary Movement), Rules 2008. SAIL plants and units 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 are confirmed to BIS standards.

Product Stewardship

Steel products are 100% recyclable in their life cycle. Life Cycle Study as per World Steel Association had been carried out at Bhilai Steel Plant. Major recommendations of LCA study have already been implemented. Technically feasible recommendations have been envisaged in technology plan for expansion/modernisation of SAIL plants and remaining are in the process of implementation. The Company's R&D efforts also aim to develop light-weight, high-strength, corrosion-resistant steel products which create value for the customers during the usage.

Most of the SAIL products are dispatched with minimum or no packaging materials. At BSP the material used in packaging of steel products are mainly steel straps & wires. Similarly, RSP uses galvanized sheets for packaging material. ISP uses steel strips as packaging material. VISL uses mild steel bundling coils for packaging of materials, whereas SRU uses packing wood for refractory items. This packaging material is 100% used at the customer end. At SSP, 15% of the packing wood of slabs received during transportation is used in packaging of coils.

Product and Service Labeling

The product information regarding SAIL's products is widely publicised on the website which contains details with regards to grade, size and application. The published product catalogues help in informing customer regarding the products. The stamping and embossing on prime steel products ensures proper product identification. 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 is no incidence of non-compliance with respect to regulations and voluntary codes concerning product and service information and labeling.

Customer Satisfaction

Customer satisfaction is assessed continuously through measurement of Customer Satisfaction Index (CSI) which is collected every month from all key accounts through personally administered feedback forms which include various parameters related to quality, supply and service. Central Marketing Organization conducts a market survey annually and makes forecasts with respect to customer groups and market segments to be served by SAIL. CMO determines the requirements of customer groups and communicates to the plant. Under Key Account Management (KAM), 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. During the year 2011-12 sales return was 0.27% of the total sales. Total 30511 tons material was returned on quality complaints against the total sales of 11.19 million tons. The bench marking score for CSI is pegged at 85% for domestic sales. During 2011-12 average of Customer Satisfaction Index in respect of five integrated Steel Plants of SAIL was 94.2 on a scale of 100. Average rating of ASP was 4.36 and for VISP 4.7 on the 5 point Index Scale.

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

Communication

SAIL as a whole has a comprehensive system of advertising addressed by the Corporate Affairs Division for its corporate image and product promotion. The advertisements for all the plants are managed by SAIL at the corporate level. Advertisement campaigns like "Steel Green", "Steel in Need SAIL in Deed" etc. are conducted on regular basis.

Media Relations

The PR department issues press releases and briefs highlighting the performance of SAIL plants and units to various national and local newspapers. The Chief of Communications, the official spokesperson of the Company, also keeps in regular touch with media houses. The PR department also issues tender advertisements / notices for publication in newspapers/journals.

On-line Publication and Archiving

E-version of all PR publication has been started 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 and sponsorship 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 consumer 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 2011-12.

G3 Content Index

Application level: A

Profile Disclosure	Description	Reported	Cross Reference/ Direct Answer 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	●	3
1.2	Description of key impacts, risks and opportunities	●	13, 14, 26
2.0	**Organizational Profile**		
2.1	Name of the organisation.	●	5
2.2	Primary brands, products, and/or services	●	5, 7
2.3	Operational structure of the organisation including main divisions, operating companies, subsidiaries and joint venture	●	5, 8
2.4	Location of organization's headquarters	●	5
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.	●	8
2.6	Nature of ownership and legal form.	●	5, 16
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	●	5, 7-8, 33
2.8	Scale of the reporting organisation:	●	5-6, 16-18
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	9
2.10	Awards received in the reporting period.	●	11-12
3.0	**Report Parameters**		
	REPORT PROFILE		
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	●	3-4, 9
3.2	Date of most recent previous report (if any).	●	9
3.3	Reporting cycle (annual, biennial, etc.)	●	9
3.4	Contact point for questions regarding the report or its contents.	●	10
	REPORT SCOPE AND BOUNDARY		
3.5	Process for defining report content	●	9-10, 19-22
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) See GRI Boundary Protocol for further guidance.	●	5
3.7	State any specific limitations on the scope or boundary of the report.	●	5, 9
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, 9
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.	●	9-10
3.10	Explanation of the effect of any re-statements of information provided in either reports, and the reasons for such re-statements (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	5, 9
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	5, 9
	GRI CONTENT INDEX		
3.12	Table identifying the location of the Standard Disclosures in the report.	●	71-76
	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).	●	9

Level of Reporting: ● Fully Reported; ◐ Partially Reported; ○ Not Reported

Profile Disclosure	Description	Reported	Cross Reference/ Direct Answer Page No.
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.	●	15-18
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.)	●	17
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.	●	15-17
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	15-16
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)	●	16
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	16
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	16
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.	●	25-27
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.	●	13-16
4.10	Process for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	●	15-16
	COMMITMENT TO EXTERNAL INITIATIVES		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	●	27, 29-30
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	31-32
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization.	●	31-32
	STAKEHOLDER ENGAGEMENT		
4.14	List of stakeholder groups engaged by the organization.	●	19-20
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	19-20
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	19-21
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.	●	19-21
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)			
G3 DMA	DMA EC, DMA EN, DMA LA, DMA HR, DMA SO & DMA PR	●	27-28
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.	●	33-35
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	13, 38-40
EC3	Coverage of the organization's defined benefit plan obligations.	●	34, 39, 52
EC4	Significant financial assistance received from government.	●	35

Level of Reporting: ● Fully Reported; ◐ Partially Reported; ○ Not Reported

Profile Disclosure	Description	Reported	Cross Reference/ Direct Answer
			Page No.
	ASPECT: MARKET PRESENCE		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	●	35
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	35, 66
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	●	50-51
	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.	●	20, 61-67
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	61-67
	Environmental Performance Indicators		
	ASPECT: MATERIALS		
EN-1	Materials used by weight or volume.	●	37
EN2	Percentage of materials used that are recycled input materials.	●	38
	ASPECT: ENERGY		
EN3	Direct energy consumption by primary energy source.	●	38
EN4	Indirect energy consumption by primary source.	●	38
	The corresponding primary energy consumed in its production.		
EN-5	Energy saved due to conservation and efficiency improvements.	●	39-40
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reduction in energy requirements as a result of these initiatives.	●	39-40
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	39-40
	ASPECT: WATER		
EN8	Total water withdrawal by source.	●	43
EN9	Water sources significantly affected by withdrawal of water.	●	42
EN10	Percentage and total volume of water recycled and reused.	●	43
	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.	○	Not Material. None of the plants of SAIL are located in the proximity of Bio-diversity sites/protected areas
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas of high biodiversity value outside protected areas.	○	
EN13	Habitats protected or restored.	○	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	○	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinctions risk.	○	
	ASPECT: EMISSIONS, EFFLUENTS, AND WASTE		
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	41
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	41
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	39-41
EN19	Emissions of ozone-depleting substances by weight.	●	31
EN20	NOx, SOx and other significant air emissions by type and weight.	●	44
EN21	Total water discharge by quality and destination.	●	44
EN22	Total weight of waste by type and disposal method.	●	45-46
EN23	Total number and volume of significant spills.	●	47
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Based Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	●	47
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.	●	42

Level of Reporting: ● Fully Reported; ◐ Partially Reported; ○ Not Reported

Profile Disclosure	Description	Reported	Cross Reference/ Direct Answer Page No.
	ASPECT: PRODUCT AND SERVICES		
EN26	Initiatives to mitigate environmental impacts or products and services, and extent of impacts mitigation	●	69
EN27	Percentage of products and sold and their packaging materials that are reclaimed by category.	●	69
	ASPECT: COMPLIANCE		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	46
	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.	●	69
	ASPECT: OVERALL		
EN30	Total environmental protection expenditures and investments by type.	●	27
	Social: Labour Practices and Decent Work Performance Indicators		
	ASPECT: EMPLOYEMENT		
LA1	Total workforce by employment type, employment contract, and region	●	49-51
LA2	Total number and rate of employee turnover by age group, gender, and region	●	50
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	●	52
	ASPECT: LABOR / MANAGEMENT RELATIONS		
LA4	Percentage of employees covered by collective bargaining agreements.	●	52-53
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	●	52
	ASPECT: OCCUPATION HEALTH AND SAFETY		
LA6	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advice on occupational health and safety programs.	●	54
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	●	55-56
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	57-58
LA9	Health and safety topics covered in formal agreements with trade unions.	●	54-55
	ASPECT: TRAINING AND EDUCATION		
LA10	Average hours of training per year per employee by employee category.	●	59-60
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	59-60
LA12	Percentage of employees receiving regular performance and career development reviews	●	59
	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.	●	16-17, 49-51
	EQUAL REMUNERATION FOR WOMEN AND MEN		
LA14	Ratio of basic salary of men to women by employee category.	●	51
	Social: 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.	●	28, 53
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	●	53
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.	●	53
	ASPECT: NON-DISCRIMINATION		
HR4	Total number of incidents of discrimination and actions taken.	●	53

Level of Reporting: ● Fully Reported; ◐ Partially Reported; ○ Not Reported

Profile Disclosure	Description	Reported	Cross Reference/ Direct Answer Page No.
	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.	●	53
	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.	●	53
	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.	●	53
	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.	●	53, 57
	ASPECT: INDIGENOUS RIGHTS		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	53
	Social: 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.	●	61-67
	ASPECT: CORRUPTION		
SO2	Percentage and total number of business units analysed for risks related to corruption	●	29-30
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	30
SO4	Actions taken in response to incidents of corruption.	●	29
	ASPECT: PUBLIC POLICY		
SO5	Public policy positions and participation in public policy development and lobbying.	●	30-32
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	30
	ASPECT: ANTI-COMPETITIVE BEHAVIOR		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	29
	ASPECT: COMPLIANCE		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	46
	Social: Product Responsibility Performance Indicators		
	ASPECT: CUSTOMER HEALTH AND SAFETY		
PR-1	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.	●	69
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.	●	69
	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.	●	69
PR-4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	69
PR-5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	69-70
	ASPECT: MARKETING COMMUNICATIONS		
PR-6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	70

Level of Reporting: ● Fully Reported; ◐ Partially Reported; ○ Not Reported

Profile Disclosure	Description	Reported	Cross Reference/ Direct Answer Page No.
PR-7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	●	70
	ASPECT: CUSTOMER PRIVACY		
PR-8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	70
	ASPECT: COMPLIANCE		
PR-9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	70

GRI Content Index - Mining & Metals Sector Supplement

Performance Indicator	Description	Reported	Cross-Reference/Direct Answer
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	○	None of the Plants of SAIL are located in the proximity of biodiversity sites/protected areas. Mines are not within the report boundary.
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.		
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	○	Mines are not within the report boundary.
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	●	There have been no strikes and lock-outs exceeding one week's duration during the reporting period
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.	○	None of the Steel Plants/ Units is located in the proximity of settlement/territories of indigenous people
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	●	None of the steel plants are located in the proximity of the settlement of indigenous people and communities and hence, there are no significant dispute related to their land use and customary rights.
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.	●	No significant dispute related to land use and customary rights of indigenous people.
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.	○	None of the plants/units are adjacent to the mines. Mines are not within the report boundary.
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	●	No Steel Plant has any significant resettlement plan pending.
MM10	Number and percentage of operations with closure plans.	●	None of the Steel Plants/ Units have any closure plans.
MM11	Programs and progress relating to materials stewardship.	●	Page No. 27-28,37,48

Level of Reporting: ● Fully Reported; ◐ Partially Reported; ○ Not Reported

Abbreviations

AAQ	Ambient Air Quality
AIDS	Acquired Immuno-Deficiency Syndrome
AMR	Addition Modification Replacement
ASTP	Acid Sludge Treatment Plant
ASP	Alloy Steels Plant
BF	Blast Furnace
BOD	Biochemical Oxygen Demand
BOF	Basic Oxygen Furnace
BPL	Below Poverty Line
BSL	Bokaro Steel Plant
BSO	Branch Sales Office
BSP	Bhilai Steel Plant
CaO	Calcium Oxide
CCTV	Closed Circuit Television
CEO	Chief Executive Officer
CET	Centre for Engineering and Technology
CFC	Chloro Fluoro Carbon
CFP	Chandrapur Ferro Alloy Plant
CII	Confederation of Indian Industries
CISF	Central Industrial Security Force
CMO	Central Marketing Organisation
CO	Coke Oven
COD	Chemical Oxygen Demand
CPCB	Central Pollution Control Board
CPP	Captive Power Plant
CPSE	Central Public Sector Enterprises
CPTI	Central Power Training Institute
CRM	Cold Rolling Mill
CSR	Corporate Social Responsibility
DSP	Durgapur Steel Plant
EAF	Electric Arc Furnace
EBIDTA	Earnings Before Interest, Depreciation,Taxes and Amortisation
ED	Executive Director
EMD	Environment Management Division
ERM	Enterprise Risk Management
EPS'95	Employees' Pension Scheme (1995)
ESI	Employees' State Insurance
ESP	Electro Static Precipitator
ETP	Effluent Treatment Plant
EVA	Economic Value Added
F&A	Finance & Accounts
GCal	Giga Calorie
GCM	Gas Collecting Main
GD	Growth Division
GHG	Green House Gas
GoI	Government of India
GRI	Global Reporting Initiative
GRI G3	Global Reporting Initiative Third Generation
HCFC	Hydro Chloro Fluoro Carbon
HIV	Human Immunodeficiency Virus
HP	High Pressure
HRD	Human Resource Development
HRM	Hot Rolling Mill
HSM	Hot Strip Mill
IISCO	Indian Iron & Steel Company
INR	Indian Rupee
IOD	Institute of Directors
ISO	International Organisation for Standardisation
ISP	IISCO Steel Plant
ISPs	Integrated Steel Plants
IUCN	International Union for Conservation of Nature
JCSSI	Joint Committee on Safety, Health and Environment in the Steel Industry
JV	Joint Venture
KL	Kilo Litre
L	Litre
LCA	Life Cycle Assessment
LD	Linz Donawitz
LDR	Lost day Rate
LTIFR	Lost Time Injury Frequency Rate
M&E	Modernization and Expansion
MEL	Maharashtra Elektrosmelt limited
MKWh	Million Kilo Watt Hour
MLD	Million Liter per Day
MnO	Manganese Oxide
MoEF	Ministry of Environment & Forests
MoS	Ministry of Steel
MoU	Memorandum of Understanding
MP	Medium Pressure
MSV	Model Steel Village
MT	Million Tonnes
MTI	Management Training Institute
MTPA	Million Tonnes Per Annum
NH_3-N	Ammonical Nitrogen
NGO	Non-Governmental Organisation

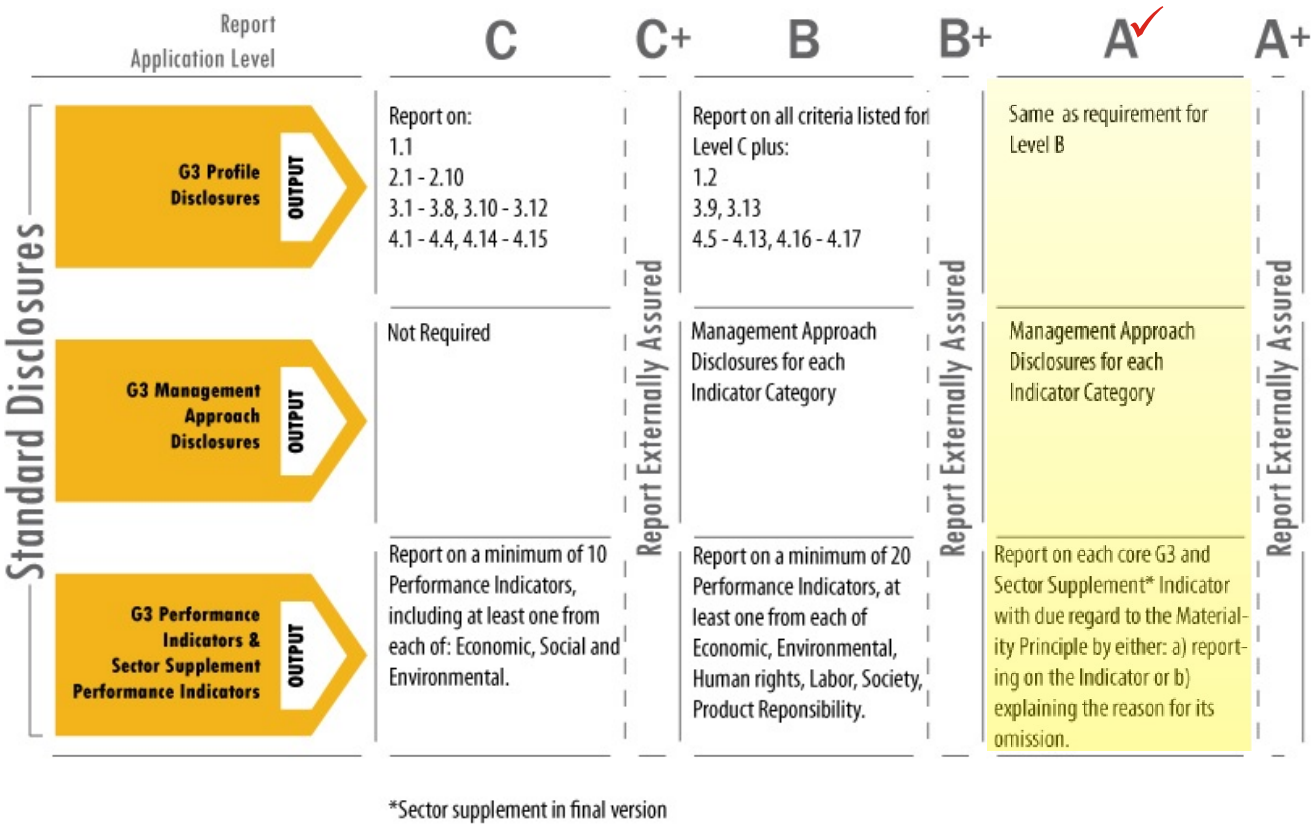
NJCS	National Joint Committee for the Steel Industry
Non-ED	Non-Executive Director
O&G	Oil & Grease
OHS/OH&S	Occupational Health & Safety
OHSAS	Ocupational Health and Safety Assessment Series
PAT	Profit After Tax
PBS	Power & Blowing Station
PET	Pipe/ Electrical Sheet/Tin Plate
PF	Provident Fund
PL	Pickling Lime
PSU	Public Sector Undertaking
QC	Quality Control
QMS	Quality Management System
RCL	Research and Control Labrotary
RDCIS	Research & Development Centre for Iron & Steel
R&D	Research & Development
R&E	Research & Engineering
R&S	Rail and Structural Mill
RCH	Reproductive and Child Health
RMD	Raw Materials Division
RSP	Rourkela Steel Plant
RTI	Right to Information
SA	Social Accountability
SAF	Submerged Arc Furnace
SAIL	Steel Authority of India Limited
SCOPE	Standing Conference of Public Enterprises
SEFI	Steel Executives Federation of India
SGL	Shot Grinding Line
Si-Mn	Silico Manganese
SGW	SAIL Growth Works, Kulti
SMP	Standard Maintenance Procedure
SMS	Steel Melting Shop
SOP	Standard Operating Procedure
SLF	Secured Landfill
SP	Sinter Plant
SS	Suspended Solid
SSO	SAIL Safety Organisation
SSP	Salem Steel Plant
SRU	SAIL Refractory Unit
T	Tonnes
tcs	tonnes of crude steel
tfs	tonnes of finished steel
thm	tonnes of hot metal
TMT	Thermo Mechanically Treated
UNDP	United Nations Development Programme
VISL	Visvesvaraya Iron and Steel Plant
VVVF	Variable Voltage Variable Frequency
WSA	World Steel Association

We look forward to receiving your feedback on SAIL's Sustainability Report

Please feel free to share your comments or suggestions regarding this Report

You can reach us at sailsustainability@gmail.com

GRI Application Level



*Sector supplement in final version

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There is a little bit of SAIL in everybody's life