

GRI G3 Guidelines Compliant  
'A' Level Report

# TAKING --- CARE

**CORPORATE SUSTAINABILITY REPORT  
2010-11**



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED





# TAKING CARE

Sustainability	04
Foundation	06
Triple Bottom Line	08
Ethics	10
Partnerships	15
Awards and Accolades	16
SAIL and Sustainability	18
Performance	21
Stakeholders	25
Economic Performance	29
Environment	32
Employees	44
Community	52
Associations & Memberships	62
Abbreviations	63
GRI Index	65
GRI Application Level	69
GRI Application Level Check Statement	70









## About the Report

This report is our reaffirmation towards demonstrating conscious choice of disclosing our performance not only with regards to economic aspects but also on environment and social aspects.

Steel Authority of India Limited (SAIL) continues the culture of corporate citizenship and takes pride in presenting its first corporate level disclosure on sustainability performance. This report is a step forward in our endeavour to integrate the business values and operations in an ethical and transparent manner and to demonstrate our commitment to sustainable development and to meet the interests of our stakeholders. This is our reaffirmation towards demonstrating conscious choice of disclosing our performance not only with regard to economic aspects but also on environment and social aspects.

The report covers SAIL's sustainability performance for 2010-11. The boundary of the report covers operational activities of SAIL, wherein the disclosures in this report are majorly sourced from the manufacturing units of SAIL, which include five Integrated Steel Plants, three Special Steel Plants and one Ferro alloy Plant. We have tried to yardstick our performance on sustainability commitments as per the standard and guidance specified by Global Reporting Initiative (GRI-G3). While reporting on the Sustainability Performance Indicators, proper guidance on data compilation is applied in terms of presentation of data, reporting on trends, and use of protocols and data aggregation.

We look forward to your feedback on the contents of this report and suggestions to further improve the reporting process. For any additional information, you are welcome to write to [sailsustainability@gmail.com](mailto:sailsustainability@gmail.com).

# TAKING CARE

---

## SUSTAINABILITY

### Chairman's Message

---

It gives me immense pleasure to present to you, our first corporate level sustainability report for the year 2010-11. SAIL is convinced that sustainable development activities brings significant improvement in the holistic performance of our organisation and also strengthens the bonding between the company and its stakeholders.

Although this is our first formal report, sustainable development has been the tradition in SAIL. It has been our practice to embrace and apply the principles of sustainability in our conduct and business activities. The present report is our reaffirmation towards demonstrating conscious choice of adopting transparency and disclosing our multi-dimensional performance. Though we have been regularly sharing plant level initiatives on sustainability, this is our effort to collectively demonstrate our performance on sustainability at corporate level.

We believe that this publication will help showcase - our perpetual sustainability concerns; elaborate policy framework; governance ideologies; strategy; and actions which provide a constant thrust to our pursuits in meeting the objectives of sustainable development.

SAIL, a Maharatna company, is India's largest steel producer, holding 20 per cent market share of domestic crude steel production. In 2010-11, the company achieved a turnover of INR 470 billion, producing both basic and value added steel for various user segments like Defence, Railways, Industries etc. The company has the largest marketing network among all the steel producers of the country. SAIL's wide marketing spread ensures availability of quality steel in virtually all the districts of the country. We are expediting our ambitious plans to expand our business horizon abroad by acquiring mines and establishing new steel plants in collaboration with global players in the iron and steel sector.

The company is implementing a mega modernization and expansion plan to enhance its hot metal production and value added products in a phased manner. It will help strengthen the company's market position and steer the company towards meeting its objectives of achieving profitability through growth, customer satisfaction and sustainable development of humanity.

SAIL is taking the lead in minimizing its foot-print on environment. Significant investments on technology and processes are being made to bring down energy consumption, emissions load, effluent discharge, water and raw material usage etc. As a result, specific effluent discharge from its plants has reduced by 9 per cent over the last 5 years, whereas specific water consumption has reduced by 11 percent. Adoption of energy efficient technologies has brought down the specific energy consumption to





6.81 GCal/tcs in 2010– 11, registering an improvement of 5 per cent. SAIL has also adopted a long term strategy to invest into renewable energy technologies.

The Credo of SAIL specifically highlights its commitment towards the society at large which states, "Making a meaningful difference in people's life". SAIL has been spearheading activities in developing health, education and livelihood programmes and infrastructural facilities for communities and townships in the areas of its operations and in other remote parts of the country. We have adopted sixty two villages across eight states in India that are gradually being developed as Model Steel Villages.

Sustainability is a journey and this report is an attempt to yardstick our relentless allegiance to Triple Bottom Line issues with special focus on our performance in the year 2010-11. The report is intended to communicate our sustainability activities and achievements. The report is based on the sustainability reporting guidelines of Global Reporting Initiative (GRI), as well as internal reporting procedures. Your views and suggestions will be an important input as we set our future action plans. We look forward to the valuable opinion of our stakeholders.

With best compliments to our stakeholders.

**C S Verma**  
Chairman

# TAKING CARE

## FOUNDATION

### Our Vision

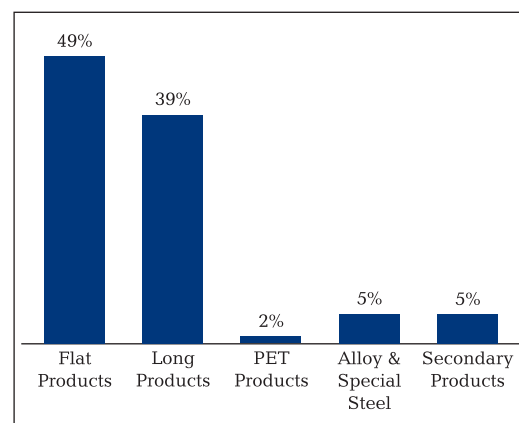
To be a respected world class corporation and the leader in Indian steel business in quality, productivity, profitability and customer satisfaction.

### Our 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.

SAIL is the largest steel-producing company in India. It is a fully integrated iron and steel maker, producing both basic and special steels for domestic as well as overseas markets. Headquartered at New Delhi, SAIL has its presence across the country. With nine major manufacturing units, it has a total saleable steel production capacity of 11.2 Million Tonnes per annum. SAIL is also among the five Maharatnas of the country's Central Public Sector Enterprises.

SAIL manufactures a broad range of steel products, including hot and cold rolled sheets and coils, galvanized sheets, electrical sheets, structural, railway products, plates, bars and rods, stainless steel and other alloy steels. The company produces iron and steel at five integrated plants, three Special Steel Plants and one Ferro alloy Plant, located principally in the Eastern and Central regions of India. SAIL's wide range of long and flat steel products is much in demand in the domestic as well as in the international market. Our Central Marketing Organisation plays a vital role in transacting business through its network of Branch Sales Offices.



Product contribution to  
Sales Turnover



## Plants

- ☒ Bhilai Steel Plant
- ☒ Durgapur Steel Plant
- ☒ Rourkela Steel Plant
- ☒ Bokaro Steel Plant
- ☒ IISCO Steel Plant
- ☒ Alloy Steels Plant
- ☒ Salem Steel Plant
- ☒ Visvesvaraya Iron and Steel Plant
- ☒ Chandrapur Ferro Alloy Plant<sup>#</sup>

## Units

- ☒ Central Marketing Organisation
- ☒ Raw Materials Division
- ☒ Research & Development Centre for Iron & Steel
- ☒ Centre for Engineering and Technology
- ☒ Management Training Institute
- ☒ SAIL Safety Organisation
- ☒ SAIL Growth Works, Kulti
- ☒ Growth Division
- ☒ Environment Management Division
- ☒ Central Coal Supply Organisation
- ☒ SAIL Refractory Unit

## Subsidiaries

- ☒ IISCO-Ujjain Pipe and Foundry Company Limited

## Joint Ventures

- ☒ SAIL has 16 joint ventures in different areas ranging from power plants, cement to mining, e-commerce etc.

<sup>#</sup>Chandrapur Ferro Alloy Plant erstwhile Maharashtra Elektros melt Limited (MEL)

SAIL owns captive iron ore mines, flux mines and collieries. These are under management control of Raw Materials Division, Bhilai Steel Plant, IISCO Steel Plant and Visvesvaraya Iron and Steel Plant.

The diversified product mix and multi-location production units are an area of strength for the company. SAIL as a single source is able to cater to the entire steel requirement of any customer. It also has a nationwide distribution network with a presence in every district in India.

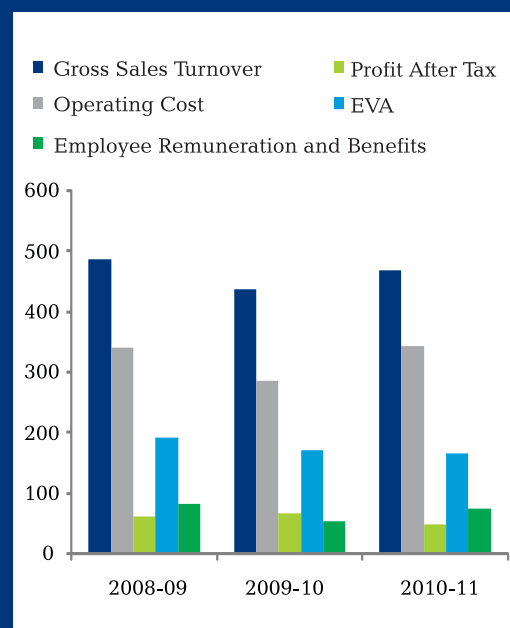
# TAKING CARE

## TRIPLE BOTTOM LINE

Economic 2010 - 11



Economic Performance (Billion INR)





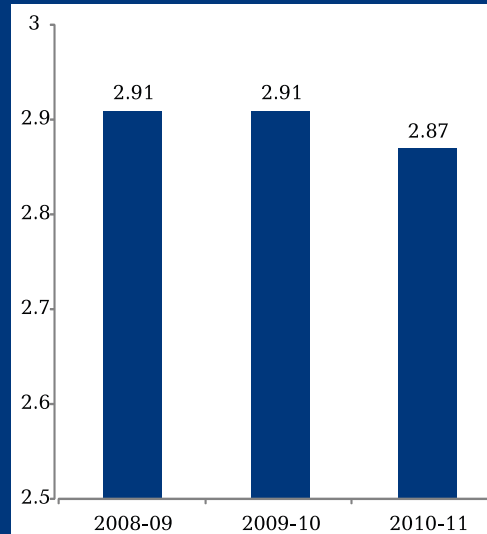
## Environment 2010 - 11

Over the last five years:

- ☑ Particulate Matter Emission load reduced by 52 %
- ☑ Specific Effluent Discharge reduced by 9%
- ☑ Specific Water Consumption reduced by 11%



CO<sub>2</sub> Intensity (tCO<sub>2</sub> e/tcs)

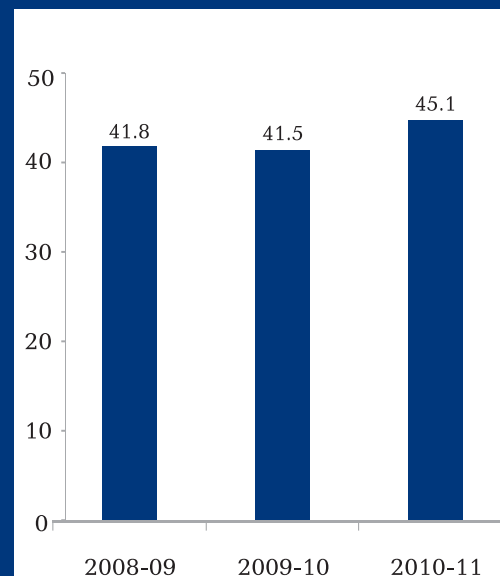


## Social 2010-11

- ☑ Adopted 62 villages across 8 states and developed as Model Steel Villages
- ☑ Highest ever labour productivity of 241 T/man/year
- ☑ 84973 employees trained in 2010 -11
- ☑ Employment opportunities to 4992 women



Percentage of Employees Trained



# TAKING CARE ETHICS

## Corporate Governance

"We uphold the highest ethical standards in the conduct of our business"

The philosophy of the company in relation to corporate governance is to ensure transparency, disclosures and reporting that conforms fully to laws, regulations and guidelines and to promote ethical conduct throughout the organisation, with the primary objective of enhancing shareholders value, while being a responsible corporate citizen. The Company is committed to conforming to the highest standards of corporate governance in the country. It recognizes that the Board is accountable to all shareholders and that each member of the Board owes his/her first duty for protecting and furthering the interest of the Company.

The Government of India (GoI) owns about 86% of SAIL's equity and retains voting control of the Company. However, SAIL by virtue of its 'Maharatna' status, enjoys significant operational and financial autonomy.

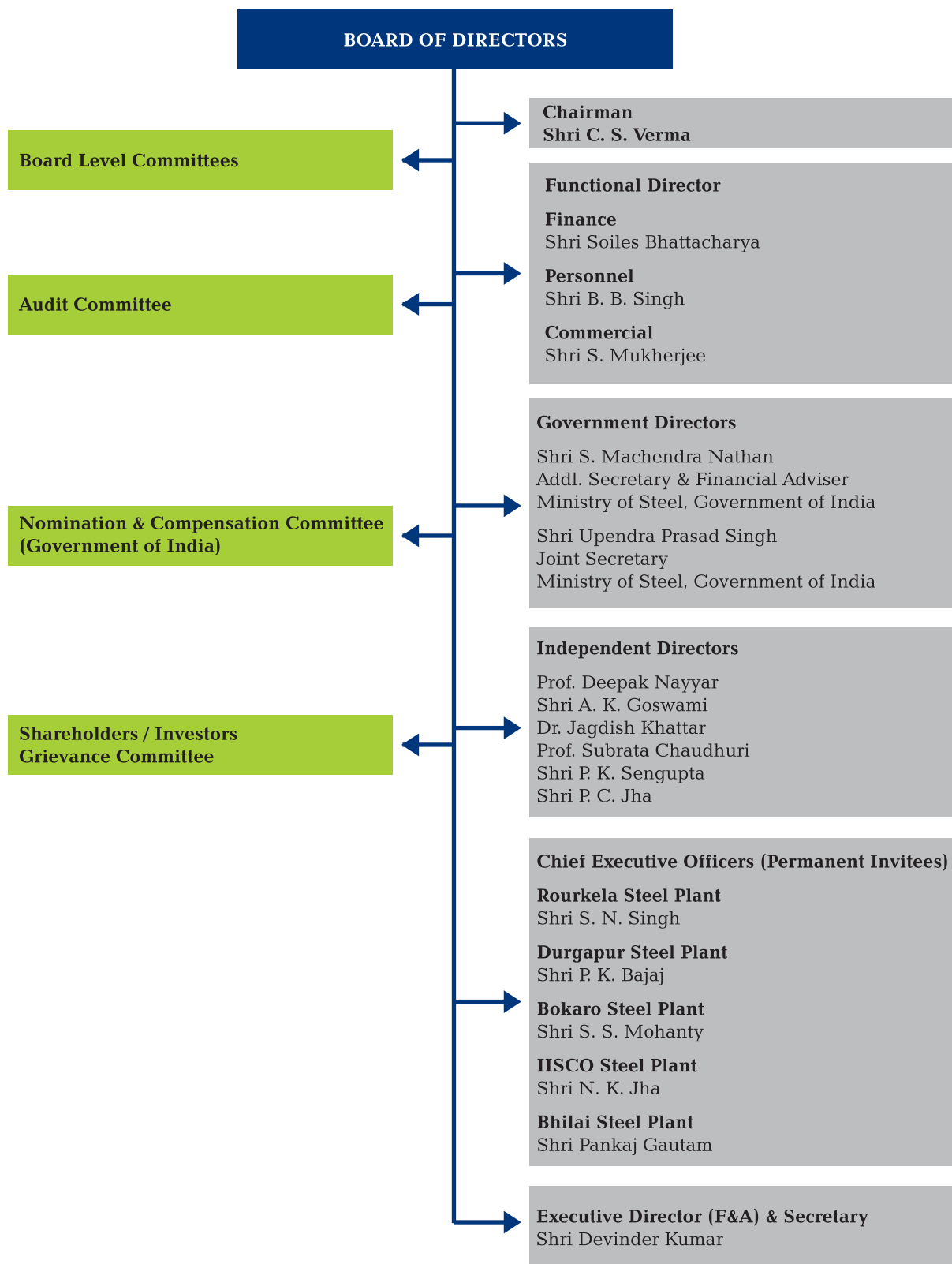
The Board of Directors is the highest governance body within the organisation. As on 31st March 2011, the Board of Directors comprised of a full time Chairman, 3 Whole Time Functional Directors, 2 Government Directors, 6 Independent Directors, 5 Chief Executive Officers ( permanent invitees) and Executive Director (F&A) & Secretary. Being a Government company, the Directors and the Board are appointed based on nomination by the Government of India. The company has in place a Code of Conduct applicable to the Board Members, as well as the senior management personnel.

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

Every year, an MoU is signed between Ministry of Steel (MoS), GoI and SAIL covering the performance target on economic, environment and social aspects and the performance is reviewed by MoS, GoI on quarterly basis. Evaluation of the highest governance body's performance is made by the said Ministry accordingly.



## Governance Structure



*All members of the Board are male by Gender*

The Board is assisted by expert committees in its supervision of the overall affairs of the company and to ensure transparent governance. The Audit Committee assists the Board of Directors in fulfilling its responsibilities by reviewing the financial reports; the Company's systems of internal controls regarding finance, accounting and legal compliance that management and the Board have established; and the Company's auditing, accounting and financial reporting process generally. Shareholders/Investors Grievance Committee is functioning to look into the redressal of shareholders and investors complaints like non-transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

A comprehensive and transparent Executive Performance Management System (EPMS) evaluates the employee performance not only with respect to routine Key Performance Areas (KPA) but also with respect to non-routine KPAs and special projects in technical, environmental and social aspects. Performance of the Board of Directors is assessed by the Government of India. Balanced Scorecard system has been introduced for evaluation/appraisal of performance management and strategy deployment. The Balanced Scorecard initiative was launched in August, 2010, and after deliberations by the top management in the Annual Business Plan meeting in March 2011, Enterprise Scorecard of the company has been framed. Based on the Enterprise Scorecard, exercise for preparation of Unit Scorecard and Individual Scorecards up to the rank of General Managers and Executive Directors is being undertaken.

All business units of SAIL are analysed and checked for risks related to corruption

Corporate Vigilance

## Ethics and Transparency in Operations

SAIL Corporate Vigilance is laying emphasis on preventive and proactive activities to facilitate a conducive environment for enabling people to work with integrity, impartiality and efficiency. It further intends to ensure highest ethical standards to enhance reputation and create value for the organisation. As a part of preventive action, the Corporate Vigilance performs periodic/surprise checks, joint checks, scrutiny of contracts etc. All business units of SAIL are analysed and checked for risks related to corruption. SAIL's Vigilance, has implemented Quality Management System (QMS) in all the Vigilance Departments, with the objective of enhancing transparency, efficiency and accountability.

Corporate Vigilance at SAIL has been accredited with ISO 9001:2008 Certification. Regular trainings covering contract procedures, conduct and discipline rules and other systems and procedures are being conducted at various plants/units. In 2010-11, 123 vigilance awareness workshops were organized and 2923 employees, which is 2.63% of all employees of SAIL were trained. During the year, few incidents of corruptions were reported. While most of these were advised for disciplinary actions, 5 employees were dismissed from service. Additionally, systemic improvements and administrative actions were suggested in some cases to prevent recurrence of such incidents.

## Grievance Redressal

Effective internal grievance redressal mechanism exists in SAIL plants and units, both for executives and non-executives. The grievance procedure has evolved after sustained deliberations and consent of employees, trade unions and associations and is effective in addressing concerns relating to service conditions, wage, work assignments, welfare amenities etc.

The majority of grievances are redressed informally through participative nature of environment existing in the company. The system is comprehensive, simple and flexible and has promoted harmonious relationship between employees and management.

## Comprehensive Risk Assessment

Risk Management has been identified as a part of strategy development process. Enterprise Risk Management (ERM) process is undertaken by SAIL to identify, categorize and rank key risk areas. Risk officers and risk management committees, under the chairmanship of the CEOs of Integrated Steel Plants and Executive Directors of Special Steel Plants, have developed elaborate risk mitigation framework to address the identified risks.

## Internal Control Systems

At SAIL, Internal Audit is a multi-disciplinary function which reviews, evaluates and appraises the various systems, procedures/policies of the Company and suggests meaningful and useful improvements. The objective of this system is to ensure:

- Efficiency in operations
- Protection of resources
- Accuracy and promptness of financial reporting
- Compliance with the laid down policies and procedures
- Compliance with laws and regulations

## Management Tools and Systems

### Environment Management System ISO 14001:2004

- Environment Performance Evaluation
- Environmental Impact Assessment
- Clean Technology and Pollution Prevention

### Quality Management System ISO 9001:2008

- Quality Circles
- Six Sigma
- Benchmarking Studies

### Occupational Health and Safety Advisory Services (OHSAS 18001:2007)

### Research and Development in Product, Process, Material and Application Innovation

### Social Accountability (SA 8000)

### Enterprise Scorecard



SAIL is amongst the pioneer PSUs in the country to have adopted Integrity Pact

## Integrity Pact

### Initiatives towards Corporate Good Governance and Responsible Corporate Citizenship

SAIL is amongst the pioneer Public Sector Undertakings (PSUs) in the country to have adopted Integrity Pact with effect from 16<sup>th</sup> August 2007. SAIL's Integrity Pact has been recognized as a model by Chief Vigilance Commission to be adopted by other organisations as well. Several initiatives have been taken by SAIL towards establishing high standards of Corporate Governance and Transparency. Few of them are indicated as under:

#### E-Commerce Activities

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

#### Online Payment

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

#### Labour Payment

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

#### External Audits

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

#### Redressal System

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

# TAKING CARE

## PARTNERSHIPS

### Asia Pacific Partnership for Clean Development and Climate

Under the initiative of Ministry of Steel, Government of India, SAIL is an active member of Steel Task Force under Asia Pacific Partnership. The organisation is committed to work towards the following initiatives under this partnership :

- ☑ Develop sector relevant benchmarks and performance indicators
- ☑ Facilitate deployment of the best practices in steel technologies
- ☑ Increase collaboration between relevant partnership, country, government, industry and steel related institutions
- ☑ Develop processes to reduce energy use, air pollution, greenhouse gas emissions from steel production
- ☑ Increase Recycling

### Charter on Corporate Responsibility for Environmental Protection

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

**"Partnering for a better tomorrow"**

### International Iron and Steel Institute / Worldsteel Association

SAIL is a member of Worldsteel Association and is committed to:

- ☑ Maximize steel recycling
- ☑ Use co-products to reduce CO<sub>2</sub> emission
- ☑ Introduce best practices
- ☑ Use of better operational practices and new technology for enhancing energy efficiency
- ☑ Research on radical new technologies
- ☑ Measure and report on Greenhouse Gas emissions

### Montreal Protocol

SAIL along with UNDP took up an umbrella project for replacement of Ozone Depleting Substance (ODS), Carbon Tetrachloride (CTC) used as cleaning solvent, with tri-chloro ethylene at six steel plants at Bhilai, Durgapur, Rourkela, Bokaro, Burnpur and Salem. The project was developed in line with the objectives of Montreal Protocol.

# AWARDS AND ACCOLADES

SAIL won prestigious awards in various dimensions of sustainability

Recognition

SAIL's continuous endeavour towards improvement of its performance has been recognized and appreciated by reputed institutions both nationally and internationally. The company has been conferred with several prestigious awards for excellence in various dimensions of sustainability.

As a recipient of several widely recognized awards conferred by Government of India, Financial Institutions, Leading Rating Agencies and several Industrial Bodies; employees of SAIL once again proved their mettle in the sustainability spheres of Triple Bottom Line.

President of India, Her Excellency Smt. Pratibha Devisingh Patil, felicitating Chairman, SAIL, Sri C.S. Verma with SCOPE Meritorious Award for Environmental Excellence and Sustainable Development





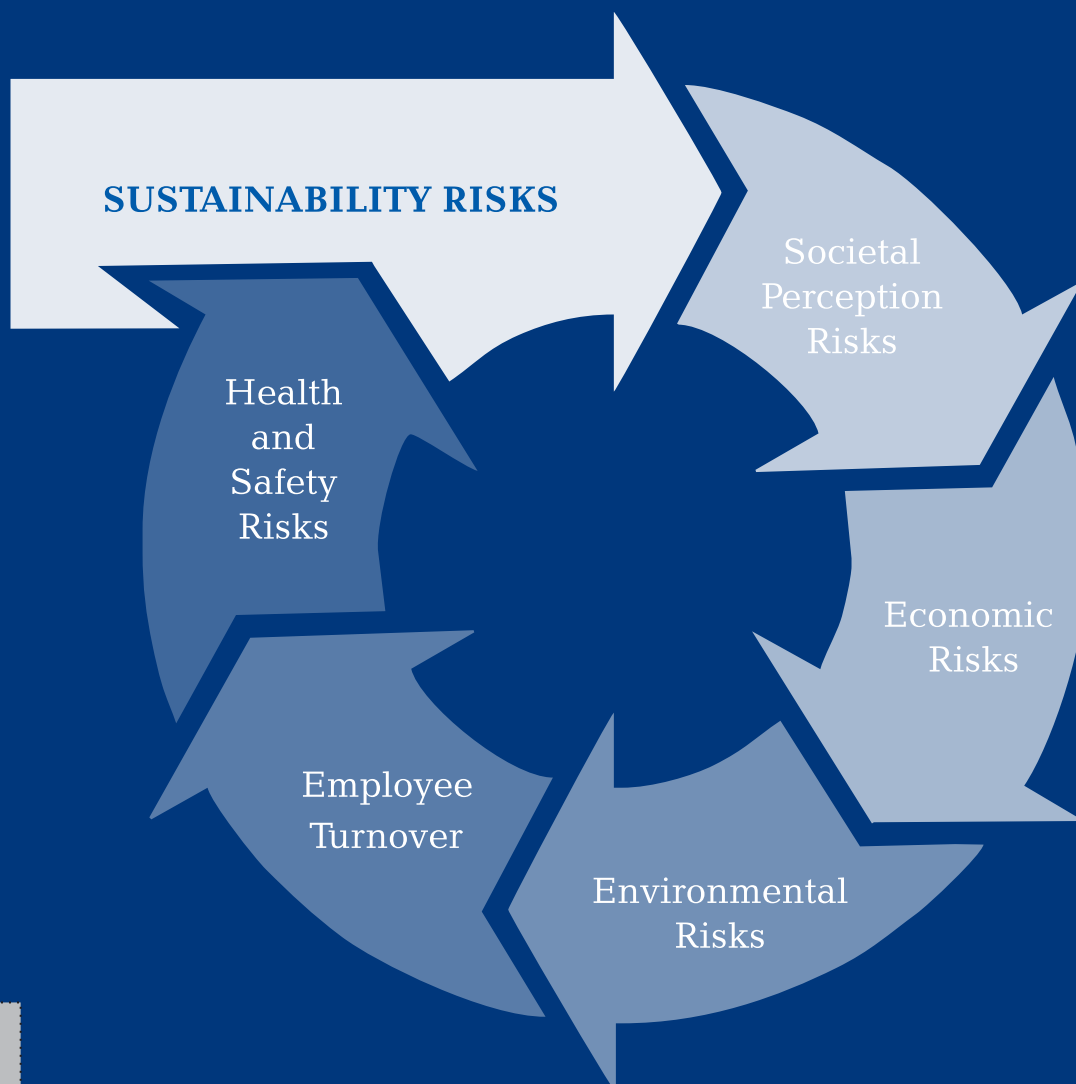
## Awards and Recognitions

Select awards and recognition received during the reporting period have been enlisted as under.

<b>Greentech Award</b>	Greentech Platinum Award for BSP and DSP and Gold Award for RSP and BSL
<b>Wockhardt Shining Star CSR award</b>	in Iron and Steel category in 2011
<b>Randstad Award</b>	for HR Practices and Employer Branding for 2011 under "Manufacturing Industries" category
<b>Vishwakarma Rashtriya Puraskar</b>	to 74 SAIL employees
<b>Award for Financial and Operational Strength</b>	by the Indian Institute of Industrial Engineering for year 2009-10
<b>National Sustainability Award</b>	from the Indian Institute of Metals for the 6th consecutive time and 13th time to the Salem Steel Plant
<b>Greentech Safety Gold Award 2010</b>	to Bhilai Steel Plant
<b>India Pride Award</b>	under Metals and Minerals and Trade Award category
<b>Asia Best Employer Award</b>	for continuous innovation in HR strategies at work
<b>HR Excellence Award</b>	by Greentech Foundation in September 2010 to Bhilai Steel Plant
<b>Trail Blazer Leader of the Year</b>	at Global HR excellence awards 2010-11
<b>CII Sustainability Award 2010</b>	to Bhilai Steel plant
<b>Golden Peacock Eco-Innovation Award 2010</b>	to Bhilai Steel Plant
<b>Dainik Bhaskar India Pride Award</b>	to SAIL for recognizing contributions made by Public Sector Undertakings
<b>Rajbhasha Shield</b>	for best official language implementation by Rashtriya Hindi Academy.
<b>PSU Excellence Awards</b>	for Best HRM and R & D, Technology Development and Innovation
<b>Prime Minister's Shram Awards</b>	SAIL employees bagged 11 Prime Minister's Shram Awards by the Ministry of Labour
<b>Shristi Award</b>	Shristi Good Green Governance Award for RSP

# SAIL & SUSTAINABILITY

SAIL, as a responsible corporate citizen, has recognized key issues on sustainability in its operations, activities and services. Our company has aligned its sustainability priorities keeping in view the stakeholder interest and other global sustainability indicators prescribed for the industry by worldsteel. SAIL has conducted consultative sessions with experts, internal surveys, and surveys with external stakeholders to arrive at the key sustainability issues. It has further tried to strategize a roadmap around each of these issues. The figure below represents the key sustainability risk areas that SAIL has recognized, followed by the strategy adopted for mitigation.



Risks	Relevance with respect to Steel Sector	SAIL's Strategy
Economic Risks	<ul style="list-style-type: none"> <li>☒ Inflation in raw material prices</li> <li>☒ Limited supply of essential raw materials like coking coal</li> <li>☒ Global financial slowdown</li> <li>☒ Limited domestic capacity for steel production, large demand supply gap</li> </ul>	<p>Commitment towards enhancing stakeholder value</p> <p>Key strategy points :</p> <ul style="list-style-type: none"> <li>• Strategizing for raw material security</li> <li>• Foreign exchange conservation, preference to local suppliers, better fund management and cost control</li> <li>• Capital investments to expand production</li> <li>• Product, process and application innovation</li> <li>• Larger market outreach</li> </ul>
Environmental and Global Climate Change Risks	<ul style="list-style-type: none"> <li>☒ Stringent environmental norms may require investments for technological and process innovation</li> <li>☒ Increased concern on global climate change and related issues may pose significant operational and financial risks to the industry, in the form of carbon taxes, emission caps etc.</li> <li>☒ Waste generation and disposal issues</li> <li>☒ Air and water quality management around production facilities and its regulatory implications</li> </ul>	<p>Commitment towards environmental protection and stewardship</p> <p>Key strategy points :</p> <ul style="list-style-type: none"> <li>• Energy conservation</li> <li>• Material use efficiency</li> <li>• Waste minimization and management</li> <li>• Limiting air emissions</li> <li>• Water use efficiency and reduced effluent discharge</li> </ul>
Employee Turnover	<ul style="list-style-type: none"> <li>☒ High attrition rate in the industry</li> <li>☒ Skill depletion in technical areas hence lower competency levels</li> <li>☒ Issues with regard to manpower deployment</li> <li>☒ Corruption and unethical processes</li> </ul>	<p>Commitment towards employee welfare and growth</p> <p>Key strategy points :</p> <ul style="list-style-type: none"> <li>• Investing in human resources</li> <li>• Effective grievance redressal mechanism and workforce empowerment</li> <li>• Employee training and skill development</li> <li>• Diversity and equal opportunity</li> <li>• Enhanced labour productivity</li> <li>• Rationalized manpower deployment</li> </ul>



Risks	Relevance with respect to steel sector	SAIL's Strategy
<div>Health and Safety Risks</div>	<ul style="list-style-type: none"> <li>☑ Hazard identification and assessment of risk</li> <li>☑ Excellence in all safety aspects of operations</li> <li>☑ Incorporation of safety standards in work procedures</li> <li>☑ Protect brand image by promptly addressing safety issues</li> </ul>	<p>Commitment towards healthy and safe operations</p> <p>Key strategy points :</p> <ul style="list-style-type: none"> <li>• Conduct risk management programmes and develop risk control procedures</li> <li>• Focus on occupational health and safety through regular training and awareness programmes</li> <li>• External Safety Audits</li> <li>• Improving current practices and management systems on safety and achieving excellence on performance</li> </ul>
<div>Societal Perception Risks</div>	<ul style="list-style-type: none"> <li>☑ Create positive footprint within the society</li> <li>☑ Undertaking ethical business practices across supply chain</li> </ul>	<p>Commitment towards inclusive growth and development</p> <p>Key strategy points :</p> <ul style="list-style-type: none"> <li>• Community engagement programs and need assessment</li> <li>• Investing on community and its development with focus on health, education, women empowerment, access to improved water sources, ancillary and local industry, road connectivity, sports and culture</li> <li>• Adherence to ethical business practice standards.</li> </ul>
<div>Opportunities</div>	<p>The sustainability trends in the sector have offered enhanced business opportunities to companies. The double digit growth projections for steel consumption in the global and domestic markets combined with increased recognition of environmental &amp; social aspects, has stimulated significant improvement in productivity, import substitution, conservation of natural resources and energy, quality up-gradation, environment management and research and development. SAIL, thus is increasingly strategizing ways for improved economic, environmental and social performance and risk mitigation.</p>	

# TAKING CARE

## PERFORMANCE

Managing today  
for a better tomorrow

Disclosure on Management Approach

### Economic

At the enterprise level, the Company's goals include sustaining SAIL's position as one of India's most valuable corporations. SAIL is India's largest steel producer, holding 20 percent market share of domestic crude steel production. The Company's strategy is to ensure that each of its businesses is world-class and internationally competitive. In order to become a global player, SAIL is pursuing opportunities overseas for marketing of products as well as sourcing of raw materials.

SAIL's commitment towards enhancing its economic performance is embedded in its vision statement - "To be a respected world class corporation and the leader in Indian steel business in quality, productivity, profitability and customer satisfaction." The company has the largest marketing network among the steel producers of the country. SAIL is committed to conforming to the highest standards of corporate governance by ensuring transparency, disclosure and reporting as required by various laws, regulations and guidelines. This philosophy has shaped the Company's approach to business into 'a commitment beyond the market'.

For further details on management approach to economic aspects, please refer to <http://www.sail.co.in/>



## Environment

Environment Management System (EMS) has been an integral part of overall management system of SAIL. In accordance with the National Environmental Policy (NEP), SAIL is building management systems at its different plants and units for environmental protection. SAIL started implementation of EMS-ISO 14001 in 1996 with Salem Steel Plant and thereafter various units of SAIL has been certified to EMS.

The Corporate Environmental Policy of SAIL, lays emphasis on "conducting operations in an environmentally responsible manner to comply with applicable regulations and striving to go beyond". As a responsible corporate citizen, SAIL undertook a Life Cycle Assessment (LCA) study at Bhilai Steel Plant, which was carried out by SAIL with active support from MoEF and WSA. The five focus areas identified under the assessment were Raw Materials Usage / Substitution, Improvement in Iron and Steel Production Process, Clean Technology Development, Integrated Energy Management and Integrated Waste Management.

SAIL is committed towards the Charter on CREP which is a voluntary commitment between SAIL and MoEF, Government of India that helps steel plants reduce environmental footprint across their operations. The initiatives under CREP have resulted in reduction of emission and discharge levels; higher utilization of solid waste and reduction in energy consumption.

### A commitment beyond the market

SAIL's commitment towards enhancing its economic performance is embedded in its vision statement - 'To be a respected world class corporation and the leader in Indian steel business in quality, productivity, profitability and customer satisfaction.'



## Human Rights

SAIL believes in pursuing efforts to maximize value for all its stakeholders with utmost consideration for business ethics and rights of individuals. This helps manage risks, foster a positive business climate and improve stakeholder relations. All SAIL's policies and procedures abide by the statutory norms and ensure that none of the practices override the basic human rights. There has been no case with regard to violation of human rights in 2010-11. SAIL forbids bribery and anti-competitive behavior and commits to contribute to sustainable development. Being a public sector enterprise SAIL condemns child labour and any form of forced or compulsory labour. SAIL has evolved an effective grievance redressal mechanism to address concerns relating to service conditions, wage, work, welfare, etc. As a Public Sector Undertaking, SAIL in its contracts and agreements with suppliers and other business partners is governed by - the standard Purchase/ Contract Procedure 2009 (PCP-09); Statutory laws and relevant acts that are mandated in India; and other standard norms of SAIL, which also takes care of Human Rights issues.



## Social

With the underlying philosophy and a credo to make a “meaningful difference in people's lives”, SAIL has been structuring and implementing CSR initiatives right from inception. These initiatives imply conducting business in ways that provides social, environmental and economic benefits to the communities. SAIL has a specific Corporate Social Responsibility Group at Corporate Level and at all plants/units. As a matter of policy a budget – 2% of distributable surplus has been allocated for CSR initiatives.



SAIL has a specific Corporate Social Responsibility Group at Corporate Level and at plants/ units

Making a “meaningful difference in people's lives”

## Product Responsibility

SAIL has been producing world-class quality products. The demand for value-added products has been continuously growing and SAIL has been changing its product-mix accordingly. The criteria for products development are demand, contribution margin and plant capability. Research and Development Centre for Iron and Steel (RDCIS) plays a lead role in the product development activities of SAIL. RDCIS provides innovative technological inputs to different plants/units of SAIL, with special emphasis on cost reduction, quality improvement, product development, energy conservation and automation. The products comply with the quality norms of the Bureau of Indian Standards or with the specific customer requirement depending upon the application. The material used in packaging is mainly steel strips & wires which are 100% recyclable. They are generally recycled or disposed off at the users end.

SAIL has well-established systems and procedures to ensure compliance with requirements related to product labeling, marketing communications and customer privacy. The Central Marketing Organisation (CMO) is primarily responsible for marketing of steel products.

SAIL considers its employees as the most valuable asset

## Labour Practices at SAIL

### Labour Practices and Decent Work

SAIL considers its employees as the most valuable asset and recognizes their potential in providing a competitive edge. The employment practices are based on hiring and retaining qualified manpower. SAIL is an equal opportunity employer which attracts talent from diverse backgrounds across the nation. SAIL has been continuously investing in its employees through systematic and well-planned training programmes to keep them updated with the latest knowledge/technology trends in the sector. The various participative fora functioning at different levels within the company have ensured employee's involvement with the business priorities while implanting an organisational climate with high motivation and mutual trust. The Human Resources Development Departments, Management Training Institute and SAIL Safety Organisation are the primary custodians of Employee Development, Health and Safety Policies.

SAIL's commitment extends beyond its organisational boundary to its labour unions and contractors also. Non-executive employees are covered under the collective bargaining mechanism represented by the trade unions. The local trade unions have a representation in key committees of plant operations. While most of the contracting is done through tendering process, few jobs are carried out by registered contractors at predetermined fixed rate. Both the labour and contractors are mandated to observe all safety rules and regulations while at work in SAIL premises.



SAIL is an equal opportunity employer which attracts talent from diverse backgrounds across the nation. SAIL has been continuously investing in its employees through systematic and well-planned training programmes to keep them updated with the latest knowledge and technology trends in the sector

# TAKING CARE STAKEHOLDERS

SAIL Citizen Focus

Stakeholder and Materiality Assessment

At SAIL, any stakeholder with significant impact and influence on the company is understood as its "CITIZEN". Our company has duly formulated and adopted a CITIZEN'S CHARTER recognizing its stakeholders as one of its most valued resources. It aims to enhance Citizens' satisfaction and to continually improve our products and service delivery process. The charter document identifies different stakeholders group for our operation, policies for engaging with different stakeholders and also the grievance redressal mechanism established for each stakeholder group identified. The details of the charter are available on the SAIL website.

Objectives of  
SAIL's Citizen  
Charter

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

Ensuring effective citizen communication channels

Demonstrating transparency and openness of its business operations by hosting the Citizen's Charter on the corporate website

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.

At SAIL, any stakeholder with significant impact and influence on the company is understood as its "CITIZEN"

SAIL Citizen Focus

Citizen Service Delivery

SAIL has adopted the four step Sevottam model for identifying, addressing concerns, engaging and gaining feedback from different stakeholders.





## Stakeholder Mapping

The list of identified stakeholders along with the details of their key expectations is represented in the table below.

Stakeholder Groups	Key Expectations	Engagement Mechanism
Shareholders and Investors	Profitability and growth	Annual General Meeting, shareholder reports (annual, half yearly, quarterly), investor surveys
Employees	Better Remuneration, Professional growth, Training and Skill development, Recognition, Safe working conditions, Effective grievance redressal	HR practices, Executive Performance Management System (EPMS), Trainings, Grievance redressal mechanism, Harnessing industry- academia collaboration by management development programs
Vendors / Contractors	Partnership with value creation, timely payments, ethical and transparent transactions	Vendor meeting, Meetings with suppliers and contractors
Customers	Product quality, On time delivery, Doorstep delivery, Grievance redressal	Customer meets, CEO conferences with customer groups, satisfaction surveys
Community	Public infrastructure development, Job opportunities, Quality of life, Clean and Green environment	Community engagement programs, Regular meetings with public representatives
Government	Dividends and taxes, Statutory compliance, Regional development	Central and State Government

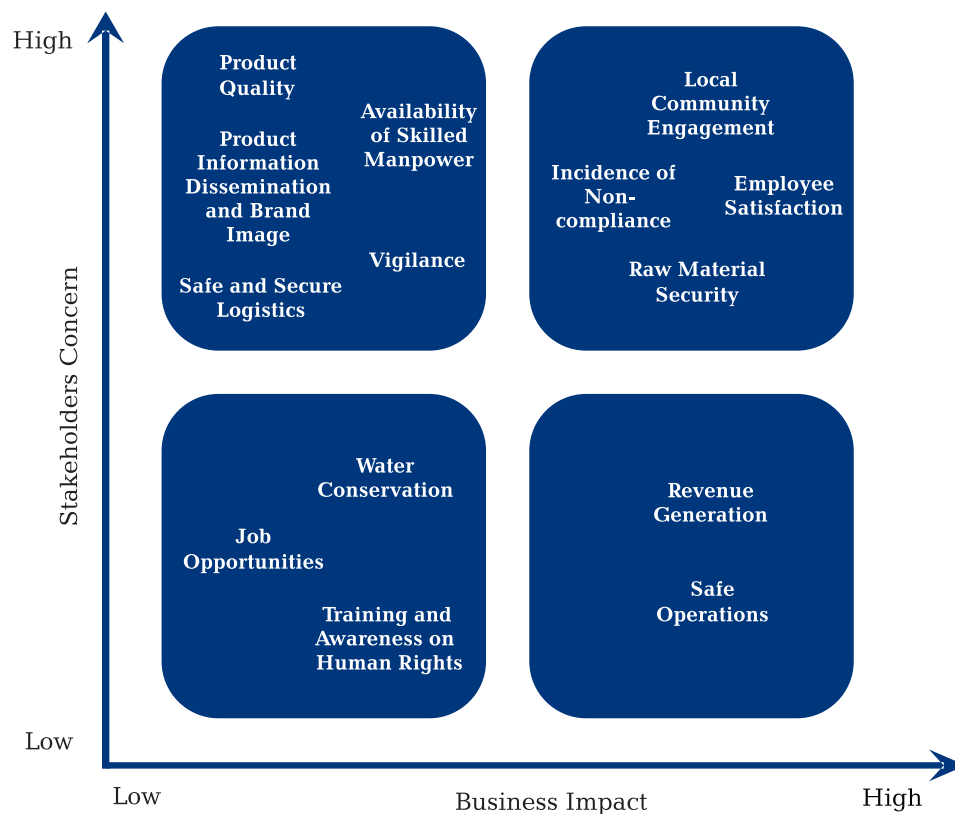
## Addressing Materiality

The report content reflects the material issues, which have significant economic, environmental, and social impacts or would substantively influence the assessments and decisions of stakeholders. SAIL realizes that it is only through gauging the perceptions of the stakeholders can it identify the issues of organisational importance. To assess the key material issues, a materiality mapping exercise was conducted. A core sustainability team comprising representatives from CSR, Personnel, Finance and Environment departments of SAIL corporate office, in association with representatives from each of the plants, Corporate Law, Vigilance and CMO undertook the exercise.

## Materiality Mapping

Economic	<input checked="" type="checkbox"/> Economic Performance <input checked="" type="checkbox"/> Market Presence
Environment	<input checked="" type="checkbox"/> Emission , Effluents & Waste <input checked="" type="checkbox"/> Energy
Society	<input checked="" type="checkbox"/> Local Communities <input checked="" type="checkbox"/> Corruption
Human Rights	<input checked="" type="checkbox"/> Remediation <input checked="" type="checkbox"/> Non-Discrimination
Labour Practices	<input checked="" type="checkbox"/> OHS <input checked="" type="checkbox"/> Employmnt
Product Responsibility	<input checked="" type="checkbox"/> Products & Service Labelling <input checked="" type="checkbox"/> Customer Health & Safety

The materiality mapping exercise was carried out considering the alignment of sustainable development issues with SAIL's business strategy. The materiality of report indicators are developed through an inclusive approach leading to identification of sustainability related issues relevant to the company and of importance to our stakeholders. The key identified indicators were then prioritized based on the materiality principle and the level of importance. The representations below depict the relative position of the key material issues and subsequent prioritization.



# TAKING CARE

## ECONOMIC PERFORMANCE

Chairman to Stakeholders

“SAIL is growing and poised for a big leap. I look forward to your unwavering and steadfast support as we work together to make SAIL a global giant in the years ahead”



The recovery of global economy during 2010-11 benefited the steel industry by strong worldwide and domestic steel demand. According to estimates by the Joint Plant Committee, Ministry of Steel, India's domestic demand for steel grew by 10.8 % in 2010-11 over the previous year. To meet the rising demand, SAIL adopted a strategy to improve capacity through an aggressive modernization and expansion plan, improved utilization of existing capacities, innovative cost control mechanisms, better product mix, higher value added steel production and strengthened marketing initiatives. In the year 2010-11, SAIL achieved saleable steel production of 12.9 million tonnes representing 116% of capacity utilization.

Units: x '000 Tonnes

Production Overview	2008-09	2009-10	2010-11
<b>Integrated Steel Plants</b>			
Hot Metal	14317	14379	14757
Crude Steel	13148	13199	13453
Pig Iron	259	319	258
Saleable Steel	12052	12128	12325
Semi-Finished Steel	2206	2392	2394
Finished Steel	9846	9736	9931
Special Steel Plants	442	504	562
Total Saleable Steel	12494	12632	12887

The sales turnover was INR 470410 Million in 2010-11 which was 7.1% higher as compared to the previous year.

Financial Performance Snapshot	2008-09	2009-10	2010-11
Gross Sales turnover	487380	439350	470410
Operating Cost	342710	287560	345110
Profit After Tax	61700	67540	49050
Net Debt/ Equity Ratio	0.27	0.50	0.54
Subsidy Relief and Concessions	-	120.7	126.8
Earnings Per Share (INR 10 each)	14.94	16.35	11.87
EBIDTA	109460	118710	91550
EVA	194070	172890	167420
Employee Remuneration and Benefits	84610	54170	76230
Contribution to Ex-chequer	123950	111330	111680

No significant financial assistance was received from Government.

## Strategies to maximize shareholder value

The management of SAIL is however, committed to work towards developing strategies to maximize shareholder value as shown below.





### Better Fund Management and Cost Control

The Company continuously evolves strategies to thrust better funds management to meet the growth objectives. Some of the initiatives are to replace high cost short term loans with low cost debts, parking of surplus funds with scheduled banks. Cost control at all levels of operations is being executed. Continuous monitoring of high value items along with maximising the use of in-house engineering is being undertaken. Emphasis on cost reduction through technology and process innovation is being promoted through investments in R & D.

### Capital Investments to Expand Production

The Company is currently executing a major modernization and expansion plan to increase the hot metal production from 13.8 MTPA to 23.5 MTPA progressively. Major capital investment is being made for expansion, value addition, product mix improvement and technological up-gradation of existing assets

### Product, Process and Application Innovation

The emphasis is being given to transform from less efficient batch type to continuous flow type operations such as continuous casting, continuous hot and cold rolling, continuous annealing process etc. Technological investments to re-align the process efficiencies would give the organisation cost competitiveness over competitors. Moreover, value addition to broaden the product mix is being adopted as a strategy. SAIL has been a pioneer in development and production of special applications steel for sectors such as Railways, Defence, Space, Industries etc. The organisation is also entering into strategic alliances with international partners to improve access to technology, product value additions and newer markets.

### Larger Market Outreach

SAIL possesses the country's largest dealership base in steel marketing. The marketing network of SAIL consists of 37 Branch Sales Offices, 67 Warehouses (Departmental and Consignment Agencies) and 26 Customer Contact Offices. SAIL dealership network now has 2653 dealers, an increase of 145 during the year. In order to expand market base and increase market share, the company is setting up Steel Processing Units (SPUs) across the country. This will help in generating employment and improve the quality of life specially in rural areas.

### Foreign Exchange Conservation and Preference to Local Suppliers

The Company endeavours to procure equipment, raw materials and other inputs from indigenous sources to the extent they are available at commercially acceptable prices/costs and meet the requirements of the technologies used. Further, the company also takes reasonable steps to ensure that all receivables in foreign exchange, which are due to the company, are realized within the contractual period.

# TAKING CARE ENVIRONMENT

## Environment Protection and Stewardship

### Raw Material Conservation

The conservation and efficient use of raw materials is necessary to safeguard their availability in the long term while conserving useful natural resources.

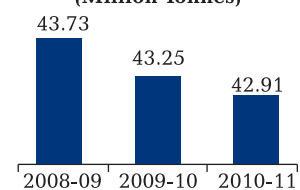
SAIL is constantly adopting technologies and practices to improve and optimize the specific material consumption per ton of steel produced. The lower value of specific raw material consumption results in reduced dependence on scarce raw materials and hence improved economic performance. The specific raw material consumption has reduced from 3.3 T/tcs in 2008-09 to 3.18 T/tcs in 2010-11.

Our company emphasizes on reusing the scrap in the process. The scrap generated within the steel works is totally recycled, and some of the wastes are reused in sinter plants, blast furnace and steel melting shop. SAIL plants produced 13.76 Million Tonne of crude steel during 2010-11, generating 5.79 Million Tonne of BF slag and 1.35 Million Tonne of SMS slag. Utilization of most of these wastes is being made through internal recycling and sale to outside agencies. Some of the initiatives undertaken for utilization of solid wastes are:

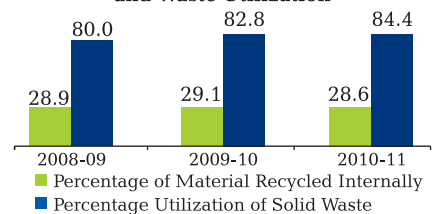
- Sale of BF granulated slag
- Sale and recycling of flue dust
- Reuse of LD slag, lime and dolomite dust, mill scale and ETP sludge
- To further utilize the BF slag generated at BSP and BSL, a slag based cement plant of capacity 2.2 MTPA as a JV with M/s Jai Prakash Associates is at advanced stage of commissioning at BSP. Installation of a similar plant of capacity 2.0 MTPA is under progress at BSL.

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

**Raw Material Consumption  
(Million Tonnes)**



**Material Recycled Internally  
and Waste Utilization**



## BOF Sludge Utilization in RSP

BOF sludge is an important ferruginous waste generated during crude steel production from BOF shops. This waste poses a great challenge in its gainful utilization, due to the presence of moisture. The wastewater generated during treatment of the BOF gases, at primary quencher and secondary quencher (wet scrubbers) carry a lot of suspended solids. These suspended solids are separated from wastewater in wastewater treatment plants. The treated water is recycled back to BOF shop for its utilization, leaving BOF sludge, which is rich in Iron (65-75%) and Calcium (10-12% as CaO). The main hurdle in recycling of this waste is the presence of 30% moisture, even after treating in vacuum drum filter.



RSP is practicing an innovative way of extended drying of BOF sludge followed by proper seasoning by spreading on ground. The dry and powdery BOF sludge is then transported by normal mechanical equipment like dumpers to raw material handling plant and spread over Base mix bed along its length, with other basic raw materials. When the base mix is reclaimed from the bed, the BOF sludge is thoroughly mixed with other raw materials. RSP is practicing BOF sludge addition to the extent 1% of total raw material used in Base mix preparation.

## Innovative Effort in Utilization of Slag for Mines Stowing

During the production of Si-Mn alloy, about 3200-3800 tonnes per month Si-Mn slag is produced as waste material. The molten Si-Mn Slag is quenched in granulation tank thereby generating Si-Mn granulated Slag. The Slag generation began in 1986; thus a huge stock of Si-Mn granulated Slag was generated over a period of time. This was dumped on "S" side of SAF-II and occupied about 3 hectares of CFP land. Since Si-Mn granulated Slag has similar characteristics of sand, Western Coalfield Limited (WCL) was approached to explore the possibility of exploring Si-Mn granulated Slag for mine stowing in place of sand with the aim to liquidate huge stock of Si-Mn granulated Slag. Si-Mn granulated Slag is now being stored in various panels of Durgapur Rayatri Colliery (DRC).



Besides taking care of safety aspect, the project has the following environmental benefits:

- ☒ Conserving natural resource viz. river sand, thus ensuring availability of sand for developmental activities.
- ☒ Solving the problem of solid waste disposal.
- ☒ Improving the techno-economics of coal extraction.

SAIL aims to develop a structure of accountability for waste management. We place waste reduction at source at the top of the waste minimization hierarchy.

### Waste Management



SAIL has adopted a two pronged strategy to manage its waste footprint through minimization and reuse. Waste minimization is done by reduction of silica and alumina content in iron ore through effective washing process. Additionally low ash imported coal in coal blending has helped in reducing the solid wastes generated during the production process.

### Waste generation and utilization

#### Five Integrated Steel Plants

Unit : Tonnes

Wastes	2010-11	
	Generation	% Utilization
BF Slag	5793265	88.3
BOF Slag	1347408	84.4
THF Slag	208947	0.0*
BF Flue Dust	174835	73.1
Lime/Dolo Fines	137073	100.0
Mill Scale	282770	99.8
Refractory Wastes	56891	86.3

\* Physicochemical properties are not suitable for reuse/recycling



### Alloy Steel Plant

Unit : Tonnes

Solid By-Product	2010-11	
	Generation	% Utilisation
EAFF Slag	6461	83.0
Mill Scale	1926	22.0
Refractory Bricks	403	100.0
Grinding Dust	755	100.0

### Salem Steel Plant

Unit : Tonnes

Solid By-Product	2010-11	
	Generation	% Utilisation
Steel Shot Dust	261	100.0
SGL Swarf	23	100.0
Scale pit dust	2684	100.0
Waste Oil (KL)	17	98.8

### Visvesvaraya Iron and Steel Plant

Unit : Tonnes

Solid By-Product	2010-11	
	Generation	% Utilisation
BF Slag	52089	100.0
BOF Slag	16262	0.0*
Refractory waste	2980	95.0

\* Use at blast furnace as substitute for limestone is being explored.

### Chandrapur Ferro alloy Plant

Unit : Tonnes

Solid By-Product	2010-11	
	Generation	% Utilisation
High MnO Slag	62233	54.0
Low MnO Slag	19607	100.0
Mn Ore Fines	23650	65.3
GCP Sludge	8100	100.0

### Energy Conservation and Climate Change Mitigation

Energy Conservation effort has been accorded priority in SAIL as energy conservation offers maximum opportunity to bring down the cost of production of steel. Coal and Furnace Oil are the primary direct energy source at all production facilities. Electricity from captive and JV power plants is used to power equipment and machinery.

Systematic efforts coupled with general awareness regarding importance of energy conservation and adherence to standard operational practices, have begun to yield positive results. As a result, specific energy consumption has been consistently brought down from a level of 7.17 Gcal/tcs in 2006-07 to 6.81 Gcal/tcs in 2010-11, registering an improvement of 5%.

### Introduction of Energy Efficient Ignition System in Machine #2, SP-1 and the Single Machine in SP-2 at DSP

To reduce higher heat consumption in all three sinter machines at DSP, where ignition of sinter top layer is done with conventional side burners, a new energy efficient ignition system was earlier designed and installed in sinter machine #1 of SP-1 in May, 2009, where heat is transferred from the flame to the sinter top layer mainly by convection. After getting encouraging results with this ignition system, a similar system was installed in place of the existing one in sinter machine #2, SP-1 in July, 2010 and since then it is in regular operation. As a result, the specific heat consumption in machine #2 reduced by 37% from 27 Mcal/t sinter (2008-09) to 17 Mcal/t sinter (2010-11), the production rate increased by 1.3% from 95.6 t/hr (2008-09) to 96.9 t/hr (2010-11) and the CO<sub>2</sub> emission has reduced by about 2,850 t/annum. A similar system was also designed for the lone machine of SP-2 after incorporating necessary modifications with respect to different parameters like bed width, machine speed, shape and size of original furnace, pressure and temperature of the gaseous fuel and combustion air etc. The system was commissioned in September, 2010 and is in regular operation.

Overcoming the drawbacks of earlier conventional side burners the new system has resulted in:

- Reduction in the specific heat consumption by 20% from 30.3 Mcal/tsinter (2009-10) to 24.1 Mcal/tsinter (Oct'10-Feb'11)
- Reduction in the CO<sub>2</sub> emissions by ~ 4,700 t/annum; increase in production rate by 5.1% (from 223.7 to 235.1 t/hr).
- The specific power consumption has also decreased by 8.5% (from 64.7 to 59.2 kWh/t sinter).

### Development of New BF Gas Burner System for Russian Boiler of PBS, Power Plant - I at BSP

To tackle the problem of frequent flame leakage and damage to burner's front and outer metallic shell of the old boilers (1 to 5) in the Power Plant-I of Bhilai Steel Plant, which also leads to closure of burner or total boiler for maintenance, new BF gas firing burner was jointly developed, fabricated and installed at boiler #3. The fuel firing capacity of each burner is about 16,000 Nm<sup>3</sup>/hr. The new burner does not require any refractory embrasure (checker work) between burner and boiler for pre-mixing and burning of BF gas as compared to the earlier design. In all, six new burners were commissioned replacing the six old burners. Existing BF gas and combustion air (secondary air) headers on both sides of boiler #3 have been suitably connected to the new burners with proper support. All these burners are working satisfactorily and the benefits achieved are:

- ☑ Space for better control and operation of burners as well as boiler due to discarding of refractory embrasure (checker work) and compact burner design
- ☑ BF gas firing capacity has improved from 75,000 to 80,000 Nm<sup>3</sup>/hr when operated with CO and BF gases (when no pulverized coal is used)
- ☑ Implementation of similar burners in the remaining four old boilers has been decided by

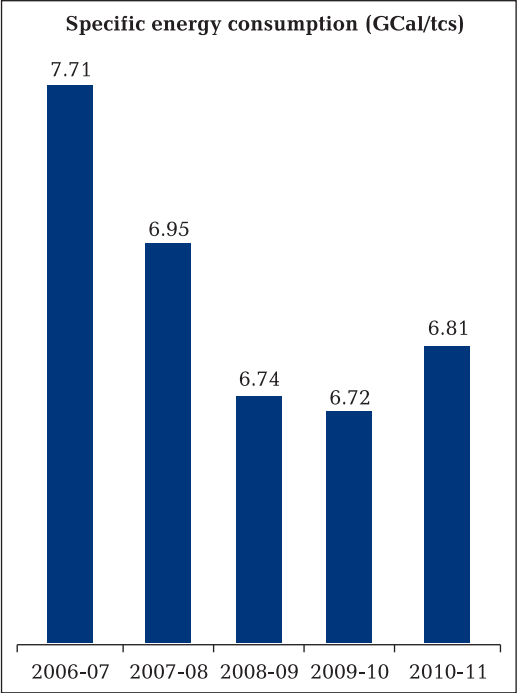
Following table enlists information on power and fuel consumption for the last three years.

Power and Fuel Consumption

Power and Fuel Consumption	Unit	2008-09	2009-10	2010-11
Purchased Electricity	Million KWh	6507	6631	6777
Own Generation	Million KWh	902	797	724
Coking Coal	Million Tonne	13.84	13.6	13.94
Non Coking Coal	Million Tonne	0.99	0.73	0.7
Injection Coal	Million Tonne	0.2	0.25	0.29
Furnace Oil	Kilo Litre	50	37	36

Corporate plan envisages progressive adoption of environment friendly technologies, along with phasing out of energy intensive process technologies. Some of the measures towards energy conservation undertaken at plants are given below.

- Installation and commissioning of 15 nos. VVVF drives in cranes and ground equipment in R & S Mill, 2 nos. VVVF drives for soaking pit air blowers and 2 nos. in air blowers of stoves of BF-4 at BSP
- Replacement of MG sets 1 to 6 and 9 to 11 with VVVF drives in Merchant Mill at BSP
- Installation of energy efficient multi-slit burners in machine #2 of Sinter Plant - 1 and in New Sinter Plant at DSP
- New Coke Oven gas holder (100,000 m<sup>3</sup>) has been commissioned and put into continuous operation at RSP
- Air pre-heater in HP Boiler-5 of CPP-I has been replaced at RSP
- Commissioning of ESP on Sintering M/C No-3 which replaced Battery cyclone at BSL
- Commissioning of CDI in BF-2 and 3 at BSL



## Renewable Energy

In the steel making process, use of renewable energy is extremely limited, as it not techno-commercially viable. However, several projects using renewable energy are taken up by our plants, some of which are :

- ☒ Use of agro based fuel at the Boiler of SSP
- ☒ Use of Coal Bed Methane in the re-heating furnace of BSL
- ☒ Use of Biodiesel in locomotives at BSL and BSP
- ☒ Electricity generation from Municipal Solid Waste at BSP
- ☒ Solar Power Plant at BSP



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

## Biodiesel as Locomotive Fuel at Bokaro and Bhilai

With a view towards conservation of precious and depleting fossil fuel reserves, SAIL initiated the use of biodiesel blend in locomotive fuel initially at Bokaro Steel Plant. BSL has started using biodiesel blend of 10% with 90% of locomotive fuel, without making any modification to its locomotive engines and without any additional operation and maintenance cost. A blend of 10% of biodiesel resulted in a substantial reduction of 29% in overall pollution emission. This is the first Green Locomotive to be continuously running in a steel plant in India. This activity is also planned to be taken up at other steel plants, with Bhilai Steel Plant being the second. The procurement of Biodiesel by Bokaro Steel Plant from Gujarat leads to the farmer who cultivates jatropa and thus gains fruitful employment.





## Water Conservation and Recycling

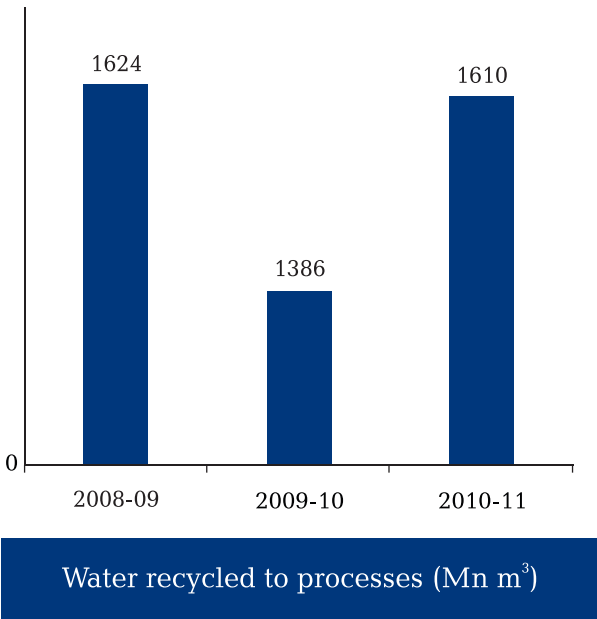
The world today is currently facing tremendous challenges related to sustainable use of water resources. Under unit level comprehensive strategies for managing judicious use of water resources, both the quality and quantity are being addressed. The bulk of water consumed at production sites is used in process cooling, scrubbing flue gases and downstream Rolling Mills. Water for industrial and domestic purposes at various locations of integrated steel plant is mainly sourced from surface water.

Increased recycling, installation of recirculation systems, maximizing reuse of treated water and leakage control and up gradation of water systems have been instrumental in making SAIL steel plants highly water efficient. The specific water consumption in 2010-11 was 4.06 m3/tcs, a reduction of 11% over last 5 years. To reduce consumption of fresh make-up water, blow down water from one system is used in other places where inferior quality of water is tolerated e.g. from

- ☒ Power Plant to Pig Casting Machine.
- ☒ BOF recirculation water to SMS slag yard for spraying on hot slag
- ☒ BF recirculation water to Slag Granulation Plant

## Water Source for Industrial and Domestic Purpose

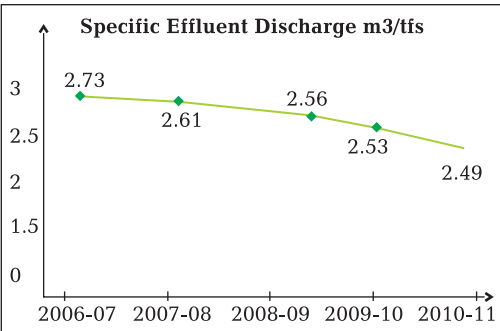
Name of Location	Water Source
BSP	Maroda
DSP	River Damodar
RSP	River Brahmani
BSL	Garga Dam
ISP	River Damodar
ASP	River Damodar
SSP	River Kaveri
VISL	River Bhadra



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

Concentration ranges of parameters in discharge water are maintained within the prescribed norms. The specific effluent discharge per ton of finished steel has reduced to 2.49 m<sup>3</sup>/tfs in 2010-11, a 9% reduction over last 5 years. There were no impact on water resources and related ecosystems / habitats by discharges of water and runoff.

### Discharge Water Parameters at Integrated Steel Plants



Parameters	Norm(mg/L)	Concentration
SS	100	6 – 89
BOD	30	2 – 28
COD	250	16 – 167
O and G	10	0.54 – 8.2
Phenol	1	BDL – 0.56
NH <sub>3</sub> -N	50	BDL – 37.4

BDL: Below Detectable Limit

### Various Water Conservation Schemes adopted in the Plants

- ☒ Installation of new Sewage Treatment Plant at BSP

☒ Efficient functioning of all Effluent Treatment Plants

☒ Regular monitoring and maintenance to stop leakages overflow from pipe joints, glands, valves etc.

☒ Optimizing the water pressure at the make-up water header
- ☒ Rain water harvesting

☒ Providing arrangement for collection and channeling the storm water for recovery of water through the supply channel.

☒ Improving water re-circulation efficiency and quality of effluent discharged

☒ Replacement of old corroded pipelines

☒ Treatment of waste water by Reverse Osmosis

## Installation of 30 MLD Municipal Sewage Treatment Plant with recycling facilities at Bhilai Township

Bhilai Steel Plant situated in Chhattisgarh, draws water from the irrigation reservoirs in the Tandula and Mahanadi River Complex (MRP). These reservoirs and associated distribution system are owned by Water Resource Department (WRD), Govt. of Chhattisgarh. Water is a scarce commodity in the state, as elsewhere in India. This project was conceived with the intention of treating municipal sewage water, generated from the Township of BSP, to bring the effluent quality to acceptable levels for industrial use and then recycle it as a make-up water, to be used in the processes at BSP. This leads to conserving precious water resources and reducing requirements of water supplied by WRD.



### Purpose of the Project

Conservation of water, by recycling of treated domestic effluent water from the STP to Maroda – I for use as industrial make-up water.

### Goal

The goal of the project is to reduce the dependence on Water Resource Department (WRD), Government of Chhattisgarh, as BSP will need additional water in future for its expansion schemes. This will be a step towards achieving the concept of “Zero Discharge.”

### Expected Outcome of the Project

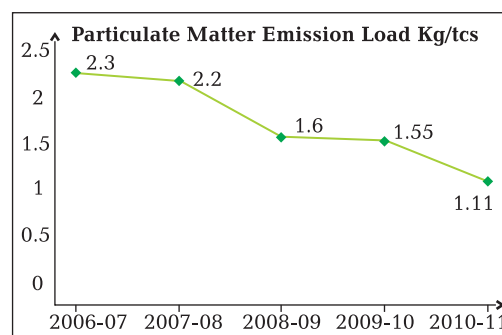
- ☑ The recycling of water through this scheme will be around 30,000 m<sup>3</sup>/ day. Thus it will reduce the requirements of water to be supplied by WRD.
- ☑ The project also ensures 100% compliance with effluent discharge standards even during the monsoon season.
- ☑ Bio sludge generated through the process shall be used as manure.

## Air Quality

During manufacturing of iron and steel, major emissions occur in the form of Particulate Matter (PM), Oxides of Nitrogen and Sulphur and Carbon Dioxide. SAIL has installed real time online monitoring system at major process stacks and Ambient Air Quality (AAQ) stations both within and outside plant premises. Various air pollution control equipment such as Electro Static Precipitator (ESP), bag filters, cyclones, venturi scrubbers have been installed to control process dust emissions and water sprays and bag filters to arrest the fugitive dust. Emissions of SO<sub>2</sub> are reduced by the use of low sulphur coal and desulphurization of coke oven gas, while for NO<sub>x</sub> control special burners and process related changes are installed.

Particulate Matter Emission load has been reduced from 2.3 kg/tcs in 06-07 to 1.11 kg/tcs in 2010-11, a reduction of 52 % in last 5 years. SO<sub>2</sub> and NO<sub>x</sub> emissions are not major issues in steel plant operations.

### Particulate Matter Emission Load



As far as the emission associated with transportation is concerned, the vehicles used by the company are regularly maintained to meet the emission norms. Moreover, vehicles used within the plant by the workforce are issued Vehicle Pass only after confirmation of a valid pollution and fitness certificates. As all vehicles comply with the pollution norms, there is no significant environmental impact.

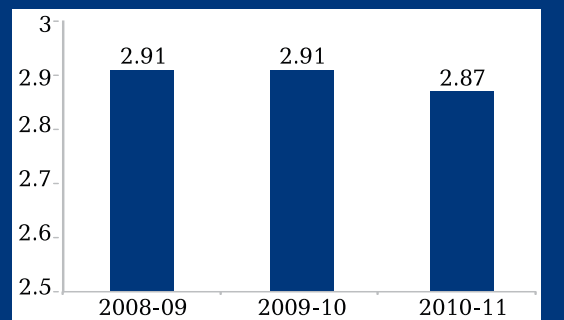
## Carbon Tetrachloride Phase out Project in SAIL

Under the Montreal Protocol, the Govt. of India along with UNDP took up an umbrella project for the replacement of Carbon Tetrachloride (CTC), by Trichloroethylene at six production units viz. Bhilai Steel Plant, Durgapur Steel Plant, Rourkela Steel Plant, Bokaro Steel Plant, IISCO Steel Plant and Salem Steel Plant. This initiative contributes towards preservation of the global environment.

## Green House Gas Emission

CO<sub>2</sub> is the major component of GHG emission produced during steel manufacture. SAIL is participating in the WSA new Climate Change Policy for CO<sub>2</sub> reduction in steel companies through Global Steel Sector Approach and has won Worldsteel Association's prestigious "Climate Action" Certificate specifically acknowledging that SAIL has supported CO<sub>2</sub> data collection in excess of 90% of its crude steel production. Strategic initiatives have been undertaken to reduce the footprint of emissions of GHG across operations.

### CO<sub>2</sub> Intensity (tCO<sub>2</sub> e/tcs)



CO<sub>2</sub> calculation is based on WSA tool for GHG estimation

Several projects have been implemented to reduce the CO<sub>2</sub> intensity of steel production. Some of them are–

- ☒ Introduction of Blast Furnace gas firing in Boiler No. 6, PBS (PP No. 1), BSP.
- ☒ Thyristorisation of Blast Furnace No. 3 and 4 skip hoist electric supply for better operation efficiency and energy conservation at BSP.
- ☒ Heat Recovery from Sinter Cooler of Sinter Plant at BSP.
- ☒ Commissioning of Multi-Slit Burner in Sinter Plant of Furnace No. 1, RSP.
- ☒ Installation of Multi-slit Burners in both strands of Sinter Plant No. 1, BSL.
- ☒ Introduction of Blast Furnace gas firing in Boiler Unit B, ISP, Burnpur.

The organisation has also developed some of these GHG mitigation projects under the Clean Development Mechanism of the Kyoto Protocol agreement as well as voluntary carbon market regime. The total credit portfolio of around 1.9 million tonnes of CO<sub>2</sub> emission reduction is envisaged out of these projects.

### Environmental Training and Awareness

SAIL workforce and their families enthusiastically participate in various awareness programmes on the occasion of World Environment Day, Earth Day, Ozone Day and Environment Month etc. Training to its employees on environmental issues is given importance in SAIL with the aim to inculcate a culture of environmental stewardship in the organisation. Environmental Training imparted to the employees is shown below:

#### Environmental Training

Programme Name/Description	No. of Participants, (2010-11)
Environmental Awareness and Waste Management	61 (Executive) & 107 (Non-executive)
Safety & Environment Awareness OHSAS 18001 & EMS 14001	315 (Executive)
Environment Management	117 (Non-executive)

### Expenditure on Environment

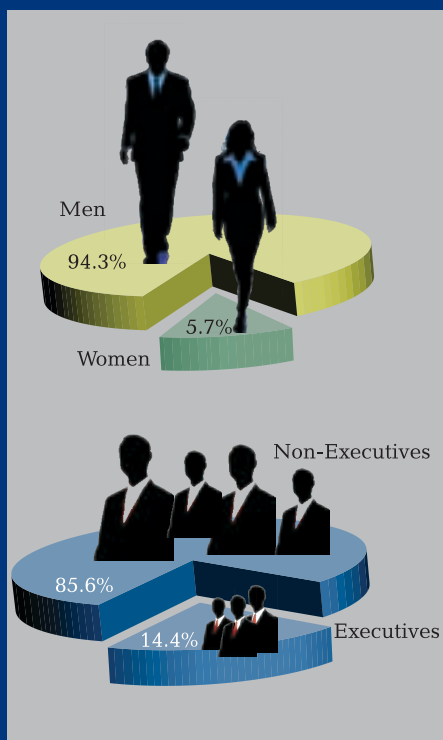
Funding green measures and initiatives is a top priority for our management. The environmental budget allocation during the year 2010 -11 has increased compared to the previous two years.



# TAKING CARE EMPLOYEES

## Employee Welfare and Growth

SAIL recognizes the potential of human resources in providing competitive advantage and considers its employees as most valuable resource. The company has achieved its present level of excellence by investing in its human resource, which is behind every activity, every technology and every innovation. SAIL continues to work for developing capabilities and realization of best potential of its people. The thrust on achieving higher growth coupled with optimal utilization of manpower continued this year as well and SAIL recorded a highest ever labour productivity of 241 Tonnes of steel/man/year at their five integrated steel units. In 2010-11 the total manpower count reached a level of 110794 from 116950 in the previous year, rationalizing by 5%.



In 2010-11 the total manpower count reached a level of 110794 from 116950 in the previous year, rationalizing by 5%.

Total Manpower

**110794**

Men : Women

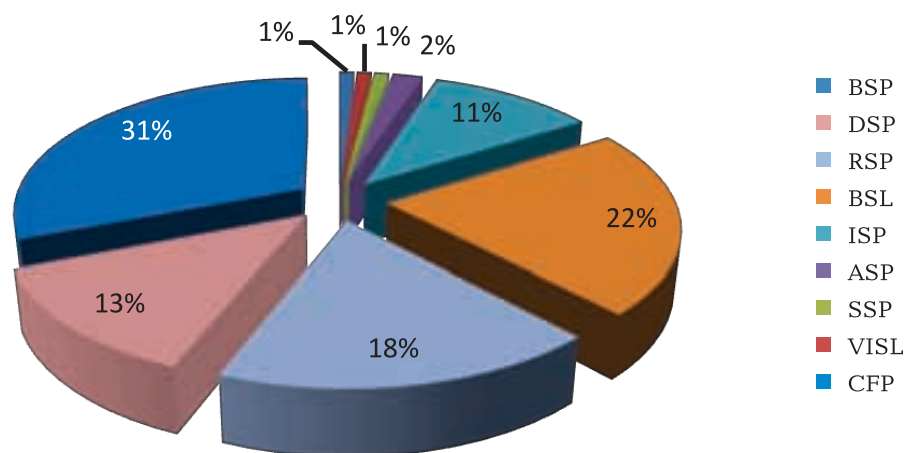
104441 : 6353

Non Executive : Executive

94848 : 15946

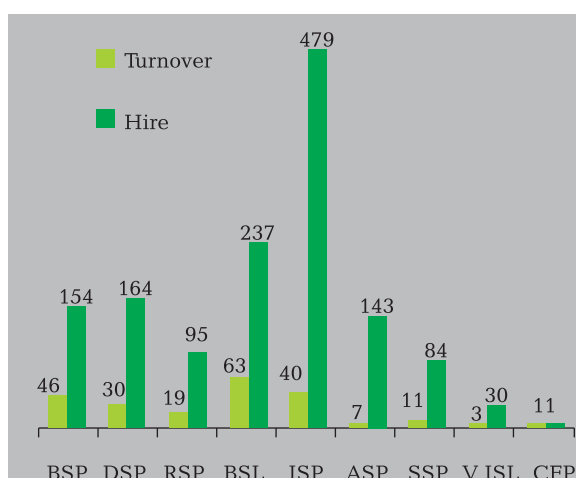
SAIL provides equal opportunities to all, irrespective of region, gender, caste, religion and marital status.

**The company believes in investing  
in its human resource**



Employees by Location: Plants

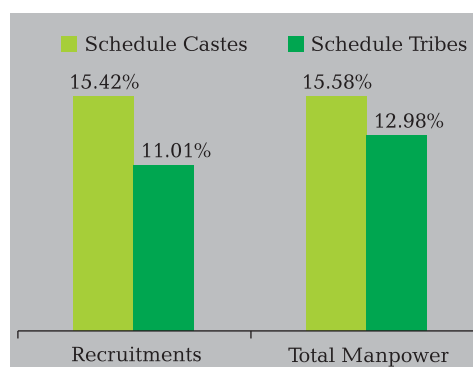
## Employee Hire & Turnover by Region



The enhanced productivity with rationalized manpower could be achieved as a result of judicious recruitments, correct deployment and redeployment strategies, multi-skilling and zeal of employees to go beyond and excel. While a total of 1574 employees were hired during the reporting period, 242 employees resigned. The exit policy from the organisation requires the employee to serve a notice period of 90 days. Whenever there is requirement to change the duty hours the management informs representatives of employees and contract labour in advance.

SAIL is committed to equal employment opportunities for attracting best available talent and continuously strives to improve the quality of life for its employees.

## Minority Group Representation



SAIL provides equal opportunities to all irrespective of region, gender, caste, religion and marital status. SAIL is committed to equal employment opportunities for attracting best available talent and continuously strives to improve the quality of life for its employees. The company follows the Presidential Directive on reservation for the candidates belonging to the Scheduled Castes and Scheduled Tribes. The Scheduled Castes and Scheduled Tribes have a significant representation in the entire work force.

Employee deployment procedures at SAIL keeps into consideration various aspects related to Human Rights. SAIL does not resort to Child Labour or Forced and Compulsory Labour. Standing Orders and Personnel Manual of company address the various issues of disciplinary practices and code of conduct, which are strictly implemented and followed. Both executives and non-executives are covered under the internal Grievance Redressal Scheme. SAIL disposed off 3474 employees' grievances during 2010-11, however no formal complaint /grievance was reported with respect to Human Rights violation during the reporting period.

The 2007 Wage/Salary Structure is followed to define the benefits for both executives and non-executive employees. SAIL being a PSU ensures that at each of its plants/units, at least the minimum wage specified by the respective State Governments is paid to the entry level workers, irrespective of gender. The entry level wage (Basic+ DA) for a regular employee in SAIL is Rs. 12703/- month. In addition they get other benefits and allowance. SAIL does not discriminate amongst its employees and ensures equal remuneration at same levels across the organisation. The concept of Performance Related Pay (PRP) is adopted by the company to instill performance orientation amongst employees. Payments under PRP scheme link profitability of the company with its physical and financial performance of the unit, with that of individual performance. Competency Mapping of Executives in the area of Managerial Competency and Functional and Technical Competency as a part of appraisal reviews/interviews is reflected as developmental need of an individual and is given importance at SAIL. All executives are covered under Executive Performance Management System (EPMS).

### Statutory Benefits

- ☑ Provident Fund
- ☑ Gratuity
- ☑ Employees' Pension Scheme
- ☑ Life Cover Scheme
- ☑ Workmen Compensation
- ☑ Welfare measures under the Factories Act
- ☑ Maternity Benefits
- ☑ Funeral Expenses

### Non Statutory Benefits

- ☑ Group Insurance Scheme
- ☑ Employee Family Benefit Scheme for disabled and separated employees or family of deceased employee
- ☑ Compassionate Employment
- ☑ Medical Facility to Employees Townships
- ☑ SAIL Group Mediciclaim Policy
- ☑ Child Care Leave upto 1 year
- ☑ Education Facilites
- ☑ Conveyance Advance
- ☑ House Building Advance
- ☑ Festival Advance
- ☑ Life Cover Scheme (in Total Permanent Disablement cases)
- ☑ Long Service Award
- ☑ Farewell to Superannuating Employees
- ☑ Scholarship Schemes

The department of Pension and Pensioners' Welfare is the nodal department for formulation of policies relating to pension and other retirement benefits of Central Government Pensioners / Family Pensioners. It also serves as a forum for redressal of Pensioners' Grievances. With a view to bring into existence a centrally controlled administered mechanism involving Pensioners Associations in the country, SAIL has provided a Pensioners' Portal that functions as a single window mechanism. A separate link to Centralized Pensioners Grievance Redressal and Monitoring System has also been provided on SAIL's website.

SAIL provides parental leaves to all its employees. Maternity leave upto 12 weeks and one year child care leave is provided to women employees. At SAIL out of 60 employees who had taken Maternity Leave, 59 employees returned after their leave period.

At SAIL importance is given to employee's development activities, training being one aspect. SAIL has in-house training facilities for imparting various kinds of training to its employees including skill development. SAIL believes that training facilitates the development of employee knowledge and skills so that the resultant growth of competence contributes to attaining of organisation's goals and objectives and move towards the vision of the Company. Training Advisory Board (TAB), headed by Chairman, SAIL is the apex body for laying down training strategies. Directors of the company are also members of this body. Training Advisory Committee (TAC) at each Plant is chaired by the CEOs of ISPs and EDs of SSPs which decides the agenda for training at Plant Level.

## Training setup at SAIL

Cultivating and refining technical skills of its employees through training and seminars have become an important exercise. Employee training was also given on Skill Development, Lifelong Learning, Training on Company's policies and procedures. MTI conducts programmes on pre-retirement planning for intended retirees. During the year, organisational thrust was given on imparting need based trainings to its employees.

Performance Indicator	2008-09	2009-10	2010-11
% covered against training plan	106	108	113.4
% of employees trained	41.8	41.5	45.1
Training man hours/employee	54.4	36.8	40.8
No. of Employees trained	54323	50358	53137

### Corporate HRD Group

- Addresses specialized need based Training and Organisation Development Interventions across the company
- Manages Corporate Memberships of SAIL
- Coordinates for Foreign Visits / Training Proposals

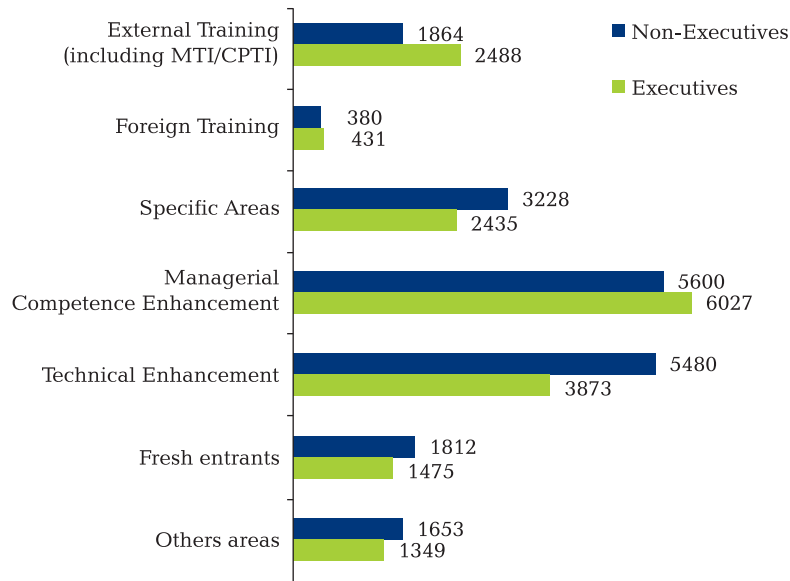
### Management Training Institute at Ranchi

- Apex Management Training Centre of SAIL coordinates training activities of SAIL across its Plants and Units and is responsible for training need analysis

### Plant / Unit HRD Centre

- Plant / Unit HRD Centres are responsible for meeting local training requirements

### Employee Training details



### Training setup at SAIL

SAIL prides itself in having a glorious tradition of conducive employee relationship with various participative forums functioning across different levels.

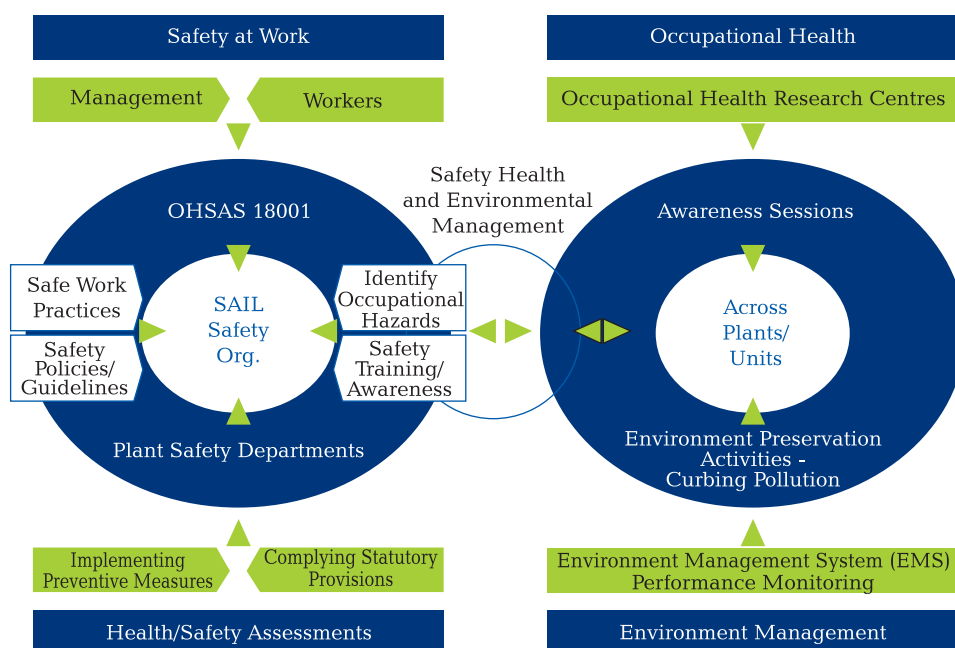
The separate forums for executive and non-executive staff organize meetings, where discussions with regard to production challenges, employee benefit, welfare schemes, wage negotiations etc. relevant to the industry take place. National Joint Committee for the Steel Industry (NJCS), Production-Productivity Committee, and Steel Executives Federation of India (SEFI) are some of these forums. NJCS has been an exemplary bipartite forum for collective bargaining to negotiate wages and allied matters on industry wide basis. SAIL has been a party to the NJCS since its inception. All the regular non-executives employees are covered under Wage Agreement negotiated/finalized in NJCS. Over 85% of the manpower is covered under the collective bargaining agreements at SAIL. These participative forums help foster harmonious and peaceful relations within the company. SAIL recognizes the right to freedom of association and collective bargaining as a tool for protecting the rights of workers and employees to organize collectively in organisations of their own choice.



## Ensuring Healthy and Safe Operations

SAIL in its Safety Policy recognizes that its business activities have direct and indirect impact on its employees. SAIL is committed to the safety of its employees and the people associated with it including those living in the neighborhood of its installations. Both Management and Workers' Representatives agree that they have a vital interest and role to ensure a healthy and safe working environment for all employees and reiterate their commitment to develop, promote and enforce the best standards of safety, occupational health and environment protection and to achieve OHSAS – 18001 standards. Additionally, Hazard Identification and Risk Assessment (HIRA) system is adopted at departmental levels in all plants to assess the possible risks and safety concerns and then develop an appropriate Risk Control Programme (RCP) and Risk Management Programme (RMP) to manage the identified hazards. For effective implementation of these systems the Corporate Safety Organisation works in close unison and networking with Plant Safety Departments. Occupational Health Research Centers are set up in steel plants with preventive and curative treatment facilities.

### Occupational Health and Safety Framework



Joint Committee on Safety, Health and Environment in the Steel Industry (JCSSI) is an effective bipartite forum which creates a culture of consciousness about ensuring a safe and healthy atmosphere in the work place. The committee helps to monitor and advises on occupational health and safety programs across various units. Trade Unions represent 25% to 50% of JCSSI which meets annually. The views of JCSSI and corresponding committees formed at plant levels are taken into consideration while revising the Hazard Identification and Risk Assessment (HIRA) documents and Occupational Health and Safety policy of the organisation.

## Essential Ingredients of Safety Management System and Practices at SAIL

### Top Most Priority

Adequate emphasis is given on safety of human resources. OHSAS Certification across SAIL's Steel Plants covers the occupational health and safety of all regular employees, contract personnel, visitors and any other person at the work place.

### Visible Management Commitment

The Company is committed towards preventing any accidents. Safety is monitored at the highest level of management i.e. Chairman and Director's level as well as by Chief Executives of respective Plants.

### Safety set up in SAIL

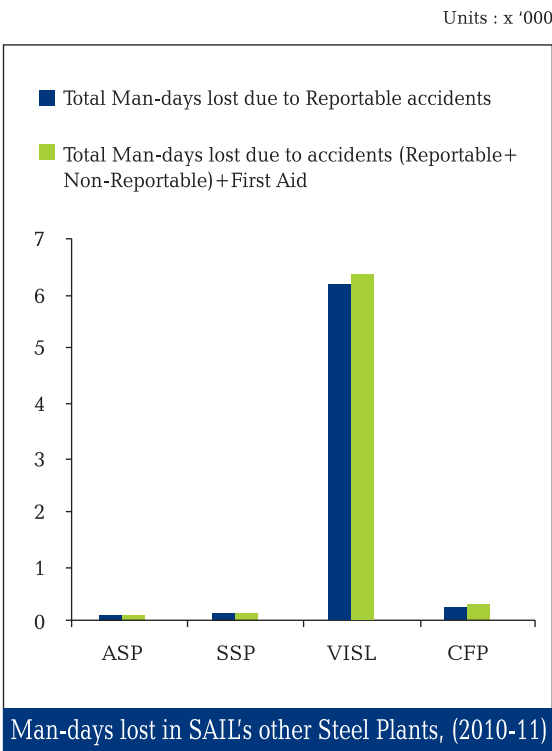
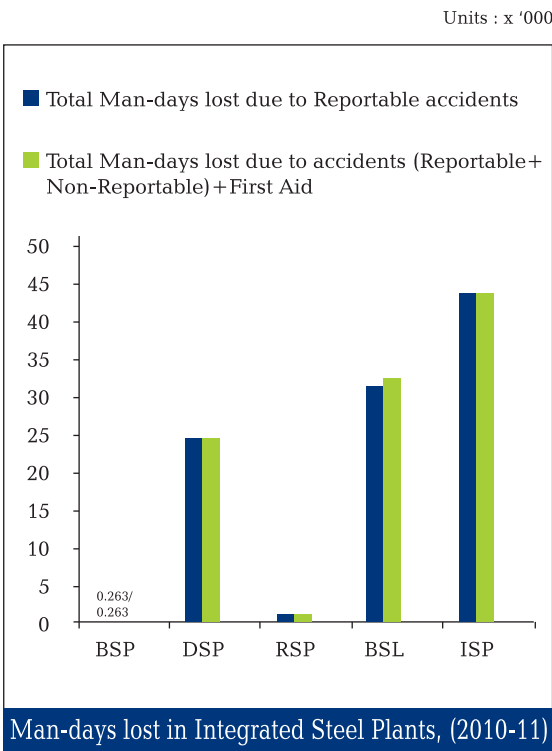
At Corporate level, SAIL Safety Organisation (SSO) coordinates and monitors the operational and fire safety activities.

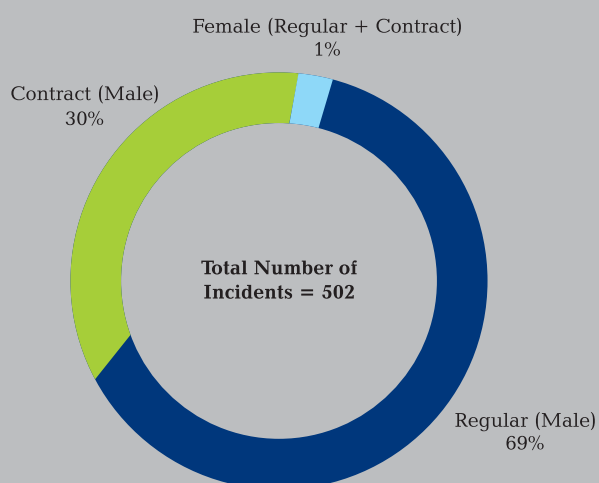
### Systems and Procedures

Standard Operating Procedures (SOPs) and Standard Maintenance Procedures (SMPs) are formulated in consonance with statutory rules and regulations on safety.

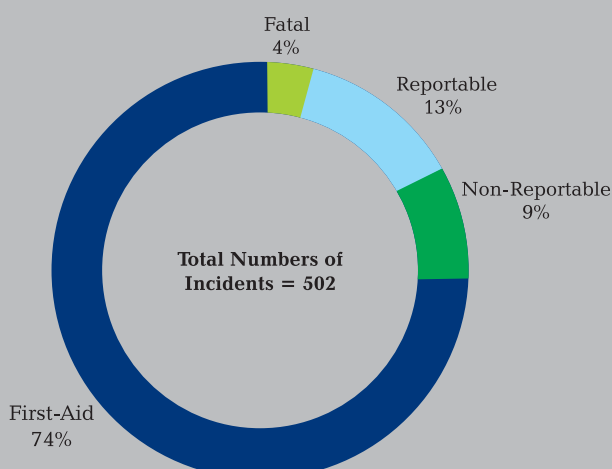
### Safety Audits

- Three-tier Safety Audits are conducted at plants and units:
- ☑ By Safety Engineering Dept. of Plants and Units
  - ☑ By SAIL Safety Organisation in association with representatives of other Plants/Units
  - ☑ By external agencies viz. National Safety Council, OHSAS auditors, Regional Labour Institute





**Number of Safety related Incidents by Employee Type, (2010-11)**



**Type of Safety related Incidents, (2010-11)**



Total number of Safety Related Incidents during the reporting period (2010-11) in all the five Integrated Steel Plants and four Special Steel Plants is 502. <sup>#</sup>Injury Rate for total work force in SAIL during the reporting period (2010-11) is 0.09.

Training forms an important component of implementing an effective safety strategy. Continuous education, training, counseling, prevention and risk-control programs 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) hired 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.

<sup>#</sup>Injury rate = (total number of injuries/total hours worked) \*200000

# TAKING CARE COMMUNITY

## Inclusive Growth and Community Development

## Touching Lives, Bringing Smiles

SAIL's focus on social responsibility remains unwavering as we are committed to continuously improve our social responsibilities, environment and economic practices in order to make a positive impact on the society. While implementing various initiatives, SAIL is aware about the pivotal role that education, health, income generation and training play in human development. Special thrust is given to reach the poorest of the poor by opening free special schools and free health centers for the under privileged in remote areas of the country. The company accepts its social obligations to the communities in which it operates by:



- Promoting concepts of national integration in its broadest sense, by providing community services, developing and assisting domestic institutions
- Ensuring that the company as a whole and its employees act on the ideals of social justice without discrimination;
- Providing know-how and assistance, encouraging talent and growth among members of the communities through assistance towards the establishment of cooperative institutions

SAIL takes pro-active approaches to ensure that its operations do not result in any significant potential or actual negative impacts on local communities. SAIL has contributed both to human development as well as Millennium Development Goals by systematically addressing issues such as health and medical welfare, education, access to water, sanitation, power and roads, women's empowerment, generation of local employment, etc. In short, "to make a meaningful difference in people's lives" – a credo that SAIL has been upholding proudly.



## CSR focus areas...



### Health

- ☒ Health and Eye Awareness Camps across Steel Plants
- ☒ Sickle - Cell Screening
- ☒ Setting up and running of health centres and hospitals
- ☒ Reproductive and Child Health (RCH) and family welfare
- ☒ AIDS awareness/training - AIDS prevention programme

### Infrastructure Development

- ☒ Construction/repair of roads, drains and culverts/bridges
- ☒ Electrification - Conventional/Non conventional
- ☒ Access to improved water sources (bore wells, dug wells etc)
- ☒ Construction of community halls, residential facility for

### Culture, Sports and Heritage Preservation

- ☒ Infrastructure for games, club activities, libraries, gymnasiums etc
- ☒ Imparting training in folk dance, drama, music etc
- ☒ Organising cultural and sports events
- ☒ Training in sports and games to the underprivileged
- ☒ Tribal cultural programmes

### Vocational Training

- ☒ Imparting training to beneficiaries in various skills
- ☒ Vocational training Centres - Bhilai Ispat Kaushal Kutir
- ☒ Technical Training to youth from rural and urban areas
- ☒ Skill based intervention eg. bamboo craft, wooden articles etc.



## CSR focus areas...

### Education

- ☒ Infrastructural development (school buildings, computer centres, etc.)
- ☒ Residential schools for tribal and under privileged children
- ☒ Training for school teachers, adult literacy and computer education etc.



### Women Empowerment

- ☒ In all SAIL Plants, samities have been formed since inception
- ☒ Assistance to women belonging to economically weaker section
- ☒ Providing vocational training to women
- ☒ Facilitating access to education for needy girl children
- ☒ Swayamsiddha Project : making women



### Responsibility towards Community

- ☒ Welfare measures for differently abled people and senior citizens
- ☒ Organising disaster relief work as per need
- ☒ Senior citizen Homes are opened up such as Bhilai Ispat Siyan Sadan



### Income Generation Schemes

- ☒ Back yard poultry, Goatery, Fishery etc
- ☒ Free Stitching Training and Sewing machines are provided at SAIL
- ☒ Developing ancillaries
- ☒ Formation of Self Help Groups (SHGs) inclusive of Micro financing



## Supporting Livelihoods and Social Entrepreneurship

## Engendering Development

**Mahila Samitis:** SAIL as a social entrepreneur supports Mahila Samitis, a model designed for generating revenue and employment for the needy women in all the Steel Plants/Units townships.

Engendering Development	Performance, 2010-11
Total number of women employed	4992
Women in Senior Management	124
Women in Management	590
Women in non-executive positions	4340
Members of women-centric institution (Mahila Samaj/Samitis)	1372
Quantum of orders generated during the year (INR Millions)	6.54

## Ancillary Industries

**Patronising Ancillary Industries:** Good suppliers are intangible assets to any organisation. Ancillary industries are not only suppliers of materials but are also extremely important source of information with regard to market conditions, price trends and the general industrial climate. The Company has also identified various Small Scale Industries like mechanical and electrical engineering, medicine, paint fiber glass, among others, as ancillary industries thereby giving them special preference when procurement is done.

**Income Generation Schemes:** Innovative income generation schemes through livestock supply (goatery, backyard poultry, and fishery) have been initiated in villages surrounding the plants. Households below poverty line have benefitted from this scheme.

Ancillary Development	Performance, 2010-11
Number of ancillary units recognized	866
Total number of people employed in the ancillary units	9998
Quantum of orders generated during year (INR Millions)	1594.12

**Swayamsidhha Project:** The scheme aims at imparting skill based training programmes to women below poverty line. Training in tailoring, food processing and supply etc. are given to women to make them economically independent.

## Sponsoring Infrastructure for Local Communities

### Roads

SAIL has been involved in the construction and repair of pucca roads and has provided access to around 73.31 Lakh people across 435 villages since inception.

Roads	Performance, 2010-11
Length of roads constructed/repaired during year (Km)	362.465
Total number of villages impacted	39
Total number of beneficiaries for whom access created during year	29000
Total number of beneficiaries	42700

### Water

The Company constructs, on an average 157 water infrastructure every year for people living in far-flung areas. Each SAIL plant has ensured that villages within the radius of approximately 16-18 kms of its township have access to potable water. This has been done by installing 5153 water sources. It is providing drinking water access to around 38.64 lakh people.

### Project Jaldhara

Project ‘Jaladhara’ was taken up in tribal villages of Dummaguda and Sarada Bonguda village of Vishakapatnam district. In this project, the water from the perennial natural springs (at a height of 60m from the village) was brought down to the villages by taking advantage of the natural gradient (due to the gravity) thereby benefiting the local tribal population. SAIL workforce provided the technical know-how and financial support to this project.



Access to Improved Water Source	Performance, 2010-11
Total number of people for whom access to improved water source created during the year	9921
Number of water infrastructure created	103
Number of beneficiaries per water source	14096



## Education

Education: SAIL has established about 146 schools in its steel townships to impart modern education to more than 69,000 children. Besides, the company provides assistance in the form of construction of additional rooms/boundary walls/toilets, provision of stationery/sports items, etc., to over 286 schools with around 14,000 students.

Six Schools have been set up exclusively for poor, underprivileged, BPL children at five integrated steel plant locations covering around 1400 children providing free education, mid-day meals, uniform

including shoes, text books, stationary items, school bags, water bottles etc. A number of benefits have been provided to the SC/ST children, such as scholarships to deserving SC/ST undergraduate engineering students, adoption of 225 tribal children at Bhilai and another 12 children from nearly extinct Birhore Tribe at Bokaro to provide free education, boarding and lodging facilities, etc. Besides adopting and providing free education and facilities to tribal children, SAIL has provided assistance to over 286 schools.

Apart from its own schools, SAIL also supports other public schools, managed independently and opened primarily to support the growing demand for education. Consequently, in terms of completion of primary education, SAIL-managed schools have the distinction of having a survival rate of 93.12% and 90% in secondary education. The schools have maintained a girl : boy ratio of 1:1 for all levels of education. SAIL is now targeting to achieve 100% literacy in its townships.

Education	Performance, 2010-11
Survival Rate in Primary School	96%
Ratio of Girls:Boys (overall)	1:1.03
Total number of Adult Education Centres	7
Total number of villages covered	68
Total number of additional rooms built in schools	10
<b>Schools within Township (no.)</b>	
Primary	44
Students	9744
Secondary	56
Students	28162
Tertiary	39
Students	24896
Sub Total Schools	139
Sub Total Students	62802
<b>Schools outside Township (no.)</b>	
Primary	146
Students	21248
Secondary	91
Students	14760
Tertiary	17
Students	10624
Sub Total Schools	254
Sub Total Students	46632
<b>Total Schools</b>	<b>393</b>
<b>Total Students</b>	<b>109434</b>



## Model Steel Villages

SAIL has adopted 79 villages across 8 states (Chhattisgarh, West Bengal, Orissa, Bihar, Jharkhand, Karnataka, Tamil Nadu, and Madhya Pradesh) to develop them as Model Steel Villages (MSVs) in a phased manner. The developmental activities undertaken in these villages include:

- ☒ Medical and Health services
- ☒ Education
- ☒ Roads and connectivity
- ☒ Sanitation
- ☒ Community centers
- ☒ Livelihood generation
- ☒ Sports facilities



## Public Health Programmes

The company has endeavored to provide a healthy life by providing medical care to the people living in the peripheral areas of its plants/units. The company organizes a number of health camps at various villages on fixed days. The purpose of the Health-Camps is to create general health awareness, awareness about serious diseases like HIV etc and sensitize people on health related issues by immunization, blood-donation, water purification tablets, distributing handbills, etc, and providing them medicines in the medical/health camps. Villagers with major ailments detected during the health camps, are referred during the health camps to the main plant hospitals/Govt. hospitals for treatment. Provision of specialists in the area of Gynaecology, Cardiology, Pediatrics, Ultrasound, and Orthopedics are made, besides activities like minor surgery for the affected people. SAIL has organized over 3800 camps in 2010-11 benefitting around 2.64 Lakh people in 12 states. SAIL helped them by providing free health check-up, path lab treatment, medicines, immunization, surgical cases referred to plant. To help the poor and downtrodden Mobile Medical Units / Ambulances etc. are provided to various NGOs of national repute like Smile Foundation, Bharat Sevashram Sangh etc. Other key supports include:

- ☒ 54 Primary Health Centers,
- ☒ 12 Reproductive and Child Health Centers,
- ☒ 17 Hospitals and 7 Super-Specialty Hospitals to provide specialized healthcare to almost 30.60 million people.





Medical Infrastructure	Performance, 2010-11
Total number of Primary Health Centers	53
Total number of RCH Centers	7
Total number of hospitals	18
Total number of specialty hospitals	7
Total number of beds	4040
Total number of doctors	769
Total number of nurses and paramedical staff	3237
Total number of beneficiaries(during the year)	4033458
Total number of beneficiaries up to the year	14851683
Beneficiaries and Awareness Camps on health issues	1262316
Number of sterilization beneficiaries during year	12795
Number of immunization beneficiaries during the year	158064



The company has setup 6 sports academies, viz. an Athletics Academy for boys at Bhilai, a Hockey Academy at Rourkela, Football academies at Bokaro, and Burnpur, an Athletics Academy for girls at Durgapur (and an Archery Academy at Kiriburu Iron Ore Mines).

### Nurturing Sports

Promotion of sports has been an integral part of the corporate philosophy of SAIL right from its inception. The company has setup 6 sports academies, viz. an Athletics Academy for boys at Bhilai, a Hockey Academy at Rourkela, Football academies at Bokaro and Burnpur, an Athletics Academy for girls at Durgapur and an Archery Academy at Kiriburu. The Sports academies scan the peripheral areas of the steel plants as well as different regions of the country and select suitable young talents for enrolment.

The trainee are put through strict training by well-qualified coaches in each of the fields and groomed to higher levels of competence. Continuous emphasis on sports activities has helped develop players who have gone on to compete at state and national level tournaments. As an organisation, SAIL also undertakes sponsorship of various major sporting events like, All India Tennis Association, New Delhi; 7th World Korfbal Championship, Jawaharlal Nehru Hockey Tournament, New Delhi etc.



Sports	Performance, 2010-11
Number of new sports facilities built	4
Names of all sports disciplines for which training is being provided	42
Total number of people for whom training provided during the year	31589
• from SAIL family	10175
• from local community	19932
Total number of events participated in during the year	183
Prizes won during the year (Local/State/National/International)	283
Investment on sports facilities (INR Millions)	12.74
• Scholarships (Numbers)	119
• Scholarships (INR Millions)	4.81
• Infrastructure building and maintenance (INR Millions)	16.61
• Sports materials (equipment, sports gear, etc)	1.43
• Training expense (INR Millions)	4.92

## Preservation of Art and Culture

SAIL has been contributing to the preservation of traditional forms of Indian art and culture by promoting their heritage and facilitating their expression. Performers from all walks of art are invited and felicitated by SAIL regularly. Live shows and concerts organised by SAIL popularise classical art forms and encourages their reception and appreciation in the society. In this effort, SAIL provides organisations like SPICMACAY financial help to promote classical arts.

Along with the Archaeological Survey of India, SAIL has taken up the task of preserving the Lodhi Tomb complex in New Delhi. Developmental work has also been undertaken at Swargadwar and Temple Complex at Vedyas near Rourkela, Orissa. Bokaro Steel Plant has undertaken development of infrastructural facilities and amenities at archaeological sites of Lauria Nanandangarh and Chankigarh in West Champaran district of Bihar.



## Creating Sustainable Incomes



A sense of hope for future is most important for leading a good life. And at the very center of this hope is having a sustained income-to pay for the basic necessities of life, to invest in the future. SAIL's endeavours in the area of CSR are targeted to adding value for enriching lives and ensuring a strong future for the beneficiaries. Imparting them with skills that help them lead a better life and sustain their respective generations is a key focus towards creating communities that are in complete control of the time to come. Development of such families through workshops and skill enhancement training programmes has been a major entrepreneurial gesture of

the company. SAIL is constantly working to identify various areas where training and help to the communities can be imparted so as to make them self-sustaining units that can generate incomes for themselves. People living in the peripheral area of SAIL's plants/ units are taught skills that will help them to merit more than two square meals a day. These programmes promote rural savings and credit, natural resource management, village infrastructure development, increased agricultural productivity through better management of resources and intensive cropping, and skill development and enhancement of the community.

During the last three years, SAIL has provided vocational training to around 44,000 people in and around SAIL.

## ASSOCIATIONS & MEMBERSHIPS

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

## ABBREVIATIONS

☒ AAQ	Ambient Air Quality
☒ AMR	Addition Modification Replacement
☒ ASTP	Acid Sludge Treatment Plant
☒ BF	Blast Furnace
☒ BOD	Biochemical Oxygen Demand
☒ BOF	Basic Oxygen Furnace
☒ BPL	Below Poverty Line
☒ BSL	Bokaro Steel Plant
☒ BSP	Bhilai Steel Plant
☒ CaO	Calcium Oxide
☒ CEO	Chief Executive Officer
☒ CFP	Chandrapur Ferro Alloy Plant
☒ CISF	Central Industrial Security Force
☒ CO	Coke Oven
☒ COD	Chemical Oxygen Demand
☒ CPCB	Central Pollution Control Board
☒ CPTI	Central Power Training Institute
☒ CRM	Cold Rolling Mill
☒ CSR	Corporate Social Responsibility
☒ DSP	Durgapur Steel Plant
☒ EAF	Electric Arc Furnace
☒ EBIDTA	Earnings Before Interest, Taxes, Depreciation and Amortization
☒ ED	Executive Director
☒ EMD	Environment Management Division
☒ ERM	Enterprise Risk Management
☒ ESP	Electro Static Precipitator
☒ ETP	Effluent Treatment Plant
☒ EVA	Economic Value Added
☒ F&A	Finance & Accounts
☒ GCal	Giga Calorie
☒ GCP	Gas Cleaning Plant
☒ GHG	Green House Gas
☒ GRI	Global Reporting Initiative
☒ GRI G3	Global Reporting Initiative Third Generation
☒ HRD	Human Resource Development
☒ HRM	Hot Rolling Mill
☒ IISCO	Indian Iron & Steel Company
☒ INR	Indian Rupee
☒ ISO	International Organization for Standardization



☒ ISP	IISCO Steel Plant
☒ ISPs	Integrated Steel Plants
☒ JCSSI	Joint Committee on Safety, Health and Environment in the Steel Industry
☒ JV	Joint Venture
☒ LD	Linz Donawitz
☒ MEL	Maharashtra Elektros melt Limited
☒ MLD	Million Liter Per Day
☒ MnO	Manganese Oxide
☒ MoEF	Ministry of Environment & Forests
☒ MoS	Ministry of Steel
☒ MoU	Memorandum of Understanding
☒ MSVs	Model Steel Villages
☒ MTI	Management Training Institute
☒ MTPA	Million Tonnes Per Annum
☒ NH <sub>3</sub> -N	Ammonical Nitrogen
☒ NJCS	National Joint Committee for the Steel Industry
☒ Non-ED	Non-Executive Director
☒ O&G	Oil & Grease
☒ OHS	Occupational Health & Safety
☒ PAT	Profit After Tax
☒ PBS	Power & Blowing Station
☒ PET	Pipe / Electrical Sheet / Tin Plate
☒ PSU	Public Sector Undertaking
☒ QMS	Quality Management System
☒ R&D	Research & Development
☒ R&S Mill	Rail and Structural Mill
☒ RCH	Reproductive and Child Health
☒ RMD	Raw Materials Division
☒ RSP	Rourkela Steel Plant
☒ SAF	Submerged Arc Furnace
☒ SAIL	Steel Authority of India Limited
☒ SCOPE	Standing Conference of Public Enterprises
☒ SEFI	Steel Executives Federation of India
☒ SGL	Shot Grinding Line
☒ Si-Mn	Silico Manganese
☒ SMPs	Standard Maintenance Procedures
☒ SMS	Steel Melting Shop
☒ SS	Suspended Solids
☒ SSO	SAIL Safety Organisation
☒ tcs	tonnes of crude steel
☒ tfs	tonnes of finished steel
☒ UNDP	United Nations Development Programme
☒ VISL	Visvesvaraya Iron and Steel Plant
☒ VVVF	Variable Voltage Variable Frequency

## GRI Index



GRI - G3 Indicators	Page No. / Remarks	GRI - G3 Indicators	Page No. / Remarks
<b>Strategy and Analysis</b>			
1.1 Statement from the most senior decision - maker of the organisation.	4	4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	12
1.2 Description of key impacts, risks and opportunities.	18 – 20	4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives.	12
<b>Organisational Profile</b>		4.6 Processes in place for the highest governance body to ensure conflicts are avoided.	12 – 14
2.1 Name of the organisation.	3	4.7 Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees.	10, 12
2.2 Primary brands, products, and/or services.	6	4.8 Internally developed statements of mission or values, codes of conduct, and principles.	6, 10
2.3 Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	7	4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance.	10 – 13
2.4 Location of organisation's headquarters.	6	4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	10 – 13
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.	71	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	12 – 13
2.6 Nature of ownership and legal form.	4, 6	4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	15
2.7 Markets served	4, 6	4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organisations.	15, 62
2.8 Scale of the reporting organisation.	4, 7, 30, 44	4.14 List of stakeholder groups engaged by the organisation	25 – 27
2.9 Significant changes during the reporting period regarding size, structure, or ownership.	7	4.15 Basis for identification and selection of stakeholders with whom to engage.	25 – 27
2.10 Awards received in the reporting period.	16,17	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	25 – 27
<b>Report Parameters</b>		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.	25 – 28
3.1 Reporting Period.	3, 4	<b>ECONOMIC</b>	
3.2 Date of most recent previous Report.	3, 4	<b>Disclosure on Management Approach</b>	
3.3 Reporting cycle.	3, 4	<b>Economic Performance</b>	
3.4 Contact Point for questions.	3	EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensations, donations and other community investments, retained earnings and payments to capital provider and government.	19, 29 – 31, 46
3.5 Process for defining Report content.	27, 28		
3.6 Boundary of the Report.	3		
3.7 Specific limitations on the scope or boundary of the report.	3		
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can affect significantly.	3, 7		
3.9 Data measurement techniques and the bases of calculations.	3		
3.10 Explanation of the effect of any re-statements of information provided in earlier reports.	Not Applicable		
3.11 Significant changes from previous reporting period	Not Applicable		
3.12 GRI Content index	65 – 69		
3.13 Assurance	–		
<b>Governance, Commitments and Engagement</b>			
4.1 Governance structure of the organisation	10 – 12		
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	10 – 12		
4.3 For organisations that have a unitary board structure, state the number and gender of members of the highest	10 – 12		

GRI - G3 Indicators		Page No. / Remarks	GRI - G3 Indicators		Page No. / Remarks
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	18 – 20, 29 – 31	LA8	Education, training, counseling, prevention and to Implement risk control programmes in place.	53, 58
EC3	Coverage of the organisation's defined benefit plan obligations	46	LA9	Health and safety topics covered in formal agreements with trade unions.	49
EC4	Significant financial assistance received from government	30	<b>Training and Education</b>		
<b>Market Presence</b>			LA10	Average hours of training per year per employee by employee category.	47, 48
EC 5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	46	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	47, 48
EC 6	Policy, practices, and proportion of spending on locally - based suppliers at significant locations of operation.	31, 44	LA12	Percentage of employees receiving regular performance and career development reviews.	46
EC7	Procedure for local hiring, and proportion of and senior management hired from the local community at significant locations of operation.	44, 45	<b>Diversity and Equal Opportunity</b>		
EC8	Development and impact of investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	52 – 61	LA13	Composition of governance bodies breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	45 (partially)
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	52 – 61	<b>Equal Remuneration</b>		
<b>LABOUR PRACTICES AND DECENT WORK</b>			LA14	Ratio of basic salary of men to women by employee category	46
<b>Disclosure on Management Approach</b>			<b>HUMAN RIGHTS</b>		
<b>Employment</b>			<b>Disclosure on Management Approach</b>		
LA1	Total workforce by employment type, employment contract, and region	44, 45 (partially)	<b>Investment and Procurement Practices</b>		
LA2	Total number and rate of employee turnover by age group, gender and region	45 (partially)	HR1	Significant investment agreements including human rights.	22
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	46	HR2	Percentage of significant suppliers and contractors that have undergone screening on from Implementing Principles human rights and actions taken	22
LA4	Percentage of employees covered by collective bargaining agreements	48	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.	No structured training program has been arranged on this subject during the reporting period
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in Principle collective agreements	45	<b>Non -Discrimination</b>		
<b>Occupational Health and Safety</b>			HR4	Total number of incidents of discrimination and actions taken from Implementing	46
LA6	Percentage of total workforce represented in formal joint management -worker health and safety committees that help monitor and advise on occupational health and safety programs	49	<b>Freedom of Association and Collective Bargaining</b>		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work -related fatalities by region	50, 51	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	48
			<b>Child Labour</b>		
			HR6	Significant risk for incidents of child labour, and measures to the elimination of child labour	22, 46

GRI - G3 Indicators		Page No. / Remarks	GRI - G3 Indicators		Page No. / Remarks
	<b>Forced and Compulsory Labour</b>				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour	22, 46	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	23
	<b>Security Practices</b>				
HR8	Security personnel trained	51	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	—
	<b>Indigenous Rights</b>				
HR9	Incidents of violation involving rights of indigenous people and actions taken	—	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	—
	<b>Assessment</b>				
<b>SOCIETY</b>					
<b>Disclosure on Management Approach</b>		23			
	<b>Community</b>				
SO1	Percentage of operations with implemented local community engagement.	52 – 61			
	<b>Corruption</b>		PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	23
SO2	Percentage and total number of business units analysed for risks related to corruption	12 – 13			
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	12 – 13	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	—
SO4	Actions taken in response to incidents of corruption	12 – 13		<b>Customer Privacy</b>	
	<b>Public Policy</b>		PR8	Complaints regarding breaches of customer privacy and losses of customer data.	—
SO5	Public policy positions and participation in public policy development and lobbying	15, 62		<b>Compliance</b>	
SO6	Total value of financial and in kind contributions	12	PR9	Monetary value of significant fines for non-compliance with laws and regulations.	No significant fines
	<b>Anticompetitive behavior</b>				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	22	<b>ENVIRONMENT</b>		
	<b>Compliance</b>		<b>Disclosure on Management Approach</b>		22
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No significant fines		<b>Materials</b>	
<b>PRODUCT RESPONSIBILITY</b>			EN1	Materials used by weight or volume.	32
<b>Disclosure on Management Approach</b>		23	EN2	Percentage of materials used that are recycled input materials.	32
	<b>Customer Health and Safety</b>			<b>Energy</b>	
PR1	Life cycle stages in which health and safety of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	22, 23	EN3	Direct energy consumption by primary energy source.	35 – 37
			EN4	Indirect energy consumption by primary source.	37
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.	—	EN5	Energy saved due to conservation and efficiency improvements	35 – 37
	<b>Products and Services labeling</b>		EN6	Initiatives to provide energy-efficient or renewable energy.	35 – 38
			EN7	Initiatives to reduce indirect energy	35 – 38
				<b>Water</b>	
			EN8	Total water withdrawal by source.	39
			EN9	Water sources significantly affected by withdrawal of water	39, 40
			EN10	Percentage and total volume of water recycled and reused.	39

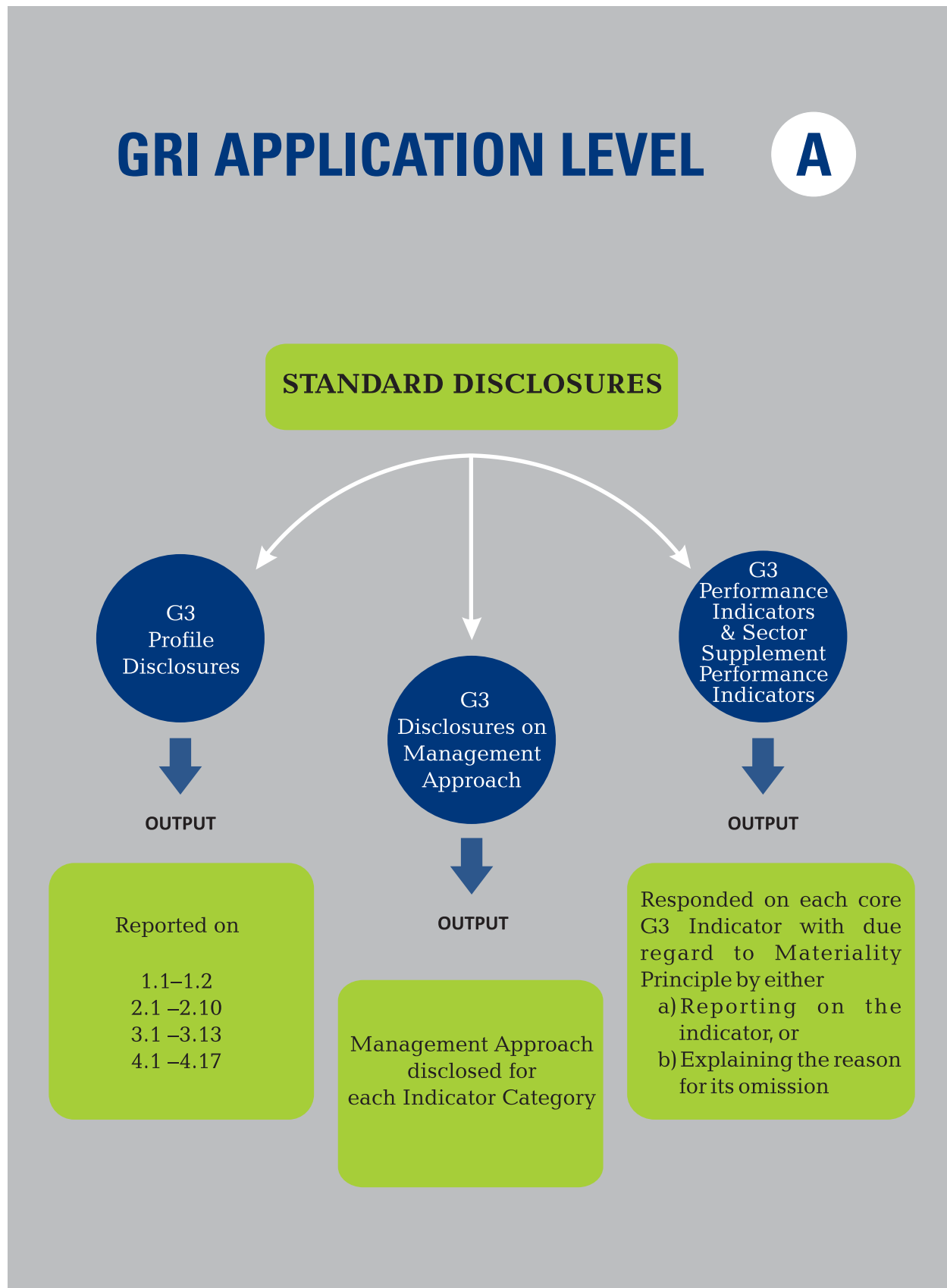
GRI - G3 Indicators		Page No. / Remarks	GRI - G3 Indicators		Page No. / Remarks
<b>Biodiversity</b>					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas.	Not material. None of the Plants of SAIL are located in the proximity of biodiversity sites/protected areas	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous.	32
EN12	Description of significant impacts of activities, products, and services on biodiversity.		EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	40
EN13	Habitats protected or restored.		<b>Products and Services</b>		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		EN26	Initiatives to mitigate environmental impacts of products and services.	22, 23, 32, 33
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	23
<b>Emissions, Effluents and Waste</b>			<b>Compliance</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight.	42	EN28	Monetary value of significant fines and total number of non - monetary sanctions for non - compliance with environmental laws and regulations.	No significant fines
EN17	Other relevant indirect greenhouse gas emissions by weight.	42	<b>Transport</b>		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	42	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	22,42
EN19	Emissions of ozone - depleting substances by weight.	42	<b>Overall</b>		
EN20	NOx, SOx, and other significant air emissions by type and weight.	42	EN30	Total environmental protection expenditures and investments by type.	43
EN21	Total water discharge by quality and destination.	40			
EN22	Total weight of waste by type and disposal method.	32 – 35			
EN23	Total number and volume of significant spills.	No Spillages			

GRI - G3 Indicators		Page No. / Remarks
<b>METALS AND MINING SECTOR SUPPLEMENT INDICATORS</b>		
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	None of the Plants of SAIL are located in the proximity of biodiversity sites/protected areas. Mines are not with in the report boundary.
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	
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.	There have been no strikes and lock-outs exceeding one week's duration during the reporting period None of the Steel Plants/ Units is located in the proximity of settlement/territories of indigenous people.
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	None of the steel plants are located in the proximity of the settlement of indigenous people and communities and hence, there are no significant dispute related to their land use and customary rights.
MM10	Number and percentage of operations with closure plans.	No significant dispute related to land use and customary rights of indigenous people.
MM11	Programs and progress relating to materials stewardship.	No Steel Plant has any significant resettlement plan pending None of the Steel Plants/ Units have any closure plans 22, 23



# GRI APPLICATION LEVEL

A





## Statement GRI Application Level Check

GRI hereby states that **Steel Authority of India Limited** has presented its report "Taking Care. Corporate Sustainability Report 2010-11" 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.

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

Amsterdam, 23 July 2012



Nelmar Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance.*  
[www.globalreporting.org](http://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 19 July 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*



# A MAHARATNA COMPANY

## THE SAIL NETWORK



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



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED

**Registered Office:**

Ispat Bhawan, Lodi Road  
New Delhi – 110003, INDIA  
Internet: [www.sail.co.in](http://www.sail.co.in)  
Email: [secy.sail@sail.co.in](mailto:secy.sail@sail.co.in)

**Published by:**

Environment Management Division  
SAIL House, 50 J. L. Nehru Road, 3<sup>rd</sup> Floor  
Kolkata – 700 071  
West Bengal, INDIA

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