



BUSINESS RESPONSIBILITY REPORT 2016-17

Jindal Stainless (Hisar) Limited
(JSHL)

Introduction

In an age where enterprises are increasingly seen as critical components of the social system, they are accountable not only to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment is as important as their financial and operational performance.

Ministry of Corporate Affairs, Government of India, developed the 'National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business' in 2011. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices.

Further, Securities and Exchange Board of India (SEBI) has mandated top 500 listed companies of India by market capitalization to publish a Business Responsibility Report (BRR) based on NVG under SEBI Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR").

Business Responsibility Report serves as a tool to communicate the performance of organization on Economic, Social and Governance (ESG) parameters to its stakeholders. It also motivates the company to measure, disclose, and be accountable for organizational performance while working towards the goal of responsible and sustainable development.

JSHL is delighted to present its first BRR which has non-financial disclosures for the Financial Year (FY) 2016-17. This report is developed in-line with the 'suggested framework' by SEBI.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L27205HR2013PLC049963
2. Name of the company	Jindal Stainless (Hisar) Limited
3. Registered Address	<u>Registered Office:</u> O.P. Jindal Marg Hisar – 125 005, Haryana, INDIA
4. Website	http://jshlstainless.com/
5. E-mail ID	info@jshlsr.com
6. Financial year reported	2016-2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Stainless Steel (2410)
8. List three key products/services that the company manufactures/provides.	1) Hot Rolled Stainless Steel Products 2) Cold Rolled Stainless Steel Products 3) Stainless Steel Plates
9. Number of locations where business activities are undertaken by the company 1) Total number of International locations 2) Total number of National locations	Jindal Stainless (Hisar) Limited (JSHL) mainly operates in India with plants located at Hisar and Visakhapatnam. <u>Major sales offices of the company are at :</u> 1) Gurgaon 2) Kolkata 3) Mumbai 4) Ahmedabad 5) Baroda 6) Pune 7) Bangalore 8) Chennai 9) Hyderabad 10) Bhubaneswar
10. Markets served by the company Local/State/National/International	JSHL is one of the largest domestic stainless steel producers and has global footprints that serve both National and International Markets and sectors like: <ul style="list-style-type: none">• Automobile• Transport• Railway• Architecture• Building and construction• Process engineering• Consumer durables

Section B: Financial Details of the Company

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|--|------------------------------|
| 1. Paid Up Capital (INR) | ₹ 47,18,69,370 |
| 2. Total Turnover (INR) | ₹ 7,575.55 crores |
| 3. Total Profit after Taxes (INR) | ₹ 218.02 crores - Standalone |
| 4. Total Spending on Corporate Social Responsibility | ₹ 66,74,500 |

We have spent ₹ 66, 74,500 towards CSR which is 6.28% of average net profit calculated as per the Section 135, in accordance with the provisions of section 198 of the Companies Act, 2013.

5. List of activities in which the expenditure in 4 above has been incurred.

JSHL has been involved in following major activities:

- Education, Promoting Gender Equality and women empowerment
- Community Development
- Integrated health
- Skill Training

Section C: Other Details

1. Does the company have any Subsidiary Company/Companies?

Yes, JSHL has 5 subsidiaries:

- JSL Lifestyle Limited
- Jindal Stainless Steelway Limited
- JSL Logistics Limited
- Green Delhi BQS Limited
- JSL Media Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No. Each subsidiary company has its own independent business responsibility initiatives.

3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)

At JSHL, although we are not directly involved in the BR initiatives of entities we engage with, we encourage all our business partners to make business responsibility a part of their agenda.

Section D: BR Information

1. Details of Director/Directors responsible for BR **

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies

Name	DIN Number	Designation
Mr. Ashok Kumar Gupta	01722395	Whole Time Director

b) Details of the Business Responsibility Head **

DIN Number (if applicable)	01722395
Name	Mr. Ashok Kumar Gupta
Designation	Whole Time Director
Telephone number	+91 11 41462146
e-mail id	ashokgupta@jindalsteel.com

***Currently, at JSHL, we do not have an in-house structure to implement our policies, however, we have initiated the process of nominating a Director as an Implementer of the policies. We are also in the process of nominating a BRR Head. The Implementer shall review the policy implementation quarterly and this shall serve as a mechanism for us at JSHL to effectively implement our policies from the next reporting period.*

2) Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		At JSHL, we currently have policies in place, which directly and indirectly address 8 out of the 9 NVG Principles.								
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		All of JSHL's policies are formulated after careful consideration and after consultation with key managerial personnel and relevant representatives of our stakeholder groups, who act in the best interest of our stakeholders.								

3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	N*	Y	Y
		Most of JSHL's polices are formulated as mandated under SEBI's Listing Obligations and Disclosure Requirements and they are compliant with the Principles of National Voluntary Guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		All JSHL's existing policies have been approved by the Board and signed by relevant authorities.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Currently, at JSHL, there is no specific committee of the Board to oversee the implementation of the policies; however, we have initiated the steps to nominate a Director as a Policy implementer who will oversee the implementation of the policies from the next reporting period.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		JSHL's policies relating to our external stakeholders can be viewed on the website at http://jshlstainless.com/boardofdirectors.html Our policies relating to our employees - our internal stakeholders, are available on J-Connect - an internal website, which our employees have access to.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		JSHL's policies relating to external stakeholders can be viewed on the website at http://jshlstainless.com/corporategovernance.html Our policies relating to our employees - our internal stakeholders, are available on J-Connect - an internal website, which our employees have access to. Our website also has a 'Contact' section which serves as a platform for our stakeholders to contact us regarding any queries they may have.								

8	Does the Company have in-house structure to implement its policy/policies?	Currently, at JSHL, we do not have an in-house structure to implement our policies, however, we have initiated the process of nominating a Director as an Implementer of the policies. We are also in the process of nominating a BRR Head. The Implementer shall review the policy implementation quarterly and this shall serve as a mechanism for us at JSHL to effectively implement our policies from the next reporting period.
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9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	At JSHL, we have a Stakeholder Grievance Committee at the Board level, which addresses the grievance of our shareholders. Additionally, we also have a Whistleblower policy which covers all our stakeholders' grievances.
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10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	<table border="1" data-bbox="716 793 1440 982"> <tr> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>N*</td> <td>Y</td> <td>Y</td> </tr> </table> <p>JSHL's Secretarial audit reviews majority of the policies which are formulated as per SEBI requirements and also checks for compliance. JSHL's Internal audit reviews processes and policies and also covers implementation and makes notes of any deviations from the policies.</p>	Y	Y	Y	Y	Y	Y	N*	Y	Y
Y	Y	Y	Y	Y	Y	N*	Y	Y			

**Currently, JSHL does not have a formal policy in place to address public advocacy (P7 of NVG). However, it is our belief that our Code of Conduct does cover aspects of Responsible advocacy of public policy, like ethics and integrity.
We are also in the process of formulating a formal Responsible advocacy policy and this will be implemented by the next reporting period.*

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year	N/A	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A
6	Any other reason (please specify)									

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Our Board of Directors, audit committee and stakeholder & grievance committee meet once in every quarter to assess our BR performance. Other committees may meet as and when required.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

We have decided to publish the BR Report according to the National Voluntary Guideline Principles. We are also in the process of publishing a Sustainability report according to the GRI Framework on an annual basis. This is our first BR Report. These reports can be found on our website - <http://jshlainless.com/> under the 'Investors' section.

Section E: Principle Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, at JSHL, all our internal stakeholders are subjected to work within the boundaries of ethical conduct and anti-corruption practices. We also encourage our suppliers and contractors to follow ethical and anti-corruption practices.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaint was received during the past financial year related to ethics, transparency and accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

JSHL, being a major producer of Stainless Steel, we incorporate sustainability initiatives in our operations. In an effort to reduce resource consumption, waste generation and hence reduce our impact on the environment, we use stainless steel scrap as one of the raw materials in the production of the following stainless steel products:

1. Hot rolled coils
2. Cold rolled coils
3. Sheets

2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

- (i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Specific Energy Consumption Data

Sr.	Parameters	Unit of Measurements	2013-14	2014-15	2015-16	2016-17
1	Specific Electrical Energy Consumption	kWh/Ton of production	1037.2	1002.4	993.05	1002.14
2	Specific Thermal Energy Consumption	kJ/kg of Production	5941.28	5759.28	5547.98	5511.87

We have been successful in reducing the consumption of Thermal energy from last year.

Although our energy consumption during 2016-17 was higher compared to the last year, we have been successful in reducing our energy consumption from FY14 and FY15 levels. We continue to concentrate our efforts on reducing the energy consumption by increasing focus on sustainable production practices.

Stainless Steel is a unique material, vital to almost every aspect of modern life. It is durable, reusable, and recyclable, thus, a permanent material. All stainless steel, even stainless steel created a century ago, can be recycled today and used in new products and applications. This makes Stainless steel a sustainable material which can enable a transition to resilient low carbon economies.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**

At JSHL, in an effort to reduce resource consumption and our impact on the environment across our value chain, we use stainless steel scrap as one of the key raw materials in the production of our products. We also aspire to channel our efforts into sourcing our other raw materials in a sustainable manner in the future.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, JSHL promotes procurement of goods and services from local vendors and small producers. This is primarily done while hiring equipment and services, as well as procuring minor raw materials, stationary items and food supplies. By ensuring local procurement wherever possible, we contribute to the improvement of local economies.

5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

At JSHL we pursue the policy of four R's -- Recycle, Reduce, Reuse and Recover that minimizes the risk of solid waste contamination. The main objective of our company is to transform solid waste into wealth in order to benefit from it. We have developed an Integrated Solid Waste Management System for storage and disposal of solid waste. Waste generated from our operations include Pollution Dust, Scrap, End Cuttings, Slag, Neutralized Cake and Reject Products, Furnace Scale being properly collected and sent to SAF plant for recovery of metal. All the end cuttings, reject products are collected in well-identified waste bins as per grades and reprocessed in Steel Melting Shops.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees

2220 employees

2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.

3379 employees

3. Please indicate the number of permanent women employees.

7 employees

4. Please indicate the number of permanent employees with disability.

2 employees

5. Do you have an employee association that is recognized by management?

No

6. What percentage of your permanent employees are a member of this recognized employee association?

Not applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

We did not receive any complaints related to child labour, forced labour, involuntary labour, and sexual harassment during the reporting period.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

At JSHL, we place high importance on the safety of our employees and to ensure this, 100 % of our employees received health and safety training.

At JSHL, we also encourage constant learning as well as personal and professional development. To achieve this, we provided skill up-gradation to 60% of our employees. We continue to focus our efforts on training our employees and add holistic value.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

At JSHL, we have identified investors, shareholders, employees, local communities, civil societies, NGOs, legal institutions, trade associations, media, suppliers, business partners, customers, dealers, government, regulators and competitors as its key stakeholder groups. Engagement responsibility for each stakeholder group is entrusted with specific teams within our company.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, we have identified vulnerable and disadvantaged section through our CSR programs. Focus has been given to women from low income group and special skill training programs have been developed for them.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Following CSR initiative of the Company which is being run under the aegis of Jindal Stainless Foundation aims to serve the poor and needy community and who are socio economically backward.

1. We have Stainless Skill Training Institute where Dress Designing and Fashion Technology classes are conducted.
2. The Cutting and Tailoring Center conducts training at Slum area for school dropouts.
3. We have Save the Girl Child Project focuses on married women with whom we conduct sensitization programs towards gender equality.
4. Through our Hole in the Wall program, we provide disadvantaged children with an opportunity to learn how to use the computer.
5. The Organic Farming project focuses on imparting technical knowhow to the farmers and linking them with marketing for sale of produce.
6. HIV /AIDS awareness sessions are organized for truckers and their helpers.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

At JSHL, we respect human rights and the policy is embedded in our Company's Code of Conduct. However we do not have a separate standalone Human Rights Policy and we are currently in the process of working towards formulating one. We recognize and address the issues relating to Business and Human Rights as per the United Nations Guiding Principles on Business & Human Rights and we selectively highlight these to our senior management.

In addition to this, we have planned to conduct workshops on the UNGPs Human Rights over the course of the next reporting period. JSHL has been closely associated with the Global Business Initiative on Business & Human Rights and is a member of the Group, which has 18 members globally.

We also support and encourage the following of best human rights practices with our business associates.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have received no complaints regarding violation of human rights, during the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes, at JSHL, we have a well-defined Environment Policy, and it extends to both our plants. With respect to the suppliers and contractors, environmental rules and regulations are clearly stated in the general terms and conditions of the order/ contract. All our plants manage environment related activities as per ISO 14001.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. At JSHL, we incorporate environmental concerns into all our activities. Being an energy intensive industry, we understand our responsibility towards global environment issues. We are currently developing a climate change strategy which includes various measures to improve energy performance both in the immediate future and in the long run.

Our efforts to reduce emissions are highlighted below:

- a. We continue to improve current processes & benchmark with the best practices within the steel industry.
- b. We have set ourselves the target to reduce our carbon foot print every year by 10%. Our specific GHG emission have reduced from 3.92 to 2.89 in last three years, which is less than the International Level of GHG Emission by Stainless Steel Plant i.e. 2.90, as compiled by ISSF.

Usage of renewable energy resources:

- c. JSHL installed Solar Photovoltaic Power System of 250KWP. This will generate approximately 3, 56,250 kWh per year and also help in reduction of 3, 24,900 kg CO2 emission per year.

Adoption of energy efficient technologies:

- d. Investing in breakthrough technologies to reduce energy consumption during production, which are more efficient e.g. All Furnace Oil fired Furnaces are modified to Propane/LPG Gas.

Developing new products and services to reduce environmental impact over the product lifecycle:

- e. Our R&D team is continuously working own development of such grade, which are produced by low GHG emission.

Creating awareness at all levels and functions.

We believe that awareness is most important in order to achieve any target. We organize various programs to create awareness about CDM and, GHG reduction within our plant as well as for the communities.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, as part of ISO 14001, ISO 9001 and OHSAS 18001 certifications, at JSHL, we undertake continuous assessment of the potential environmental risks. We also undertake internal and external audits under ISO 14001 to assess the implementation of our environment related activities.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, we do have Clean Development Mechanism Project, which focusses on harnessing solar energy. We installed Solar Photovoltaic Power System of 250KWp in 2016. This will generate approximately 3, 56,250 kWh per year and also help in reduction of 3, 24,900 kg CO2 emission per year. System Specifications are-

- 1000 photovoltaic Cells
- 250W capacity per cell
- No. of inverters (50KW each) - 5 (Delta Make)

JSHL files compliance report as required under relevant laws

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes. We have a 250Kpw Solar Plant Installed in 2016. We are also working towards expanding the capacity of the plant to 400KWp.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by JSHL is within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

We do not have any Show Cause Notice from CPCB/ SPCB is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

No, JSHL is not part of any major trade and chamber or associations.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

At JSHL, we have a number of programs for our marginalized stakeholders with the aim of supporting inclusive growth. These programs have been listed in sub section 2 below.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

All our projects and programs are covered under Jindal Stainless Foundation. Our CSR teams undertake direct projects and also ensure implementation through NGO partners.

1. Hole in the Wall Project was carried out with NIIT Foundation where 2 learning stations was established in school and in slum area.
2. Dress designing and Fashion Technology was conducted through Usha International.
3. Save the girl Child Project was partly done by Institute of Social Services and partly through our direct intervention.
4. In Health Project – HIV /AIDS awareness was done in collaboration with Government ICTC and with other industrial partners (JIPL and DCM mill)
5. Organic Farming Project was carried out directly by the Company staff where 25 farmers were trained through professionals for growing organic produce.

3. Have you done any impact assessment of your initiative?

As of now, we have not carried out impact assessment studies, however, we intend to conduct the same in the future.

4. What is your company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Projects undertaken	Amount spent in INR
Education	41,62,750
Promoting Gender Equality and women empowerment	5,94,725
Community Development	2,83,592
Skill development	5,16,535
Health	1,37,276
Animal welfare	8,06,100
Admin. Overheads	1,73,522
Total	66,74,500

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

For successful implementation and adoption of our community projects, we consult and engage with all appropriate stakeholders, right from the inception of the projects. Communities are also involved in delivery, as well as monitoring phases of the programs.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

There are no major customer complaints pending. Minor complaints from customers for quantity of 0.039% (approximately) of our company's total sold tonnage in the year are pending as on the end of financial year.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The Labeling on our Products is done as per the requirements stipulated under various Standards such as ASTM/ASME/EN/BIS etc. Our labelling also meets the norms of Taxation & Weights and Measures Department and is audited by authorities from time to time. In addition, we provide standard information as required by our customers.

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

As of now, we have not conducted any customer satisfaction surveys, however, we plan on conducting such assessments in FY17-18 through reputed agencies.