



CORPORATE SUSTAINABILITY REPORT 2012-13

Leadership
Through Sustainable Growth





Statement GRI Application Level Check

GRI hereby states that **STEEL AUTHORITY OF INDIA LIMITED** has presented its report "Leadership Through Sustainable Growth" (2014) 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, 19 March 2014

A handwritten signature in dark ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
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 10 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

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STEEL AUTHORITY OF INDIA LIMITED SUSTAINABLE DEVELOPMENT POLICY

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

Guiding Principles

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



C.S. Verma
Chairman

January 2012



Chairman's Message

Dear Stakeholders,

As we continue our relentless march towards sustainable development practices, it is my privilege to present our third Sustainability Report prepared in accordance with Global Reporting Initiative (GRI) guidelines. Sustainability development in SAIL continues to gain increasing prominence and strategic importance in our quest for an improved triple bottom line. We wholeheartedly imbibe mantra of 'doing well by doing good'.

This year was another challenging one for SAIL as well as for the entire steel industry, due to a slow-down in demand, lowering of steel prices and consequent impact on profitability. SAIL is overcoming these pressures by augmenting production of value added products, improving capacity utilization and operational efficiency. Our plants have taken various initiatives to enhance production, by improving operational discipline and optimizing equipment utilization. This has led to a significant improvement in operating efficiencies, leading to best ever techno-economic parameters.

Our sustainability initiatives cover the entire spectrum and include water & energy management, bio-diversity conservation, carbon footprint assessment and reduction initiatives, to name a few. We have also heavily invested in sustainability training initiatives and compliance with Global Reporting Initiative (GRI) norms on compliance reporting. SAIL has entered into an MoU with Government of India to take up Sustainable Development (SD) projects such as carbon & water foot printing at plants, bio-diversity conservation at Iron ore Mine, rain water harvesting and training on sustainability for employees.

To enhance our domestic market share and to meet future challenges, we are working on a long term strategic plan 'Vision 2025' which is to steer the company towards the target of 50 million tonnes of hot metal output. Through our ongoing Modernization & Expansion Programme, SAIL is addressing the vital issues of elimination of technological obsolescence, installation of energy efficient & environment friendly technologies, value addition/ product-mix improvement/ sustenance of existing assets of the plants and introduction of customer centric processes along with capacity building.

Towards its march for sustainable development, SAIL has always encouraged Research and Development initiatives. An R&D Master Plan is being implemented which consists High Impact Projects and Technology Mission Projects, is aimed at integrating R&D activities towards business and operational goals. Implementation of this master plan will enable SAIL to improve efficiencies, reduce cost, meet market demand, upgrade current steel technologies and improve solid waste management.

SAIL has always been at the fore-front of adopting emerging and innovative technologies. In this direction a JV has been formed with the Kobe Steel Japan for adopting ITmk3 technology, which shall gainfully utilize low-grade iron ore fines generated during mining and production processes, for iron making.

A number of proactive environmental initiatives were taken during the year, yielding noteworthy improvement with respect to vital environmental parameters. This has resulted in improvement of 45% in particulate matter emissions, 16% in utilization of BF slag, 13% in specific effluent discharge and 5% in specific water consumption in the last five years. Along with the same, a reduction of around 4% has been achieved in specific energy consumption during this period.

Most of our units, including mines, plants and warehouses are operating in conformance with ISO 14001:2004 standards for maintaining Environment Management System, while several more are in the process of implementing EMS. Initiatives like eco-restoration of mined-out areas, plantation of trees in and around units, greening of warehouses and other environmental projects have been undertaken. Also, most of our units are certified to ISO 9000 standards for Quality Management System, SA 8000 for Social Accountability and OHSAS



18001 for Occupational Health and Safety. In addition some of our production processes are certified confirming to relevant International Standards for manufacturing of specific products.

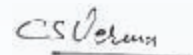
SAIL believes that employees are the backbone of an organization and the company has achieved present level of operational efficiency through investing in the human resource. We provide an environment conducive for learning, encourage adoption of best practices and nurture creativity and innovativeness among employees. HR initiatives are focused on developing team spirit, employee empowerment and their involvement in various improvement activities. As a result of these initiatives, this year also, SAIL employees have secured highest number of Vishwakarma Awards and Prime Minister's Shram Awards.

Our focus on social responsibility remains unwavering. Our community outreach initiatives have been significant and have extensively benefitted the communities that we operate within. Our societal initiatives have focused around improved basic & specialized healthcare, provision of modern education, rural infrastructure development and improved access to drinking water. Some of the notable initiatives that SAIL took in 2012-13 include, operating 7 Health Centres at plants exclusively for providing free medical care to poor and needy families; organizing more than 3500 Health Camps in various villages across the country; supplying around 25000 meals on daily basis to school children in Bhilai region; running 7 special schools for underprivileged children at integrated steel plants locations which provide free education, mid-day meals, transport, text books and other required items. In order to bridge the disparity between rural and urban areas as well as to provide comprehensive development of both physical and social infrastructure, 79 villages have been identified and developed as "Model Steel Villages" across the country (in 8 states). The developmental activities undertaken in these villages include medical and health services, education, roads and connectivity, sanitation, community centres, livelihood generation, sports facilities etc.

Our enduring focus on three-pronged strategy of economic development, environmental stewardship and social responsibility has resulted in the coveted CII-ITC Sustainability Award being conferred upon SAIL in January 2013.

In conclusion, I quote Kofi Annan, seventh Secretary-General of United Nations, 'We thrive and survive on planet Earth as a single human family and one of our main responsibilities is to leave to successor generations a sustainable future'. We echo the same sentiment and firmly believe that we have not inherited the world from our forefathers but rather borrowed it from our children and we owe it to them to bequeath it in a better shape.

With best compliments.



(C. S. Verma)
Chairman

Business Profile

Steel Authority of India Limited (SAIL), a Government of India undertaking is one of the leading steel producers in the country. During 2012-13, with a production of 13.417 million tonnes of crude steel its share stood at 17.1% of domestic crude steel production. Globally, it was ranked 18th in terms of crude steel production in 2012 by World Steel Association and 8th most efficient steel company by the World Steel Dynamics in their latest ranking of top steel producers of the world. With a turnover of INR 493.5 billion (US \$ 8.37 billion), the company is among the top five profit earning corporates of the country. SAIL, headquartered at New Delhi, is also among the seven Maharatnas of the country's Central Public Sector Enterprises (CPSE).



New Sinter Plant at RSP

SAIL is a fully integrated iron and steel maker, producing both basic and special steels which is consumed by various segments viz. construction, engineering, power, oil & gas, railway, automotive, defence and atomic energy industries. SAIL is also active in global markets offering quality products with exports to neighbouring countries, South East Asia, Middle East, Europe, Africa and South America.

SAIL's product portfolio covers a variety of steel products covering Long, Flat and Tubular products. SAIL offers 50 mild, special and alloy steel products in more than 1000 qualities and more than 5000 dimensions. The main products marketed by the company are:

Flat Products: Plates, Hot Rolled Coils/Sheets/Skelp, Cold Rolled Coils/Sheets, Galvanised Coils/Sheets, Electrolytic Tin Plates, CRNO Electrical Sheets, TMBP Coils.

Long Products: TMT bars, Angles, Channels, Joists (Beams), Wire Rods.

Track/Railway Materials: High Conductivity Rails and Crane Rails, Heavy Rails, Light Rails, Crossing Sleeper Bars, Wheels & Axles, Wheel sets.

Tubular Products: ERW Pipes, Spirally Welded Pipes.

Stainless Steel, Alloy & Special Steels: Hot Rolled and Cold Rolled Stainless steel, Alloy Rounds, Billets, Tool & Die steel, Higher Alloy grades etc.

Steel produced at various steel plants of SAIL is marketed 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 around 3000 dealers spread over 611 districts of the country, SAIL is also catering small requirement of common man.

In order to differentiate its products so as to combat the commodity nature of steel, SAIL has branded some of its products. Currently, the major focus of branding and brand development is for TMT bars and Galvanised products where we have brands called "SAIL TMT" for TMT bars and "SAIL JYOTI" for GP/GC sheets/coils. As of now, the focus of branding is for products which are used for construction segment and also have a retail demand. Some of the other registered Trademarks of SAIL consist of 'SAILCOR', 'SAILMA', 'SAILHARD', 'SAILBR', etc.



Capacity expansion at SAIL is being undertaken in order to maintain the market leadership position in the country and also to enhance competitiveness. After expansion and modernization, SAIL will be in a position to increase its sales in high value segments viz. Auto, Oil & Gas and Ship Building, by adding following key products to its product basket:

- Auto-grade CR Products, Galvanised Coils / Sheets
- Hot Rolled Coils and Plates for Oil & Gas sector
- Universal Beams / Heavy Beams
- Rails for Metro-Railways
- Long Rails to meet the increasing requirements of Indian Railways

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

SAIL plants and units under the scope of sustainability report.

Plants	Units
Bhilai Steel Plant	Central Marketing Organisation
Durgapur Steel Plant	Research and Development Centre for Iron & Steel
Rourkela Steel Plant	Centre for Engineering and Technology
Bokaro Steel Plant	SAIL Safety Organisation
IISCO Steel Plant	SAIL Growth Works, Kulti
Alloy Steels Plant	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	2010-11	2011-12	2012-13
Hot Metal	14888	14116	14266
Crude Steel	13761	13350	13417
Pig Iron	261	106	214
Saleable Steel	12887	12400	12385
- Semi-Finished Steel	2394	2527	2422
- Finished Steel	10493	9872	9962

Performance Highlights – Financial

Financial Performance	2010-11	2011-12	2012-13
Total Saleable Steel ('000 Tonnes)	12887	12400	12385
Turnover (billion INR)	470.41	503.48	493.50
Net Sales (billion INR)	427.19	456.54	439.61
Profit Before Tax (billion INR)	71.94	51.51	32.41
EBIDTA (billion INR)	90.30	76.58	56.21
Capital Expenditure (billion INR)	112.80	110.21	97.31
Total Assets (billion INR)	760.83	763.37	842.18
Export Sales (billion INR)	9.81	12.30	11.58
Profit After Tax (billion INR)	49.05	35.43	21.70
Budget Allocation for CSR Exp (billion INR)	0.94	0.64	0.42

Performance Highlights – Non- financial

Non-financial Performance	2010-11	2011-12	2012-13
Number of employees	110794	106004	101878
Female employees (%)	5.70	6.0	6.0
Labour Productivity (tcs/man/year)	241	241	258
Lost Time Injury Frequency Rate (for 2010, 2011 & 2012)	0.13	0.08	0.083
Specific Energy Consumption (GCal/ tcs)	6.81	6.86	6.68
Coke Rate (kg/ thm)	520	517	512
Specific CO ₂ Emission (T/ tcs)	2.87	2.81	2.75
Specific Water Consumption (m ³ / tcs)	4.06	3.86	3.73
Solid Waste Utilisation (%)	84	86	91
Villages supported for Infrastructural Development (Cumulative)	62	71	79

Products and its Applications

Long Products

- Crane Rails
- Z-Section Centre Sill
- Z-Type Sheet-piling Section
- MS Arch
- Bars, Rods & Rebars: SAIL TMT, SAIL TMT EQR, SAIL TMT Rock Bolt
- Wire Rods
- Structurals (Beams, Channels, Joists and Angles)

Applications: Structural, Construction, Engineering, Electrodes Manufacture, Bridges.



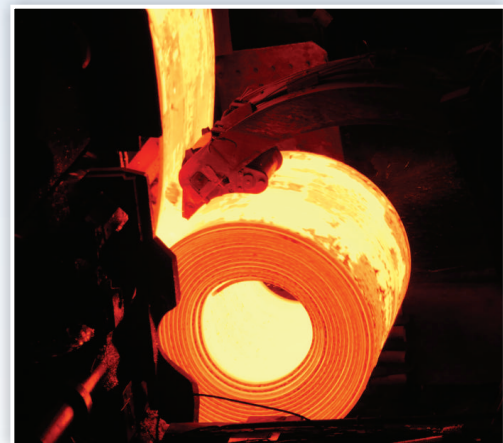
Bandra-Worli Sea link, Mumbai

Flat Products

- HR Coils, Sheets & Skelp
- CR Coils & Sheets
- Plates
- GP Sheets & Coils, GC Sheets: SAIL JYOTI
- Tin Plates
- Electrical Steel
- Stainless Steel: Hot rolled sheets and coils, Cold rolled sheets and coils
- Alloy Steel: Rounds & Squares Billets, Blooms & Slabs
- High carbon & Low carbon Ferro manganese

Applications: Boilers, Defence, Railways, Ship building, LPG cylinders, Irrigation, Thermal/Hydel Power Projects, Merchant, Cargo Vessel, Rolling shutters.

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



Coil Box, HSM, RSP

Pipes: ERW Pipes and SW Pipes

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



Pipe Plant, RSP

Railway Products

- Rails
- Wheels and Wheel Sets
- Axles

Applications: Indian Railways and Infrastructure projects



Wheel & Axle Plant, DSP

Semis

- Blooms
- Billets
- Slabs

Applications: Re-rollers

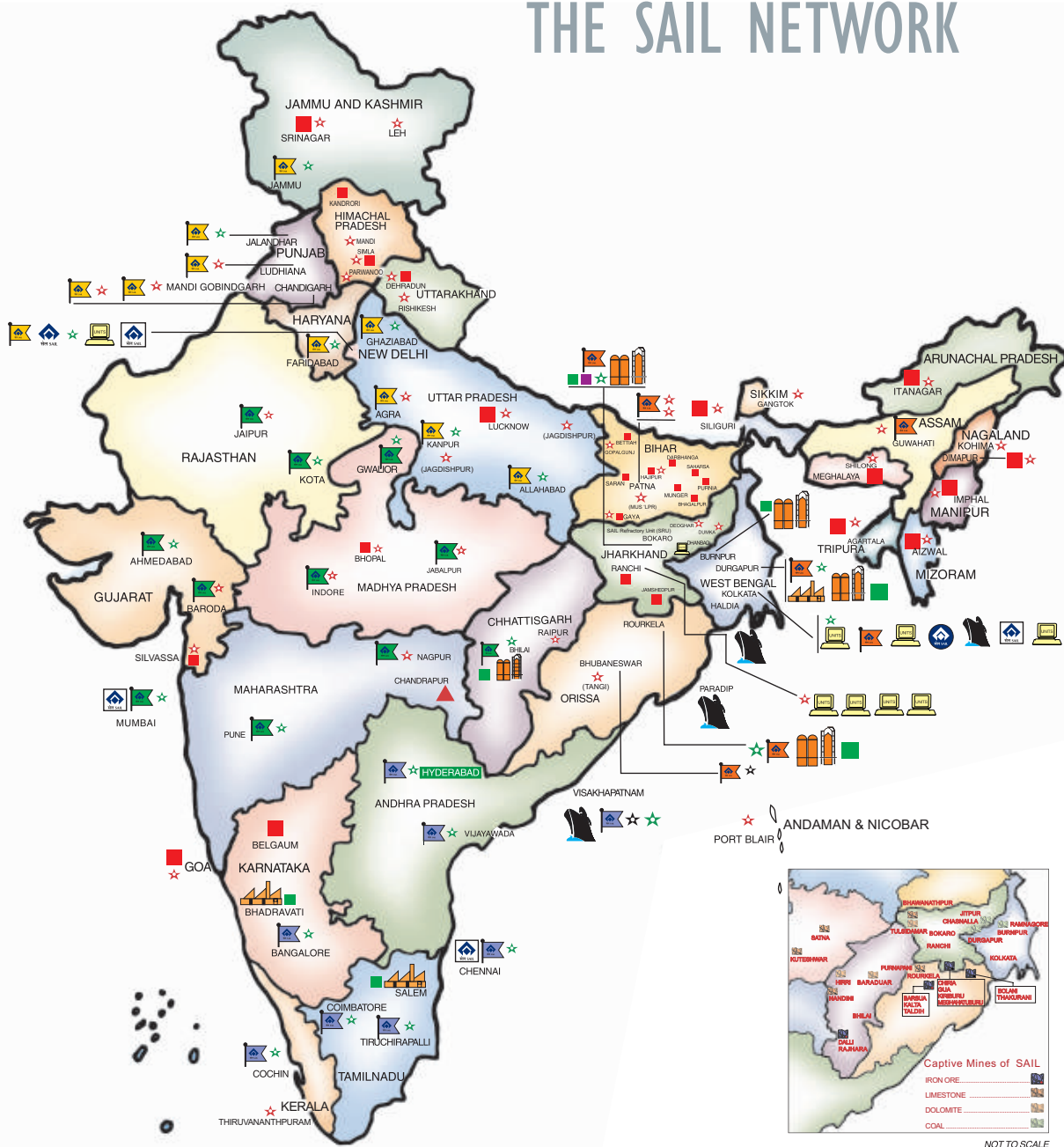


Billet Mill, DSP



A MAHARATNA COMPANY

THE SAIL NETWORK



CORPORATE OFFICE.....



INTEGRATED

STEEL PLANTS.....



ALLOY AND

SPECIAL STEEL PLANTS.....



FERRO ALLOY PLANT.....



UNITS.....



CMO HEAD QUARTERS.....



REGIONAL OFFICES.....



DEPARTMENTAL WAREHOUSE.....



CONSIGNMENT AGENCY YARD.....



SHIPPING OFFICE.....



Sales Resident Manager.....



CUSTOMER CONTACT OFFICE.....



SAIL Refractory Unit (SRU).....



BRANCH SALES OFFICES

1. NORTHERN REGION.....



2. EASTERN REGION.....



3. WESTERN REGION.....



4. SOUTHERN REGION.....



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

Report Profile

This report “**Leadership Through Sustainable Growth**” highlights our sustained efforts in sharing the information on the triple bottom line approach (social, economic and environment aspects) as a responsible corporate citizen. The report covers the SAIL’s sustainability performance for the fiscal year 2012-13.

This report is third in series starting from 2010-11 and demonstrates our commitments to social, economic and environment aspects. SAIL will continue to publish a Corporate Sustainability Report every year. The boundary of the report is set in line with the GRI G3 guidelines and covers products and services of SAIL units as listed in the scope under Business Profile. No unit has been closed, divested or relocated during the year 2012-13.



Garden at MRD, DSP

The reporting has been carried out as per GRI G3 guidelines and Mining & Metals Sector Supplement. Relevant aspects have been referred from Indicator Protocols and Technical Protocols. The reporting principals of materiality, stakeholder inclusiveness, sustainability context and completeness have been applied as per AA 1000 Accountability Principles Standard (AA1000APS) – 2008. Uniformity is maintained in collection and compilation of data to make them easy to understand and compare. The principle of reporting are applied while presenting data, trend analysis etc.

Considering the ongoing modernisation & expansion plan, capacity enhancement of existing iron ore mines is underway and new iron ore mines are being developed for ensuring regular supplies of iron ore. An MoU was signed with Chhattisgarh Mineral Development Corporation (CMDC) in November 2012 for development of Eklama Iron Ore Deposit in Kabirdham district in a Joint Venture. Eklama Iron Ore Deposit would be a supplementary iron ore source for Bhilai Steel Plant, with reserves of around 100 MT of iron ore.

Joint Venture agreement was signed with Burn Standard Company Limited (BSCL) in May’12 for setting up a Wagon Component Manufacturing facility at the premises of BSCL at Jellingham, Purba Medinapur district, West Bengal, with capacity to produce 10,000 bogies and couplers per annum. A JV company “SAIL Bengal Alloy Castings Pvt Ltd.” between SAIL and BSCL has been incorporated.

An Memorandum of Agreement (MoA) was signed with Kobe Steel Ltd., Japan in July’12 for ITmk3 technology for iron making. A JV company “SAIL-Kobe Iron India Pvt. Ltd.” has been incorporated with Kobe Steel, for installation of an ITmk3 technology based 0.5 MTPA Iron Nugget plant at ASP, Durgapur.

Steel Complex Ltd., a BIFR registered company, was taken over by SAIL in 2010 and converted into a JV named “SAIL-SCL Kerala Ltd.”. The company has been discharged from BIFR after infusion of equity by SAIL and the Govt. of Kerala. The JV Company has embarked on installation of a 65000 MTPA rolling mill for TMT bars to improve its performance.

An MoU was signed with Madhya Pradesh Trade and Investment Facilitation Corporation Ltd. (TRIFAC) in October’ 12 for promotion of industrialisation in the state of MP, by setting up iron ore beneficiation and pelletisation plants in Chhatarpur district.

An MoU was signed with Industrial Development Corporation of Odisha Ltd. (IDCOL) in May' 12 to explore the possibility of acquisition/JV with its wholly owned subsidiaries IDCOL Ferro Chrome Alloys Ltd. (IFCAL), which is engaged in production of High Carbon Ferro Chrome and IDCOL Kalinga Iron Works Ltd. (IKIWL), which produces Pig Iron.

An MoU was signed with Power Grid Corporation of India Ltd. (PGCIL), in March'13, to set up a JV company, for fabrication & galvanizing of Transmission Line Tower and Tower parts and tubular structures, at a mutually agreed location.

An MoU has been signed with the Kerala State Industrial Development Corporation (KSIDC) and Kerala Minerals and Metals Ltd. (KMML), in April'13 for establishing a Titanium project in the state.

An MoU was signed with Danieli & Co. of Italy, in May'12, to assess and explore the technical and economic viability of installing and operating an Engineering Workshop Facility for production of sophisticated spares and assemblies, in Joint Venture, at SAIL plant locations.



MTI - Building, Ranchi

Reporting Standards

Financial reports of the company are prepared as per the guidelines provided by company law in India. Statutory audit of economic and financial systems are conducted by auditors. Government auditors conduct verification and review. External/internal auditors carry out Quality, Environment, Health, Safety and Social audits on a regular basis, as per the requirements of ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2008 and SA 8000:2008.

Monitoring, measurement and calibration of all equipment are carried out as per relevant Indian Standards. Energy and carbon dioxide calculations are carried out as per guidelines of World Steel Association (WSA).

The company follows the norms and procedures prescribed for the Workplace Safety under the Ministry of Labour & Welfare (Factories Act) and the Ministry of Environment and Forests. Documentation and communication are ensured as per the requirements of ISO 9001, ISO 14001, OHSAS 18001 and SA 8000.

For your solicited feedback on this report, and for additional information on SAIL's efforts towards a sustainable future, please write to: sailsustainability@gmail.com



Experimental Rolling Mill, RDCIS, Ranchi

Corporate Governance

Effective corporate governance to ensure a transparent and compliance framework has been a key tenet of SAIL philosophy. The corporate governance initiatives of SAIL are aimed at enhancing value for our multiple stakeholders. Our governance practices promote an ethical and fair conduct of the operations towards our objectives of making a meaningful and positive impact to people's lives. Our highest levels of accountability ensure that the Board actively promotes and upholds the entire company's conduct continuously to unrelentingly high levels of corporate governance.

The corporate governance initiatives are driven in constant alignment to relevant clauses of our listing agreement with Stock Exchanges. These initiatives ensure that our Board formally oversees

our initiatives spread across environmental, social and economic aspects and ensures an effective cascade of these initiatives to operational levels in our quest for being a good corporate citizen. SAIL being a CPSE, the performance of the SAIL board is evaluated by MoS, GoI.

Our Board comprises of both full time Executive and Non-Executive directors. The Board appointees are selected through the Public Enterprises Selection Board and provide an eclectic combination of elite skills and work experience to drive our corporate governance agenda forward. As on 31st March, 2013, the Board of Directors comprised a full time Chairman, 6 whole time Directors and 9 Non-Executive Directors (including 7 Independent Directors). During the year, 11 Board meetings and one annual general meeting were held. Number of shareholders complaints received during the period from 01.04.2012 to 31.03.2013 were 50. During the year, all the complaints were resolved and no complaint was pending for redressal as on 31.03.2013.

Our Annual General meetings also provide an opt forum for us to solicit shareholders feedbacks and comments which are then taken forward to our Board meetings for rationally prioritizing the relevant suggestions to be incorporated in our business planning exercise.

The numerous SAIL Board Committees which keep our corporate governance agenda on track include Audit Committee, Nomination & Compensation Committee, Shareholder/Investors Grievance Committee, Committee of the Board (COB) and Sustainable Development Committee.

Our belief in the credo that 'Responsibility begins at the top' implies that our corporate code of conduct applies first and foremost to our Board and Senior Management. There have been no instance of non-compliance or violation of the code of conduct in the past year.

Our Balanced Scorecard initiative is well underway and has been cascaded down to the level of Dy. General Manager. The scorecard initiative (Enterprise, Unit and Individual level scorecards) enable an enhanced level of accountability and transparency in our operations. They also help to ensure that the enterprise level initiatives have been well translated and drilled down to the unit and individual level.

The Nomination and Compensation committee's charter is limited owing to key appointments being made directly by the Government of India. The Board has however constituted a Remuneration committee which focuses on the finalization of the performance related pay (PRP) for the company executives. This is done with an objective of ensuring a fair and transparent pay structure aligned with performance and is in conformance with



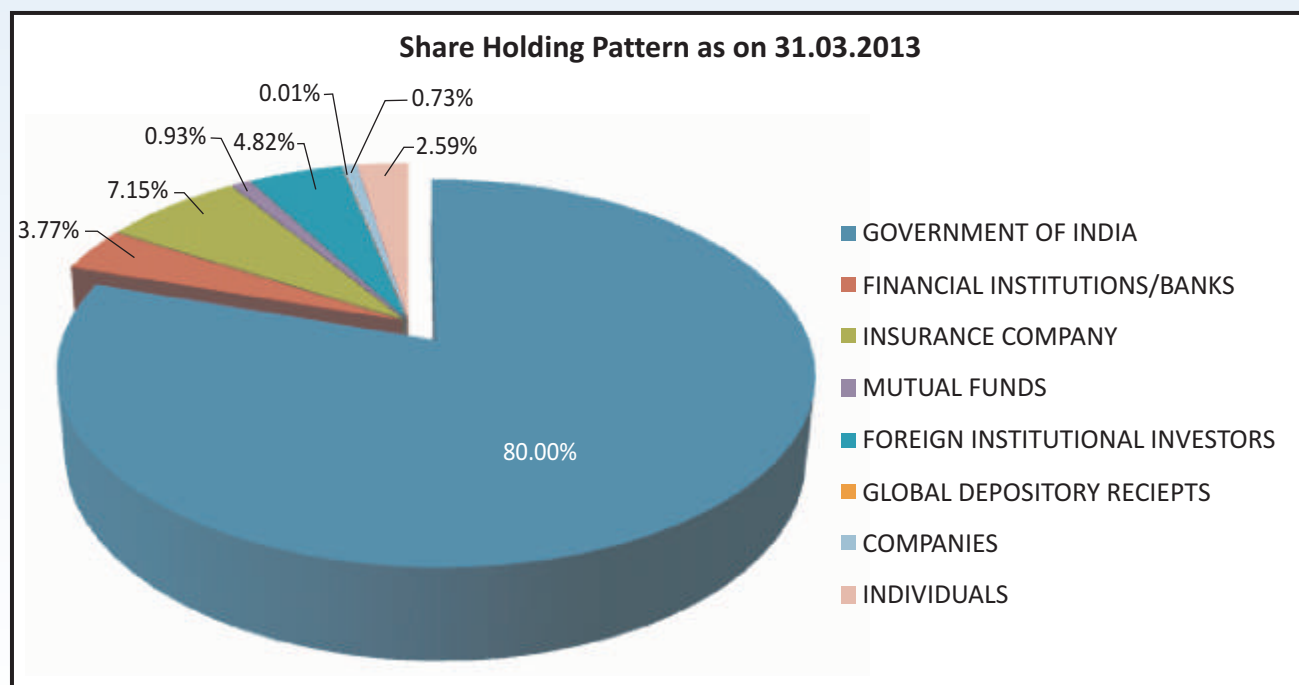
World Steel Association Inauguration Session 2012

the guidelines on corporate governance for Central Public Sector Enterprises. Executive compensation is based on performance in financial and non-financial areas. Financial benefits are determined based on quality and performance parameters at individual shop level and non-financial benefits include an array of awards and motivational schemes.

The relevant social, environmental and economic issues are gathered, consolidated and monitored through the appropriate divisions of the SAIL's corporate office. The consolidated status reports and action plans from these initiatives, including legal compliance assessment, is made available to the Board members for review prior to the Board meetings. The inputs from the Board on these aspects are evaluated by the senior management and progressed further for suitable actions as a part of the business decision making process.

There were no transaction of any material significance between the company and its key stakeholders, including promoters, directors or senior management team members. The same applies to non-executive directors on the SAIL Board / Board sub-committees, except for the receipt of the agreed sitting fee for attending meetings.

SAIL though being a majority owned Government enterprise, has significant financial & operational autonomy and has been constantly committed to further enhancing its 'Maharatna' status on the back of our sustainable and robust corporate governance initiatives.



Board of Directors



Shri C. S. Verma
Chairman



Shri Vinod Kumar Thakral
Additional Secretary & Financial
Advisor, Ministry of Steel, Gol



Shri Upendra Prasad Singh
Joint Secretary,
Ministry of Steel, Gol



Shri Anil Kumar Chaudhary
Director Finance



Shri S. S. Mohanty
Director Technical &
Commercial (Additional Charge)



Shri H. S. Pati
Director Personnel



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



Shri Kalyan Maity
Director Raw Material
& Logistics

Independent Directors



Dr. Jagdish Khattar



Prof. Subrata Chaudhuri



Shri P. C. Jha



Shri P. K. Sengupta



Dr. Isher Judge Ahluwalia



Shri Sujit Banerjee



CA Arun Kumar Srivastava



Dr. Atmanand



Shri J. M. Mauskar

Chief Executive Officers (Permanent Invitees)



Shri G. S. Prasad
CEO, Rourkela Steel Plant



Shri P. K. Singh
CEO, Durgapur Steel Plant



Shri Anutosh Maitra
CEO, Bokaro Steel Plant



Shri S. Chandrasekaran
CEO, Bhilai Steel Plant



Shri N. Kothari
CEO, IISCO Steel Plant

Business Risks and Strategies

Emphasis on risk assessment and strategy planning continue to have more than ever importance in SAIL as the volatility and unpredictability in the market continue. The company has always been aware of this and is affirmatively endeavouring to address the various risks faced by the company.

Risk and Strategies for SAIL

Indicators	Risk	Strategy
Economics	<ul style="list-style-type: none"> • Demand not growing as per expectation • Increase in domestic capacities resulting in intense competition among domestic suppliers • Delays in project implementation • Depreciation of Rupee • Higher level of interest rates • Raw material securitization • Dependence on imported coal • Inadequate infrastructure for movement of imported inputs/distribution of output 	<ul style="list-style-type: none"> • Completion of ongoing modernization and expansion plan thereby enabling of enhancement of market share • Expansion of marketing network to protect market share • Thrust on value-added steel and special steels • To cater retail demand of small consumers • To aspire for distinction in quality across supply chain • To enter into new Joint Ventures (JVs), mergers & acquisitions and entering into Memorandum of Understanding (MOUs) for long term objectives • Executing efficient contractual management as per international practice • To participate in auctions/ tenders for inputs • In-house design & engineering • To review tender terms & conditions for imported items • To bring new bidders at competitive rates • To increase share of e-procurement and e-sales • To aim at cost reduction, quality improvement, product development, energy conservation and automation through implementation of exhaustive Master Plan for R & D

Indicators	Risk	Strategy
		<ul style="list-style-type: none"> To closely monitor project activities Capacity expansion of existing mines and development of new mines Thrust on optimum utilization of funds by better fund management Hedging of foreign currency risk
Labour	<ul style="list-style-type: none"> Skill depletion, mainly in technical areas Regular superannuation 	<ul style="list-style-type: none"> To focus on Job specific / specialised skills and capabilities at various ranks To provide cohesive and learning environment Recruitment of skilled workforce. Encouragement of adoption of best practices To strategically align HRM to business priorities and objectives Infusing a sense of commitment and passion among employees
Environment	<ul style="list-style-type: none"> Stringent environment norms in future than the current ones More concern on climate change issues posing risks in the form of new environmental related taxes and caps Waste generation and disposal aspects Emissions continue to be a target of environmental regulators 	<ul style="list-style-type: none"> To ensure that regulatory requirements are duly adhered to To initiate actions for going beyond statutory compliance. Continuously improve the efficiency of technology with regard to energy use and CO₂ emissions to address climate change issues Increasing the recycling of wastes and development of new technology for enhancement of utilization of waste Focus on use of Renewable Sources of Energy Building an environmentally conscious workforce by increasing awareness and competence in environment management Building a green image for the company

Indicators	Risk	Strategy
Social	<ul style="list-style-type: none"> Maintaining operational activities in harmony with people Upholding highest ethical business practices across supply chain Outreach of development activities in rural areas 	<ul style="list-style-type: none"> Maintaining highest standards of commitment towards society To promote inclusive growth marked with a culture of self sustainability amongst the beneficiaries Investing on society and its development with focus on health, child care, education, women empowerment, sanitation, livelihood generation, sports, infrastructure development, local art and culture. Implementation of CPSE guidelines Commitment towards excellence in public service delivery through good governance

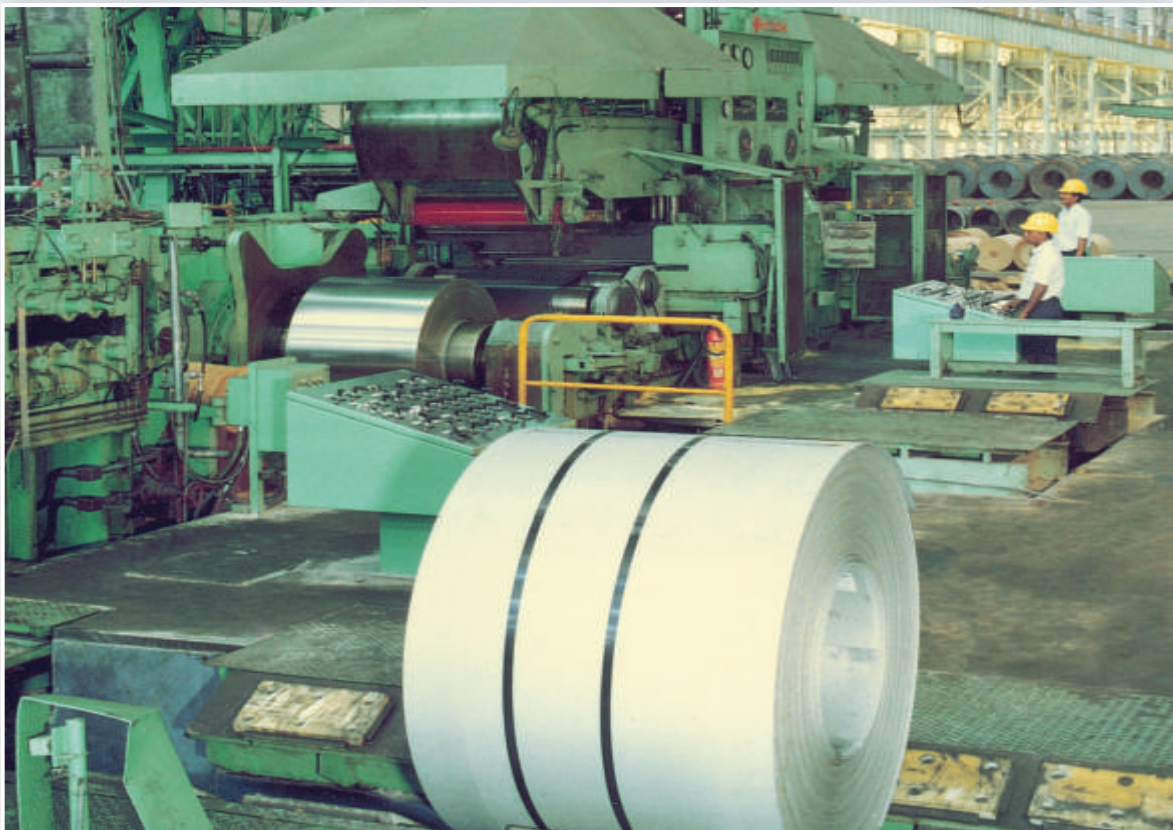
SAIL being India's leading steel producing company and with a network spread all over the country has been widely recognized by all stakeholders. As SAIL continues to grow and expand, the commitment towards sustainable development also continues to be a fundamental ingredient of its business activities. SAIL also strives to exhibit social responsibility by promoting values and initiatives that demonstrate respect for the populace and communities. Fostering the well being of employees in the steel industry is high on SAIL's schema. We, at SAIL, firmly believe in conducting our business with effective and effervescent engagement of all relevant stakeholders and help others in the supply chain to implement sustainable practices. SAIL is proud to incorporate Sustainable Development as one of the parameters of MoU, which the company signs with the Govt. of India.

Strength and Opportunities

Strength	Opportunities
<ul style="list-style-type: none"> India's second largest producer of iron ore, making it self sufficient in iron ore Diversified product mix and multi location production units Ability to cater to the steel requirement of any customer Nationwide distribution network with a presence in every district in India Large skilled manpower base- Labour productivity of 258 tonnes of crude steel per man per year during 2012-13 Captive power plants take care of about 70% of total power Biggest in-house research and development centre in Asia Low overall borrowing 	<ul style="list-style-type: none"> Investment in the infrastructure across the country to push the demand of steel. Meeting requirements of wide range of customers at their doorstep in time with marketing network spread across the country Forging strategic alliances with renowned international technology providers Securing of overseas raw material Adoption of alternate technologies in Iron & Steel making Enhancing improvements in the areas of Energy, Raw material consumption, Marketing, Human resources, Utilities, IT, Environment, CSR, Learning amongst employees and Safety management



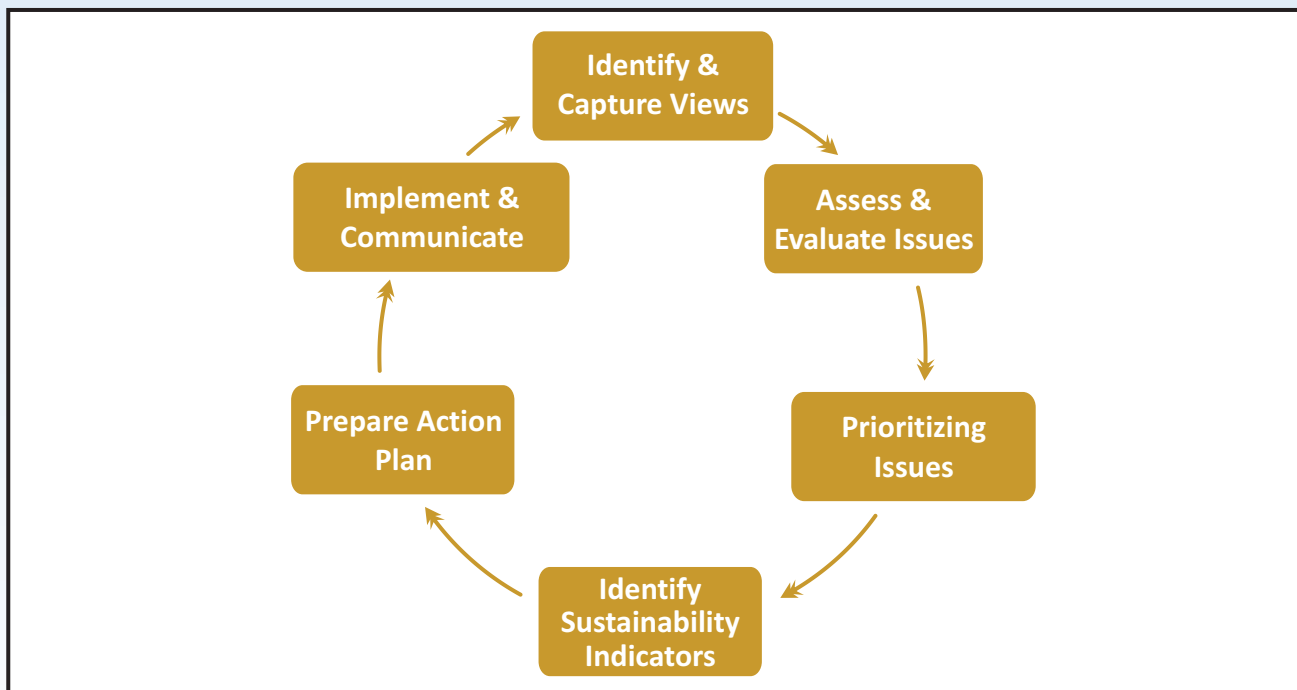
Hot Metal Pouring



Sandmiser Mill, SSP

Stakeholder Engagement

Entities or individuals who can be reasonably expected to be significantly affected by the organisation's activities, products and/or services make up the stakeholders of the business; their actions can reasonably be expected to affect the ability of the company to successfully implement its strategies and achieve its objectives. These include groups or individuals whose rights under law or international conventions provide them with legitimate claims with regard to the organisation.



Stakeholder Engagement Model

The company considers the expectations and interests of stakeholders whilst formulating the dynamic strategies and decisions towards improvement of its performance.



Annual General Meeting 2012, New Delhi

The identification of stakeholders originates from the vision of the Company, which indicates that all efforts shall be directed towards quality, productivity, profitability and customer satisfaction.

Diverse stakeholders are engaged to ascertain a continual improvement in various sectors of product and services as per the details given below.

Stakeholder Engagement Mechanisms:

Stakeholders	Forum for Assessing Requirements, Communicating Directions and Receiving Feedback
Shareholders	Annual General Meetings, Quarterly and half-yearly reports to shareholders, Shareholder relation meets, Investor surveys
Customer	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 Minister/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/ Professional bodies	Visits to plants, seminars, conferences, interactions
Govt. Regulatory Authorities	Close liaising with concerned Government Offices.

Stakeholder Expectations 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
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 and environment compliance	Contribution to government exchequer, employment opportunities, import independence

Stakeholders	Prioritised Stakeholder Concerns/Perception	Benefits
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 to 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

Feedback received from the above mentioned stakeholders form the basis for structuring strategic plan and corresponding objective setting for product & service development, with a view to retain and attract the customers, market penetration & development.

Feedback received from the local communities is evaluated for planning the developmental work required to be taken up by SAIL plants in the areas of roads, health and hygiene, sanitation, drinking water, irrigation etc.

Various public departments and law enforcing authorities are also consulted to take appropriate measures by SAIL plants & units for complying with any new law / regulation, when notified.

Stakeholder engagement model in SAIL is governed through citizen's charter and Sevottam model.

Citizen's Charter

Objectives of Citizen's Charter

- Ensuring Citizen-centric focus across all its processes by adopting excellence enabler practices 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.

Management's Commitment

- Produce quality steel and related products/services to the specifications and standards stipulated by laid down norms.
- Ensure delivery of our products/services as per agreed terms and delivery schedule.
- Build world class workforce by training, motivating & encouraging personnel at all levels; to identify delivery problems and to suggest solutions and take remedial measures.
- Attain national and international benchmarks in all spheres of working and strive to attain international standard to become globally competitive through R&D efforts.

- Remain sensitive to environment management and safety
- Maintain the highest ethical standards in all our endeavours, business and economic activities
- Commit to our duties to the best of our ability, intensity and efficiency with the prime motto of fulfilling the Citizen's requirements and to rise to their expectations and beyond
- To meet the statutory/regulatory requirements related to products, services, safety, security, finance and human resources
- Make sincere efforts in meeting all our social obligations towards our Citizens
- Prompt redressal of Citizen's grievances

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 delivery

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.

As per the Right to Information Act, 2005, all the SAIL Plants and Units have RTI cell which facilitates common citizen in seeking any information.

Materiality Mapping

Significant issues related to the business performance of SAIL were identified through internal stakeholder engagement meetings conducted at Kolkata (for participants from EMD, CMO, Rail Movement, CCSO & GD), Durgapur (DSP, ISP & ASP), Bokaro (BSL, SRU), Ranchi (RDCIS, SSO, CET & MTI), Bhilai (BSP, CFP and SRU), New Delhi (Departments from Corporate Office viz. EMD, CMO, Project Finance, Internal Audit, Corporate Affairs, CMMG, Projects, SAILCON, Personnel, CSR etc.), Rourkela (RSP) and Salem (SSP & VISL). At each forum, a comprehensive presentation was made on Sustainable Development and the requirement for Sustainability Reporting which is gaining momentum in the present day business scenario.

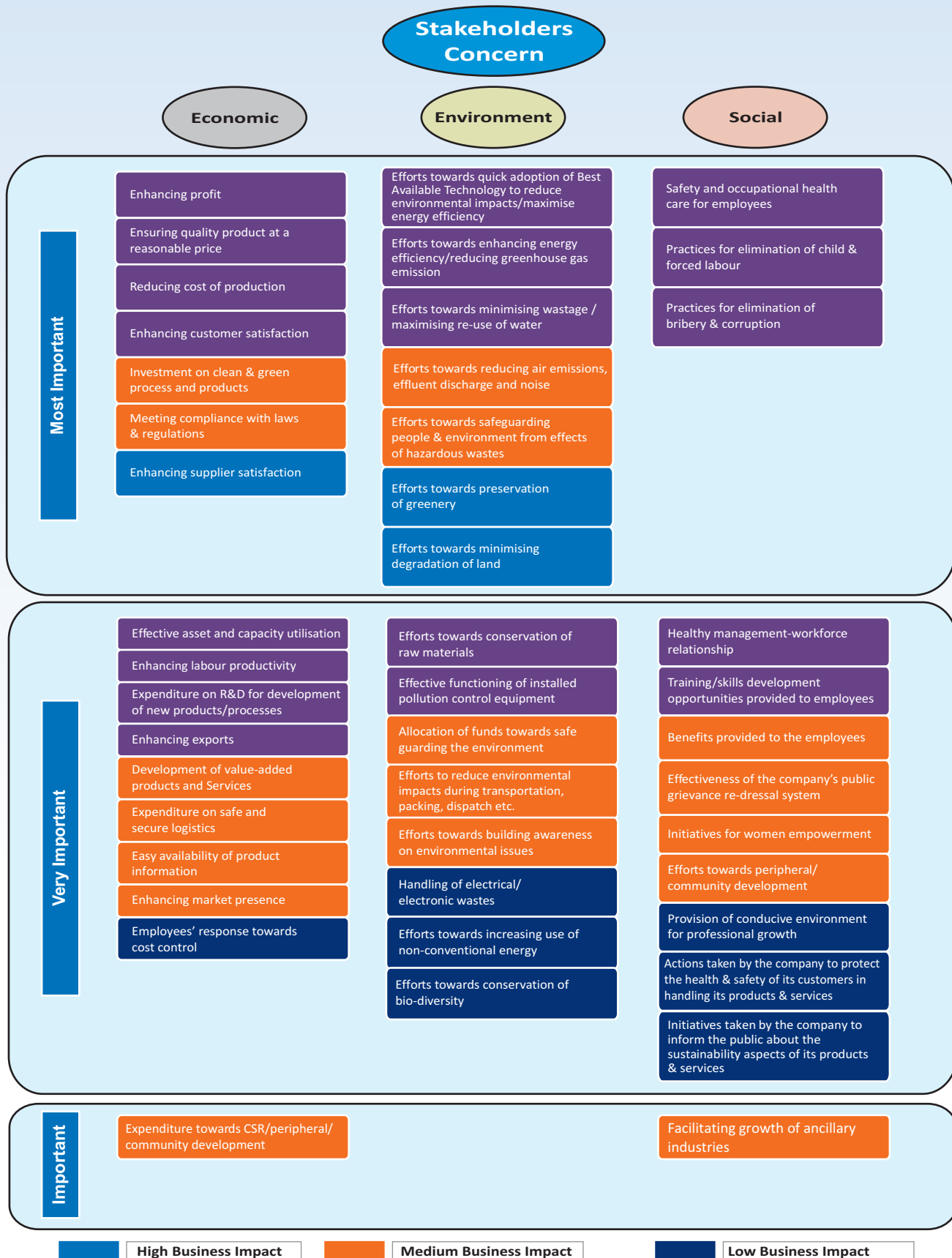


Stakeholder Engagement Meeting, RSP



Stakeholder Engagement Meeting, BSP

The outcome of the Materiality Mapping exercise carried out at the end of each Stakeholder meeting has been analysed. The following issues were found to be of greater relevance among the stakeholders:





Stakeholder Engagement Meeting, RDCIS, Ranchi

SAIL is optimistic and remains committed to India's growth, particularly when it emphasises on increasing growth rate of manufacturing sector, higher rates of urbanisation and the rising middle class population. The relentless drive of the management of SAIL to fast-track its Modernisation & Expansion plan shall continue and has already started giving positive results. The company is working on a long term strategic plan "Vision 2025", which will steer the company towards a target of 50 million tonnes of Hot Metal production, thereby meeting the strategic objectives of achieving leadership in Indian steel sector and a position amongst the top steel companies globally. During the year 2012-13, SAIL utilised 103% of its capacity and achieved the highest ever labour productivity of 258 TCS/Man/year. Under the "SAIL Rural Dealership Scheme", 562 rural dealers were appointed during the year. The implementation of the company's R & D Master Plan, launched in 2011-12, is proceeding as per schedule. The company has striven to enhance its product basket by developing soft iron magnetic plates for India-based Neutrino Observatory (INO) project of Bhabha Atomic Research Centre, special Hot Rolled coils tailor-made for wagons used by Indian Railways, and special grade plates for applications in pressure vessels used by the petrochemical industry. SAIL also continued to give impetus towards taking new business initiative in the form of JV and MoU.

SAIL is continuously adopting the Best Available Technologies, with a view to produce green and clean steel. The Modernisation programme of SAIL has several projects with energy efficient and environment friendly technologies, including tall coke oven batteries, coke dry quenching, waste heat recovery from Blast Furnace stoves and Sinter Machines, secondary emission control in Basic Oxygen Furnace, Cast House De-dusting systems at Blast Furnaces and pelletisation of micro fines from beneficiation activities in mines, etc. Various projects are under different stages of implementation for recycling of water, in order to reduce intake of fresh make-up water. The company continued its sincere effort in maximizing solid waste utilisation and ensures 100% safe disposal of hazardous waste.

The company's focus on social responsibility remains unwavering. SAIL has been a pioneer in the area of Corporate Social Responsibility (CSR), even before CSR became a buzzword. With the help of various programmes, the company intends to plough prosperity back into the society from which its strength emanates, to minimize inequalities by providing quality education, health care, infrastructure and employment avenues to

all, to ensure that man and nature live in harmony, to preserve the originality and beauty of Indian culture, while simultaneously promoting scientific temperament and modern technology. Safety of employees of the company and the people associated with the company's activities is always given top priority in making any management decision.

Responsible Stewardship

Policies

Enterprise Risk Management Policy
Inter-plant 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
Whistle Blower Policy

Charter

Citizen's Charter

Sustainability Management

STEEL AUTHORITY OF INDIA LIMITED has immensely contributed to the development of technical and managerial expertise in the country. SAIL has put in place systems for socio-economic development of the neighbourhoods and communities amidst which its plants and units operate. In short, to make a meaningful difference in people's lives – a credo that SAIL has been upholding proudly ever since. It is with this credo that SAIL has over the years, endeavoured towards value balancing, value transferring and value adding relationships with all its stakeholders.



Workshop on Sustainability & Transparency in Business Context by SAIL-GRI, New Delhi

SAIL reaffirms its commitment to contributing towards a clean and sustainable environment and continually enhancing its environmental performance as an integral part of its business philosophy and values under the banner of "Corporate Environmental Policy" and is also committed to continuously promote sustainable development, encompassing environmental, societal and economic aspects related to its business activities under "Sustainable Development Policy". In addition to these, the company is committed to continuously improving its social responsibilities, environment and economic practices to make a positive impact on the society and to this effect; "Corporate Social Responsibility Policy" has been formulated.

SAIL's focus on social responsibility remains unwavering. The pivotal role of education, health, income generation and Sustainable Development (SD) is the cornerstone of Corporate Social Responsibility (CSR) and SD initiatives. Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India released the guidelines for SD in 2011 and made SD as one of the compulsory parameters in MoU of CPSEs. In accordance, the following SD projects were taken up during the year for implementation at SAIL Plants & Mines:

1. Water Management- Water Foot Print and Water Accounting Study at four SAIL Steel Plants: BSP, DSP, BSL & RSP
2. Life Cycle Assessment- Carbon Foot Print Study of Steel Products at BSP
3. Bio-diversity Conservation- CO₂ Mitigation Strategy (Afforestation) and Bio-diversity Conservation at Bolani Iron Ore Mine
4. Sustainability Training across SAIL covering all strata of SAIL employees

5. Publication of SD Performance Report (SDPR), 2011-12
6. Water Management- Rain Water Harvesting in CRM Zone -II Complex at BSL
7. Installation of Solar Power Plant at Bhilai Niwas of BSP.

The SD initiatives include innovative projects such as carbon and water foot print study at SAIL plants, bio-diversity conservation at Bolani Iron Ore Mine, rain water harvesting and sustainability training exceeding 10000 man-hours across the Company, including exclusive interaction for SAIL Board of Directors with Global Reporting Initiative (GRI) sustainability experts.

Bio-diversity Conservation

In the present scenario of Climate Change and Global Warming eco-restoration is an important element that can reap immediate sustainability benefits. There are several suitable locations at SAIL units where afforestation technique has been used to mitigate the effects of global warming and climate change. A distinctive project has been taken up to restore 75 acres of degraded area at Bolani Iron Ore Mine for ecological restoration and rehabilitation as a Model for Sustainable Development, Bio-diversity Conservation and CO₂ Mitigation Strategy. The central objective of this project is restoring ecosystem functions and services in the selected area, with a larger view of directly enhancing the livelihood sustainability of the local people using the expertise of Center for Environmental Management of Degraded Ecosystem (CEMDE), University of Delhi and Ambedkar University, Delhi.

Global Reporting Initiative (GRI) and SAIL

During the year, SAIL became the first founding member of the GRI Focal point India Consortium to steer sustainability activities in India. GRI and SAIL, together with other institutions, are establishing a core network of sustainability partners to create and implement best practice sustainability models across various sectors. The first meeting of the consortium was held at the SAIL Corporate Office in New Delhi.

SAIL also organized exclusive "Workshops on Sustainability & Transparency in the Business Context", led by the Chief Executive of Global Reporting Initiative (GRI), Mr Ernst Roeland Ligteringen, at New Delhi for its Board of Directors and other Senior Executives.

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

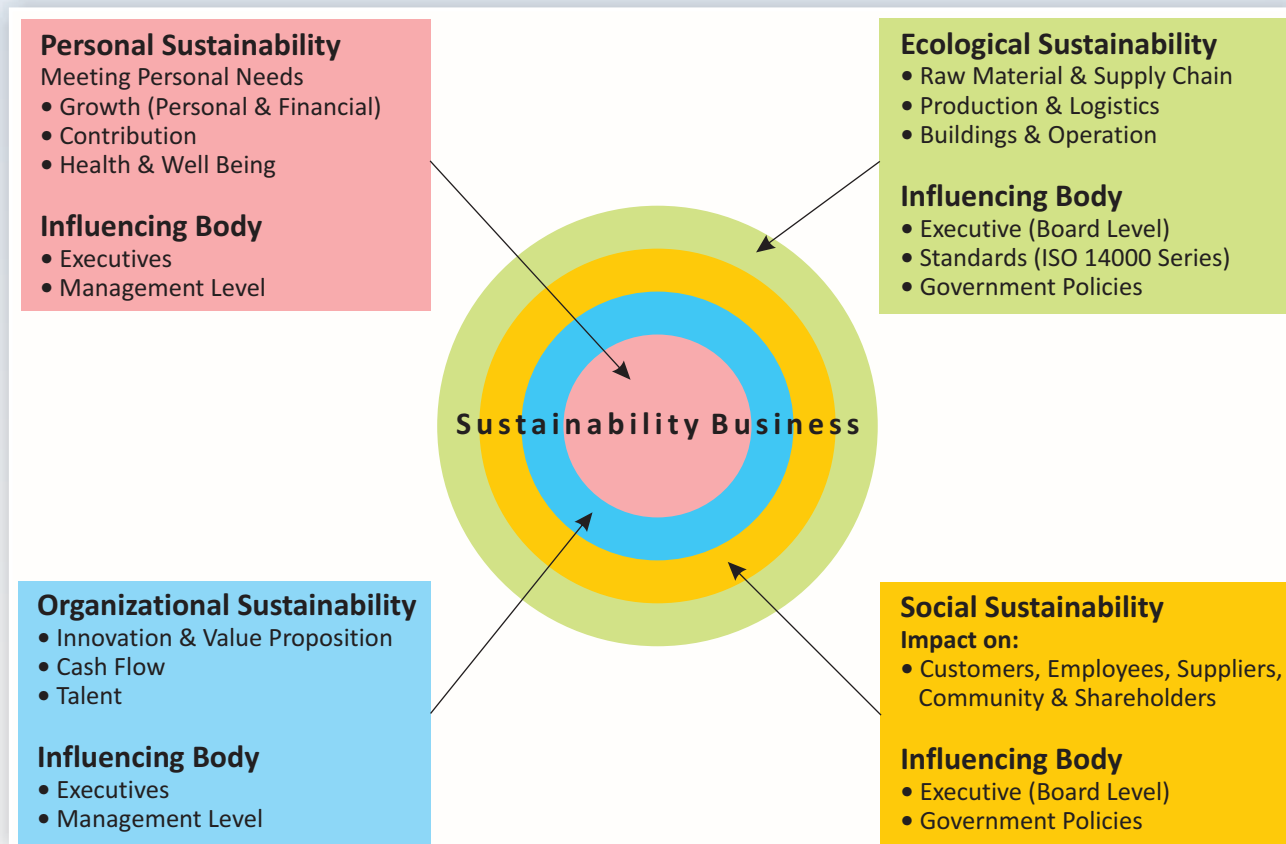
Current strategy of the Company is reflected in its major objectives, as defined below:

- 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.
- Better utilization of natural resources through introduction of latest mineral beneficiation technology for enhanced use of lean ores.
- To aim at excellence in quality across the Product chain.

- To build Customer Centric Processes, Systems, Structure and Procedures.
- To maintain Financial Health with rational investment and controlled borrowing.
- To carryout interventions to achieve all round functional improvements – Marketing, Human Resources, Infrastructure & Utilities, Maintenance, Information Technology, Environment and Safety Management etc.
- To remain socially responsible by committing certain amount of profit towards society in the areas of peripheral development, education, health, sports, family welfare etc.
- To carryout Research and Development activities with particular emphasis on manufacture of value added product(s) at optimal cost and enhancement of clean technology.
- 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.

Sustainability Model

Business sustainability is often defined as managing the triple bottom line - a process by which companies manage their financial, social and environmental risks, obligations and opportunities. These three impacts are sometimes referred to as profits, people and planet.



However, this approach relies on an accounting based perspective and does not fully capture the time element that is inherent within business sustainability. A more robust definition is that business sustainability represents resiliency over time – businesses that can survive shocks because they are intimately connected to healthy economic, social and environmental systems. These businesses create economic value and contribute to healthy ecosystems and strong communities.

Business sustainability requires firms to adhere to the principles of sustainable development. According to the World Council for Economic Development (WCED), sustainable development is development that “meets the needs of the present without compromising the ability of future generations to meet their own needs.” So, for

industrial development to be sustainable, it must address important issues at the macro level, such as: economic efficiency (innovation, prosperity, productivity), social equity (poverty, community, health and wellness, human rights) and environmental accountability (climate change, land use, bio-diversity).

Some of the Management Tools and Concepts at SAIL

- Ensuring citizen-centric focus across all its processes by adopting **Total Quality Management (TQM)** principles for improvement of products and services.

Most of our plants and units are certified to ISO 9001:2008, EMS ISO 14001:2004, OHSAS 18001:2008 and SA 8000:2008 management systems. During the financial year 2012-13, RSP was certified to Social Accountability Standard (SA 8000:2008) and DSP was certified to Information Security Management System (ISMS) ISO 27001:2005. Under the Umbrella Project of "Greening of Warehouse", Hyderabad Warehouse and Export Stockyard, BTSO, Vizag were taken up for implementation of EMS: ISO 14001:2004 during the financial year 2012-13 and both the sites have been certified.

- Enterprise Scorecard (ESC)**

Enterprise Scorecard (ESC) not only brought integration with Memorandum of Understanding (MoU) with Government of India and Annual Business Plan (ABP) of the Company but also facilitated deployment of these across various leadership levels. It facilitated deployment of organisational strategy through Strategic Objectives and Key Initiatives. ESC 2012-13 was aligned upwards with ABP & MOU; deployed downwards through Unit Scorecards, Functional Scorecards and Departmental Scorecards and addressed the long term and short term issues.

- Introduction of customer centric processes such as **Enterprise Resource Planning (ERP)** and **Manufacturing Execution System (MES)**

SAIL has been moving ahead in innovative usage of Information Technology (IT). As a step towards this, Enterprise Resource Planning (ERP) has been implemented stage wise at BSP, DSP, BSL, CMO and RSP during 2009-2012.

Manufacturing Execution System (MES) has been implemented at BSP. MES implementation has enabled detailed planning, scheduling and status monitoring of orders at the relevant shops.

- Developing skills and capabilities of employees to improve manpower utilization and Labour Productivity is the key thrust area of **Human Resource Management (HRM)**

In addition, Quality Circles, Suggestion Schemes, Shop Improvement Workshops also offer multiple avenues for enhanced workers' participation. Workers are also kept abreast of strategic business decisions and their views sought thereon through structured/interactive workshops.



Induction Training Programme for Management Trainees, BSL

Management Approach

Economic

SAIL has a significant presence in domestic steel market. The major strength of the company is the diversified product mix as well as production units based at multi locations. SAIL, with its presence in every district of the country, has a distribution network spread over the nation thus making availability of quality steel through out the country.

One of the major strengths of the company is its committed and talented employees who are passionately contributing in their area of work and motivated in tandem with the company to make a difference in people's life. SAIL is successfully contributing to the economic growth of the country through its quality products which are appreciated by customers across the world and providing strength to the nation. This is an outcome of the company's innovation and its adoption of the new state of the art technologies. SAIL ensures that each of its activities is world class and competitive. SAIL further aims to streamline its operations, targeting increase in operational excellence and energy efficiency. SAIL has effectively secured its market share even during recent market fluctuations by suitably addressing customer needs and market dynamics.

Environment

SAIL's commitment towards a cleaner, greener and sustainable development is embedded in the Corporate Environment Policy of SAIL. SAIL affirms that continuous improvement in environmental performance is an integral part of its business philosophy and values. SAIL excels in environmental performance by adopting latest technologies, implementing Environment Management System (EMS), creating awareness for cleaner environment and providing training to its strong employee base on good environmental practices. The company has successfully adopted EMS, based on ISO 14001: 2004 to achieve impressive result in environmental performance. SAIL is building management systems for its operations across the company in accordance with the NEP 2006. The company has maintained a systematic approach to ensure availability of a clean environment. This has resulted in consistent reduction of Particulate Matter Emissions and Effluent Discharge, Enhancement in utilization of Solid Waste, Reduction in Specific Energy Consumption and Increase in green cover. SAIL ensures that regulatory requirements are appropriately identified and adhered to and goes beyond them through adoption of the guidelines set in the Charter for Corporate Responsibility for Environmental Protection (CREP). CREP was launched by the Ministry of Environment & Forest (MoEF) in March 2003 with the purpose to go beyond the compliance of regulatory norms for prevention & control of pollution through various measures which further helped to reduce its environmental footprints. In order to substantially reduce its dependence on road transport, which increases fossil fuel consumption and fugitive emissions, SAIL is strengthening its logistics towards transportation by rail.



Deer Park, RSP

This has resulted in consistent reduction of Particulate Matter Emissions and Effluent Discharge, Enhancement in utilization of Solid Waste, Reduction in Specific Energy Consumption and Increase in green cover. SAIL ensures that regulatory requirements are appropriately identified and adhered to and goes beyond them through adoption of the guidelines set in the Charter for Corporate Responsibility for Environmental Protection (CREP). CREP was launched by the Ministry of Environment & Forest (MoEF) in March 2003 with the purpose to go beyond the compliance of regulatory norms for prevention & control of pollution through various measures which further helped to reduce its environmental footprints. In order to substantially reduce its dependence on road transport, which increases fossil fuel consumption and fugitive emissions, SAIL is strengthening its logistics towards transportation by rail.

One of the priority initiatives of SAIL has been the funding for clean technologies. The company is investing around INR 50 billion for various pollution control systems in its ongoing INR 720 billion modernization and expansion programme. This investment toward clean technology is in addition to the investment that the company has made over the years in its operations.

Social

Focus on social responsibility continues to remain an important ingredient of company's philosophy. SAIL is

strongly committed to the principles of Human Rights, Labour laws, Environment protection and Anti-corruption and is a signatory to the UN global compact. SAIL showcases its commitment towards society by successfully implementing OHSAS 18001:2008, SA 8000:2008 and ILO convention. The Corporate Social Responsible beliefs of the company are based on role of education, health, income generation, infrastructure development and sustainable development. In order to reach the doorstep of the under privileged, SAIL has provided free health check-ups, pathology laboratory treatment, medicines & immunization programmes etc.



Lok Kala, BSP

Bribery and anti-competitive behavior are forbidden in SAIL. Indulgence in anti-competitive behavior was never observed in SAIL.

Labour Practices and Decent Works

SAIL has work culture that is proactive to change, flexible one and provides learning opportunities to employees. This culture results in shaping up a challenging career for employees and their scaling up on the professional ladder.

As on 1st April, 2013, the total number of employees in SAIL was 101878, out of which permanent women employees are 5882 (Executives: 1009 and Non-Executives: 4873), whereas the number of contractual labour engaged at SAIL plants and units, including projects/modernization is 84320. There is an apex body of employees, recognized by SAIL and is known as National Joint Committee for Steel Industry (NJCS), which comprises of representation from Central Trade Union Organisations viz. Indian National Trade Union Congress (INTUC), All India Trade Union Congress (AITUC), Hind Majdur Sangha (HMS) and Center for Indian Trade Unions (CITU) and representatives from recognized unions from plants. Executive employees are represented by the respective Officer's Associations (OA) of their plants/units. OAs are affiliated to the apex body – Steel Executives' Federation of India (SEFI). All regular non-executive employees of SAIL are covered by the NJCS decisions.

All the major production units have their own well defined Occupational Health Centers where the quality of the health of employees is regularly monitored, in order to ascertain good health of its employees and provide appropriate medical management. SAIL does not discriminate its employees on the basis of religion, caste, sex and creed, etc.

SAIL is continuously investing for employee development by its well designed training modules that keep employees updated with the latest technology and skills required for the steel sector. These training programme are aimed to meet the requirement of SAIL's manpower to cater to the planned technological upgradation and expansion of its steel making capacity.

Human Resource Management

SAIL is proud of its Human Resource which constantly challenges the limits and excels across all spheres. SAIL believes that employees are main driving force of the organization. Human Resource Policy of SAIL embeds engagement for building a culture for learning to achieve excellence in performance and satisfaction of employees through innovation and continual improvement. For SAIL, employees are most valuable resource and it recognizes the potential of Human Resource for provision of competitive advantage.

Product Responsibilities

In the last decade, Indian steel industry has made significant growth based on fundamentals and it is to further grow with robust investments, infrastructure and industrial development. SAIL's product range complies with quality norms of BIS or with the specific requirement of customers as per their application. Well established systems and procedures at SAIL ensure compliance with requirements related to product labelling, market communications and privacy of customers. CMO, the marketing organization of the company, is primarily responsible for marketing of steel products. Guidelines of the corporate design manual govern all marketing communications.

Human Rights

SAIL considers business ethics and rights of individual utmost and pursues efforts for maximizing value for all of its stakeholders. SAIL believes that this helps in managing risks, fostering a positive climate for business and in maintaining good relationship with its stakeholders. All policies and procedures of SAIL abide by the statutory norms to ensure that none of its activities override the basic human rights. One complaint was filed during the year on sexual harassment. As a Public Sector Enterprise, the company never has any form of forced or compulsory labour and child labour. Concerns related to service conditions, wage, work, welfare etc. are addressed by an effective grievance redressal mechanism. As a PSE, standard purchase / contract procedure 2009 (PCP-2009), statutory laws and relevant acts as mandated in the country are being practiced in the contracts and agreement with suppliers and other parties which suitably takes care of human rights issues. SAIL honours and protects Indigenous Rights of people.



Rails, BSP



Warship

Economic Performance

The World economic output declined to a growth rate of 3.2%, in 2012 from 4% in 2011. In its latest World Economic Outlook update, IMF projects a 3.3% growth for 2013. The mild recovery in 2013 would be



Release of a book "Indian Saga of Steel", New Delhi

supported mainly by emerging markets and developing economies, while growth in advanced economies would remain flat.

World crude steel production grew at 0.7% reaching 1547 Million Tonnes (MT) in 2012, as per World Steel Association (WSA). The growth in production, coming mainly from Asia and North America, was considerably subdued as compared to 7.3% growth in 2011. Japan, the second largest steel producer in the world, after China, recorded negative 0.4% growth in crude steel production in 2012 over 2011. US produced 88.7 MT of crude steel in 2012, growing at 2.7% over 2011. Of the BRIC nations, only Brazil recorded a decline in crude steel production in 2012 at (-) 2%; Russian and Indian crude steel production grew by 2.2% and 5.6% respectively. China accounted for 46% of the world's total crude steel production in 2012, reaching 716.5 MT, an increase of 2% over 2011. The European Union saw crude steel production decline by (-) 4.7% in 2012 to 169 million tonnes.

The Indian economy is going through a rough phase with GDP growth moderating to 5% in the financial year 2012-13 as per CSO provisional estimates. Of primary concern are the Fiscal Deficit, which although contained at 5.1% for the financial year 2012-13, is still on the higher side, and the Current Account Deficit (CAD). Inflation also remained on the higher side. Industrial activity has been sluggish, growth in manufacturing has declined further to 1% in the financial year 2012-13 while construction remained moderated at 4.3%.

India maintained its ranking as the 4th largest steel producer in the World (after China, Japan and USA) with a production of 77.6 million tonnes (estimated figures) of crude steel in 2012, registering a growth rate of 5.6% over 2011 (source: WSA). The country has also been the largest sponge iron producer in the world since 2002. Finished steel demand in India, as per JPC estimates, softened as reflected in a 3.3% growth in real consumption of finished steel during the financial year 2012-13 to 73.3 million tonnes. The moderation in demand was mainly due to

deteriorating global and domestic growth conditions. Finished steel production for the financial year 2012-13 at 77.6 million tonnes (JPC provisional figures), shows a growth of 2.5% over the previous year.

The future outlook for the Indian steel industry is optimistic. The World Steel Association has forecast a steel demand growth of 5.9% and 7% for 2013 and 2014 respectively, which is higher than the growth projected for developed countries and China.

SAIL caters to almost the entire range 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 12.385 Million Tonnes (MT) during the financial year 2012-13, marginally lower than 12.4 Million Tonnes in 2011-12. Sales volume of saleable steel was 11.11 MT as against 11.42 MT in 2011-12. The profit after tax of INR 21.70 billion was lower by INR 13.73 billion over last year (INR 35.43 Billion). The comparative performance of major financial parameters during the financial years 2012-13, 2011-12 and 2010-11 is given below:

Socio Economic Performance:

Key Economic Indicators (In billion INR)	2010-11	2011-12	2012-13
Gross Turnover (Direct Economic Value Generated)	470.41	503.48	493.50
Net Turnover	427.19	456.54	439.61
Cost of Material Consumed including Bought out Goods	202.52	230.26	212.02
Employee Wages & Benefits	76.23	79.32	86.37
Payments to Providers of Capital :-			
- Interest (Finance Cost)	4.75	6.78	7.48
- Interest (Capital-Expenditure During construction)	6.08	8.68	8.00
- Dividends	9.91	8.26	8.26
- Community Investments (CSR Exp.)	0.68	0.61	0.53
- Contribution To Government / Exchequer For Taxes & Duties Including Dividends	111.68	110.08	121.22
Operating Profit (EBITA)	75.44	60.91	42.18
Profit After Tax	49.05	35.43	21.70
Retained Profits	31.80	23.60	9.01

Gross Turnover of SAIL Stood at INR 493.50 billion for the year 2012-13 as compared to INR 503.48 billion for the year 2011-12. There has been steady increase in the wages and benefits offered to SAIL Employees and it has grown to INR 86.37 billion for 2012-13. 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 lowers profits. SAIL made community investments of INR 0.53 billion during the year 2012-13. The Investment was INR 0.61 billion for 2011-12 and INR 0.68 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 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 the form of reliefs and concessions. For the Year 2012-13, this amounts to INR 0.13 billion compared to INR 0.14 billion for 2011-12 and INR 0.13 billion in 2010-11.

Entry level wage is uniform in SAIL across all categories, genders and locations. However, as minimum wages is notified by each state government, the ratio of entry level wage to minimum wage is different for each steel plant depending on the notification by the respective state government.

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 enduring steady order booking to the ancillary units. Each SAIL Plant has got different levels of committees in operation for implementation of policy decisions and to interact with various ancillary units and Government associations. 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.

Various Initiatives Undertaken

Cost Control Measures

- Emphasis on cost reduction and productivity improvement continued during the year through systematic application of new technology, process improvement through R&D efforts and strong awareness to control cost at all levels of operation.
- Continuous monitoring of procurement of high value items, maximising use of in-house engineering shops and optimisation in procurement including negotiations with suppliers for price reduction.
- Several strategic actions were taken to achieve cost control savings in major areas of operation viz. optimisation of coal blend, higher yield, higher CC production and improvement in revenue maximisation areas.

Funds Management

- Company earned interest of INR 6.36 billion through short-term deposits with scheduled banks.
- The Company has maintained term deposits with Banks of INR 34.00 billion against borrowing of INR 215.97 billion as at the year-end.
- The total debt during the current year increased by INR 52.77 billion.
- The Company hedged the foreign currency risk on Buyers' Credit and repayment of external commercial borrowing availed during the year.
- 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. The International borrowing programme of the Company has been rated at 'BBB-' by M/s. FITCH Ratings and M/s. Standard & Poor's.

Capital Investments

- The Company has undertaken modernization and expansion plan to increase capacity of Hot Metal production from 13.8 MTPA (installed capacity) to 23.5 MTPA progressively in the current phase.
- During the year capital expenditure of INR 97.31 billion has been incurred (INR 110.21 billion in previous year). The same has been funded by a mix of borrowing and internal accruals.

Marketing

- During the year, supplies of Rails to Indian Railways registered a growth of around 6.7% over last year.
- Dispatch of total wheels to Indian Railways from Durgapur Steel Plant in the financial year 2012-13 was 47,649 numbers as against 43,800 numbers last year, a growth of 8.8% over last year.
- SAIL has the largest marketing network among all steel producers in the country. As on 1st April, 2013 SAIL's network of marketing offices consists of 37 Branch Sales Offices and 27 Customer Contact Offices for booking of orders which are serviced through its warehouse network spread across all the states of the country.
- SAIL Dealership network was further expanded with appointment of 562 rural dealers during the year under "SAIL Rural Dealership Scheme". SAIL's dealership network consists of 2896 dealers as on 1st April, 2013 which includes 562 rural dealers.

Significant Project Commissioned :-

- New Sinter Plant at Rourkela Steel Plant (RSP);
- 700 TPD Air Separation Unit-4; Oxygen Plant-II at Bhilai Steel Plant (BSP);
- Skin Pass Mill, CRM at Bokaro Steel Plant;



- Raw Material Handling Plant, Sinter Plant, Coke Oven Battery No.11 and Wire Rod Mill at IISCO Steel Plant at Burnpur.

Benefits Derived as a result of R&D Efforts in 2012-13**Cost Reduction**

- Improvement in roll temperature profile at Plate Mill, BSP
- Introduction of modified roll cooling system in intermediate stands at Section Mill, DSP
- Improvement in productivity of SP#1, DSP
- Introduction of Magnetic Plate Segregation Chute and Magnetic Water Conditioner at Sinter Plant #2, RSP
- Modification of Safety Lining of CCM-II ladle to enhance ladle reliability & lining life, RSP
- Block weight optimisation of 'S'-profile wheel to improve yield from ingot to wheel at RDCIS
- Increase in production of cold rolled coils through PL2 -Tandem Mill route, CRM, RSP
- Introduction of Modified Roll Cooling System in Intermediate Stands, Section Mill, DSP
- Improvement in the lining life of converters in SMS-II, RSP
- Performance improvement of Sinter Machine #2 through optimization of aero-dynamic regimes, BSL
- Usage of magnetized water to improve the bulk density and wettability of coal blend, BSP
- Improvement in Hot Blast Temperature of BF #4, DSP

Quality Improvement

- Introduction of Roll Bite Lubrication in Hot Strip Mill, RSP
- Reduction of Steel Defects in Special Quality Plates, BSP

Product Development & Application**Significant achievement on few products:**

- Development of Soft iron magnetic plates at BSP
- Development of IS 2062 E450 HR coil at BSL
- Development of SAILCOR grade HR plates at RSP
- Development of 31 CrV3 grade (125 x 125 mm) billets at DSP
- Development of electrode quality 7 mm wire rods at BSP
- Development of Fe 600 Grade TMT rebars at ISP
- Development of EQR E250 grade plates at BSP
- Process technology established for certain new products

Automation

- Development of PLC based control system for Sinter Machine #3, Sinter Plant, BSL



SAIL Growth Plan

SAIL is currently implementing growth plan to enhance its hot metal production from the level of 14.3 million tonnes during the Financial Year 2012-13 to 23.5 million tonnes after expansion in the current phase. The growth plan, besides targeting higher production, also addresses the need for eliminating technological obsolescence, achieving energy savings, enriching product-mix, reducing pollution, developing mines and collieries, introducing customer centric processes and developing matching infrastructure facilities.

To maintain its current dominance in the domestic market and to meet the future challenges, Company is working on a long term strategic plan 'Vision 2025', which will steer the Company towards a target of 50 million tonnes of hot metal production, thereby meeting the strategic objectives of achieving leadership in Indian steel sector and a position amongst the top steel companies globally.

Modernisation & Expansion Programme

SAIL has embarked upon a Modernisation & Expansion Programme simultaneously at its five integrated steel plants at Bhilai, Durgapur, Rourkela, Bokaro & Burnpur and special steels plant at Salem including augmenting



Inauguration of End Forging Plant, BSP

raw material resources and other related facilities. The Modernisation & Expansion Programme, apart from increasing the production capacity addresses the vital issues of elimination of technological obsolescence, installation of energy efficient & environment friendly technologies, value addition/product-mix, improvement/sustenance of existing assets of the plants and introduction of customer centric processes such as Enterprise Resource Planning (ERP) and Manufacturing Execution System (MES).



Coke Oven Battery No. 11, ISP



New Sinter Complex, RSP

Environmental Performance

SAIL's commitment towards "a clean and sustainable environment and continually enhancing its environment related performance as an integral part of its business philosophy and values" is affirmed in the company's Sustainable Development Policy which was formalised in January 2012.

Over the years, the company has persistently endeavoured to pursue environmental excellence across its operations by following good environmental management practices and implementation of environmental management systems, apart from the adoption of latest technologies wherever possible. Under the Modernisation and Expansion Programme (MEP), cumulative orders worth INR 581.51 Billion have been placed till March 2013 and has been specifically designed to include technologies which will incorporate the latest pollution control facilities. Out of the total outlay of INR 720 billion for the programme, INR 50 billion is allocated for pollution control schemes. All the modernisation/expansion schemes have been planned to enhance production and increase efficiency, while bearing in mind improvement of environmental performance parameters.

The company has a structured environment management foundation; each unit has its own environment department which co-ordinates environment related activities like compliance monitoring, implementation of environment related programmes, renewal of Consents and regular interaction with the State Pollution Control Boards etc. The Corporate Environment Management Division, head-quartered at Kolkata with an office at New Delhi, coordinates with the unit departments, the Central and State Pollution Control Boards, and collates the environmental database (Management Information System) for the company, besides its other activities.



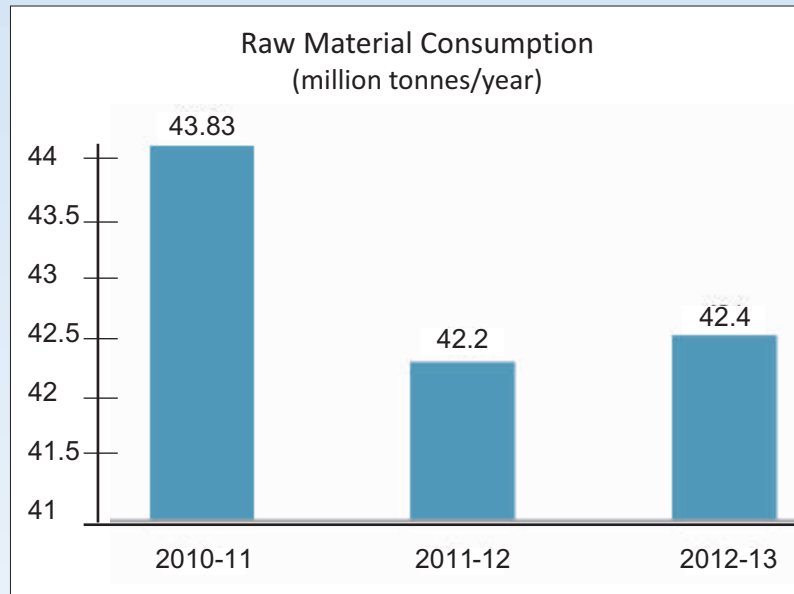
India's Largest Operational New Blast Furnace "Durga" at RSP

Materials

Conscientious efforts are made towards the sustainable consumption of the raw materials used for the manufacture of steel. In order to preserve natural resources, improvement in raw material utilisation is

optimised by adoption of appropriate technologies and practices, like beneficiation of ores, recycling of by-product/waste materials/scrap etc. By such methods, dependence on scarce raw materials has reduced. The total requirement of iron ore was met from SAIL's captive iron ore sources. The specific raw material consumption in 2012-13 was 3.159 T/tcs, compared to 3.256 T/tcs in the previous year.

The scrap generated within the steel plants is completely recycled and some of the wastes reused in the sinter plant, blast furnace and steel melting shop. During the year, 17.9 % materials were recycled internally.



Ore Blending Plant, RSP

Energy and Climate Change

Energy security can only come about by sincerely addressing the efficient consumption of fuel. In the steel industry, energy cost constitutes almost 40% of the total cost of production. In view of the high cost of energy, SAIL has undertaken various measures like optimisation and improvement of existing technologies, introduction of new technologies, etc, resulting in the decrease of specific energy consumption from 6.806 Gcal/tcs to 6.678 Gcal/tcs during the last 3 years. The lowest ever coke rate at 512 kg/thm was achieved this year, with an improvement of 1% over last year. This is possible primarily because of higher usage of Coal Dust Injection at 54 kg/thm as compared to 51 kg/thm achieved last year.

Energy consumption figures are given below:

Power & Fuel Consumption	2010-11		2011-12		2012-13	
	Quantity	TJ	Quantity	TJ	Quantity	TJ
Electricity						
Purchased units* (Million KWh)	6777	87132	6946	89305	7170	92185
Own Generation (Million KWh)*	724	9307	619	7957	636	8176
Coal						
Coking Coal (MT)#	13.94	393108	12.63	356166	11.88	335016
Non Coking Coal (MT)#	0.70	13300	0.688	13072	0.559	10621
Fuel Oil (KL)#	36	1.499	57	2.373	59	2.457

* 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. The following energy efficiency schemes were completed during the year:

Bhilai Steel Plant

- Commencing coal dust injection in Blast Furnace #4 from September 2012.
- Commencing coal tar injection in Blast Furnace #3 from December 2012.
- Re-commissioning of Coke Oven Batteries #1 & #8 after repair in November 2012 and January 2013 respectively, resulting in increased coke oven gas availability and thereby stoppage of furnace oil consumption in Plate Mill and decrease of boiler coal consumption in Power Plant-I.
- Commissioning of Air Separation Unit #4 of 700 TPD at Oxygen Plant-2 in May 2012, resulting in reduced purchased liquid oxygen consumption.
- Commissioning of RDCIS developed new fuel efficient BF Gas Burners in Boiler #3 at Power Plant-I and replacement of air pre-heater blocks in Boiler-I of Power Plant-I for increased usage of BF gas to replace CO gas.
- Installation of VVVF drive in LD Gas Export Booster No. 4.
- Installation of 4 nos. of burners at strategic new locations inside EGB-3, in place of 8 nos. of old burners at the outer edge of the flare stack to enable complete combustion of BF gas, thereby saving CO gas consumption in the pilot burners.
- Introduction of automatic switching facility to stop running of steam exhausters of Caster #1, 2 & 3 after casting at SMS-2 to reduce idle running.
- Commissioning of VVVF drive in ID fan nos. 1 & 2 of Desulphurization Unit.
- Replacement of 2 nos. of MG sets with VVVF drives at Merchant Mill.
- Installation of 5 nos. small ventilation systems in place of centralised ventilation system for Plate Mill Shear Motors.

Durgapur Steel Plant

- Rebuilding of Coke oven Battery #2 and introduction of energy efficient computerised combustion control system for heating.

- Rebuilding of 2 nos. of ceramic recuperators in soaking pits.
- Repair and cleaning of flue tunnel of A-Furnace of Wheel Plant and reheating furnace of Section Mill.
- Installation of oxygen analysers in the flue path of 3 nos. of boilers.

Rourkela Steel Plant

- Repair of recuperator in reheating furnace #5 of Hot Strip Mill.
- Replacement of 2 nos. aluminium blades with FRP ones in cooling tower fans of CCD.
- Introducing VVVF drives in COB #2 skip hoist 30 KW motor, quenching car -1.1 motor (160 KW) and guide car 1.1 (30 KW x 2), 55 KW guide car 1.2 motors in coke oven, BF #1 skip coke return fines motor and coal feeders of HP Boilers 1 & 2 in CPP-I.
- Thermal insulation of steam lines (1500 Sq. m).
- Digitalisation of F-2 Motor in Hot Strip Mill.
- Commissioning of 8 nos. ETPs in Coal Chemical Department.
- Replacement of 16 nos. of 250 W SV lamps (street lights) by 90 W LED lights in Sinter Plant – II.

Bokaro Steel Plant

- Change-over of Coke oven battery nos. #1 & #2 from CO gas firing to Mixed gas firing for efficient gas management, thereby reducing requirement of external fuel.
- Replacement of GCM controller by electro-hydraulic actuator in Coke Oven Batteries #6 & #8.
- Changing damaged compensator in the hot blast main of BF #5 to increase hot blast temperature.
- Introduction of cast house slag granulation facilities in Cast House- 6.
- In-house repair & replacement of damaged recuperator of reheating furnace #2 & #3.
- Replacement of 3850 m² damaged steam insulation and 19 nos. steam traps.
- Replacement of 4 nos. pit covers in soaking pits with modified ones.

IISCO Steel Plant

- Replacement of CO gas lines and CO gas flare stack near BF mechanical yard.
- Introduction of mixed gas (Coal Bed Methane + BF gas) firing in M & R Mill reheating furnace.
- Online sealing of gas pipelines at Soaking Pits, Rolling Mill, Coke Oven, SMS and Boiler areas.

Alloy Steels Plant

- Installation of sunlight tubes at CSD – 1, PD Store in SMS area, Crane Maintenance Store replacing electric lights.
- Replacement of Sodium Vapour Street lights with energy efficient tube lights.

Salem Steel Plant

- VFD Controller for Z Mill – 2 Spray lubrication systems (150 KW x 3)
- Voltage reduction in HRM high pressure descaling pump

Visvesvaraya Iron and Steel Plant

- Installation of VVVF drives at Lance Cooling Water Pumps, Discharge Hydraulic Pumps in Bloom Caster and Forge Plant LFM Hammer Motors.

Greenhouse gas emissions have to be curtailed to ensure a sustainable planet. Towards this objective, the Prime Minister's National Action Plan for Climate Change (NAPCC), calls for India to reduce its GHG intensity by 20-25% by the year 2020. 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. A concerted transition to alternative cleaner energy sources is essential to address the issues of climate change. SAIL has taken up the following projects involving renewable energy:

- Solar Power system of 2 x 100 KWP capacity installed at Bhilai Niwas in BSP.
- Continued use of Bio-diesel in locomotives within the plant premises at BSL & BSP.
- Use of Coal Bed Methane as fuel at BSL and SGW, Kulti.

Remote villages in the vicinity of many SAIL units have been provided with solar street lighting. Most of the SAIL guest houses have been fitted with solar energy panels for heating of domestic water and steel plant townships have several lanes fitted with solar lights.

The response to climate change is a critical factor in the performance of business, as it provides an opportunity to strengthen the organisation for future growth. Climate change regulations have the potential to affect the competitive sectors of any organisation impacting the trade flows and profits. Hence the need for a structured approach to mitigate the impact of climate change, the key drivers of which include regulation, stakeholder expectations, revenue generation and cost reduction.



Renewable Energy through Solar Panels at Bhilai Niwas

The combustion of fossil fuels like coal, furnace oil and other petroleum and coal based products at various process units results in emission of green house gases, mainly carbon dioxide. Various functional units of SAIL which contribute to the emission of CO₂ are Coke Ovens, Sinter Plant, Blast Furnace, Steel Melting Shop, Mills, Power Plant and other auxiliary shops. The other indirect relevant greenhouse gas emissions are:

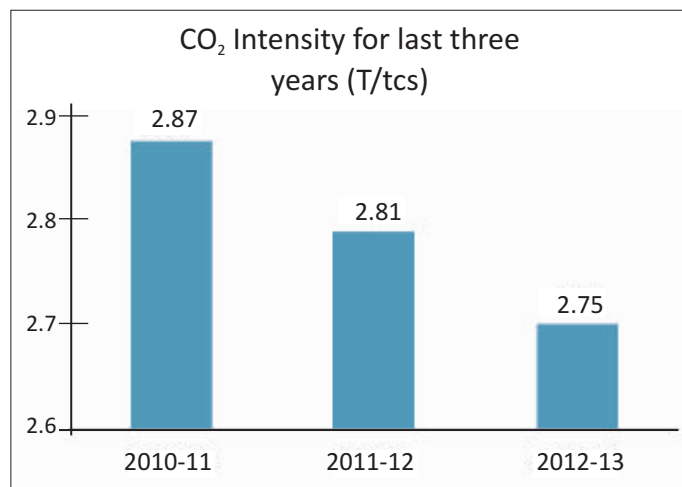
- Emissions during transportation of raw materials from captive mines and other sources
- Emissions during transportation of products to customers
- Emissions due to movement of employees by two wheelers / four wheelers

SAIL is participating in the World Steel Association (WSA) initiated new Climate Change Policy for CO₂ reduction in steel companies through Global Sector Approach. CO₂ intensity data for the last three financial years is given below:

CO₂ emission data includes direct and indirect greenhouse gas emissions, calculated as per WSA methodology. Various measures taken by SAIL have ensured that the CO₂ intensity is reduced over the years.

Water management

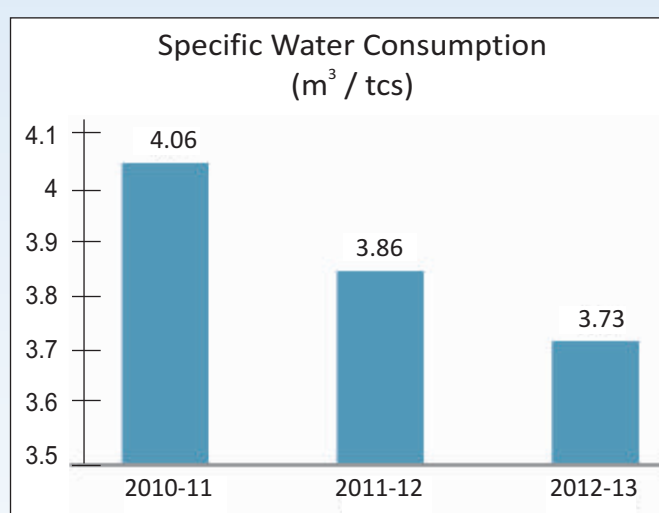
Huge quantities of water are used in steel making process and some SAIL plants now face an increasing scarcity of water. Hence water management has become a new challenge to SAIL,



for maintaining and enhancing increased production capacity. SAIL plants have adopted suitable water management strategies to preserve this important resource. Assessment of the discharged water from various units is carried out to identify areas that need improvement to reduce consumption of fresh make-up water. The maximum amount of water at production sites is used in process cooling, scrubbing flue gases and downstream Rolling Mills. The main sources for industrial and domestic purposes at SAIL steel plants are regional surface waters and units are strategically located near to perennial water sources. The withdrawal of water does not affect the sources.

Water Sources for SAIL plants

Name of Location	Water Source
BSP	River Mahanadi
DSP	River Damodar
RSP	River Brahmani
BSL	River Damodar & Ghagra
ISP	River Damodar
ASP	River Damodar
SSP	River Kaveri
VISL	River Bhadra
CFP	Groundwater (bore wells)
SGW	River Barakar



Various measures like increased recycling, installation of recirculation systems, maximizing reuse of treated water, up-gradation of water systems and control of leakages have resulted in making SAIL steel plants more water efficient. The Specific Water Consumption decreased from 4.06 m³/tcs to 3.73 m³/tcs over the last three years, a reduction of 8.1 %

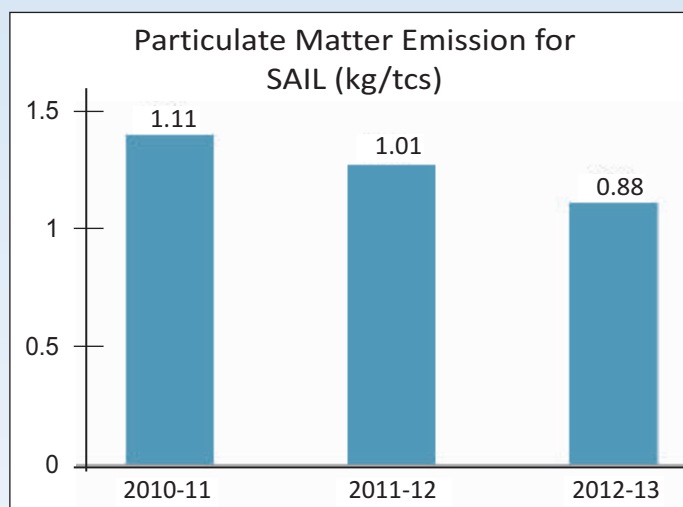
Initiatives taken during the year to reduce fresh water consumption include:

- The recycling of effluent from 30 MLD sewage recycling plant started from May 2012 at BSP.
- Water Foot Print studies at BSP.
- Implementation of system for recirculation of Rim spray water at Wheel & Axle Plant at DSP.
- Renovation of gas seal water line at New Sinter Plant at DSP.
- Renovation of makeup water line at 1.6 MT Cooling Tower at Coke Ovens at DSP.
- Plugging of leakages of various pipelines at RSP.
- Action initiated for installation of Rain Water Harvesting System at CRM-II complex at BSL.
- Rain water harvesting schemes in various units at SSP.
- Re-circulation of Blast Furnace ETP clarified water back in the system at VISL.

SAIL plants have planned and initiated various water conservation activities with an ultimate objective to achieve Zero Water Discharge. During the period 2012-13, out of approximately 213 million cubic meters of industrial make-up water withdrawn, approximately 58 % was re-cycled back to the process.

Environmental Excellence

The continuing global focus on climate change and environmental issues has led to stricter environmental legislations, compelling industry to radically change its outlook towards the pollution it creates, by taking a highly proactive and preventive role rather than end-of-pipe treatments. Particulate matter emissions from stacks of chimney have severe impact on the environment as well as the health of employees and the surrounding community. Installation of pollution control equipment like electrostatic precipitators, bag filters and scrubbers have steadily brought down particulate matter emissions. The use of energy efficient burners have also contributed to the reduction of particulate matter emission. The specific emission of particulate matter has reduced from 1.11 kg/tcs in 2010-11 to 0.88 kg/tcs this year; a reduction of 21% over three years. Emissions of SO₂ are reduced by the exclusive use of coal with low sulphur content, while for NO_x control, special burners are installed and process related changes have been incorporated.



To preserve the water quality, plants meticulously maintain effluent treatment facilities, thus improving water recirculation efficiency and the quality of the discharged effluent. BSP and BSL are provided with centralised water recirculation systems while DSP and RSP have localised water recirculation systems. The quality of recirculation water is maintained by dosing with conditioning chemicals for controlling corrosion, scale deposits and bacterial growth. No-dig technology is adopted in some of the units to remove hard deposits in underground return water trunk lines.

Water discharged by plants during last three years

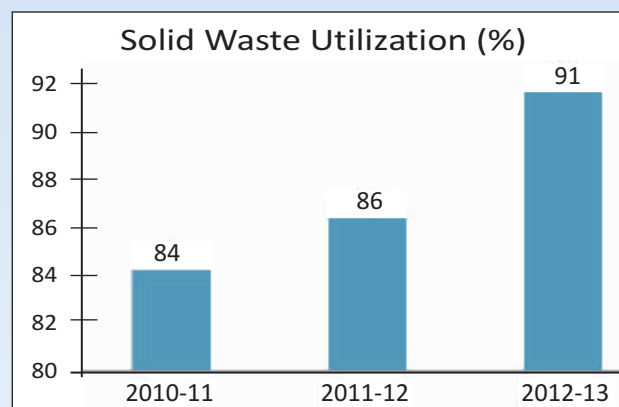
Parameter	2010-11	2011-12	2012-13
Volume of water discharged (Mm ³)	34.93	30.86	31.74

Discharge Water Quality during the year 2012-13

Parameter (mg/l)	Norm	Concentration
SS	100	5 - 80
BOD	30	3.8 - 28.0
COD	250	15 - 145
Phenol	1	BDL - 0.58
Cyanide	0.2	0.00 - 0.18
Oil & Grease	10	0.22 - 3.50
NH ₃ - N	50	0.02 - 39.00

Solid Waste Management

The company has effectively adopted waste minimisation strategies, including conservation at source, recovery and recycling. Solid waste utilisation has increased from 84% in 2010-11 to 91.4 % in 2012-13, resulting in lower costs for input materials, processing and disposal. SAIL plants produced 13.42 MT of crude steel during 2012-13, generating 5.42 MT of BF slag and 1.42 MT of BOF slag. Utilisation of most of these wastes are being made through internal recycling and selling to outside agencies.



Utilisation pattern of major solid wastes generated in the ISPs are tabulated below:

Type of Solid Waste	2012-13	
	Generation (T)	Utilisation (%)
BF Slags	5422082	95.80
BOF Slag	1421499	70.27
BF Flue Dust	166759	96.80
BOF Sludge	99582	22.34
Lime/Dolo Fines	212981	100
Mill Scale	277321	99.35
Refractory Wastes	55076	85.93

The following new technology initiatives have been taken up during the year at different SAIL plants, under R&D Master Plan (High Impact Project – 3) of SAIL, for enhanced utilization of solid wastes:

- Development of Technology for Dry Granulation of LD slag and Heat Recovery
- Almond briquetting of sludge and its use in BOF Converter
- Micro-pelletisation of Sludge for use in Sinter Plant

Solid waste utilisation at special steel plants of SAIL

ASP	Generation	% Utilisation
EAF Slags	3773	0
Mill Scale	1853	0
Refractory Bricks	421	67.70
Grinding Dust	685	7.15
EAF Dust	216	0

SSP	Generation	% Utilisation
Steel Shot Dust	129.11	100
SGL Swarf	19.74	0
Waste Diatomaceous Earth	34.3	0
Mill Scale	2974.36	100
SMSSlag	3511.7	0
EAF Dust	229.8	0
AOD Dust	688.4	0

VISL	Generation	% Utilisation
BF Slag	34597	100
BOF Slag	9633	0
Refractory Bricks	723	93.78
BF Flue Dust	2122	0
BF Sludge	1052	0
BOF Sludge	2198	0

CFP	Generation	% Utilisation
Fe Mn Slag	52710	71.46
Si Mn Slag	22963	100
Mn Ore Fines	24549.45	71.38
Coke Fines	7418.53	100
Flux Fines	1446.09	0

There have been no cases of significant fines and sanctions for non-compliance with environmental laws and regulations against SAIL during the year 2012-13. A few SAIL plants submitted time-bound Action Plans along with Bank Guarantee in response to the directives issued by regulatory authorities for occasional non-compliance with the applicable environmental laws.

By implementing an UNDP project, SAIL plants have stopped using ozone depleting substances (ODS) in their respective electrical repairing shops and oxygen plants. SAIL plants have also reduced use of ODS in refrigeration with an aim to achieve to replace the same with non-ODS.



Sinter Plant, ISP

Hazardous Waste Management

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

To reduce the pollution due to vehicular movement, the company uses rail transportation for movement of raw materials from mines, collieries and other manufacturing units, thereby reducing roads transportation and its carbon footprint. Conveyors are used for the movement of raw materials inside manufacturing facilities. Wherever road transportation is employed, particularly for movement to railheads, the use of covered vehicles reduces dust pollution.

Environmental Protection & Conservation

SAIL considers clean environment practice a must for its every industrial activity. The major initiatives taken towards environment management and pollution control during 2012-13 are portrayed below:

Green Belt Development: Extensive afforestation programme has been followed in all plants and mines of SAIL in the past; this has been continued in the current year with plantation of more than 2.36 lakhs saplings in and around SAIL plants and mines. Since the initiation of such programmes, a total of more than 181 lakhs saplings have been planted.

Polychlorinated Biphenyls (PCB) management and disposal project at SAIL, Bhilai Steel Plant

SAIL is implementing a first ever project on management and disposal of Polychlorinated Biphenyls (PCB) at Bhilai with the support of Ministry of Environment & Forests (MoEF) and UNIDO. Under this project, the PCB in electric transformers will be treated using appropriate technology to be brought in by UNIDO, through a grant of 6 million USD available through the Global Environment Facility (GEF).

Major pollution control facilities implemented during the year:

- New ESP with Rotary Kiln of RMP-II at BSP commissioned.
- Modified Gas Burner with Boiler # 1 & 3 at Power Plant – I of BSP.
- Revamping of M/c #1 with steam addition and provision of skirting at Sinter Plant-II of BSP.
- Stack emission control system along with dust extraction system installed at Junction House#5 of Rotary Kiln of RMP-II at BSP.
- “Zero Leak” doors and revival of HPLA System of Coke Oven Battery #3 at DSP.
- Completion of rebuilding of Coke Oven battery#2 along with zero leak doors, computerised heating control system, screw feeding charging cars and 110m Chimney at DSP.
- Recirculation of Rim Spray Water at Wheel and Axle Plant of DSP.
- Industrial dust vacuum cleaner installed in SP-I at RSP.
- 2 nos. Oil Skimmers installed in RMHP at RSP.
- Cast House Slag Granulation Plant (Unit #6) with BF #3 at BSL.
- Dry Fog Dust Suppression System installed in the Coal Handling Plant and Coal Sorting Plant at BSL and on-going test trial.
- Dry Fog Dust Suppression System at Stock House and Junction House of BF #1 & 2 at BSL.
- Coke Dry Quenching facility with Coke Oven Battery #11 at ISP.
- On-line Stack Monitoring System with Coke Oven Battery #10 at ISP.
- Up-gradation of Multi-cyclone at Sinter Plant-II of CFP.



Tarpedo Ladle, RSP

Implementation of Environment Management System (EMS) as per ISO 14001: Consequent upon successful implementation of EMS at the four warehouses in 2011-12, two more sites i.e. at Hyderabad Warehouse and the Export Stockyard, BISO, Vizag were taken up for implementation of EMS during the year and both sites were certified to EMS: ISO 14001:2004.



Kumar Mangalam Park, DSP

Sustainable Performance Highlights 2012-13

Economic

- 55 billion INR worth of projects commissioned; the highest for any year since inception
- 8.26 billion INR dividend paid
- 0.53 billion INR utilised in CSR activities
- 86.37 billion INR employee wages and benefits

Environment

- Particulate matter emission brought down to 0.88 kg/tcs from 1.01 kg/tcs in 2011-12
- Specific Effluent Discharge reduced to 2.22 m³/tfs from 2.26 m³/tfs in the previous year
- Specific Water Consumption reduced to 3.73 m³/tcs from 3.86 m³/tcs in 2011-12
- Carbon Dioxide intensity brought down to 2.75 T/tcs from 2.81 T/tcs over the past year
- Total Solid Waste Utilisation enhanced to 91 % from 86 % (2011-12)

Social

- LTIFR and LDR reduced by 36 % and 58 % respectively during the last three years (2010-2012)
- More than 21 lakhs people benefitted from the health services provided by SAIL during the year
- Students under BPL category provided education through 7 nos. Kalyan Vidyalaya (special schools) at 5 integrated steel plants
- Mid-day meals provided to over 22,000 students in different schools of Bhilai every day through Akshya Patra Foundation
- 18.76 million INR generated from orders obtained by women engaged in Mahila Samaj
- Solar Lanterns and Smokeless Chullahs distributed amongst the poor and needy in different parts of the country

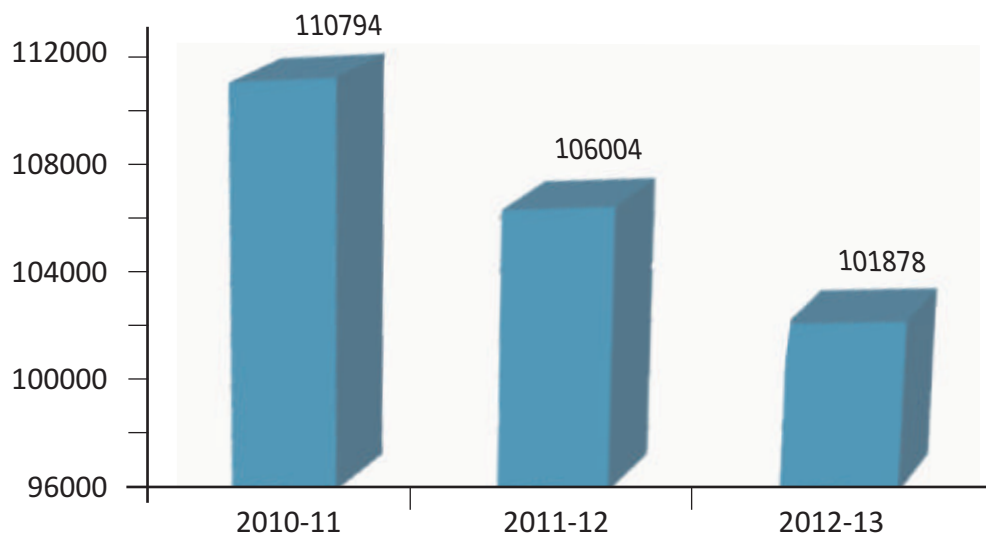
Social Performance

SAIL's social objective is synonymous with Corporate Social Responsibility (CSR). Apart from the business of manufacturing steel, the objective of the Company is to conduct business in ways that produce social, environmental and economic benefits to the communities in which it operates. For any organization, CSR begins by being aware of the impact of its business on society.

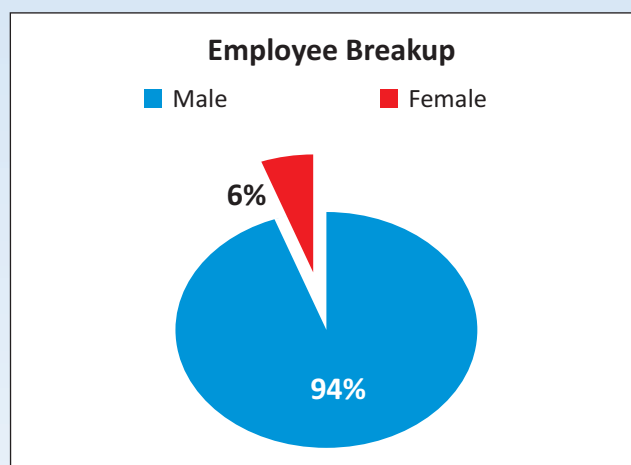
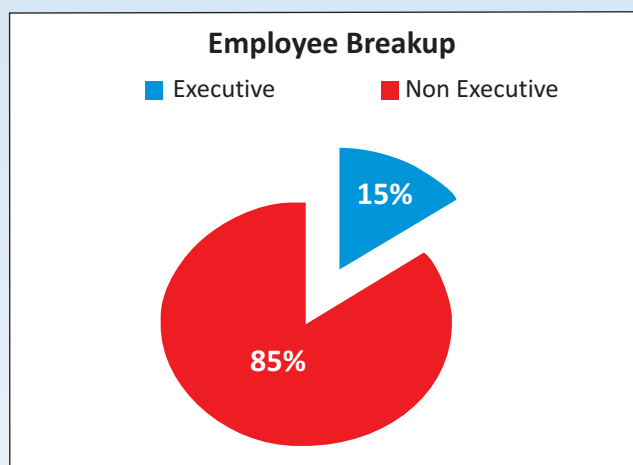
Human Capital Management

SAIL has achieved its present level of excellence through investing in its human resource, whose skill and knowledge constitute the basis of every initiative - be it technology or innovation. SAIL recognizes contribution of its Human Resources (HR) in providing the competitive advantage. Developing skills and capabilities of employees to improve manpower utilization and Labour Productivity is the key thrust area of Human Resource Management (HRM) in SAIL. SAIL's first priority is the safety and health of its employees based on the principles of respect for human rights.

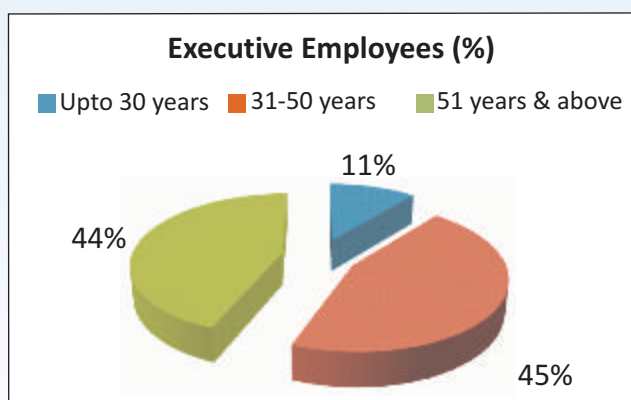
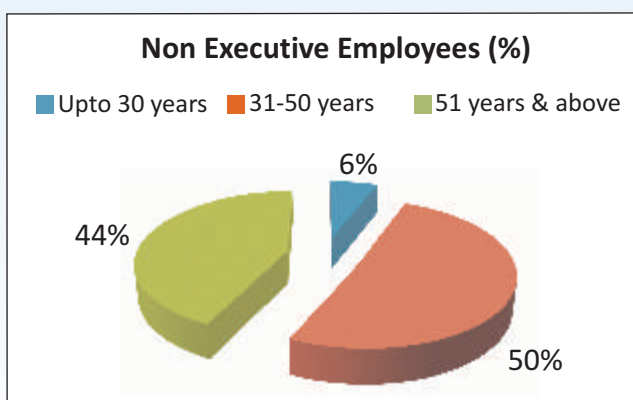
Number of Employees



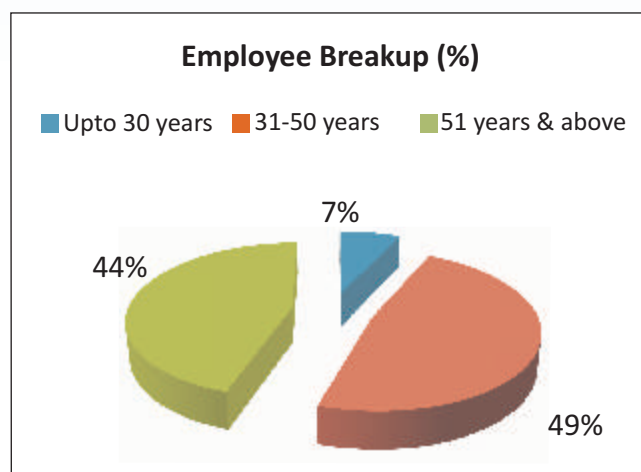
Employee breakup at SAIL for year 2012-13



Executive and non-executive employee percentage at SAIL for 2012-13



Employee breakup by age at SAIL for 2012-13



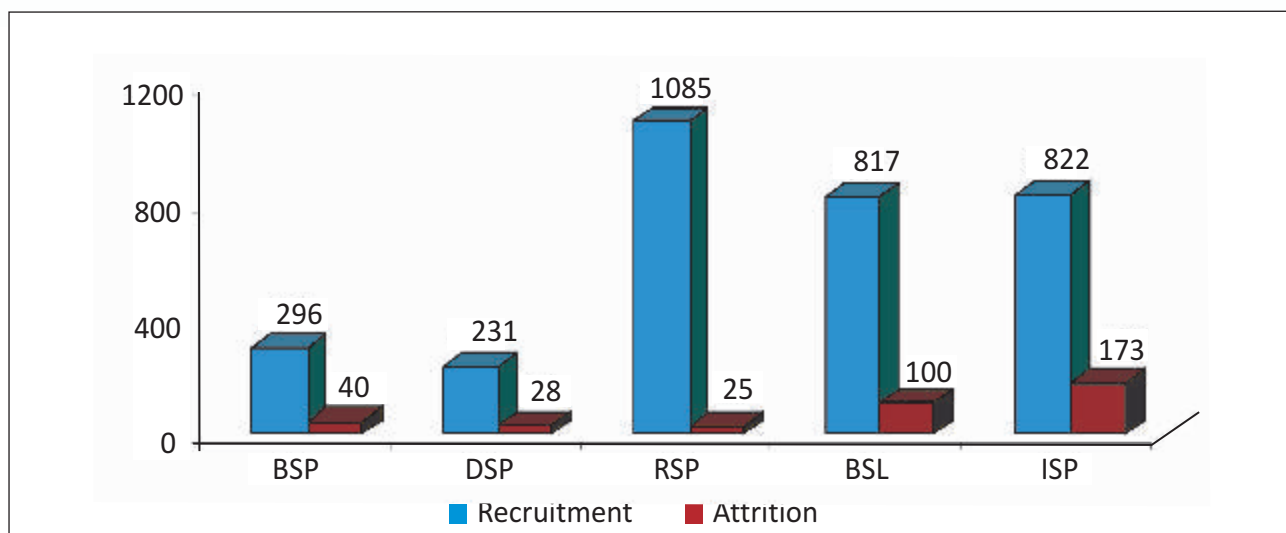
SAIL is an equal opportunity employer and recruitments made are guided by the rules of the Company as approved by the Board of Directors in accordance with the provision of the relevant guidelines issued by the Government of India from time to time. As per provisions of the Employment Exchange (Compulsory 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 posts. The vacancies are also displayed on SAIL website for wide circulation.



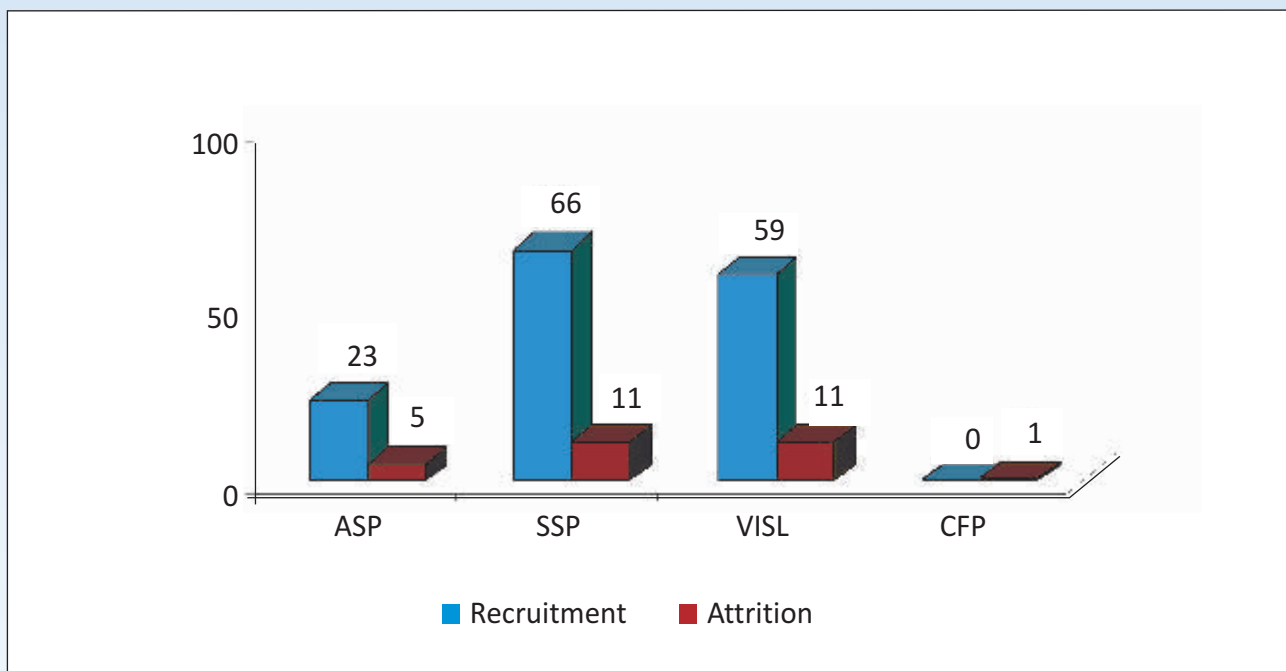
ISP Collective

Local residence, subject to fulfilling the required criteria for the posts, are eligible to apply against such posts. Female candidates also apply in large numbers. Their representation stands at about 6% of the total workforce for the year 2012-13 and has been on an upward trend over the past several years. Promotions are effected as per a transparent laid-down policy.

Human Resource Turnover (Recruitment and Attrition) at integrated steel plant for 2012-13



Human Resource Turnover (Recruitment and Attrition) at other SAIL Units for 2012-13



In SAIL, basic salary and remuneration paid to men and women employees within a particular grade / category are at par. As such the ratio of the basic salary and remuneration of women to men for each employee category is 1:1.

SAIL providing parental leaves to all its employees as well as maternity leave up to 12 weeks and child care leave of 1 year to its women employees.

SAIL is currently implementing growth plan to enhance its hot metal production from the level of 14.3 million tonnes during the Financial Year 2012-13 to 23.5 million tonnes after expansion in a phased manner.

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. Representative of SAIL ensures regular & correct payment by contractor to the contract labour as per the notified minimum wages of the respective appropriate governments at all establishments of SAIL. Specific terms & conditions are also incorporated in the tender documents for ensuring contract labour welfare by the contractors.

Compliance to various statutory provisions viz. PF deductions, ESI coverage, EPS'95 etc. is ensured through a dedicated contract labour cell. Contractual 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 equipment are also provided to them for their safety at work place.

An employee who wishes separate out from the organization has to give 3 months prior notice before getting released. In case of any change of duty, advance information is provided to representative of employees and contract labours to gain their confidence on the subject.

Contractual labour at SAIL over past three years



Representation of SC/ST/OBCs in SAIL for last three years

	SC			ST			OBC			Total No. of employees		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
TOTAL	17373	16720	16281	14466	13982	13814	9904	10047	10085	110794	106004	101878

New employees are recruited with equal opportunities been provided to all without regards to gender, caste, religion or marital status. SAIL has an HR policy where the involvement of all employees in innovative and productive work environment are given a major thrust. In order to develop its human resources for harnessing their potential to the fullest and for according ample opportunity for realizing individual as well as organizational goals, SAIL has been making sustained efforts through various training and development activities with focus on preservation of skills, transfer of skills and knowledge, training in specialized/advanced skills and technology in collaboration with reputed organizations and development of effective managerial competencies through association with premier institutes. Preparing employees for tomorrow, for effectively taking up challenges and discharging new roles and responsibilities was given a major thrust.

To drive the organization on the path of excellence, Executive Performance Management System (EPMS) has been installed in SAIL. The objective of EPMS is to foster a performance oriented work culture in SAIL. Accordingly, competence based online performance management system has been implemented for all executives. However for all non executive employees performance appraisals and review are carried out manually. Several noteworthy schemes like quality circles (QC), Suggestion Schemes are in practice. Employees are motivated to take-up QC projects. All the selected projects are documented for wide publicity within the organizations. Members of the selected projects are sponsored for national/international seminars/competitions for further exposures.

Benefits like Life Insurance, Health Care, Disability/ Invalidity Coverage, Maternity Leave, Retirement Benefits etc. are provided with employees whereas ESI Benefits are provided to contract labour.

Free outdoor-indoor medical treatment facilities are provided to all regular employees and their eligible dependents in company's super facility hospitals having state of the art medical facilities. Employees and their wards who require specialised treatments which are not available at SAIL hospitals, are referred to other specialist hospitals.

Over the years, full fledged townships have been developed at its plant locations where infrastructure facilities like housing education, civic amenities, sports & recreation and medical etc. have been provided. Various modern infrastructural facilities have been developed in all the townships.

Benefits to SAIL employees

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	Child Care Leave up to 1 year
Welfare measures under the Factories Act	Education Facilities
Maternity Benefits	Conveyance, Housing and Festival Advance
Funeral Expenses	Long Service Award and Farewell to Employees
	Workmen Compensation
	Scholarship Scheme
	Farewell to Superannuating Employee
	Life Cover Scheme
	Employee Family Benefit Scheme

Collective bargaining has been embedded in the culture of the company reflecting good corporate governance. These positive social impacts are ensured by practicing collective bargaining by enhancing the freedom of associations for all SAIL employees, Demonstration of organisation's practice in relation to freedom of association is articulated in this way.

Wages and benefits for non-executive employees are decided by NJCS (National Joint Committee for the Steel), a bipartite forum that comprising of members representing both the employers as well as employees. To ensure statutory compliance each plant has labour welfare officer.

Three 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 Bhilai, Durgapur, Rourkela, Bokaro,

ISP, Alloy Steels, Salem, VISP, CFP & RINL are members of the Committee. Chief Executive Officers/Executive Directors of Steel Plants of Bhilai, Rourkela, Durgapur, Bokaro, ISP, ASP, SSP, VISP, CFP & Director (Personnel) of RINL are members of this Committee from employers side. 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.

Healthy tradition is maintained to settle the issues through discussions with trade unions/workers' representatives and thus ensures a peaceful IR environment. SAIL has an established system of workers' participation at different levels many of which are functioning since early seventies. These forum are accordingly empowered to address various issues like wage, safety, and welfare of worker, arising from time to time thus helping in maintaining harmonial work environment.

SAIL ensures that no discrimination takes place towards any section/category of employees by regular monitoring fairness in activities and services. Freedom of Association as protected under the constitution of India and envisaged in the Trade Union Act. It is also ensured that there are no such activities in SAIL where right to exercise the freedom of association and collective bargaining is challenged.

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.

SAIL is including human rights related clauses into all the new contracts. Periodic checks are being organised 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 for SAIL employees.

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 of 18 and above is a precondition to partnering with SAIL and that in the event of any kind of violation by the 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. 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. CISF personnel are given training on issues like safety practices and human rights.

Health and Safety

Steel Making process adopting safe, healthy and eco-friendly operations has always been one of the prime focus areas along with other technical standards & business operations for ensuring consistent production and sustenance of SAIL.

SAIL recognizes the importance of maintaining a healthy & safe work environment. SAIL is having a well defined Occupational Health & Safety Policy. Objectives and targets are achieved through established OH&S management programmes. Special thrust is also being given in its mega modernisation and expansion plan of enhancing production capacity. Due emphasis is being laid on Safety issues pertaining to project activities during its execution & commissioning.

Participative approach is adopted in controlling the OH&S risks / issues consistent with the H & S Policy to ensure conducive work environment for all the persons. Periodic drives are jointly undertaken for enhancing awareness and maintaining sound consciousness level on safety & health issues which is facilitating

implementation of safe & healthy work practices. Visible concern of top management and trade union representatives & employees are demonstrated through effective functioning of the bi-partite forums like Central/Apex Safety Committees, Departmental Safety Committees with adequate representation from workers' side, which meets at scheduled intervals and discuss all issues pertaining to safety, health & welfare of the employees. The committees help in monitoring & review of promotional activities undertaken and advise on effective occupational health and safety programmes.

Joint Committee on Safety, Health & Environment in Steel Industry (JCSSI), a unique bipartite forum at national level with representation from major central trade unions and management of major steel producers jointly evolve recommendations/action plans for ensuring safe & healthy work culture which gets substantiated from the harmonious industrial relations enjoyed over the years by SAIL plants, with diverse work culture at multi-locations. All secretarial functions are centrally performed by the SAIL Safety Organisation (SSO), Ranchi. Annual meeting and award function are organized at Ranchi as well as member plant locations.



Releasing Annual Report 2012 in the JCSSI Award Function



Ceremonial Lighting up of lamp during JCSSI Award Function 2012

While the SAIL plants have been achieving the targets of production, considerable improvements have been brought in the standards of safety and occupational health at workplace due to the sincere commitment of all concerned and involvement in various effective health & safety drives / campaigns undertaken. The views of bi-partite forums are considered while revising the Hazard Identification and Risk Assessment (HIRA) documents and Occupational Health and Safety Policy of the organisation. To ensure safe & healthy work environment, both management and workers' representatives reiterate their commitment to develop, promote and enforce the best standards for safety, occupational health and environment protection and maintain specified standards of OHSAS 18001: 2008, ISO 9001:2008 & ISO 14001:2004.

Most of the SAIL plants/units have adopted and implemented OHSAS 18001: 2008, an internationally recognized standard in the area of Occupational Health & Safety Management that supports and promotes good OH&S practices, in balance with socio-economic needs. Ensuring involvement proper HIRA documents are developed for identified areas with control measures to bring down the risks to acceptable range. The emphasis is on preparation and adherence to safe commissioning procedures for new facilities, identification of all types of hazards and evaluation & control of work related risks for adoption of proactive strategies, strict adherence to properly developed protocols and SOPs/SMPs/SWPs, organising training on Fatality Risk Control and BBS for minimizing at risk behaviors.

Three tier Safety Audits are being conducted at plant and unit premises as mentioned below:

- By Safety Engineering department of Plants and Units as per schedule
- By SAIL Safety Organisation, Ranchi associating executives from sister Plants/Units
- By external agencies viz. National Safety Council, Regional Labour Institute, OHSAS Auditors etc.

Safety/Surveillance audits conducted during 2012-13

- Safety audits by SSO in four departments of BSP & BSL each, three departments of DSP, Project areas of RSP, one department & three Project areas of ISP, one department of ASP, SPU Bettiah, two Warehouses and Ispat Bhavan of CMO.
- Safety audits by the external agency namely, NSC- India at Chasnalla Colliery and at DSP, including Project areas.
- Surveillance / re-certification audits under OHSAS by M/s. TUV in DSP, RSP & BSL and by M/s. DNV in BSP.

Essential Ingredients of Safety Management System and Practices in SAIL:

Due emphasis is given on safety of human resources through OHSAS-18001 certification covering the occupational health and safety issues of all regular employees, contract personnel, visitors and any other persons at the work places.

Management Commitment:

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



Safety setup in SAIL:

SAIL Safety Organisation (SSO) coordinates and monitors the operational and fire safety activities at corporate level. Safety Engineering Department having infrastructural facilities ensure operational safety & fire related aspects and undertake awareness generation drives in each Plant/Unit. Departmental Safety Officer in each department / shop ensures adherence to laid down standards & safe working procedures.

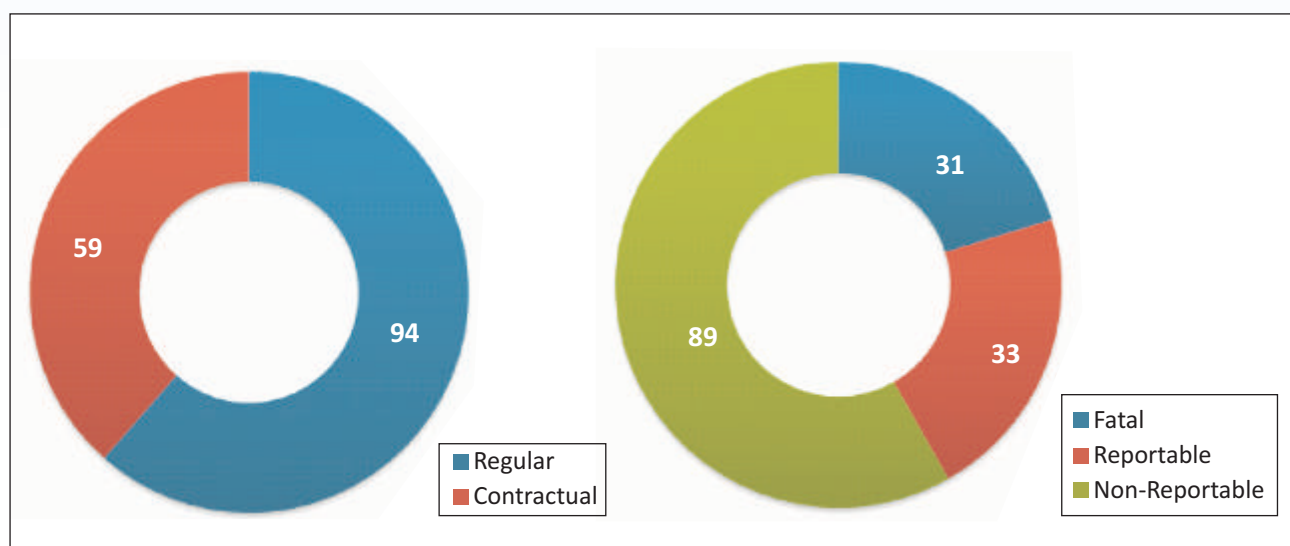
Systems and Procedures:

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

SAIL has developed safe & healthy working environment for all its employees and those living in the neighbourhood of its installations. Various types of trainings /workshops are organised for educating all concerned regarding first aid, occupational hygiene and health, stress management, preventive care for occupational diseases, awareness on HIV / AIDS etc.

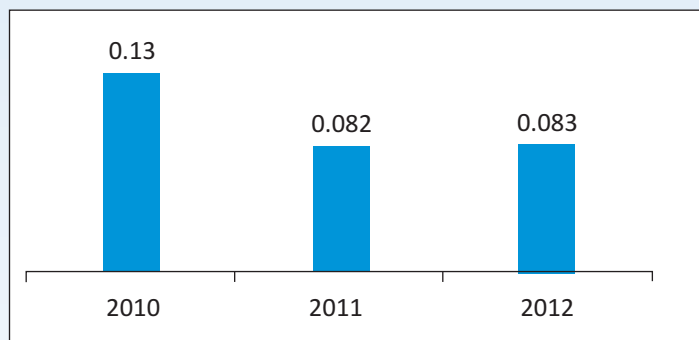
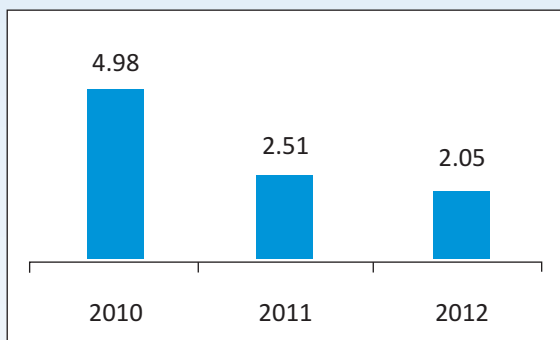
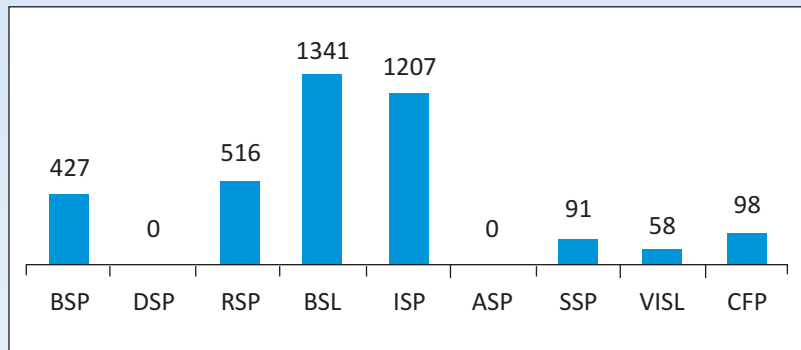
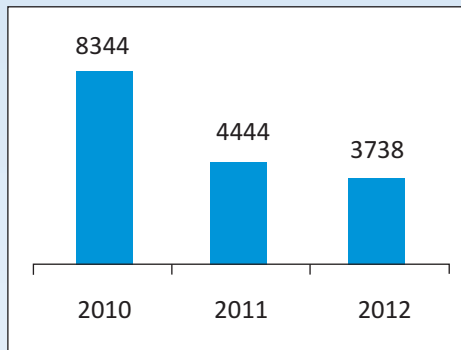
Health and safety committee with joint representation facilitate a positive health and safety culture. 100% employees are covered under safety and welfare committees at plant/units. These committees are generally called for meeting once a month in all departments and all issues related to health & safety, such as the organisational commitment, maintenance of good health, safe environment, welfare of employees, security of plant, etc. are communicated, consulted and discussed thoroughly. Contract workers are imparted training on safety and environment issues.

Accident Statistics



Employee category-wise accidents during 2012-13

Calendar year wise Man-days lost during 2010-2012 and Plant/Unit wise during 2012

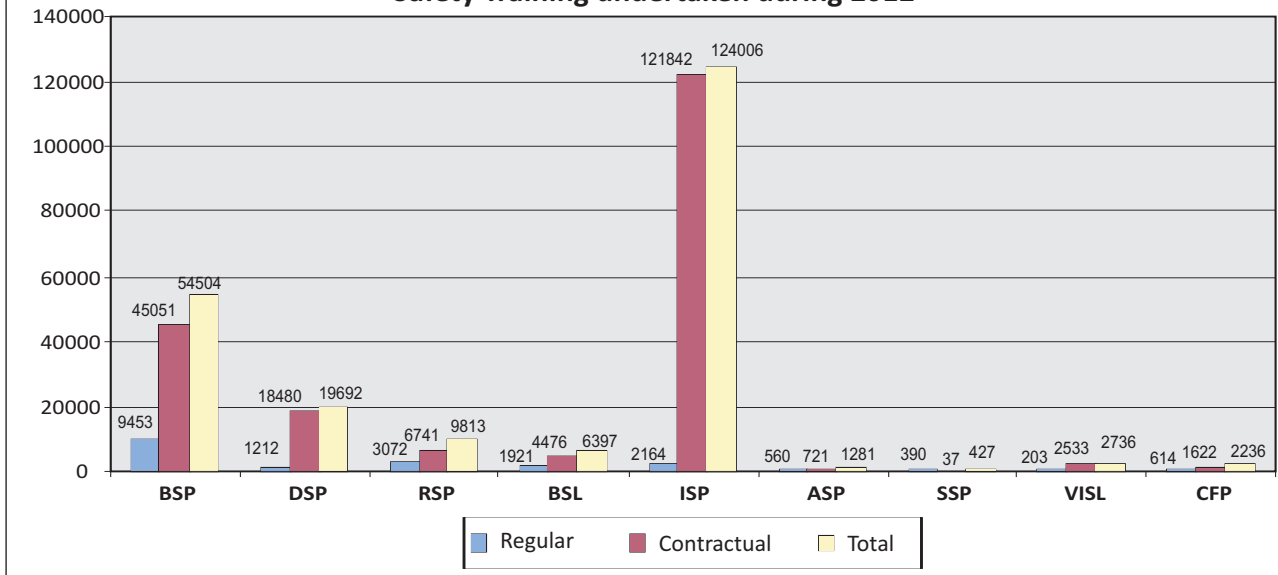


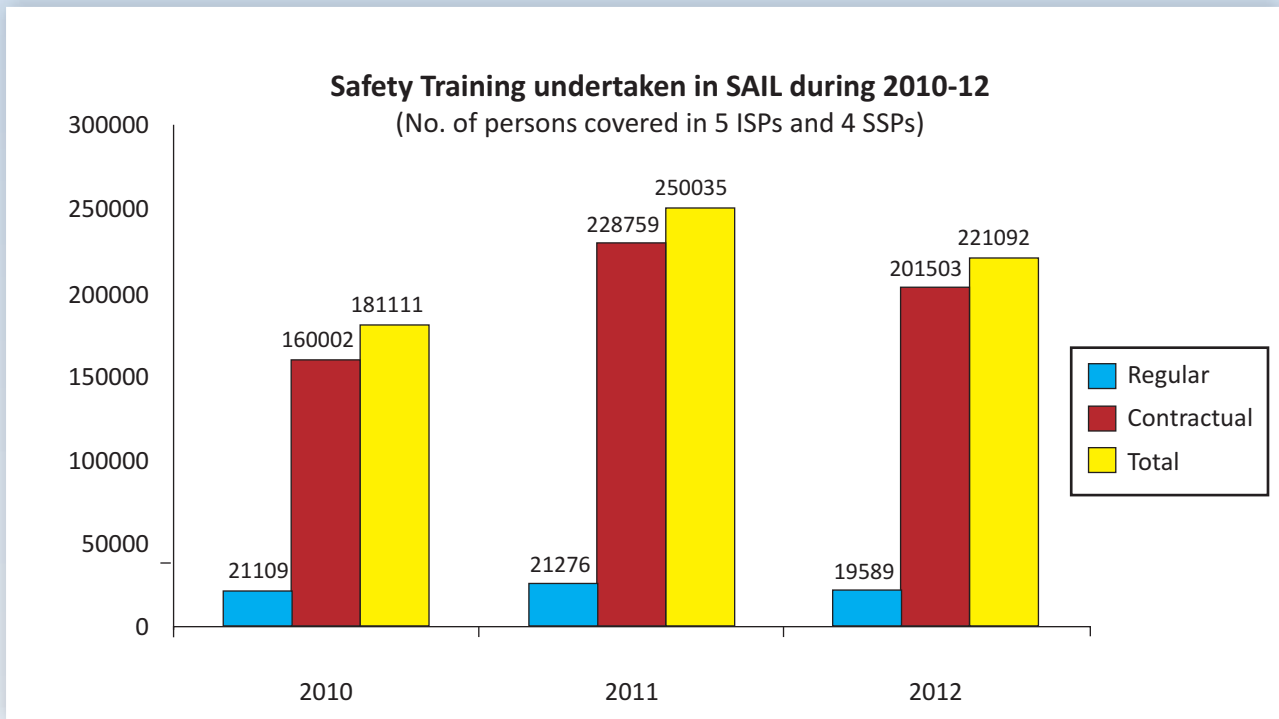
Lost Day Rate

Lost Time Injury Frequency

Training forms an important component of implementing an effective safety strategy. Continuous education, training, counselling, 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 broadcasted through local TV network at plant townships. Training on safety is also imparted to the Central Industrial Security Force (CISF) deployed for ensuring security in and around the plants. In addition to the training on security practices, occupational health and safety related training is also provided to the security staff. 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 Training undertaken during 2012





Periodic review of safety performance made at top management level of respective plants/units. Consistent efforts are being made for enhancing safety & health standards at work place. Salient good safety practices followed by plants/units are as follows:

BSP

- Accident enquiry reports published in safety website and information updated during Departmental Safety Officer's co-ordination meetings.
- Serious incidences & potential fatality risk hazards discussed with concerned departments at HoD level. Fatality Risk Control module included in regular safety training programmes.
- Job specific safety trainings imparted to contractor workers at shop floor, at training centre in CEZ complex and at TPL workshop including persons deployed at projects.
- Safety training organized for HoDs and Factory Managers. HIRA programme for DSOs/ZSOs/SOs and BBS programme for Safety Stewards organised. 16 modules on safety management topics for executives and 6 modules for non executives utilised.
- On-Site emergency preparedness plan updated and awareness programmes organized.
- Interaction with Safety Officers/Supervisors of Project contractors held and participation of representatives of contract workers in the DSC meetings ensured.
- In-house safety film 'Chhoti si Asha' released on National Safety Day- 2013 and being shown in different training programmes.

DSP

- CCTV being utilised for capturing unsafe acts & conditions and subsequent analysis.
- Safety survey with PCCS members along with ED (W), DSP. Two workshops organized for PCCS members for discussing safety issues and their solutions.

- Weekly safety review by Project Engineering Department with the project contractors. Concept of mentors introduced for every contract worker. Seizure of gate passes for safety violations followed by one week suspension & penal actions for contractor workers.
- Surprise safety checks by senior management team in departments and spot action for compliance of observation point within a week.
- Disaster management and emergency preparedness plan updated & released by ED(W), DSP.
- LGIE - Suraksha Abhiyan conducted and Road Safety campaigns launched.

RSP

- Joint safety inspections conducted for pre-commissioning activities at project sites. Safety inspections by team of senior personnel and visit of safety personnel on sundays, holidays & during odd hours.
- Introduced revised 'Zero accident recognition' & 'Safety champion' schemes and 'Suraksha Chakra' scheme covering employees of total plant.
- Workshop on Welding Safety with use of ELCB & RCCB and use of VRD and hands on training for welders organised. Special session on BBS organised for all HoDs & Project Managers. Interaction session with FR dress user group of SMS-I arranged.
- Health check up for contractor workers deployed inside the plant.
- Provision of safety alert through public announcement system in major project area. Audio message & alarm system installed at level crossings. Undertaking drives for Road Safety w.r.t. limit of speed to 20 Km/hr and surprise checking by DSOs.



Suraksha Chakra, RSP

BSL

- Safety performance reviewed in Morning Dispatcher and Weekly Coordination Meetings by ED (W). Monthly review made by CEO. Quarterly review for OHSAS-18001 & ISO-14001 by Apex Committee & Audit Committees.
- Monitoring of safety parameters of critical equipment like Locomotives, EOT cranes and functioning of installations like siren, blinkers, barriers etc at Rail-Road crossings.
- Root cause analysis of accidents & CAPA strengthened further.
- Mock Drill schedule implemented as per plan for 2012-13.
- Inspection of Road-Condition & illumination level and checking/counselling for adherence to speed limit made. Retro-Reflective Tapes fixed on all heavy vehicles and rules framed for parking of heavy vehicles at road sides.
- All SED personnel & DSOs issued with green coloured safety helmet.
- Effectiveness of Safety Training enhanced through involvement of IISM Jamshedpur.

ISP

- Regular safety meetings held with Project Managers, Contractor's site I/cs & Safety Officers of packages.
- Safety induction training imparted to all contractor workers of project jobs before issuing gate passes and medical fitness certificate checked. Trade Union representatives involved while imparting trainings to contractor workers.
- Preparation of safety protocol ensured for every erection job. Unsafe conditions & acts photographed and corrective measures taken. On-site training / tool box talk given to contractor workers by Project Safety.
- Presence of qualified/ identified safety person of contractor ensured for safe working at height. Fitness testing for issue of 'Height Pass' conducted with newly erected test rig.
- Safety speech given at different work sites through loud speaker. Token gift awarded to participants in Safety Quiz, Slogan & Poster competitions at project sites.

ASP

- Hazard identification made & remedial measures taken to minimize risk potential. On-site emergency plan updated & Mock Drills conducted for emergency preparedness.
- Awareness programme for Sr. Executives by M/s TUV for OSHAS-18001 certification, Trainings on Safety in Material Handling, Hot Metal Handling, Gas & Confined space, Rail / Road, Electrical safety and BBS to minimize at risk behaviours organised.
- Case study of fatal accident presented during Induction Trainings.
- Full day safety training every last Friday for regular & contractor workers and on the job training on use of Full Body Harness, proper anchoring etc. organised.
- Surprise checking for ensuring safety in critical job sites, double earthing in man coolers & welding M/c, road worthiness of heavy vehicle etc. conducted.

VISP

- Review meetings organized under chairmanship of GM(W), VISL on implementation of Work Permit System, various statutory testing & examination by external competent persons, distribution of PPEs amongst contract workers.
- External audit conducted for ISO-14001(EMS) & QMS (M/s TUV) including Safety & Fire Service Department.
- Inter departmental audits conducted on Safety and ISO-14001.
- Review meeting of District Crisis Management Scheme Bhadravati attended.
- Workshop on Industrial Fire & Safety and Training by Inspectorate of Factories conducted. Safety exhibition organized on the occasion of VISL ustav for the community.

SSP

- Statutory safety audit conducted by authorized external agency.
- Internal safety audits conducted in various departments and compliance status reviewed by GM(W) on monthly basis.



- Inter locks auditing committee checks various interlocks/safety devices progress status of which reviewed by GM(M).
- CAPA meetings held for OHSAS.
- Counselling of employees who met with IOW made by ED and GM (W).
- Mock drills conducted as part of emergency preparedness plan.

CFP

- Safety rounds taken for checking machine guarding, barricading at project work areas and persons made aware for adherence to SOP & SMP, cautions on slips, trips, jerks etc.
- Departmental line clearance and work clearance forms, height passes & photo passes checked on daily basis for contractual jobs.
- On-site emergency plan prepared and fire mock drills conducted.

CMO

- Monthly safety meeting with handling contractors & their supervisors for 100% usage of PPEs at all major warehouses. Case study on fatal accidents occurred at Plants/Units discussed.
- Fire fighting training & mock drill at various locations with the help of external agencies.
- First Aid Camp & Eye testing camp organised through local hospitals.
- Safety trainings/talks/Safety Film show arranged for awareness generations through in-house resources/SSO/Safety Department of plants. Safety slogans/posters displayed at all strategic locations.

Awareness generation efforts at SSO level : Safety awareness is being generated by SSO amongst the employees & family members of all the SAIL units at Ranchi including students & citizens of Ranchi township by organizing various competitions & launching of drives. Adjudged winners are suitably awarded during National Safety Day's eventful function.



Sit and Draw Competition, Ranchi



Safety Welfare for SAIL Employees, Ranchi



Road Safety Campaign by SSO, Ranchi



Pollution/Safety Training Program, Ranchi



Extempore Speech Competition for School Children, Ranchi

Occupational Health

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

To provide comprehensive Health Care, Preventive, Curative, Promotive and Rehabilitative Health Services are being rendered through integrated approach. For keeping work environment friendly, compliance to the requirements of OHSAS 18001: 2008 & SA 8000 : 2008 certification and central audit being made.

Infrastructures available for following are being effectively utilised:

Preventive: Occupational Medicine Clinic, Periodical Medical Examination, Industrial Hygiene Survey setup, Computerized Health Information System.

Promotive: Awareness programmes, Trainings on Industrial Hygiene and First Aid, Stress Management, AIDS Control, Life Style Diseases, Special programmes for working women, Celebration of Special Days.

Curative: General OPD, Pharmacy, Plant casualty services with Disaster Management Facility. Round the clock Ambulance services, Eye wash Fountains, Minor OT.

Rehabilitative: Disability assessment following any work injury through Disability Medical Board. Redressal of complaint cases from work places / departments, job rotation based on deviation found in PME & recommendations of DMB being implemented by redeployment committee, Follow up & Feed back documented.

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

Salient activities undertaken by OHS centres:

- Employee Wellness Programme & Vision Conservation Programmes. Tests on Audiometry, Pulmonary function, ECG, Chest X-ray.
- Work place monitoring surveys at identified locations of various departments including exposure assessment for contractual workers in project areas.
- Under biological monitoring, Urine phenol estimation & Pathological tests for the employees of Benzol Rectification & Recovery Plant.
- Under Health Education drives, awareness programmes on First Aid, Stress Management, Workplace Hazards, Life style diseases, AIDS and Workshop for Women organised.

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



Chest examination in progress at OHS centre



Round the clock ambulance services by OHS centres



Industrial Hygiene survey at shop floor



First Aid training session in progress



Health education program for women employees

Categories of OHS programmes

Workers

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

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.

Training and Capacity Building

Considering Human Resources (HR) to be the most valuable resource of the company, SAIL invests in training and equipping its HR with the requisite competencies so as to be in a position to derive competitive advantage from its employees. It is this initiative in building competencies of the employees that has helped SAIL achieve its present level of excellence. SAIL continues to work towards developing capabilities and realising maximum potential of the workforce to help the company achieve its objectives of achieving growth through expansion and modernisation of its plants and units and enhance productivity.

SAIL provides an environment conducive for learning, encourages adoption of best practices in every area and nurtures creativity and innovativeness among employees. HR initiatives in SAIL are focused on developing team spirit, employee empowerment and their involvement in various improvement activities. 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. SAIL achieved the highest ever Labour Productivity (LP) of 258 TCS/Man/Year in the Financial Year 2012-13.

The HR policy of SAIL is based on the business thrust areas in tune with the vision statement and corporate plan. Competence mapping is used to impart training to the employees and allows assessing the competence gap of individual employees which give the 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 organizational learning needs and trust 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 and post operative training is given by the plant-level Training Institute for training operatives, trade apprentices and graduate engineers. Different steel plant visits are organized by Training department also. This exercise has resulted in broadening of outlook of the employees, learning good practices, better awareness and a sense of pride. "System of Mentoring" has been introduced in all SAIL units to train the management trainees. Main objective of such system is to stimulate and manage the individual growth necessary for MT's to deliver a business performance beyond the boundaries of the present levels and beliefs.

The process of monitoring aims to help management trainees in:

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

Training statistics for SAIL for last three years

Performance Indicator	2010-11	2011-12	2012-13
Percentage (%) of employees trained	45.1	47.5	51.7
Training man hours / employee	40.8	47.8	63.2
Employees trained	53137	52967	54810

Training hours breakup by employee category during 2012-13

Average hour of training	Executive	Non-Executive	Total
External training (including MTI/CPTI)	100312	43352	143664
Foreign training	19248	1048	20296



Average hour of training	Executive	Non-Executive	Total
Specific areas	23352	167272	190624
Managerial Competence Enhancement	102416	221424	323840
Technical enhancement	238984	516664	755648
Fresh entrants	1225752	3241192	4466944
Other areas	178648	665048	843696

Performance Improvement Workshops (PIWs) were organized during the year for gap analysis, brain storming and discussion & finally building an action plan regarding issues like production and productivity, cost reduction, maintenance, housekeeping and safety. 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

Since its inception in 1973, SAIL has been playing a pioneer role in the area of Corporate Social Responsibility (CSR). The concept of socio-economic development of the neighbourhoods and communities has been introduced in SAIL much before 'Corporate Social Responsibility' became a buzzword with an objective to plough prosperity back into the environment from where strengths emanate, primarily to minimize inequalities, by providing quality education, healthcare, infrastructure and employment avenues to all, to ensure that man and nature live in harmony, to preserve the originality and beauty of Indian culture while simultaneously promoting scientific temperament and modern technology. The company's business philosophy encompasses a triple bottom line approach.

SAIL's Social Objective is synonymous with CSR. Apart from the core business, company aims to conduct business in ways that produce social, environmental and economic benefits to the communities in which it operates and with this underlying philosophy and a credo to make a meaningful difference in people's lives, SAIL has been structuring and implementing CSR initiatives right from the inception. These efforts have seen the obscure villages of past, where SAIL plants are located, turn into modern town presently.

Initially, CSR initiatives were carried out in and around steel township and mines and gradually extended to far flung locations across the country in the area of village development, including development of Model Steel Villages (MSVs), providing Medical and Health Care, Immunisation, 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.

For carrying out social responsibilities, a portion of annual Profit After Tax (PAT) is earmarked every year in line with DPE Guidelines on CSR & Sustainability. Additionally, expenditure to the tune of Rs. 2 billion annually is also incurred on Non-SAIL people living in and around the plant/unit location/ townships on account of Health, Education, 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. A brief of CSR initiatives are summarised hereunder:

Healthcare: This initiative is crucial for generating a positive atmosphere amongst the community which in turn, maintains the overall performance of the organization. SAIL has taken cognizance of this and has been closely involved in ensuring the well-being of community members by establishing Primary Health Centers, Hospitals/ Super-Specialty Hospitals and Reproductive & Child Health Centers to provide specialized and basic healthcare to more than 34 million (so far) people living in the vicinity of its plants and units.



Health Camps : In order to reach at the doorstep to the underprivileged, over 4300 camps have been organized across the country benefitting more than 2 Lakh people by providing free health check-up, path lab treatment, medicine and immunization in the year 2012-13.

To help the poor and downtrodden, 90 numbers of Mobile Medical Units (MMUs)/ Ambulances have been provided to various NGOs since 2007-08, out of these 18 MMUs have been provided to various NGOs in 2012-13.

Seven Health Centres (Kalyan Chikitsalaya) are providing free medical care including medicines to poor and needy families, exclusively. During 2012-13, more than 87,000 people were benefitted in these health centres.

Health care score card:

Primary Health Centres	53
RCH Centres	7
No. of Hospitals	23
No. of Specialty Hospitals	7
No. of beds	4,090
No. of doctors	726
No. of paramedical staff	2,655
No. of beneficiaries during the year	21,03,726
Immunization during the year	98,235
Sterilization during the year	8,069

Education: Education is another core area to reach out the society. To provide modern education, SAIL has opened schools in the steel townships and is providing assistance to run schools. Further, Seven Special Schools (Kalyan Vidyalaya) has been established at five steel plants for underprivileged students. In these schools free education, mid-day meals, uniform including shoes, text books, stationary items, school bag, etc. are being provided to more than 1500 students currently. Schemes for scholarships to deserving undergraduate & postgraduate engineering students, adoption of tribal children for education, sponsoring youths for Industrial Training & Nursing course are in place for uplifting poor, OBC, SC, ST and backward communities.



High School Supported by RDCIS, SAIL

SAIL is providing Mid-Day Meals to more than 22000 students in different schools of Bhilai everyday through Akshya Patra Foundation which is being replicated at other location too. SAIL's endeavour to provide quality education to students of its townships and nearby villages are validated by the verity of landmarks, such as:

Survival Rate in primary school	99.19%
Ratio of Girls : Boys (Overall)	1.36: 1
No. of additional classrooms built during 2012-13	95
Total no. of adult education centres	7

Schools within township	No's	Students
Primary	45	15,558
Secondary	63	21,861
Tertiary	40	17,449
Total	148	54,898

Schools outside township	No's	Students
Primary	477	64,343
Secondary	11	2,519
Tertiary	4	1,035
Total	492	67,897

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

Number of women employed	5,213
Women in senior management	111
Women in management	714
Women in non-executive position	4,411
No. of women engaged in institutions (Mahila Samaj)	1,141
Quantum of order generated in 2012-13 (Amount in million INR)	18.756

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

Water Sources: Drinking water is elixir of life and SAIL is providing access to water infrastructure to over 41 lakh people living in far-flung areas by installing over 6052 water sources, rain water harvesting, digging ponds and construction of check dams. The efforts are as under:



People for whom water infrastructure created up to 2012-13	41,37,745
Total no. of people for whom facilities created during 2012-13	46,215
No. of water infrastructure created during 2012-13	1,329
Total no. of water infrastructure created up to 2012-13	7,381

Road Connectivity: Roads are the basic means of connectivity while poor road network is the biggest hindrance to the development particularly for rural areas. Recognising this fact SAIL has provided access to over 75 Lakh people across 435 villages across the country since inception by constructing, repairing of roads and construction of foot cross over bridges:

Length of road constructed / repaired during 2012-13 (km)	73.20
Total Number of beneficiaries during 2012-13	55,575
Total Number of beneficiaries	75,35,642
Total number of villages impacted	96

Sports: Apart from producing steel for nation requirement, SAIL also encouraged the local talents in the field of Sports, Arts and Culture etc. To fulfill the sports need, 6 sports academies have been established in the townships for football, hockey, athletics and archery.

SAIL sponsored wrestlers Sushil Kumar & Yogeshwar Dutt, won Silver & Bronze medal respectively in wrestling at London Olympics in 2012. SAIL provided support to these wrestlers right from their budding years.

The Company's contribution towards sports is narrated below:

Number of new sports facilities created during the year	3
Number of people for whom -training provided during the year	3,611
- from SAIL family	1,868
- from local community	1,743
Events participated during the year	110
Prizes won during the year	203



Golf Prize Distribution Ceremony



Sushil Kumar, London Olympics 2012



Football Training Camp, BSP

Ancillary and Local Development: Strong support to SAIL plants is rendered by local ancillaries which are always been provided adequate assistance for their role in nation building through generating employment opportunities.

Number of units recognized	638
People employed	15,697
Quantum of orders generated in 2011-12 (Amount in billion INR)	2.46

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. Kakku has become one of the leading manufacturers of various types of electro-mechanical control equipment material handling equipment, etc. currently.

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. Vocational training in areas of improved Agriculture, Mushroom cultivation, Goatery, Poultry, Fishery, Piggery, Achar / Pappad/ Agarbati making, Welder, Fitter & Electrician Training, Sewing & Embroidery, Smokeless chullah making etc. is being provided. Training centre for rural unemployed youths has been started at 'Bhilai Ispat Kaushal Kutir' & Swayam siddha (Bhilai), Skill Development and Self Employment Training Institute (SDSETI) at Durgapur, Garment Technician Training at Salem, JHARCRAFT centre at Bokaro and Self employment centre "KIRAN" at Kiriburu Ore Mines are benefitting common masses by way of financial inclusion/ SHG/training for income generation and then empowering to join mainstream.



Pickle Preparation Training



Women Training, Bhilai



Women Training, Rourkela Steel Plant

Renewable Energy: To promote renewable sources of energy, solar street lights have been installed in the rural areas across the country and Solar Lanterns & Smokeless Chullahs were distributed among the poor and needy people.

SARANDA Action plan: In an effort to bring the marginalised masses of the remote forest areas to the mainstream of development, SAIL has actively participated in the development process of Saranda forest, Jharkhand in association with Government of Jharkhand and Ministry of Rural Development, GoI. Saranda, a very rich 'sal' forest lies in the tri-junction of Jharkhand, Odisha and Chhattisgarh states. Under the action plan, ambulances, bicycles, transistors, solar lanterns have been provided and an Integrated Development Centre at Digha village has been set up.

Preservation of Art, Culture & Heritage: India being a land of rich culture and vast heritage, it has been the Company's constant endeavour to ensure that this heritage is not ruined with passage of time. For promoting the local art & culture, Chhattisgarh Lok Kala Mahotsav and Gramin Lokotsav are being organised every year. To promote local culture and games various Gramin Lokotsavas and Gramin Athletics Competitions were organised by SAIL at different locations throughout the year; wherein more than a thousand local artists participate. To restore the heritage monuments and sites SAIL contributes funds.

SAIL CSR Anecdotes: SAIL is well aware of its social responsibility. The company has clearly identified its stakeholders – people of India, employees, customers, suppliers and community. It is committed to create a system focused on not only delivering value to all its identified stakeholders, but also striving to maximize it. Further, SAIL's socio-economic objectives are echoed in its credo that include commitment to uphold highest ethical standards in conduct of our business and valuing the opportunity and responsibility to making a meaningful difference in people's lives. There are many success stories which highlight the role of SAIL in shaping the lives of people. Some of these are mentioned below:

- **Comprehensive Water & Sanitation Project: A CSR initiative of RSP**

To promote comprehensive water supply and sanitation, the project has been taken up in some of the peripheral villages named Chutiatola, Dumerjore, Ushra Colony, Baniguni and Jagdishpur of Rourkela Steel Plant (RSP) covering more than 620 households.

The project envisages, ensuring 24x7 supply of potable water to all the households of the village through a ground water source.

Sanitation units, one each per household, comprising of a bathroom and a toilet with RCC roof on partnership model.

Supply of water through 3 tap points to each household – one each for bathroom, toilet and kitchen purpose. Necessary mobilization, education and empowerment of the villagers to participate in the project. Developing mechanism for self-sustained operation of the system.

- **Gyan Jyoti Yojana for Birhor Tribe: A tribe on the verge of extinction**

Birhor is one of the primitive tribal groups in Jharkhand. They belong to the Proto-Australoid stock and originated from the Austro-Asiatic group. It is interesting to note that the Birhor tribe of Jharkhand consider themselves as the descendants of the Sun and their settlement is known as Tanda which consists of at least half a dozen huts.

Due to stark poverty, illiteracy and lack of socio – political awareness they are not aware of their rights and feel secluded and forced to live in pathetic conditions. To remove the darkness from their life and to bring them into the mainstream of life, SAIL's Bokaro Steel Plant is running a project named "Gyan Jyoti Yojana".

Under this Yojna, Bokaro Steel makes sure that the children of the primitive Birhor tribe are provided with the basic necessities of life. Therefore, 15 children of the Birhor tribe, a community on the verge of extinction, were adopted during 2001 to provide them free education under CSR initiative and arrangements were made for free boarding, lodging along with other educational facilities. Subsequently in 2010, 6 Birhor boys passed out the Matriculation Examination, first in their community. The remaining 4 passed in 2011. The year 2012 saw 4 more Birhor students scripting their success story by passing the 12th standard. Fresh batch of 15 Birhor students had joined and begins their life in new surroundings. These students are being provided with nourishing and wholesome food, accommodation in the trainees' hostel, clothing, free medical treatment along with facilities for sports and cultural activities.

- **Kiran Self Employment Centre, Kiriburu, West Singhbhum, Jharkhand - Kiriburu Iron Ore Mines, RMD**

KIRAN is a self sustainable employment generation scheme for unemployed girls and women of remote areas where basic facilities and infrastructure for employment generation is rare. The scheme aims formation of independent Self Help Groups and providing support in terms of finance, logistic, marketing etc.

Self employment generation programs like weaving, stitching, making candle and agarbatti were identified which commensurate with the demand for such items in the market and the skill of the target beneficiaries i.e. the local unemployed women folk.

The project started with setting up of weaving machines for making Sarees, Gamchaa (Cotton towel), Salwar Suits, Bed sheets and imparting training of making all these items by expert weavers from Nadia (West Bengal) one of the reputed locality in the country for manufacturing such product.

Needy and unemployed 48 girls were identified from amongst the peripheral villages of Kiriburu Iron Ore Mines. Subsequently, one unit of mushroom cultivation was added to the centre and 10 girls of the local villages were trained at the training facility extended by Birsa Agriculture University, Ranchi. A candle and agarbatti making unit was added to the centre, in which 20 girls joined as volunteer workers. The skill of agarbatti and candle making was taught through a local NGO. Designer candles are also being manufactured by the centre which has been well appreciated and has fetched a good market, especially during Deepawali and other festivals. The skill of making designer candle has been taken from a reputed institute of Mumbai, named Niral Industries. A unit of stitching and sewing is also attached to the centre in which 42 ladies were trained.

The project runs on the basis of sharing the profit with the volunteers and accordingly 90% of the income is distributed among the volunteers, keeping 10% as reserve fund. The project aims at formation of Self Help Groups on a sustainable basis from the next financial year.

- **Project Kishori**

Project Kishori is a unique project ongoing in the peripheral villages of Rourkela which empowers adolescent girls and women, enhancing their sense of self-worth, making them aware of their rights to various opportunities and resources, right to control their own lives and their ability to bring about the social change at the local as well as regional, national and international levels.

- **Project Swyamsiddha**

This another women empowering project aims at upliftment of women belonging to lower strata of the society through economic independence and other positive initiatives. The approach includes awareness creation, formation of SIG's, skill development, installation of units with basic infrastructural support etc.

- **Awards & accolades**

SAIL's efforts as a responsible corporate citizen in Nation building has been recognized by various organizations in the form of awards and accolades. In the year, SAIL was awarded with the following awards:

- Skoch Financial Inclusive Award-2013 by Skoch foundation, for CSR,
- Golden Peacock National Award – 2012 to Bhilai Steel Plant,
- Greentech Award for CSR - 2011 & 2012 to Durgapur Steel Plant,
- Jharkhand Sustainability Award for 11-12 to Bokaro Steel Plant and
- Global CSR Excellence & Leadership Award in categories: Best CSR practices, Women Empowerment & Concern for health, to Rourkela Steel Plant.

Ethics and Transparency

SAIL's Corporate Vigilance ensures highest ethical standards to enhance reputation and value creation for organisation. It suitably emphasizes on facilitation of a conducive environment for people to work with integrity, neutrality and efficiency.

All SAIL plants/ units have their respective vigilance departments. CVC guidelines are followed for investigation of all complaints including those for corruption, received in SAIL vigilance. Periodic/ surprise checks, joint checks, scrutiny of contracts etc. are performed by Corporate Vigilance as a part of preventive action. Risks related to corruption are analysed and checked across all business units of SAIL. QMS as per ISO 9001:2008, with the objective of accountability, efficiency and transparency has been adopted in all SAIL's Vigilance Departments.

Training programmes on contract procedures, conduct and discipline rules and other systems and procedures are conducted at SAIL plants/ units regularly. During the reporting period, a few cases of corruption were reported. Disciplinary actions were advised for most of these cases while 05 employees were dismissed from their services. Major penalties were advised against 23 employees and minor penalty was advised against 38 employees during the year. For prevention of such incidents, systemic improvements and administrative actions were also suggested.

Integrity Pact

Transparency International (TI), an international NGO, developed a tool that aims at prevention of corruption in public contracting. For high value tenders, contracts and long term agreements valuing INR 200 million and above, Integrity Pact is an integral part. SAIL's integrity pact has been taken as a model part by CVC and this is also posted on CVC website at <http://www.cvc.nic.in/41122007.pdf>

SAIL is one of the first PSE of the country to adopt Integrity Pact way back in 2007. Establishment of high standards of Corporate Governance and Transparency is also the outcome of several initiatives taken by SAIL.

E-Commerce

SAIL is country's first PSE to implement e-procurement through reverse auction thereby reinforcing transparency in its procurement mechanism.

Online-Payment

Transparency in payments is improved by introduction of a system for online transaction with vendors and suppliers.

Labour Payments

At some plants, a system for making payment to contract labour through banks is being practiced. This is highly appreciated by beneficiaries as well as labour unions.

External Audits

External audits are conducted with the availability of sufficient resources by management.



Redressal System

SAIL has a well designed complaint redressal system in which share holders complaints are received through SEBI, Stock Exchange, Department of Company Affairs, Registrar of Companies and Investor Forums either directly or through a registrar and transfer agents. The Integrity Pact is also referred to as a redressal system for vendors through independent external monitors.

Sessions and workshops on systems for vigilance awareness amongst employees are regularly held at SAIL plants/ units/ corporate levels. In 2012-13, 147 such awareness workshops/ trainings were organised at different plants/ units covering 2945 employees. All line managers are covered in a phased manner.

Provision of online submission of property returns, provision of generating online vigilance status, augmentation of online submission of MIS reports by Vigilance Departments of various SAIL Plants/ Units, online file tracking system, knowledge portal and Discussion Blog on vigilance etc. are the various initiatives that have been taken by SAIL vigilance using information technology tools. Meetings are held regularly to review the effectiveness of Integrity Pact.

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 practiced any anti competitive behavior, antitrust and monopoly practice 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 law and regulation during the year 2012-13.



Chandrayan

Awards & Accolades

- "Excellent" Rating for the year 2011-12, for the 10th consecutive year, from GoI.
- SCOPE Award for Best Practices in Human Resource Management for the year 2011-12, presented by the Hon'ble President of India, on Public Sector Day function held on 26th April'13.



- Viswakarma Awards, 13 out of 28, which was the highest for any organisation amongst both private and public sector.



- Prime Minister's Shram Awards, 11 out of 32, which also was the highest number for any organisation amongst both private and public sector.
- Two out of the five Olympics medal winners of the country were supported by SAIL (Sushil Kumar and Yogeshwar Dutt). In recognition of SAIL's initiatives, Rashtriya Khel Protsahan Puraskar - 2012 was conferred to the Company by the Hon'ble President of India.



- Indira Gandhi Rajbhasha Award for the best implementation of official language in 'A' (Hindi-speaking) region was conferred to SAIL. SAIL's Hindi magazine 'Ispat Bhasha Bharti' was also adjudged First prize winner amongst the in-house journals published in 'A' region in the country. These awards were conferred by the Hon'ble President of India on Hindi Diwas i.e. 14th Sept'12.
- In the International Convention on Quality Circle 2012, held at Kuala Lumpur, Malaysia during 14th-17th October, 2012, all the six participating teams from SAIL won the highest honour (3-star awards) in their respective categories.
- SAIL was awarded CII - ITC - Sustainability Award 2012 [Certificate of Commendation], which was given by the Hon'ble President of India on 14th January, 2013.



- Adjudged as most efficient and largest Maharatna employer at the Dalal Street Investment Journal PSU Awards-2012.



- Institution of Engineers (India) - Industry Excellence Award-2012 under the award category A- "Manufacturing & Processing".



- SKOCH Financial Inclusion Award for 2013 for initiatives in corporate social responsibility.
- Indira Gandhi Award (First prize) for excellence in implementation of Rajbhasha.
- 'Ispat Bhasha Bharti' - in-house Rajbhasha journal, won the first prize under the Home Ministry's All India House Journal Award Scheme.
- 'Sahasrabdi Rajbhasha Shield' from Rashtriya Hindi Academy, Rupambara, Kolkata.
- It is also noteworthy to mention that Chairman, SAIL was conferred SCOPE Award for Excellence and Outstanding contribution to the Public Sector Management - Individual Leadership Category-I (Maharatna/Navratna PSEs) for 2010-11.

Bhilai Steel Plant (BSP)

- Prime Minister's Trophy for the tenth time for emerging as the best performing steel plant in the country.



- Steel Minister's Trophy for the year 2010-11 and 2008-09.
- CII-ITC Sustainability Awards-2012 - Certificate of commendation for significant achievement in its category.
- Golden Peacock Environment Management Award 2012 instituted by World Environment Foundation, New Delhi.
- Golden Peacock Climate Security Award 2012 instituted by World Environment Foundation, New Delhi.
- Greentech Environment Excellence Gold Award 2012 in Metal & Mining sector instituted by Green Tech Foundation, New Delhi.

Durgapur Steel Plant (DSP)

- Certificate of Strong Commitment to Excel, from CII-EXIM Bank, under Business Excellence Award.

- Rajiv Gandhi National Quality Award 2011 - Certificate of Commendation.
- Greentech Safety Award 2012 (Gold) and Greentech CSR Award 2012 (Silver) in Metal & Mining Sector.
- Greentech HR Award 2013 (Silver Trophy).
- Greentech Environment Excellence Gold Award 2012 in Metal & Mining sector, instituted by the Green Tech Foundation, New Delhi.

Rourkela Steel Plant (RSP)

- Award for "Best Practices in Training and HRD-2012" from Indian Society for Training & Development, Hyderabad Chapter.
- "Greentech Environment Gold Award" in the field of eco-friendly steel making.
- Awards under three categories - Best CSR Practices, Concern for Health and Women Empowerment in the World CSR Day Global CSR Leadership & Excellence Awards.
- Greentech Environmental Excellence Gold Award 2012 in Metal & Mining sector, instituted by the Green Tech Foundation, New Delhi.
- Srishsti Good Green Governance Award, 2012.

Bokaro Steel Plant (BSL)

- Greentech HR Awards 2013 (Gold) under the Category of Training Excellence.
- Golden Peacock National Training Award 2012 in steel sector for excellence in training practices.
- "Jharkhand CSR Award" in the category of "Regulation of Corporate Social and Environment Behaviour".
- "Golden Peacock HR Excellence Award" for the year 2012.
- Greentech Environmental Gold Award for 2012 in Metal & Mining sector, instituted by the Green Tech Foundation, New Delhi.

Alloy Steels Plant (ASP)

- Ispat Suraksha Puraskar from JCSSI for no fatalities, for two consecutive years.
- Green Tech Environment Excellence (Silver) Award 2012.

Salem Steel Plant (SSP)

- Award for "Excellence in Suggestion Scheme 2012" from Indian National Suggestion Schemes' Association NSIC.
- National Sustainability Award (First Prize) for the year 2011-12 from IIM, Kolkata amongst the Secondary Steel Plants / Alloy Steel Plants category.

RDCIS

- Golden Peacock Innovation Management Award for the year 2012.

Product Responsibility

At SAIL, product development and product improvement are constantly undertaken with a view to improve product performance and customer satisfaction. SAIL pioneered in developing TMT re bars of earth quake resistant quality and TMT re bars of high corrosion resistance in addition to development of high strength rock bolts and other varieties of steel for safe structures. SAIL has been in the forefront in indigenisation effort in Warship building by Indian Navy. It developed and ensured large scale commercial production and supply of DMR-249 Gr-A and Gr-B Plates used in production of INS Vikrant, built by Cochin Shipyard at Kochi. SAIL is also regularly meeting the requirement of steel plates in DMR 249 Grade A quality, required for refits of Warships.



Hot Metal Pouring

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 material is produced as per BI standards and full material is supplied along with Test Certificates (TC). 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 during steel making process. Use of safety appliances like safety helmets, boots, gloves etc. is mandatory at all SAIL units. Hazardous waste handling is done as per the Hazardous Waste (Management and Handling) Amended Rules 2003. SAIL plants and units have received authorisation 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 life cycle.

All SAIL Warehouses are equipped with modern material handling equipment and follow prescribed safety norms during delivery of material to customers. Use of safety appliances like boots, gloves and helmets is mandatory for labour employed in handling of material.

Product Stewardship

Products made of steel can be fully recycled after reaching the end of their useful lives. Recycling reduces the consumption of raw materials and energy. 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 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 galvanised sheets for packaging material. VISL uses mild steel bundling coils for packaging of materials, whereas SRU uses packing wood for refractory items. This packaging material is fully reused at the customer end. At SSP, 15% of the packaging wood of slabs, received during transportation, is used in packaging of coils.

Product and Service labelling

All material manufactured at SAIL steel plants is marked with batch/heat/coil/package number and can be tracked to its origin. 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. 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.

Product catalogues containing detailed information about sizes/grades of products manufactured at various steel plants of SAIL are printed regularly for distribution among customers. Latest product brochures are also uploaded on SAIL website which can be accessed by customers for product information.

Brand Management:

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

In CMO, product (also service related brand management regarding SAIL dealership and e-sales) related brand management is being done mainly through dealers. Items of mass consumption like Re-bars and Galvanised Sheets, required by common man are being sold through SAIL dealers. As per SAIL Dealership Policy, SAIL dealers are required to spend Rs. 100 per tonne on promotion of SAIL products, which is reimbursed by SAIL. The expenditure incurred by SAIL/CMO during 2012-13 towards Sales Promotion Expenses (Dealers) was around Rs. 3.5 crores.

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

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

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

Product Improvement/Product Development:

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

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



Inauguration of Sour Gas Correction Test Laboratory, RDCIS, Ranchi

Products Developed during 2012-13

Sl. No.	Product	Plant	Application
1	IS : 2062 E450 HR Coil	BSL	Railways wagons
2	IS : 2062 E350 HR Slab (without micro-alloying)	BSL	Railways wagons
3	SAE 1010 (customized)*	BSL	Auto components
4	IS : 2062 HITEN (Nb-Si) Structural Gr. B/ C	ISP	Z bars, Angles, Channels for Construction segment
5	Thinner gauge (1.6-4.0 mm) IS 2062 E350 HR Coil (without micro- alloying)	SSP	Railways wagons
6	IS : 2062 E450 HR Coil Thinner gauge (< 2.5 mm)	SSP	Railways wagons
7	API X-70 PSL II HR Coil	RSP	Line Pipes for Oil & Gas Transportation
8	API X-70 PSL II HR Coil for Sour Gas Application*	RSP	Line Pipes for Oil & Gas Transportation
9	SAILCOR HR Plates	RSP	Indian Railways
10	31 CrV3 (125 x 125 mm) billets	DSP	Tools and Spanners

Sl. No.	Product	Plant	Application
11	IS : 2062 E450 (Cu) HR Coil (5 & 6 mm)*	RSP	Railways wagons
12	LPG (high Si) HR Coil*	RSP	LPG Domestic Cylinders
13	Soft Iron Magnetic Plates*	BSP	Neutrino Observatory
14	IS : 2062 E450 HI Plates (45 mm)*	BSP	Auto Components
15	ASTM 537 Cl. II Q & T Plates*	BSP-RSP	Petrochemical & Heavy Machinery
16	Electrode Quality 7 mm Wire Rods*	BSP	Welding applications
17	LFQ Grade GP Sheet*	RSP	Rectangular ducts
18	EQR E250 Grade Structurals*	ISP	Construction segment
19	Fe 600 Grade TMT Rebars*	ISP	Construction segment
20	Duplex Stainless Steel*	RDCIS	Offshore platform
21	NACE Quality Plates	BSP	Offshore platform
22	EQR E250 Grade Plates	BSP	Construction segment
23	High Strength Al Killed SAIL Tower Gr. 6 CC Bloom	DSP	Transmission Line Tower segment
24	0.5% B containing C-Mn Steel Sleeves*	RDCIS	Nuclear industry

* other than identified

Customer Satisfaction

As a key initiative towards customer satisfaction, SAIL had adopted 'Key Account Management' process whereby key accounts are identified based on their turnover and strategic importance. Specific requirements of key accounts are captured in detail and communicated to various departments engaged in servicing of order of these accounts. 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. 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 finalised on the basis of this meeting and customer orders are released by CMO accordingly.

SAIL has a well documented procedure for settlement of quality complaints. During the year 2012-13 sales return was 0.28 % of the total sales. Total 31684 tons material was returned on quality complaints against the total sales of 11.4 million tons. The bench marking score for CSI is pegged at 85% for domestic sales. During 2012-13 average of Customer Satisfaction Index in respect of five Integrated Steel Plants of SAIL was 93.6 on a scale of 100. Average rating of ASP was 4.36 and for VISP 4.39 on the 5 point Index Scale.



LPG Cylinder made of Steel of SSP

Communication

SAIL website (www.sail.co.in) is generally acknowledged to be an easily navigable and a customer friendly website. The new and further improved version of the website has been created on a Content Management System (CMS) based back-end. Supported by a visually appealing background, the website is divided into several main links, which are further classified into sub-links. Apart from such categorical divisions, the website also has a marquee section on homepage which displays latest and important information related to the company. Surfers are also provided with contact details of all key personnel across SAIL who they can contact for their queries.

Corporate Affairs Division of SAIL is engaged in communication exercise for promotion of the corporate image of SAIL as well as product promotion. The advertisements for all the plants are managed by SAIL at the corporate level. In addition, CMO also undertakes promotion of branded products of SAIL viz. SAIL TMT and SAIL JYOTI sold through its retail channel.

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 publications 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 of sponsorships etc. The privacy related to consumer information, such as specifications of special products developed for specific consumers are protected through confidentiality agreements. No incident have been reported regarding non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. No complaint have been received regarding breaches of customer privacy and loss of customer data. SAIL has not been imposed with any fine for non-compliance with laws and regulations concerning the provision and use of products and services during the year 2012-13.

Associations/Memberships and Partnerships

Associations/Memberships

United Nations (UN) Global Compact

The **United Nations Global Compact** is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Under the Compact, companies are brought together with UN agencies, labour groups and civil society.

The Global Compact Office is supported by six UN agencies: the United Nations High Commissioner for Human Rights; the United Nations Environment Programme; the International Labour Organization; the United Nations Development Programme; the United Nations Industrial Development Organization; and the United Nations Office on Drugs and Crime. SAIL has formulated its strategy on the basis of universally accepted principles.

Corporate Responsibility for Environmental Protection (CREP)

SAIL has agreed to adopt voluntarily the guidelines as set in the Charter of "**Corporate Responsibility for Environmental Protection (CREP)**", launched by the Ministry of Environment & Forest (MoEF) in March, 2003, with the purpose to go beyond the compliance of regulatory norms for prevention & control of pollution through various measures including waste minimization, in-plant process control & adoption of clean technologies. The Charter has set targets concerning conservation of water, energy, recovery of chemicals, reduction in pollution, elimination of toxic pollutants, process & management of residues that are required to be disposed off in an environmentally sound manner. The Charter enlists the action points for pollution control for various categories of highly polluting industries.

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 in an environmentally sound manner. The MoEF, SAIL and UNIDO have joined hands to implement a Polychlorinated Biphenyls (PCB) management and disposal project at Bhilai Steel Plant. PCBs are highly toxic chemicals. Under this project, the PCB in electric transformers will be treated using appropriate technology to be brought in by UNIDO.

Standing Conference of Public Enterprises

Standing Conference of Public Enterprises (SCOPE) is the apex body of Central Government owned Public Enterprises. SCOPE has all the Central Public Enterprises, a few State Government Enterprises and some nationalised banks as its members. SAIL, as a premier PSU, takes active participation in all of its core activities.

World Steel Association

The **World Steel Association (WSA)**, a non-profit organization, is one of the largest and most dynamic industry associations in the world, representing approximately 170 steel producers (including 17 of the world's 20 largest steel companies), national and regional steel industry associations, and steel research institutes. The World Steel Association (WSA) acts as the focal point for the steel industry, providing global leadership on all major strategic issues affecting the industry, particularly focusing on economic, environmental and social sustainability.

It promotes steel and the steel industry to customers, the industry, media and the general public and also promotes a zero-accident working environment for steel industry employees and contractors.



World Steel Association

Bipartite forums, like **National Joint Committee for Steel Industry (NJCS)**, **Joint Committee on Safety, Health & Environment in Steel Industry (JCSSI)**, etc. with representation from major central trade unions as well as representative unions of Plants/Units meet on a periodic basis and 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 Plant/Units, marked with diverse work culture at multi-locations.

National Commission for Scheduled Castes (NCSC) appreciated Socio Economic Schemes initiated by SAIL during 2012 - 13.

Others:

- Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Confederation of Indian Industry (CII)
- Federation of Indian Chambers for Commerce and Industry (FICCI)
- Institute for Steel Development & Growth (INSDAG)
- Joint Plant Committee (JPC), Ministry of Steel
- Indian Coal Forum (ICF)
- Indian Institute of Metals (IIM)
- Institute of Public Enterprises (IPE)
- Institute of Rail Transport (IRT)
- The Energy and Resources Institute (TERI)
- Bureau of Indian Standards (BIS)

Partnerships

Development of Hajigak Iron Ore Deposits in Afghanistan: The SAIL-led consortium AFISCO (Afghan Iron & Steel Consortium) comprising of SAIL, NMDC, RINL, JSW Limited, JSPL, JSW Ispat Limited and Monnet Ispat and Energy Limited, which had submitted its bid for development of Hajigak Iron Ore deposits, has been selected as the 'Preferred Bidder' for blocks B, C and D of the mines with an estimated reserve of 1.28 billion tonnes of high-grade magnetite iron ore (with 62- 64% Fe content) and invited for negotiation of Hajigak Mining Contract. The consortium held contract negotiation discussions with the Ministry of Mines of Islamic Republic of Afghanistan. The contract is likely to be finalized in 2013-14.

SAIL-Kobe Iron India Private Limited for alternate technologies in Iron & Steel Making: A Memorandum of Agreement (MoA) was signed with Kobe Steel Limited, Japan in July'12 for ITmk3 technology for iron making. A Joint Venture Company "SAIL-Kobe Iron India Private Limited" has been incorporated with Kobe Steel, Japan for installation of an ITmk3 technology based 0.5 MTPA Iron Nugget plant at ASP, Durgapur.

International Coal Ventures Private Limited: International Coal Ventures Private Limited, established in May 2009, is a joint consortium of three Indian PSUs SAIL, Rashtriya Ispat Nigam Limited (RINL) and National Mineral Development Corporation (NMDC) to explore overseas territories to fulfill the domestic needs of good quality coal in India.



MoU with Kerala Industrial Development Corporation and Kerala Minerals and Metals Ltd

Global Reporting Initiative (GRI): G3 Content Index

Application Level- A			
STANDARD DISCLOSURE PART 1: Profile Disclosure			
Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
1. Strategy and Analysis			Page Nos.
1.1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organization and its strategy.	Fully	3
1.2	Description of key impacts, risks, and opportunities.	Fully	18-20, 30-32
2. Organisational Profile			
2.1	Name of the organisation.	Fully	5
2.2	Primary brands, products, and/or services.	Fully	5, 8-9
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	10
2.4	Location of organisation's headquarters.	Fully	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.	Fully	SAIL operates in India
2.6	Nature of ownership and legal form	Fully	5, 14-15
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	5, 8-10, 91-92
2.8	Scale of the reporting organisation.	Fully	5-7
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	11
2.10	Awards received in the reporting period.	Fully	84-88
3. Report Parameters			
Report Profile			
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Fully	3, 11
3.2	Date of most recent previous report (if any).	Fully	3, 11
3.3	Reporting cycle (annual, biennial, etc.)	Fully	11
3.4	Contact point for questions regarding the report or its contents.	Fully	13
Report Scope and Boundary			
3.5	Process for defining report content.	Fully	11-12, 23
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	6
3.7	State any specific limitations on the scope or boundary of the report.	Fully	6, 11
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	6, 11-12

Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
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.	Fully	11-12
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. merger/ acquisitions, change of base years/ periods, nature of business, measurement methods).	Fully	No change from earlier report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	No change from earlier report
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	97-105
	Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	*
4. Governance Commitments and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	14-17
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	14
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	14-17
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	15, 22-24
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	14
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	14-15, 60
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	Fully	14
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.	Fully	30-32
4.9	Procedures of the highest governance body for overseeing the organisation'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.	Fully	14-15
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	14
Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	33-35, 82-83
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	94-96
4.13	Memberships in associations (such as industry associations) and/or national/ international advocacy organisations	Fully	94-96

* No external assurance carried out

Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organisation.	Fully	23-24
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	23-24
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	23-27
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	25-27
STANDARD DISCLOSURE PART-II : Disclosures on Management Approaches (DMAs)			
G3 DMA			
DMA EC	Disclosure on Management Approach EC		
Aspects	Economic performance	Fully	36-42
	Market presence	Fully	10, 33, 37
	Indirect economic impacts	Fully	37, 38
DMA EN	Disclosure on Management Approach EN		
Aspects	Materials	Fully	33, 41
	Energy	Fully	33, 41
	Water	Fully	33, 41
	Bio-diversity	Not	Not Material
	Emissions, effluents and waste	Fully	33, 41
	Products and services	Fully	33, 41
	Compliance	Fully	33, 41
	Transport	Fully	33, 41
	Overall	Fully	33, 41
DMA LA	Disclosure on Management Approach LA		
Aspects	Employment	Fully	33-34, 37-38
	Labour/management relations	Fully	33-34, 37-38
	Occupational health and safety	Fully	33-34, 37-38
	Training and education	Fully	33-34, 37-38
	Diversity and equal opportunity	Fully	33-34, 37-38
DNA HR	Disclosure on Management Approach HR		
Aspects	Investment and procurement practices	Fully	35
	Non-discrimination	Fully	35
	Freedom of association and collective bargaining	Fully	35
	Child labour	Fully	35
	Forced and compulsory labour	Fully	35
	Security practices	Fully	35
	Indigenous rights	Fully	35

Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
DMA SO	Disclosure on Management Approach SO		
Aspects	Community	Fully	82-83
	Corruption	Fully	82-83
	Public policy	Fully	82-83
	Anti-competitive behaviour	Fully	82-83
	Compliance	Fully	82-83
DMA PR	Disclosure on Management Approach PR		
Aspects	Customer health and safety	Fully	35
	Product and service labelling	Fully	35
	Marketing communications	Fully	35
	Customer privacy	Fully	35
	Compliance	Fully	35
STANDARD DISCLOSURE 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.	Fully	7, 36-39
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	18-19, 44-47
EC3	Coverage of the organisation's defined benefit plan obligations.	Fully	18-19, 37-38, 58-61
EC4	Significant financial assistance received from government.	Fully	38
Aspect: Market Presence			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	38, 58
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	38, 58
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Fully	38, 58
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.	Fully	23, 74-81
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	74-81
Environment Performance Indicators			
Aspect: Materials			
EN1	Materials used by weight or volume.	Fully	43-44
EN2	Percentage of materials used that are recycled input materials.	Fully	44

Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
Aspect: Energy			
EN3	Direct energy consumption by primary energy source.	Fully	45
EN4	Indirect energy consumption by primary source.	Fully	45
EN5	Energy saved due to conservation and efficiency improvements.	Fully	44-46
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	45-46
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	47
Aspect : Water			
EN8	Total water withdrawal by source.	Fully	48
EN9	Water sources significantly affected by withdrawal of water.	Fully	48
EN10	Percentage and total volume of water recycled and reused.	Fully	48
Aspect: Bio-diversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high bio-diversity value outside protected areas.	Not Reported	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 bio-diversity in protected areas and areas of high bio-diversity value outside protected areas.	Not Reported	
EN13	Habitats protected or restored.	Not Reported	
EN14	Strategies, current actions, and future plans for managing impacts on bio-diversity.	Not Reported	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not Reported	
Aspect: Emissions, Effluents & Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	47
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	47
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	45-47
EN19	Emissions of ozone-depleting substances by weight.	Fully	51
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	49
EN21	Total water discharge by quality and destination.	Fully	48-49
EN22	Total weight of waste by type and disposal method.	Fully	50-51
EN23	Total number and volume of significant spills.	Fully	52
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	52
EN25	Identity, size, protected status, and bio-diversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Fully	48
Aspect: Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	89

Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	89-90
Aspect: Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	51
Aspect: Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Fully	52, 90
Aspect: Overall			
EN30	Total environmental protection expenditures and investments by type.	Fully	33
Social : Labour Practices and Decent Work Performance Indicators			
Aspect: Employment			
LA1	Total workforce by employment type, employment contract, and region.	Fully	55-56, 59
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	57-58
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	60
Aspect: Labour/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	60, 61
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	95
Aspect: Occupational 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.	Fully	64
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	64, 65
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	65, 66
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	61, 62
Aspect: Training and Education			
LA10	Average hours of training per year per employee by employee category.	Fully	73-74
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	73-74
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	61, 74
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.	Fully	16-17, 56, 59
LA14	Ratio of basic salary of men to women by employee category.	Fully	58

Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
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.	Fully	35, 61
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	61
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.	Fully	61
Aspect: Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Fully	61
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.	Fully	60
Aspect: Child Labour			
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Fully	61
Aspect: Forced and Compulsory Labour			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	Fully	61
Aspect: Security Practices			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	61
Aspect: Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	35
Social : Society Performance Indicators			
Aspect: Community			
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.	Fully	74-81
Aspect: Corruption			
SO2	Percentage and total number of business units analysed for risks related to corruption.	Fully	82
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Fully	83
SO4	Actions taken in response to incidents of corruption.	Fully	82
Aspect: Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	83
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	83

Profile Disclosure	Description	Reported	Cross Reference/ Direct answer
Aspect: Anti-Competitive Behaviour			
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Fully	83
Aspect: Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	83
Social : Product Responsibility Performance Indicators			
Aspect: Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	89
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.	Fully	89
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.	Fully	90
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	93
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	92
Aspect: Marketing Communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	93
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	93
Aspect: Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	93
Aspect: Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	93

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Performance Indicator	Description	Reported	Cross Reference/Direct answer/Page No.
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Not Reported	None of the Plants / Units of SAIL are located in the proximity of bio-diversity sites / protected areas. Mines are not within the report boundary.
MM2	The number and percentage of total sites identified as requiring bio-diversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Not Reported	
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Not Reported	Mines are not within the report boundary.
MM4	Number of strikes and lock-outs exceeding one week's duration by country.	Fully	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 operations or sites where there are formal agreements with of Indigenous People's communities.	Not Reported	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.	Fully	None of the steel Plants/ Units are located in the proximity of settlement of indigenous people and communities and hence, there are no significant dispute related to this land use and customer right.
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.	Fully	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.	Not Reported	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	Fully	No steel plant has any significant resettlement plan pending.
MM10	Number and percentage of operations with closure plans.	Fully	None of the Steel Plants/ Units has any closure plans.
MM11	Programs and progress relating to materials stewardship.	Fully	Page No. 43-44, 54

Abbreviations

AAQ	Ambient Air Quality
AIDS	Acquired Immuno-Deficiency Syndrome
AMR	Addition Modification Replacement
ASTP	Acid Sludge Treatment Plant
ASP	Alloy Steel Plant
BBS	Behaviour Based Safety
BF	Blast Furnace
BOD	Biochemical Oxygen Demand
BOF	Basic Oxygen Furnace
BPL	Below Poverty Line
BRIC	Brazil, Russia, India, China
BSL	Bokaro Steel Plant
BSO	Branch Sales Office
BSP	Bhilai Steel Plant
CaO	Calcium Oxide
CAPA	Corrective Action Preventive Action
CC	Continuous Casting
CCD	Coal Chemical Department
CCTV	Closed Circuit Television
CEO	Chief Executive Officer
CET	Centre for Engineering & Technology
CEZ	Construction Equipment Zone
CFC	Chloro Fluoro Carbon
CFP	Chandrapur Ferro Alloy Plant
CII	Confederation of Indian Industries
CISF	Central Industrial Security Force
CMO	Central Marketing Organization

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
CPWD	Central Public Works Department
CRM	Cold Rolling Mill
CRNO	Cold Rolled Non-Oriented
CSD	Central Store Department
CSO	Central Statistics Office
CSR	Corporate Social Responsibility
DMB	Disability Medical Board
DMRC	Delhi Metro Rail Corporation
DPE	Department of Public Enterprises
DSC	Departmental Safety Committee
DSOs	Departmental Safety Offices
DSP	Durgapur Steel Plant
EAF	Electric Arc Furnace
EBIDTA	Earnings before Interest, Depreciation, Taxes and Amortization
ED	Executive Director
ELCB	Earth Leakage Current Breaker
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

FII	Federation of Indian Industries
FR	Fire Retardant
FRP	Fibre Reinforced Plastic
GCal	Giga Calorie
GCM	Gas Collecting Main
GD	Growth Division
GHG	Green House Gas
GoI	Government of India
GRI	Global Reporting Initiative
GRIG3	Global Reporting Initiative Third Generation
HCFC	Hydro Chloro Fluoro Carbon
HIRA	Hazard Identification & Risk Assessment
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HP	High Pressure
HPLA	High Pressure Liquor Aspiration
HRD	Human Resource Development
HRM	Human Resource Management/Hot Rolling Mill
IISCO	Indian Iron & Steel Company
INR	Indian Rupee
IOD	Institute of Directors
IOW	Injury on Work
ISO	International Organization for Standardization
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
JPC	Joint Plant Committee
JV	Joint Venture
KL	Kilo Litre

L	Litre
LCA	Life Cycle Assessment
LD	Linz Donawitz
LED	Light Emitting Diode
LFM	Long Forging Machine
LDR	Lost Day Rate
LGIE	Large Group Interactive Event
LTIFR	Lost Time Injury Frequency Rate
L&T	Larsen & Toubro
M&E	Modernization & Expansion
MEL	Maharashtra Elektros melt Limited
MKWh	Million Kilo Watt Hour
MLD	Million Liter Per Day
MnO	Manganese Oxide
MoA	Memorandum of Agreement
MoEF	Ministry of Environment & Forests
MoS	Ministry of Steel
MoU	Memorandum of Understanding
MSVs	Model Steel Villages
MT	Million Tonnes
MTI	Management Training Institute
MTPA	Million Tonnes per Annum
NH ₃ -N	Ammonical Nitrogen
NGO	Non-Governmental Organizations
NHPC	National Hydroelectric Power Corporation
NJCS	National Joint Committee for the Steel Industry
Non-ED	Non-Executive Director
O&G	Oil & Grease
OHS/OH&S	Occupational Health & Safety
OHSAS	Occupational Health & Safety Assessment Series

PAT	Profit after Tax
PBS	Power & Blowing Station
PCCS	Plant Consultative Committee on Safety
PD	Power Distribution
PET	Pipe/ Electrical Sheet/ Tin Plate
PF	Provident Fund
PL	Pickling Line
PME	Periodic Medical Examination
PSU	Public Sector Undertaking
QC	Quality Control
QMS	Quality Management System
RCC	Reinforced Cement Concrete
RCCB	Residual Current Circuit Breaker
RCL	Research & Control Laboratory
RDCIS	Research & Development Centre for Iron & Steel
R&D	Research & Development
R&E	Research & Engineering
R&S	Rail and Structural
RCH	Reproductive and Child Health
RMD	Raw Materials Division
RMHP	Raw Material Handling Plant
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
SED	Safety Engineering Department
SGL	Shot Grinding Line

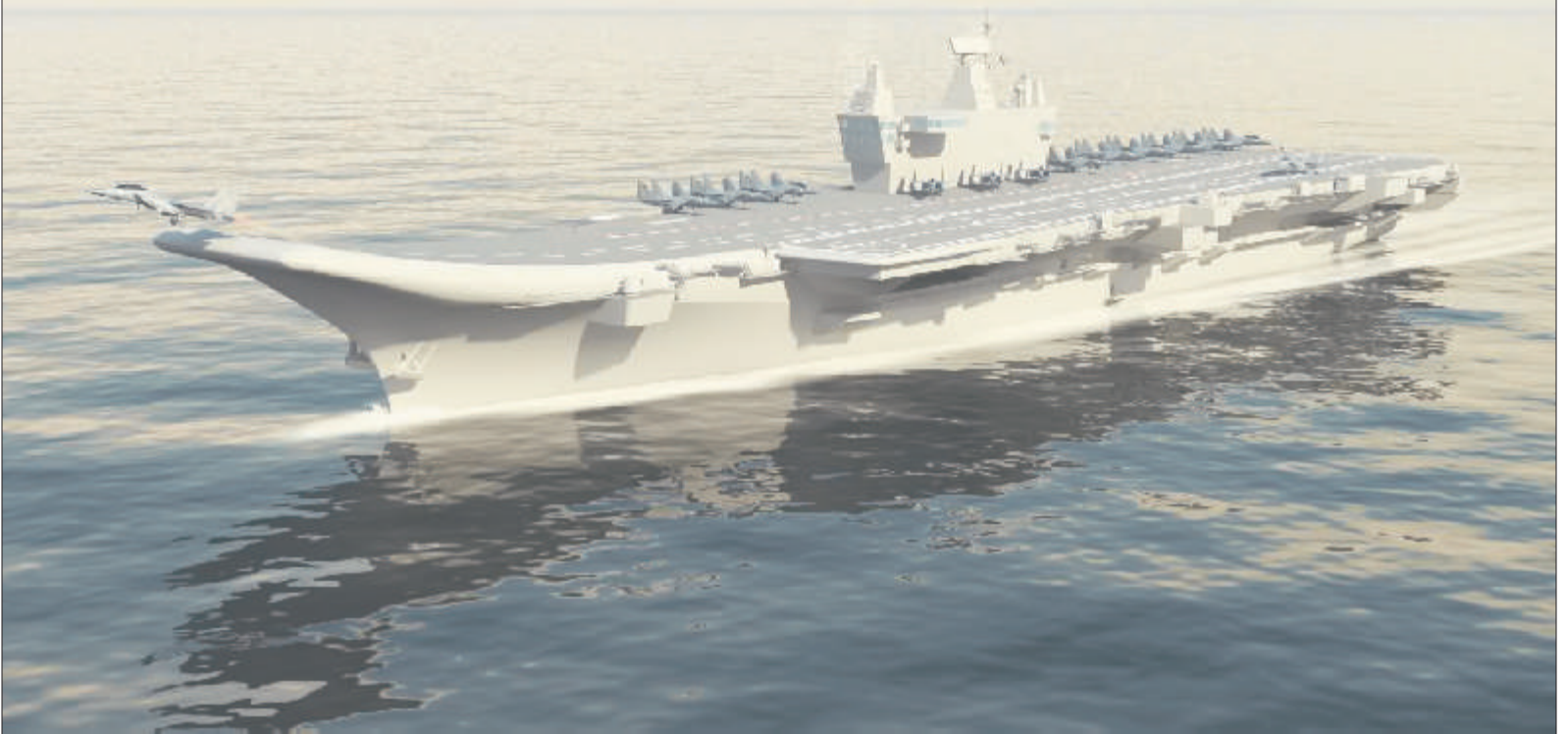
SHG	Self Help Group
Si-Mn	Silico Manganese
SGW	SAIL Growth Works
SMP	Standard Maintenance Procedure
SMS	Steel Melting Shop
SOP	Standard Operating Procedure
SLF	Secured Land Fill
SOs	Shop Safety Officers
SP	Sinter Plant
SS	Suspended Solids
SSO	SAIL Safety Organisation
SSPs	Special Steel Plants
SRU	SAIL Refractory Units
SV	Sodium Vapour
T	Tonnes
tcs	tonnes of crude steel
thm	tonnes of hot metal
tfs	tonnes of finished steel
TJ	Tera Joule
TMT	Thermo Mechanically Treated
TPL	Technological Pipe Line
UNDP	United Nations Development Programme
VISL	Visvesvaraya Iron and Steel Plant
VRD	Voltage Regulatory Device
VVVF	Variable Voltage Variable Frequency
WSA	World Steel Association
ZSOs	Zonal Safety Officers

A

GRI Application Level

Report Application Level		C	C+	B	B+	A [✓]	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on : 1.1 2.1 -2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus : 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version



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- Please feel free to share your comments or suggestions regarding this Report
- You can reach us at sailsustainability@gmail.com



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
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