UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS

JINDAL STAINLESS LIMITED

September 2011 - 2012

JSL
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23rd August 2010

To,
H.E. Ban Ki-Moon
Secretary-General;
United Nations
New York, NY 10017 USA

Dear Mr. Secretary-General,

I am pleased to confirm that ***JSL Stainless Ltd. (Part of O.P. Jindal Group, India)*** supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. JSL Stainless Ltd. will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the Global Compact, and *annually* thereafter according to the Global Compact COP policy.

Yours sincerely,

Mr. Ratan Jindal
Vice Chairman & Managing Director

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About Jindal Stainless Limited:

Jindal Stainless Limited – India's Largest Integrated Stainless Steel Company

Established in 1970, Jindal Stainless is the largest stainless steel conglomerate in India. A part of the OP Jindal group, JSL is India's largest & the only fully integrated Stainless Steel manufacturer. JSL has grown from a single unit Stainless Steel Plant in Hisar Haryana, to the present multi location & multi product conglomerate.

What our customers expect and get is our decades of experience, coverage and capability to bring to them the right solutions whenever and where ever they need them. With world class plants and skills backed by Jindal Stainless's research, it all adds up to just one thing – a powerful partnership for total success.

Product quality is the pillar on which we have built our reputation, at home and overseas. Today, our commitment to quality and competence is widely acknowledged.

To run the business effectively, transparently and with due accountability, the company has developed a Code of Conduct to be followed by all representatives for carrying out their duties and responsibilities as per the vision, values and guiding principles of the Jindal Stainless Limited.

The code has been designed by the company in line with the 8 guiding principles, namely:

1. Value Creation
2. Transparency
3. Personal Conduct
4. Learning & development
5. Creativity and Innovation
6. Environment, Safety and Health
7. Responsible Corporate Citizen
8. Confidentiality

To deter wrong doing and promote:

- Honest and ethical conduct and handling of conflicts of interest between personal and professional relationships
- Full, fair, accurate, timely and understandable disclosure in reports and documents and other public communication
- Compliance with applicable governmental laws, rules and regulations
- Prompt internal reporting
- Accountability for adherence to the policy

All Directors and Employees of the Company are expected to read and understand this code and uphold these standards in day to day activities and comply with the applicable policies and procedures and ensure that they are adhered to.

As a Corporate we strongly believe in doing responsible business and our vision is to be admired and recognized as a socially responsible corporate. As step towards this we have recently formulated our CSR policy which reinforces our guiding principles and focuses on crucial areas like:

- Addressing key social issues and encouraging all stake holders to get engaged through focused sustainable programmes and initiatives
- Support and respect the protection of internationally proclaimed human right norms
- Prohibition of Child Labour
- Freedom of Engagement
- Health and Safety
- Collective Bargaining and Consultation
- Equality of Opportunity

- Harassment and disciplinary practices
- Working Hours
- Compensation
- Supplier selection
- Community involvement
- Environment protection
- HIV/AIDS Workplace
- Natural resource management

Important Policies:

i. **Code of Conduct:** http://www.jslstainless.com/PDF/Code-of-Conduct.pdf
ii. **Whistle Blower Policy:** http://www.jslstainless.com/PDF/Whistle-Blower-Policy.pdf
iii. **CSR Policy**
iv. **HR Policy**
v. **EHS Policy**
vi. **Work Place Sexual Harassment Policy**

Principles on Human Rights:

PI: Business should support and respect the protection of internationally proclaimed human rights; and
P2: Make sure that they are complicit in human rights abuse

COMMITMENT:

Jindal Stainless Limited believes in fundamental principles of Human Rights as promoted by International Instruments (UN, ILO) and Constitution of India and commits itself to adhere, protect and promote them in the context of our business operations. Jindal Stainless Limited as a member of the Global Business Initiative (GBI) for Human Rights, has taken on a leadership role to promote the principle of 'Respect' the second pillar of the UN Guidelines on the Human Rights 'Protect Respect and Remedy' Framework.

SYSTEM:

As a commitment towards the fundamental principles of Human Rights, the Human Resource, Legal and the CSR departments are actively involved in safeguarding them. The company code of conduct clearly mentions no discrimination during hiring, promotion, training or termination on the grounds of race, colour, creed, religion, age, disability, gender, sexual orientation and marital status.

As a step towards aligning Corporate Social Responsibility as a strategic initiative in the Company's overall operations, we have come up with a CSR Policy. The policy also gives guidelines on support and protection of internationally proclaimed human rights. Employees and contractors engaged as security personnel shall observe international human rights norms in their work.

In Human Rights Jindal Stainless has been playing a leadership role in the Global Compact network sub-committee on Human Rights. A CEO Forum on Business and Human Rights had been organized in the month of February to discuss this crucial issue. In addition we have been promoting the concept amongst law and management colleges i.e. students and faculty members and the topic has generated a lot of dialogue on this important domain.

JSL has been actively involved in representing and sharing its stance on human rights and business in international forum such as Wilton Park Conference on Business & Human Rights.
A new policy on Work Place Sexual Harassment has been formulated to provide a healthy work environment for employees. As per Management guidelines, a Committee of 4

members will handle the complaints and resolve the issues. The Committee will comprise of Head HR, Head Legal and two female management representatives. The Committee will be headed by a female representative. Incase of any disagreement, the Committee shall take help from the third party for resolving the issue.

Regular stakeholder consultations are held at all plant locations to discuss issues.

Jindal Stainless Limited will continue to reinforce its initiatives and ideologies on Human Rights. Efforts will be made to further share and sensitize employees about Human Rights.

OUTCOME:

- There have been no human rights violations noticed against Jindal Stainless Limited during the reporting period.

Principles on Labour:

P3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

COMMITMENT:

We believe in the rightful propagation of rights of our employees and thus broadly, in compliance with the law of the country, bestow and acknowledge freedom of association and the right to collective bargaining to our employees.

SYSTEM & ACTIONS:

Jindal Stainless Limited believes in the freedom of association and the right to collective bargaining. We have a registered trade union having seven office bearers and have a cordial relation with the union. Fair and transparent process is followed while arriving to decisions.

Suggestion boxes are kept at all the key locations in the plant and all are encouraged to put their suggestions and complaints to address the employee's needs. The industrial relations cell headed by the Associate Vice President has been established to address these issues. Constructive dialogue is encouraged between the management and the union to take care of the interest of the employees.

OUTCOME:

No cases of union-busting or wrongful termination of employees for union activity have been reported till date.

P4: the elimination of all forms of forced and compulsory labour;

COMMITMENT:

At Jindal Stainless Limited we firmly believe in complying with all statutory provisions related to the labour rules. We condemn and are strongly against forced or compulsory labour as unethical and thus support no form of it.

SYSTEM & ACTIONS:

Regular monitoring internally by the HR department at the plant locations and external third party audits on TPM, ISO, Quality Circle, OHSAS through certification bodies such as TUV are conducted on a regular basis.

OUTCOME:

Both Internal and External audits conducted during the reporting period did not have any findings of unfair labour conditions.

P5: the effective abolition of child labour and

COMMITMENT:

JSL strongly believes in the abolition of child labour and we comply with national and international norms for it.

SYSTEM & ACTIONS:

The minimum age of employment in JSL is 18 years of age and this is strictly followed by the Human Resource department with documents for proof of age.

At the plant level the HR department, plant incharge, supervisors conduct surprise on site visits to ensure non engagement of child labour.

Various CSR initiatives with children along the plant location are carried out to discourage child labour and promote right to education.

OUTCOME:

No instances of child labour have been found in the reporting period.

P6: the elimination of discrimination in respect of employment and occupation

COMMITMENT:

Jindal Stainless Limited's vision is based on inspiring and unleashing creative potential. In this direction we treat all employees in all aspects of employment solely on the basis of their ability.

SYSTEM & ACTIONS:

The company code of conduct clearly mentions no discrimination during hiring, promotion, training or termination on the grounds of race, colour, creed, religion, age, disability, gender, sexual orientation and marital status.

There is no discrimination in the hiring, promotion, training or termination of people on the basis of the factors mentioned above.

The hallmark of Jindal Stainless HR practices is to develop a winning Employee Value Proposition. Supporting this practice are our structured systems and processes to ensure that our people grow in equal acceleration to the company's expanding canvas. Jindal Stainless philosophy is to attract the right talent by creating an employee value proposition. Jindal Stainless offers employee value proposition in terms of supportive work climate, opportunity for learning, rewards, and ethical practices.

Jindal Stainless is an equal opportunity employer and does not differentiate on the basis of gender, caste, creed, nationality. Jindal Stainless follows a policy of no discrimination in its hiring, and retention program, the only differentiation we follow is Meritocracy.

Effective employee communication, sharing of performance and best practices and periodic dialogue with people is enabled through monthly, quarterly and annual departmental meetings, management open forums, VC&MD open houses, J-Connect-Intranet, Knowledge Centre, hr click, Jindal Stainless Pariwar, Jindal Stainless Bulletin etc. Jindal Stainless On-boarding program- Parichay & NJIP are focused on continual improvement through employee and manager feedback.

OUTCOME:

- No reported instances of discriminatory behavior within the business.

Principles on Environment:

P7: Businesses should support a precautionary approach to environmental challenges

COMMITMENT:

JSL is committed to meeting the requirements of relevant legislation in the countries and regions in which it operates, to the efficient use of natural resources and energy, and to reducing continuously the environmental impact of its operations and products through the adoption of sustainable practices.

To satisfy our requirements under Environment, we require that our suppliers adopt suitable and robust management practices for environmental protection. Suppliers who have management systems accredited to ISO 14001 or equivalent will be deemed to satisfy this requirement.

SYSTEM & ACTIONS:

Environmental management is one of the topmost priorities of strategy and planning at JSL. All operations are driven by the Environment Health and Safety System and the Occupational Health and Safety Advisory Services as per ISO 14001 and OHSAS 18001 international standard requirements.

Internally the EHS team regularly monitors and ensures the implementation of the management systems to ensure minimum impact on the environment of the activities. The state of the art green compliance test laboratory ensures that the manufacturing process meets the green standard norms.

Various treatments are done on the air before it is released out in the atmosphere like – dust extraction system, electrostatic precipitators, bag filters, ventury, dry fog system etc. Rain water harvesting is promoted and follows in all the plant location to minimize wastage of water

A lot of effort is also being put into waste reduction by adopting principles like reduce, reuse, recycle and reclaim.

OUTCOME:

By implementing the environment management system we have succeeded in reducing ecological footprints at our facilities through the right handling of water and energy consumption, emissions, waste, awareness and engagement of our employees and major suppliers.

P8: undertake initiatives to promote greater environmental responsibility, and

P9: encourage the development and diffusion of environmentally friendly technologies

COMMITMENT:

Jindal Stainless Limited being a manufacturing company is cognizant of the use of natural resources the environmental concerns related to it in terms of air, water and land pollution due to its action. We are conscious about our environmental footprints and conduct of our business in an environmentally sustainable manner. Therefore we have separate environment department at the plant locations to look into the issue and also to reduce our carbon footprints and save energy in economically sustainable way.

SYSTEM & ACTIONS:

Jindal Stainless Limited has adopted the Global Compact Principles relevant to environment. We are committed to go beyond legal compliances and actions to ensure the implementation.

The company is committed to purchasing and using environmentally friendly technologies like recovery type coke oven plant, waste heat recovery boilers reduce emission, conserve water and are energy efficient.

As a corporate also individual environment awareness and awareness is promoted in the Company. Soft copies of reports and documents are promoted as compared to hard copies, official travel is clubbed for different people travelling to one location to save fuel and reduce pollution. At the Corporate office video and audio conferencing is promoted to save on air travel and reduce carbon foot prints.

Employees are encouraged to complete their work within office hours to save and conserve energy.

OUTCOME:

With the various initiatives being taken at the Corporate level and the individual level there is growing awareness and reduction of ecological footprints

Principles on Anti - Corruption:

P10: Business should work against corruption in all its forms, including extortion and bribery.

COMMITMENT:

Jindal Stainless Limited requires its employees to adhere to high ethical standards in business conduct and comply with laws and regulations, as well as with company policies, practices and procedures. Ethical behavior in the areas of business conduct is of utmost priority to the company.

The company is committed to developing a culture where it is safe for all employees and business partners to raise concerns about the unethical or improper activity, malpractice and any event of misconduct.

The guiding principles of JSL ensure that business is conducted with honesty and integrity and in accordance with the moral, ethical and legal standards of the country.

SYSTEM & ACTIONS:

Any irregularities detected or suspected or fraud shall be taken up in line with the enforcement process of the whistleblower policy.

OUTCOME:

In the reporting period no instances of bribery or anti-corruption was witnessed nor was any such case investigated at Jindal Stainless Limited.