

UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS

JINDAL STAINLESS LIMITED

September 2013 - 2014



Statement of Support:



23rd August 2010

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

Dear Mr. Secretary-General,

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

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

Yours sincerely,

Mr. Ratan Jindal
Vice Chairman & Managing Director



Registered Address: OP Jindal Marg, Hissar 125005, Haryana, India

JSL Limited
Jindal Centre
12 Bhikaji Cama Place,
New Delhi - 110 066, India

T: +91 11 26188340 - 50
F: +91 11 41659169, 26101562
E: info@jindalstainless.com
www.jindalstainless.com

Jindal Stainless Limited's philosophy on Corporate Governance envisages the alignment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, government and leaders. To run the business effectively, transparently and with due accountability, the company has developed a Code of Conduct to be followed by all representatives for carrying out their duties and responsibilities as per the vision, values and guiding principles.

The code of conduct has been designed by the company in line with the 8 guiding principles:

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

To promote:

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

All Directors and Employees of the Company are expected to read and understand it and uphold these standards in day to day activity. They are also expected to comply with the applicable policies and procedures and ensure that they are adhered to.

Our CSR policy also reinforces the guiding principles and focuses on crucial areas like:

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

- Compensation
- Supplier selection
- Community involvement
- Environment protection
- HIV/AIDS Workplace
- Natural resource management
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Important Policies:

- i. **Code of Conduct:** <http://www.jslstainless.com/PDF/Code-of-Conduct.pdf>
- ii. **Corporate Governance Policy:**
<http://www.jindalstainless.com/images/corporate-governance.pdf>
- iii. **Whistle Blower Policy:** <http://www.jslstainless.com/PDF/Whistle-Blower-Policy.pdf>
- iv. **CSR Policy:** <http://www.jindalstainless.com/reportsanddownloads.php>
- v. **EHS Policy:** <http://www.jindalstainless.com/ehspolicies.php>
- vi. **Policy on Prevention of Sexual Harassment at workplace**
- vii. **HR Policy**
- viii. **Education Policy**
- ix. **IT Policies**
- x. **Med claim Policies**

Principles on Human Rights:

PI: Business should support and respect the protection of internationally proclaimed Human Rights; and

P2: Make sure that they are complicit in Human Rights abuse

COMMITMENT:

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

SYSTEM:

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

As a step towards our commitment to respect and protect human rights Jindal Stainless Limited conducted its first Human Rights audit on community and environment indicators. This is a first of its kind audit happening in India on Human Rights, JSL has set an example by taking a leadership role by being the first Indian Corporate to do so. The process involved the reviewing of various policies, procedures and processes concerning community and environment that are prone to human right risks and also consider the impact of those policies and procedures on the Community and Environment.

The entire management and business heads cooperated in making the entire process a learning experience and a commitment to work on areas that need improvement. The CSR Team took a leading role in the Human Rights Audit and coordinated with the various departments, facilitated stakeholder engagements to successfully carry out the process.

Jindal Stainless continues to be associated with the CEO Forum on Business and Human Rights, by taking a leadership role and facilitating other Corporates to be a part of the process.

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

Over the past few years, a number of consultation and training programs, both external and internal have taken place in order to embed the UNGPs. Efforts are also on to sensitize the MSME and the supply chain on issues relating to Business and Human Rights as articulated in the UNGPs.

Several other initiatives undertaken have been as indicated below:

Women Empowerment Principles - JSL is streamlining the Women Empowerment Principles within the company. JSL has come up with safety guidelines for women, and is encouraging women to apply for Managerial positions. JSL also has a strong Internal Complaints Committee. A policy for prevention of sexual harassment at workplace and guidelines towards safety of women employees has been in effect.

Women's Day was also celebrated at Jindal Center where the employees were told about the Women Empowerment Principles and the initiatives JSL is taking towards the same.

Medical Services – Regular occupation health checkups are conducted at the corporate office and at factory locations. This has reduced the problems faced by employees relating to lifestyle diseases. In addition mobile health clinics operate around our plant locations in Hisar and Odisha. In addition right to health is a major initiative launched at our N C Jindal Hospital, which is a multi specialty hospital in Hisar, Haryana, where recently two special units have been added to the existing facilities. These units are Coronary Heart Disease unit and an Oncology unit, which has the latest diagnostic and treatment equipment. Approx 32290 beneficiaries have been positively impacted through our medical program. At Hisar, we have also initiated a two years nursing programme.

Besides the above the Jajpur, Odisha mobile units operating have served over 13, 000 patients in the rural areas. The common diseases amongst people are fever, cold, cough, loose motion, arthritis, APD, UTI, anemia etc. During the current year a total of 13212 patients visited the mobile and static clinics at Jajpur. A total of 540 health camps were organized in the year and the patients were dispensed with free medicines.

Business & Human Rights – The Company has been engaged in creating greater awareness amongst various stakeholders on issues relating to rights, especially in the domain of environment and security and has been developing internal grievance mechanism processes. JSL-CSR organized a number of leadership meetings on Business and Human Rights during the year 2013-2014.

Skill Training- JSL CSR initiated a new project last year in partnership with the Ministry of Rural Development (MoRD), with the aim of imparting skill training to the unemployed youth of Jammu & Kashmir. Himayat is a part of the Skills Empowerment and Employability (SEE) scheme of the Prime Minister's Office (PMO) being implemented through the Ministry of Rural Development (MoRD). Himayat has its focus on bridging the gap between the industry requirements and the skill sets of the youth, so that more employment opportunities can be generated. Through the program over 2000 youth from the State of Jammu and Kashmir are being trained over a two year window in Electrical, IT, Stainless Steel Fabrication, Hospitality etc.

Mission Education Project - Initiatives have benefitted over 3000 children through different approaches like formal, OP Jindal School and Vidya Devi Jindal School and non formal, remedial and education through sports programs.

In Hisar and Jaipur, JSL has installed Computer Aided Learning Station with support of Hole-in-the-wall Education Ltd. Children and teachers access these learning stations to enhance their learning related to academic.

In Hisar, Pre Nursery and Computer classes are held at OP Jindal Vikas Kendras. In Jaipur, Bridge Course Education Centers are running in five villages to create an environment of education in the villages. These courses impart computer literacy to the poor students in two high schools and also bridge the digital divide by offering exciting and effective education and learning experiences through innovative technologies to the underserved groups.

OUTCOME:

- There have been no human rights violations noticed against Jindal Stainless Limited during the reporting period.
- The Human Rights audit has been helpful in highlighting the good practices being implemented in JSL and also areas which need improvement. The commitment from the top management of the company has ensured that relevant steps will be taken to work on them.
- Resulted in working towards an MSME Cluster and supply chain engagement program in which JSL is playing a lead role.

Principles on Labor:

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

COMMITMENT:

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

SYSTEM & ACTIONS:

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

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

In addition to the mechanisms put in place to address grievances, JSL promotes an open culture of communication, wherein an employee can walk up to a senior official in the company to share his/her complaints. This culture has been promoted by the founder of company late Mr. OP Jindal right from the beginning and continues to be practiced.

OUTCOME:

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

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

COMMITMENT:

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

SYSTEM & ACTIONS:

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

OUTCOME:

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

P5: the effective abolition of child labor and

COMMITMENT:

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

SYSTEM & ACTIONS:

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

At the plant level the HR department, plant in charge, supervisors conduct surprise on site visits to ensure non engagement of child labor in the plant location.

The Jindal Stainless Foundation carries out programs on education encourage and mainstream out of school children and school drop outs, which also discourages child labor.

OUTCOME:

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

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

COMMITMENT:

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

SYSTEM & ACTIONS:

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

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

Jindal Stainless is an equal opportunity employer and does not differentiate on the basis of gender, caste, creed, nationality and religion. Jindal Stainless follows a policy of no discrimination in its hiring, and retention program in fact for us diversity is an asset broadening people's horizons and improving team work and problem solving skills. The only thing we value is merit, which plays a vital role in our hiring and retention program. Effective employee communication, sharing of performance and best practices and periodic dialogue with people is enabled through monthly, quarterly and annual departmental meetings, management open forums, VC&MD open houses, J-Connect-Intranet, Knowledge Centre, hr click, Jindal Stainless Pariwar, Jindal Stainless Bulletin etc. Jindal Stainless On-boarding program- Parichay & NJIP are focused on continual improvement through employee and manager feedback.

OUTCOME:

- No reported instances of discriminatory behavior within the business.

Principles on Environment:

P7: Businesses should support a precautionary approach to environmental challenges

COMMITMENT:

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

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

SYSTEM & ACTIONS:

Environmental management is one of the topmost priorities of strategy and planning at JSL. Driven by an integrated 'quality, environmental, occupational health and safety policy, Jindal Stainless is now marching towards benchmarking its processes of quality, safety, health and environment. Internally the EHS team regularly monitors and ensures the implementation of the management systems to ensure minimum impact on the environment of the activities. The state of the art green compliance test laboratory ensures that the manufacturing process meets the green standard norms.

Thrust has been laid towards enhancing resource efficiency in operations, especially for key resources such as energy and water. Additionally the philosophy of the 3-R (reduce, reuse, and recycle) is being implemented for all types of wastes towards prevention of pollution.

All operations adhere to stringent 'Green Compliances' and processes, certified as per international environmental standards edging towards the concept of stainless-green.

The Company's plants comply with all norms set up by the competent authorities for a clean and better environment. The company undertakes regular checks/inspections including certification for the maintenance of the environment. The company has adequate effluent treatment plants to control pollution.

Additionally, CSR, JSL in collaboration with Greenobin has initiated a "Paper Back project" to recycle paper waste and turn it into new paper products. The rationale behind this

project is to save environment as industrialized paper making has an effect on the environment. 90% of paper pulp is created from wood and paper production accounts for 35% of felled trees. Recycling one ton of newsprint will save about 1 ton of wood while recycling 1 ton of printing or copier paper will save almost 2 tons of wood. Moreover, recycling paper also saves energy consumption.

These small initiatives and collective efforts by our employees will go a long way in saving trees and energy.

OUTCOME:

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

P8: undertake initiatives to promote greater environmental responsibility, and

P9: encourage the development and diffusion of environmentally friendly technologies

COMMITMENT:

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

SYSTEM & ACTIONS:

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

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

State of the art 'Centre for Environmental Excellence", with sophisticated and well equipped Environmental Laboratory and R&D has been set-up. Efficient use of resources is being practiced through effective management practices, technological measures and employee engagement process to make them environmentally aware and technically competent. The operations are dependent on the use of natural resources and have consequently incorporated energy management into its ISO 9001, Quality Management Systems (QMS) and Total Productive Maintenance (TPM) initiatives.

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

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

OUTCOME:

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

Principles on Anti - Corruption:

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

COMMITMENT:

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

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

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

SYSTEM & ACTIONS:

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

OUTCOME:

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