

Corporate Sustainability Report 2005-06



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Report Scope & Profile

This is our second sustainability report highlighting our non – financial performance. Continuing from where we concluded our last report, this report demonstrates our efforts to overcome the challenges we faced, in the year 2004 – 05, on sustainability issues. The report highlights our performance on the triple bottom line indicators. By way of this report we are trying to relate with our stakeholders; understand their views; assess their needs and support them in the best possible manner on our journey towards sustainability.

For ease of access to information and quick reference, this report is divided in to various sections. We begin with an introduction to our organization; mission and vision. A glimpse of our corporate governance principles, management systems and commitments follows. Thereafter we provide an insight to our stakeholder engagement process and the economic, environmental and social performance indicators. We conclude the report by highlighting our approach towards sustainability reporting and our strategies for the future.

We have developed this report as per the 'in-accordance' requirements of Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2002.

The reported information is for the two year period 2004 – 2006,

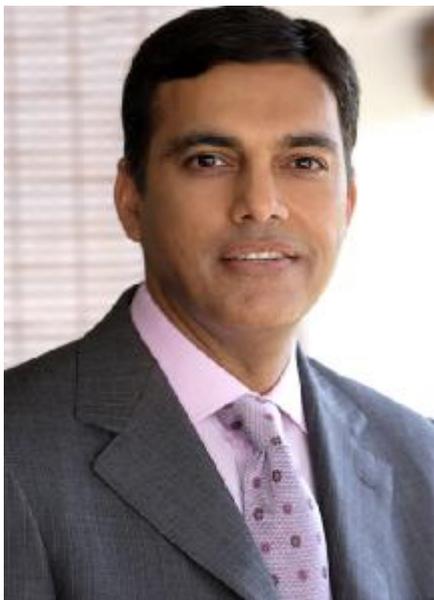
covering three manufacturing locations: Tarapur, Vasind and Toranagallu. The report primarily concentrates on the two year data but wherever essential, includes certain historical data for a better representation. This year we have focused on all the core indicators and a few additional indicators.

We are aware that we can expand the scope and wholeness of our future reports and hence contrive to report on additional indicators comprehensively in future.

We plan to annually publish our corporate sustainability report along with our financial report, eventually integrating both in a single standalone report.

Your suggestions are invaluable to us and may be forwarded to suresh.iyer@jsw.in





On behalf of the entire JSW fraternity, I proudly present our second corporate sustainability report. Sustainability – the art of equilibrating the economic progress with the environmental accomplishments and social participation is perceived by us as one of the strong drivers for our business growth. I believe in sustainable development and construe its integration with our business planning.

In the year 2005 we made headway in consolidating our non-financial performance through our inaugural sustainability report – “Ingredients of Sustainability”. The report highlighted our performance on select economic, environmental & social indicators; elaborated our key social initiatives; discussed our future plans and concluded with the challenges we faced on sustainability issues. Moving on, the report this year, demonstrates our efforts to overcome those challenges; delineates our key social initiatives and their outcomes, and highlights our performance on all the triple bottom line indicators.

This report has been prepared in accordance with the 2002 GRI Guidelines. It represents a balanced

Sustainability – the art of equilibrating the economic progress with the environmental accomplishments and social participation

and reasonable presentation of our organization's economic, environmental, and social performance.

I have expressed this in our first report and I would like to re-iterate that sustainability is best demonstrated in our history. Mr. O P Jindal, founder of the Jindal Group, set out his career as a farmer and grew to be the paradigm of the steel industry through dedication and belief in partnering with the stakeholders. Where we are today is because of his vision and conviction of investing in the future.

In the year 2005 – 2006, our crude steel output witnessed an increase of 20%, while our galvanized product output increased by 14%. We realized a turnover of Rs. 6,766 crores with a net profit of Rs. 856 crores. We have significantly improved our exports and contributed to more than one – third of India's exports of galvanized products. Seventy five percent of our galvanized products are exported to over 45 countries worldwide.

The future will witness a series of meticulously planned capacity expansions to achieve 7 MTPA by 2008 and 10 MTPA by the year 2010 at Vijayanagar. This expansion has been envisaged with clear and specific focus on sustainability.

We maintain stringent environmental and safety standards at all our manufacturing locations and are committed to better our environmental and safety performance year after year.

Our integrated steel plant and one

of the downstream manufacturing locations, function on the concept of zero discharge. From everyday tool box talks to the annual general body meeting, safety continues to be the top agenda point. “Zero accident” is our goal and we have aligned our activities to achieve that.

Our people are our greatest assets and I state with great pride that they are the solid foundation on which JSW exists. Their creativity and innovation propelled through their excellent performance have helped us reach challenging milestones and aim for better ones.

The JSW Foundation continues to spearhead our social participation. We are graduating to a state of productive partnership with our local stakeholders. In particular, the Mahila Dairy Development Group and the Rural BPO centre at Vijayanagar have proven to be a success by providing livelihood to the locals thereby empowering them economically, while the Shramasadhana Vocational Training Centre at Vasind has helped to increase the employability of the locals by improving their vocational skills. We have continued to invest in rural development projects and support the locals with an intention of improving their livelihoods.

I believe that JSW Steel is a people's organization and would like to select this report as an opportunity to invite your feedback on our sustainability endeavours.

Sajjan Jindal
Vice Chairman & MD

Company Profile

We are the third largest steel producers in India, manufacturing a variety of flat steel products with a capacity of 2.5 MTPA. Our manufacturing operations are located at Toranagallu in Karnataka and at Tarapur and Vasind in Maharashtra.

Our operations started in 1982, when the Jindal Group acquired Piramal Steel Ltd at Tarapur in Maharashtra and renamed it as Jindal Iron and Steel Co Ltd (JISCO) now known as JSW Steel Limited (Downstream). Then in 1994, to achieve the vision of moving up the value chain and building a strong, resilient company, JISCO promoted Jindal Vijayanagar Steel Ltd (JVSL) now known as JSW Steel Limited (Upstream). The upstream unit manufactures products ranging from pellets to hot rolled coils while the downstream unit manufactures value added products. In 1991, we introduced the hot rolling mill at Vasind. In 1993, our first galvanizing line was introduced at Tarapur for producing galvanized sheets and coils. We commissioned our integrated steel plant at Vijayanagar with a capacity of 0.8 MTPA in 1999 and in 2001 commissioned Corex II to increase the capacity to 1.6 MTPA. Further in 2004, blast furnace I was commissioned increasing the capacity at Vijayanagar to 2.5 MTPA.

In 2005 the first colour coating line



at Tarapur was started with a capacity of 0.1 MTPA. The same year witnessed a turning point in the history of Jindal Group when we merged JISCO with JVSL to form JSW Steel Limited, the third largest steel manufacturer in India. The year 2006 will witness the commissioning of Blast Furnace II further increasing the capacity at Vijayanagar to 3.8 MTPA and also the launching of expansion to produce 7.0 MTPA of crude steel.

JSW Steel Limited (Upstream)

The upstream unit is located at Toranagallu in the Bellary-Hospet area of Karnataka, the heart of the high-grade iron ore belt, and spread over 3,700 acres of land. It is about 340 kms from Bangalore, and well connected to Goa and Chennai ports. The unit is a modern greenfield integrated steel plant based on unique combination of environment friendly Corex technology and blast furnace with non recovery coke ovens with

vibro-compacting. The plant capacity is of 2.5 mt of crude steel and will be expanded to 7.0 MTPA by the year 2008 and to 10.0 MTPA by the year 2010. The upstream unit is certified its management systems as per ISO 9001, ISO 14001 and OHSAS 18001.

The participation of world renowned technology suppliers like Kvaerner Metals and Danielli, USA; Sesa Kembla and Mecon, India; VAI, Austria and SMS Demag, Germany is the hallmark of Toranagallu unit.

The product mix from the upstream constitutes of hot rolled coils, plates and sheets used across a variety of sectors like automobiles, railways, general engineering works, civil engineering works, etc.

JSW Steel Limited (Downstream)

The downstream units are located at Tarapur and Vasind in Maharashtra. The Tarapur unit was commissioned in 1989 while the Vasind unit was commissioned in the year 1994.

The Tarapur plant has three divisions namely the cold rolling division, the galvanizing division, and the relatively new colour coating division. The technology suppliers to the Tarapur plant include United Engg., L&T, ABB, Siemens, Nirvan Keramchemie, and others. The galvanizing division comprises of three galvanizing lines.



Company Profile



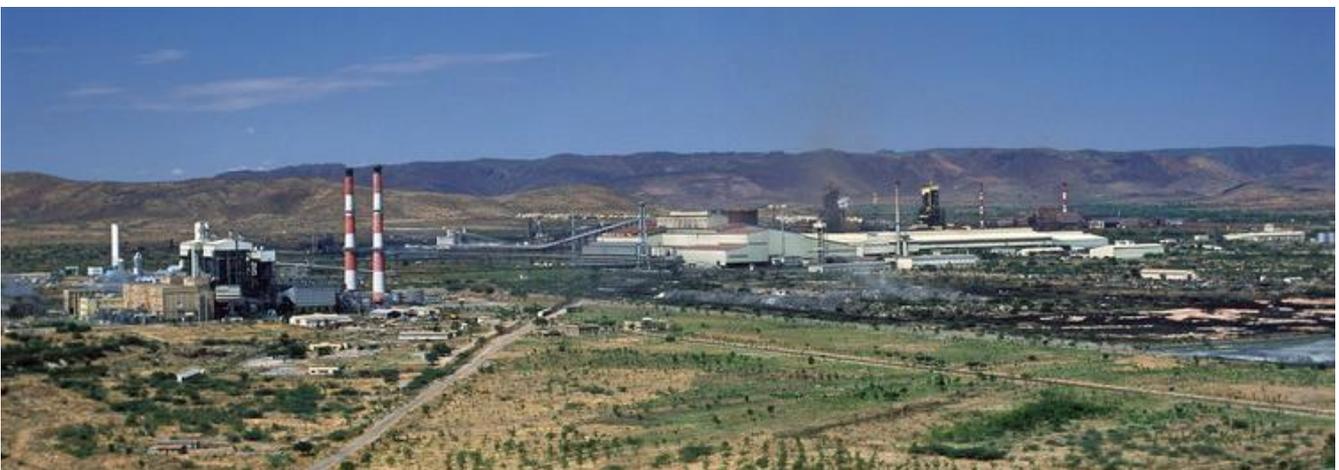
The Vasind plant has three divisions namely the hot rolling division, the cold rolling division, and the galvanizing division. The technology suppliers to the Vasind plant include Stein Heurtey, Allen Bradley, Siemens, ABB, LOIESSEN, Rizzato, Bluestar, Nirvan Keramchemie, and others.

The downstream units manufacture hot rolled plates; cold rolled – close annealed (CRCA) sheets and coils, and galvanized sheets and coils. The hot rolled plates and CRCA sheets & coils are used for diverse applications in automobiles, electrical panels, transformers, oil barrels & drums, general engineering, etc.; while galvanized sheets & coils are used in roofing, cladding, doors, windows, structural engineering, automobiles, air conditioning, ducting, etc.

The total installed production

capacity in the downstream units is hot rolled coils / steel plates / sheets – 280,000 tons; galvanized coils / sheets – 900,000 tons; cold rolled – closed annealed coils / sheets – 100,000 tons; cold rolled products – 60,000 tons; colour coated coils / sheets – 100,000 tons.

Both the downstream manufacturing locations are certified for ISO 9001 – Quality Management Systems and plan to implement ISO 14001 – Environmental Management Systems in near future.



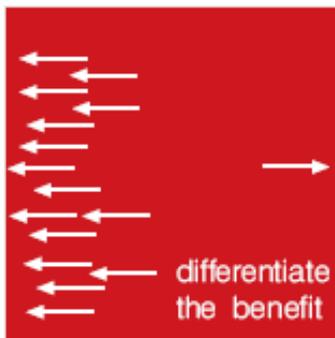
We Value Young Thinking



*Young thinking is crystal clear openness and transparency above all else.
Be it in our transactions, our operations or our interactions with our stakeholders.*



Young thinking fosters leadership. Every man is his own master. Every man has the ability to make vital decisions at every level. It is the quality, the speed, the resilience and the coherence with which those decisions are made that determines true leadership.



Young thinking is unique. No two problems can benefit from the same solution. It is our job, therefore, to differentiate the benefit of our actions so as to be able to provide our customers and the community at large, superior products.



Young thinking is for winners. To innovate, to benchmark, to strive and to deliver value beyond expectations.

Our Mission

To manufacture steel in an economically viable manner simultaneously preserving the environment and empowering the society by utilizing the potential of young thinking, adhering to our values, catalyzing growth and by creating sustainable livelihoods.

We Envisage

The preparation and grooming of the next generation of young thinkers

The continuous improvement of cost stewardship in the value chain

The ability to nurture lasting customer relationships, by anticipating needs and delivering beyond expectations

The catalyst for growth amongst the nation's steel industries

The marketing of value added branded products for both domestic and global markets

To achieve 7 MTPA by 2008 and 10 MTPA by the year 2010 at Vijayanagar.

Corporate Governance

At JSW, we have set eminent standards of corporate governance and are committed to abide by them throughout our business processes. For us sound corporate governance is a way of life represented by our transparent and open work culture synchronous with our commitment to the triple bottom line. We believe in practice rather than prophecy, which is evident from the constant upgradation of our corporate governance standards to meet the best-in-the-industry standards.

Our aim is to maximize shareholder value through achieving business excellence. We are driven by the demands of our customers and have a nation wide network of dedicated professionals to meet their needs much beyond their expectations. Our products comply with the international industry standards; are delivered as per an efficient delivery schedule; are available at competitive market prices and are well supported by an excellent after sales service. At the same time we are aware of our social responsibility and have engaged with our stakeholders to assess their needs and provide them with necessary support.

Our board of directors constitutes a balanced mix of experts. The board is duly supported by a core group of top level executives and competent professionals from JSW Steel Ltd. who have guided the company through turbulent times with their intelligence and integrity. During the reporting period the board comprised of 13 directors, of which 10 were non – executive. The chairman was non-executive and 7 were independent. The composition of the directors has been described in the adjacent table.

Audit Committee

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Concurrent Auditors

Name of the Director	Position
Executive	
Mr. Sajjan Jindal	Vice Chairman & Managing Director
Dr. B.N. Singh	Jt. Managing Director & CEO
Mr. Seshagiri Rao M.V.S	Director (Finance)
Non-Executive	
Mrs. Savitri Devi Jindal	Chairperson
Dr. S.K. Gupta	Director
Mr. I.M. Vittala Murthy, IAS	Nominee of KSIIDC (Equity Investor)
Non-Executive Independent	
Mr. Anthony Paul Pedder	Director
Dr. Vijay Kelkar	Director
Mr. Sudipto Sarkar	Director
Mr. Uday M. Chitale	Director
Nominee Directors	
Mrs. Zarin Daruwala	Nominee of ICICI Bank Ltd. (Lender)
Mr. K.V. Krishnamurthy	Nominee of IDBI (Lender)
Mr. S. Jambunathan, IAS (Retd.)	Nominee of UTI Asset Management Company Pvt. Ltd. (Lender)

and Internal Audit department and to review the weaknesses in internal control reported by Concurrent, Internal and Statutory Auditors and to review the remuneration of Chief Internal Auditor. In addition, the powers and role of the Audit Committee are as laid down under Clause 49 II C & D of the Listing Agreement and Section 292A of the Companies Act, 1956.

Remuneration Committee

The terms of reference of the remuneration committee are to determine on behalf of the Board and on behalf of the Shareholders the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. In addition, the committee also has to approve the payment of remuneration to Managerial Personnel as per the

Policy laid down by the Committee.

Shareholders / Investors Grievance Committee

The terms of reference of the Shareholders / Investors Grievance Committee are as follows:

- Review the reports submitted by the Registrars and Share Transfer Agents of the Company.
- Periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.
- Follow-up on the implementation of suggestions for improvement.

- Periodically report to the Board about serious concerns, if any.

Our Ethics

We at JSW adhere to principles of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. We have established a code of conduct for our board members and the senior management. We also have a code of conduct established to prevent insider trading. To ensure that we have a check on violations inside the organization, we have adopted a whistle blower policy.

Code of Conduct for Board Members and Senior Management

The Board of Directors of the Company has adopted the Code of Conduct for its members and Senior Management at their meeting held on 20th October, 2005. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all Directors and specified senior management executives. The Code impresses upon Directors and senior management executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and senior management executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company. <http://www.jsw.in/>



Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its management, staff and directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, top level executives and staff whilst dealing in shares. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

Whistle Blower Policy

The Company encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Chief General Manager and Company Secretary / Director Finance or Audit Committee of the Board as the case may be to safeguard them against victimisation.

Management Systems

The downstream units at Tarapur and Vasind are certified for ISO 9001:2000 – Quality Management Systems. The upstream unit at Toranagallu is certified for an integrated management system comprising of ISO 9001:2000 – Quality Management Systems; ISO 14001:2004 – Environmental Management Systems and OHSAS 18001:1999 – Occupational Health and Safety Assessment Series. The Toranagallu plant was one of the few integrated steel plants in the country to be certified for its total integration to QMS, EMS, and OHSAS, within a short period of its operation. The downstream units are currently pursuing to obtain certification for ISO 14001:2004.



We have initiated a SIX SIGMA drive in our downstream units to achieve manufacturing excellence. Under this drive, we have completed several projects aimed at improving process efficiency, improving energy efficiency, reducing material consumption, and many more.

We benchmark our upstream as well as the downstream performance with the best in the world. This helps us to understand our weak and critical areas. The benchmarking also helps us to realize our position on the world steel map.



Stakeholder Engagement

We have a structured stakeholder engagement process. This engagement with them resulted in various initiatives including sustainable livelihood programs. At each location we have a dedicated workforce for effective and efficient implementation of our social initiatives. Given below is a snapshot of our stakeholder engagement process:

Community

We identified various issues at different locations, right from basic necessity of food, clothes and shelter to broader issues of education and employment generation. Jindal South West Foundation has always supported this initiative. This year our CSR calendar features various programmes including education; health; relief work; employment generation and culture.

Employees

Employees are our key stakeholders and we map their concerns as part of our annual appraisal process. We



have a grievance mechanism in place wherein the employees can discuss any issue with their immediate superior and if required can directly approach the unit head. Our employees play an important role in our day-to-day planning. The suggestions received as part of suggestion box scheme are actually implemented based on the merit and viability of the suggestions. Such suggestions are suitably rewarded to encourage increased participation.

This year we have initiated a new program called as the Employee Perception Survey to address the employee grievances in a transparent and open manner.

Government agencies

As always we continue our consultation processes with government agencies where we operate. As part of the compliance requirements we submit an environmental statement every year to pollution control board authorities to apprise them on our environmental performance. In addition we also send a yearly report to labour commissioner's office to apprise them on our health and safety performance. Whenever required and asked for we extend a helping hand to the governments during disasters, calamities, accidents, etc. We also welcome the government agencies to regularly inspect our premises as per the regulatory requirements.

Suppliers

We conduct an annual meeting with our suppliers. During such meeting the suppliers are trained to follow the requirements set by JSW for its suppliers. The suppliers are also communicated with their individual rating as per JSW's vendor rating program. In such forums, suppliers are encouraged to express their concerns which are addressed on the basis of their merit. We have started to focus on developing local suppliers and plan to increase the share of local supplier for regular spares.

Customers

We plan our production based on customer requirements and are committed to deliver the best to our customers. We initiate a dialogue with our prime customers every year to understand their requirements and expectations from us. We try to address maximum possible queries and strive to give a positive feedback on them.

Shareholders

We have a detailed shareholders engagement process which is covered in our annual report.



Performance Indicators

This year we have decided to structure our report in accordance with the Global Reporting Initiative Guidelines, 2002. Taking a leap from previous year, we tried to consolidate information against all the core indicators.

Economic indicators section provides a snapshot of our performance in the year 2005 – 06 on indicators like net sales; cost of all goods; total payroll and benefits; retained earnings; taxes paid and donations given.

The environmental indicators detail our performance such as raw material consumption; usage of processed / unprocessed waste; direct energy use; indirect energy use; water consumption; biodiversity; green house gas emissions; ozone depleting substances; air emissions; waste generation; discharges to water bodies; spills; environmental impacts of products; recycling and reuse and

non – compliance issues.

The social indicators comprise of workforce breakdown; employment creation and turnover; trade unions; business restructuring; occupational accidents and diseases; health and safety committees; injuries and related data; HIV policy; training of personnel; equal opportunity policy; human rights; community management and product stewardship.



Economic Performance

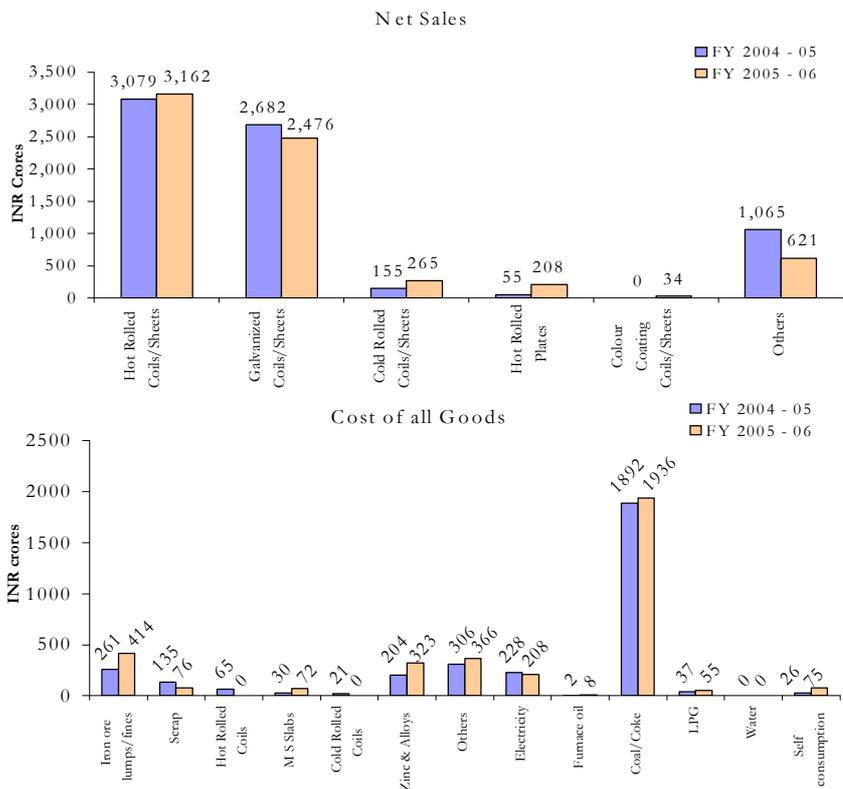
We believe in investing in the future and hence we have devoted maximum efforts in creating wealth and economic benefits for our stakeholders, what we term as maximizing stakeholder benefits.

Our economic performance this year was not deterred by sluggish markets and steep fall in prices due to our robust business model and strong financial profile. We have unwaveringly adopted a set of strategies that have helped us to expand our capacities, generate cheap captive power, provide access to quality coke, reduce debt gearing, and improve our financials. The strategies were to expand capacity at low specific investment cost per ton; vertical integration of the supply chain and debt profile improvement. Following is a snapshot of this year's performance:

Gross Sales	INR 6766.09 crores
Exports	INR 2309.75 crores
EBIDTA	INR 2129.07 crores
EBIDTA Margin	34.45 percent
Profit after Tax	INR 856.53 crores
Earnings per Share	INR 55.57

This year we exited from Corporate Debt Restructuring Framework by repayment/pre-payment of the entire outstanding CDR debt and were the first Indian steel company to do so.

Our net sales this year were worth INR 6766.09 crores as compared to INR 7035.9 crores in 2004 – 05. The breakup of the net sales is given as under. Cost of raw material plays an important role in our financials and this year we incurred an amount of INR 3382.62 crores on raw



materials inclusive of energy and water as compared to INR 3155.91 crores in the year 2004 – 05. Presented below is the list of



principal raw materials as per their share.

We have grown significantly over the years and proudly attribute this to our employees. The continual dedicated support and contribution of our employees has helped JSW Steel Limited to reach new goals and aim for better ones. We reciprocate to their efforts by providing them with appropriate remuneration and requisite facilities. This year we incurred INR 127.04 crores on payroll and related employee benefits as compared to INR 107.21 crores in the year 2004 – 05.

To ensure a steady growth a business needs to capitalize on the opportunities and expand its capacities. At JSW Steel Ltd. our aim is to produce 10 MTPA of crude steel by the year 2010 for which we have a strategic plan in action. Appropriate finance is one of the cornerstones of such mammoth expansion plans and to generate the same, we need to borrow funds from banks, financial institutions, foreign agencies, government, and

Economic Performance



others. This year our total borrowings were up by 26 percent as compared to year 2004 – 05 to INR 9194.3 crores.

Our investors depend on our success and it is our responsibility to maximize the dividends we share with our investors. This year we proposed a 10 percent dividend on cumulative redeemable preference share capital and 80 percent dividend on equity share capital. As on 31 March 2006, our share was priced at INR 302.70 as compared to the book value of INR 240.36.

Earnings Before Interest Depreciation Tax and Amortization (EBIDTA) is fair way of comparing an organization's performance with others. This year our EBIDTA was INR 2129.07 crores inclusive of sale of investments which deviates from previous year by 0.97 percent, while the Return on Capital Employed was 20.99 percent.

We believe in ethical business transactions and have maintained a clean record with the state and national exchequers. We regularly pay our taxes and related revenues. This year our total taxes paid amounted to INR 1367.09 crores, up by 17.7 percent from last year.

We believe in creating sustainable livelihoods and refrain from adopting a donation based approach. However whenever necessary we do not hesitate in

supporting organizations, communities, and people and providing them with appropriate monetary aid. This year we increased our social investment by 18.7 percent to INR 8.29 crores.

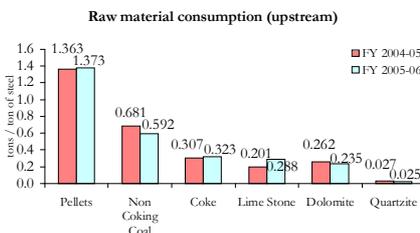
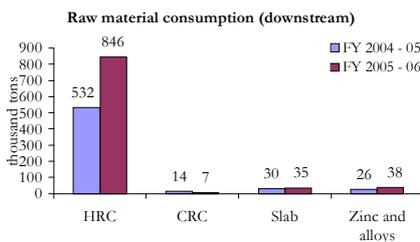


Environmental Performance

Raw Material

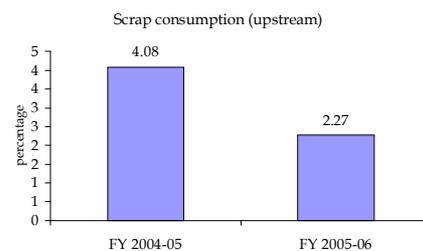
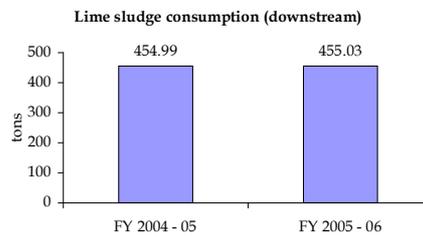
The upstream unit at Toranagallu manufactures crude steel, hot rolled coils, plates, and sheets while the downstream units at Tarapur and Vasind manufacture hot rolled plates, cold rolled sheets and coils, galvanized sheets and coils, and colour coated steel products. The raw material for the upstream unit constitutes of iron ore lumps and fines, pellets, non-coking coal, coke, lime stone, dolomite, quartzite, manganese, scrap, etc. The products from upstream units are the basic raw material for the downstream units along with zinc, epoxy, plastisol and other chemicals.

In the upstream unit we recycle steel scrap, a collective term for steel waste. In the ETP at Vasind, we consume lime sludge which is a waste product of other industries. We have initiated projects based on Six Sigma to reduce material consumption in the downstream units.



Energy

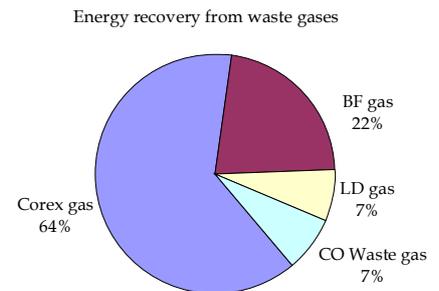
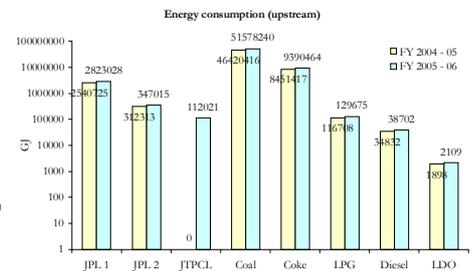
The upstream unit consumes direct energy in the form of coal while indirect energy in the form of electricity, LPG, diesel, LDO, and coke. The upstream unit also consumes energy derived from waste gases like Corex gas, BF gas, LD gas, and CO waste gas. The downstream units consume only



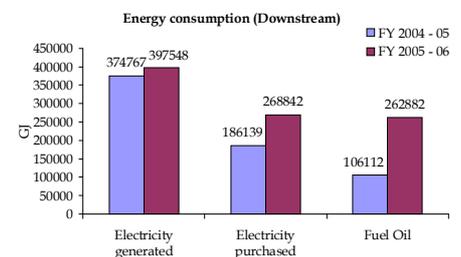
indirect energy in the form of electricity, fuel oil and diesel.

This year, in the upstream unit, the specific energy consumption per ton of steel decreased from 6.94 in 2004 - 05 to 6.60. In the downstream unit, the specific power consumption per ton for galvanized coils and sheets decreased to 212 kWh from 218.61 kWh in 2004 - 05 while the specific LPG consumption remained constant at 19 kilograms per ton.

Out of total electricity utilized in the upstream unit 86.0 percent was imported from JPL 1; 10.6 percent was imported from JPL 2 and the remaining 3.4 percent was purchased from JTPCL. In the downstream units 60 percent of the total electricity consumed was generated in-house while the rest 40 percent was imported from the Maharashtra State Electricity Board.



Total energy recovery from waste gases = 18923742 GJ



Water

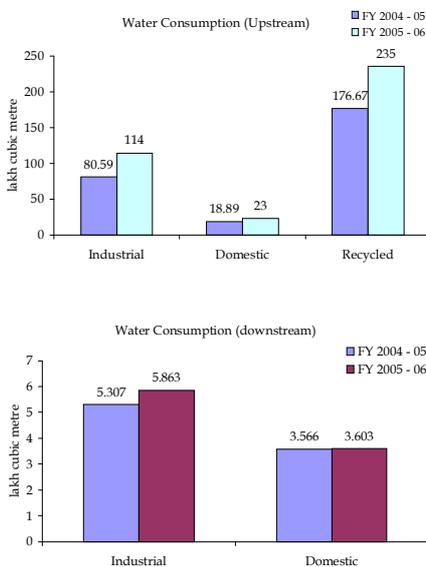
This year the specific water consumption (inclusive of water consumption for township and power generation) for crude steel production increased to 5.1 cubic metres per ton of steel from 4.6 cubic metres per ton of steel in 2004 - 05, principally due to expansion activities. The upstream unit consumed 113.92 lakh cubic

Six Sigma project on reduction in excess Zinc coating

Over the past few years the downstream unit at Tarapur was able to reduce excess zinc coating from +25 to +12.5 grams per square metre (gsm) by optimization of operating parameters and by installation and modification of bath equipments. Even after optimization, the actual coating varied in a range from +0 to +12 gsm. The team focused on reducing extra zinc coating in CSD (coated strip division) I, II & III close to the required coating thickness by standardizing the operating parameters and adopting analytical problem solving methods through Six Sigma. The major constraints identified for smooth execution of the project were poor cold rolled material shape, line stoppages, and number of campaigns. The annual saving of Zinc was to the tune of 203.35 metric tons.

Environmental Performance

metre of water for industrial consumption inclusive of JPL 1 and JPL 2; and 23.32 lakh cubic metre of water for domestic consumption inclusive of township, horticulture and construction activities. The fresh water consumption at the downstream locations also increased from 5.307 to 5.863 lakh cubic metre. The downstream unit at Vasind has adopted the concept of zero discharge where all the treated water and sewage is used for horticultural purpose.



Biodiversity

None of our operating units are situated in any reserve forest area or a protected forest area. The upstream unit at Toranagallu is located at a distance of 30 kilometres from Bellary spanning over an area of 14.95 square kilometres. The plant species available inside and in the vicinity of the unit are *Azadirachata indica* (Neem), *Pithecolobium dulce* (Jungle tamarind), *Eucalyptus sp.* (Nilgiri), *Leucaena leucocephala* (Subabul), *Delonix regia* (Flame tree), *Ficus religiosa* (Peepal), *Tamarindus indica* (Tamarind), *Prosopis cinerea* (Ghaf), *Acacia nilotica* (Babul), and *Albizia lebbek* (Sisir). There is a very small animal population in Toranagallu due to scarcity of water and sparse

forest. The available animal species are *Hyaena hyaena* (Hyena), *Melursus ursinus* (Bear), and *Sus scrofa* (Wild boar).

The downstream units are located in Tarapur and Vasind spanning over 0.154 square kilometres and 0.337 square kilometers respectively. The plant species available in this region are *Saraca indica* (Ashoka tree), *Mangifera indica* (Mango), *Syzygium cumini* (Jamun), *Cocos nucifera* (Coconut), *Ficus religiosa* (Peepal), *Ficus urostigma* (Banyan), and *Prunus dulcis* (Almond).

We conduct an environmental impact assessment study for all our major projects and expansion activities. We are aware that our steel manufacturing activities, products, and services activities have a bearing on the local as well as the global environment. Our robust management systems have helped us to ensure that there are no adverse impacts of our activities on the biodiversity in terrestrial, fresh water & marine environments.

Green House Gas Emissions

Our activities have a direct impact on the global climate change. We utilize carbon intensive fuels and import electricity which contribute to direct and indirect carbon dioxide emissions but at the same time generate electricity by combustion of waste process gases which reduces our net carbon dioxide emissions. At our upstream unit we have an extensive GHG accounting program for the entire unit. This year our total emissions increased to 4,644,354 tons of CO₂ equivalent as compared to 4,610,658 tons of CO₂ equivalent last year. The downstream units are gearing towards initiating GHG accounting in the near future.

Ozone Depleting Substances

We are aware about the importance of the ozone layer and the damage caused to it due to various chlorofluorocarbons collectively termed as ozone depleting substances. We have successfully eliminated the use of ODS at Tarapur. We continue to use

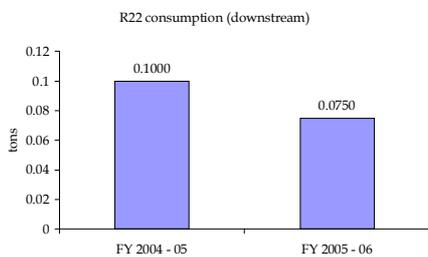
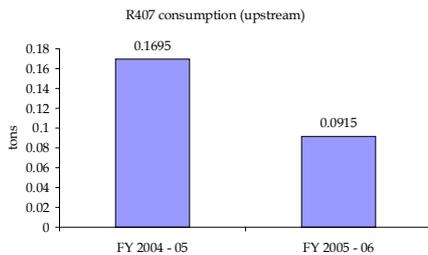
Six Sigma projects to reduce power consumption.

At Tarapur, a Six Sigma initiative was launched to reduce auxiliary power consumption in the plant. Earlier, 40 percent of total power consumption was auxiliary consumption, also as the power consumption of auxiliary units was not directly related to the production, chances of wastage were high. A micro level study was executed and related parameters were optimized like connecting TM (Tarapur Mill) 3/TM4 through CRD (cold rolling division) compressor bank; optimization of compressors operation through SOP (standard operating procedure); modifying the ammonia cracker insulation to maintain the skin temperature at 40 degree Celsius and many more. The initiative could save 70,670 kWh of electricity per month equivalent to INR 212,011 per month.

At Vasind, a Six Sigma initiative was launched to reduce power consumption in cold galvanizing line (CGL#2) which consumed 15 percent of total power in the complex. The line was relatively new and hence was not subject to any power optimizing initiative. The preliminary aim of the initiative was to reduce the power consumption by 3 units per ton of output. After an extensive mapping of the area changes like standardization of hot bridge exit strip temperature, standardization of CAG blowers output, installation of variable frequency drives for Zinc pot ventilation blower and many more were adopted. The initiative could save 3.6 units of electricity per ton of output equivalent to INR 2,000,000 per annum along with standardization of process parameters.

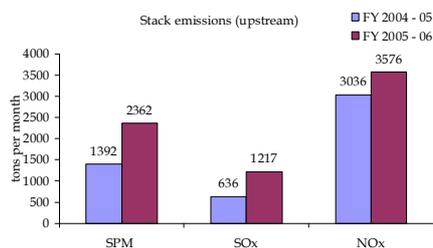
Environmental Performance

R 22 at Vasind and R 407 at Toranagallu in air conditioning units, refrigeration units, and water cooling units. We are committed towards complete elimination of ODS from all our units and have started working towards the goal.

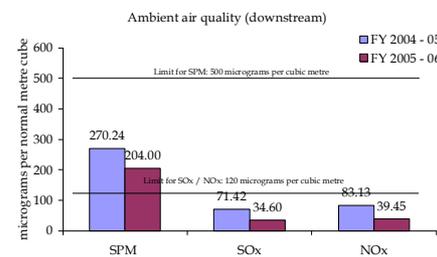
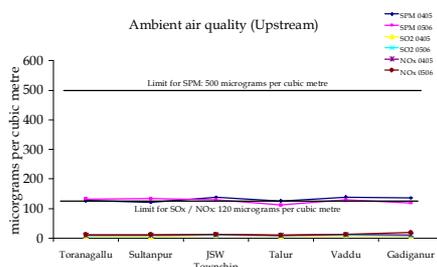
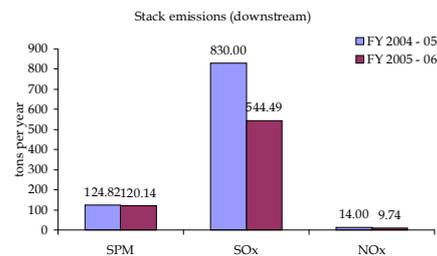


Air Emissions

We are focused on maintaining a clean and safe environment at all our manufacturing units. Air pollutants are some of the invisible agents which have prolonged effects both on living organisms as well as the non-living things. We have given special importance to air pollution in all our units and have constantly maintained the pollutant levels way beyond the set norms. The air pollutants from our manufacturing units include suspended particulate matter (SPM), oxides of Sulphur (SOx), and oxides of Nitrogen (NOx). We periodically monitor stack emissions and ambient air quality. We have outsourced the stack monitoring



activity to a certified external agency at all locations.



Waste Management

We believe in reduce, recycle, and reuse - 3Rs approach towards waste management. Reducing waste generation at source itself saves material and directly adds to the economic bottom line of the organization. Further recycling of waste helps to reduce the input raw material and thereby the reduce emissions. Reuse of material saves the consumption of virgin raw material thus adhering to the true meaning of sustainable development. We have waste management programs at all the manufacturing units which are aimed at reducing waste generation and proper management of generated waste.

In both the downstream units we have installed acid regeneration plant for regeneration of spent hydrochloric acid used in the pickling line. Only make up quantity of fresh acid is added as and when required. The hazardous solid waste like ETP sludge and dead flux is sold to authorized waste disposal contractors.

In the upstream unit most of the

Generation of electricity using waste gases from blast furnace and Corex

The principle behind this project was to generate electricity by burning waste process gases which otherwise were either flared or let off. The project activity consisted of setting up and operating a 100 MW power plant for generation of electricity by combustion of waste gases from blast furnace and Corex units. A natural circulation Bi-drum type steam generator with a vertical two pass unit, capable of firing BF & Corex gases was used. The maximum continuous rating of the generator is about 390 tons per hour of superheated steam at a pressure of 93 kilogram per square centimeter and temperature of 540 degree Celsius when supplied with feed water at a temperature of 237 degree Celsius at the economizer inlet.

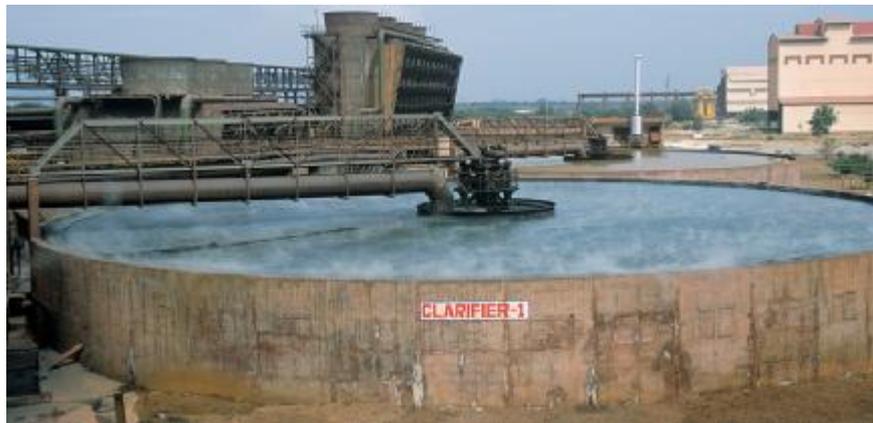
This project eliminated flaring of waste gases and effectively helped in reducing GHG emissions. The project benefited funds derived through clean development mechanism under the Kyoto protocol. The estimated amount of CO2 emission reductions was 7,23,415 tons per year.

The technology of combined firing of gases differing in characteristics employed in the project activity for using BF & Corex gases to generate power is first of its kind in the world. The project was executed in-house by skilled personnel under difficult operating conditions.

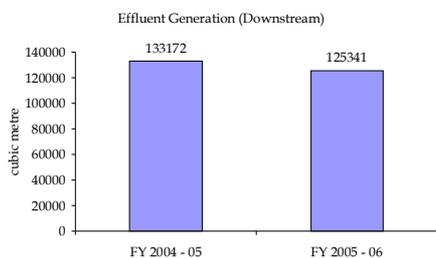
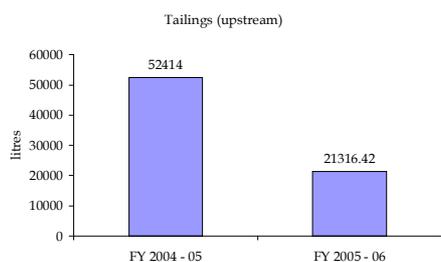
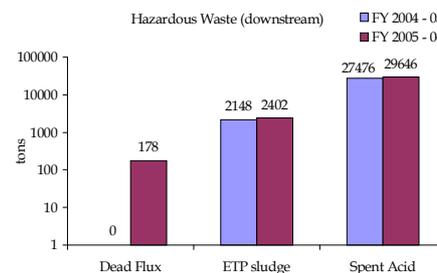
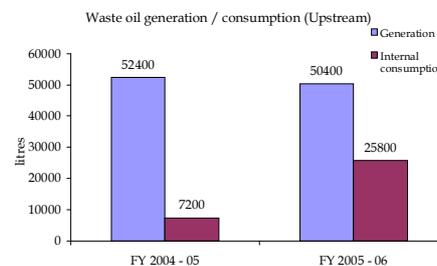
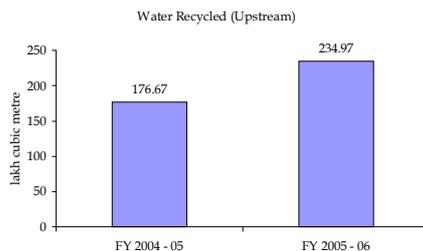
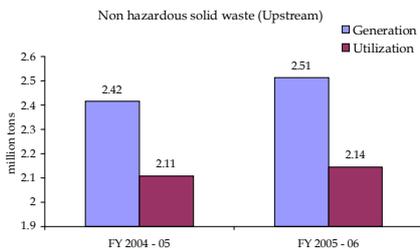
Similar project is under progress at JPL 2 to use waste heat of coke oven gases for the generation of electricity.

Environmental Performance

generated solid wastes are reused. The Corex slag is partially reused in captive cement plant and the balance is sold to slag cement manufacturers. The Corex sludge is partially used in pellet plant and the balance is used as bund material for slime pond construction. Out of the total BOF slag generated, a part is used in Corex and BF as replacement of flux; while the iron bearing material is used in SMS and the bigger fraction is used as bund material for slime pond construction. The coal fines are partially used in power plant and rest quantity is sold to authorized parties. The mill scales are reused completely in the pellet plant. The BOF sludge is reused totally in the pellet plant. The lime fines are briquetted and used in BOF shop, while the balance material is used in construction of slime pond.



The upstream unit and the downstream unit at Vasind have adopted the concept of zero discharge. Instead of discharging treated effluent and sewage, the same is used in horticultural activities and fire water ponds. At the upstream unit, maximum quantity of water is recycled and re-circulated back in to the system while only make-up water is added.



Fume extraction system for hot metal mixer and slag raking at BOF.

To control the fugitive emissions from mixer and slag raking machines of BOF shop, a fume extraction system was installed with an investment of INR 3.5 crores. The details of the fume extraction system are as follows:

Capacity of fan - 375,000 cubic metre per hour

BHA pleated bags - 1,560 numbers

Total filtration area - 5,808 square metre

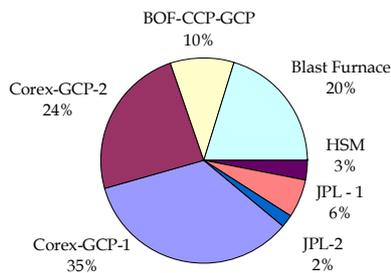
Type of bag filter - pulse jet

The aim of the extraction system was to reduce the work zone air quality to less than 5 milligram per cubic metre in mixer and slag raking area. This project was executed under difficult work conditions and stringent logistical constraints. The erection of ducting and hoods was executed during the plant operating conditions. The project uses BHA pleated bags which have reduced the size of the bag house to one-fourth of a conventional bag house. This has also increased the bag life and reduced maintenance of the system.

Similar system will be implemented for secondary fumes of converters of BOF with an estimated investment of INR 22 crores by Mar 2008.

Environmental Performance

Water recycled from various units (Upstream)



Other environmental issues

We regularly carry out environmental monitoring to determine the pollutants' level in the surrounding environment. Based on the monitoring, every year we submit an environmental statement to the relevant state pollution control board that gives the detailed account of our environmental performance. In Karnataka, the Karnataka State Pollution Control Board monitors and inspects our operating site, while in Maharashtra the same is executed by the Maharashtra State Pollution Control Board. To further evaluate our

performance and strengthen our systems, we carry out third party independent assessments. This year there were no external or internal environmental contraventions throughout the organization. Also, there were no incidents related to spillage of chemicals, oils or fuels throughout the organization this year.

Though we have not conducted any life cycle assessment study for our products, we can quote certain facts about steel, recognized by International Iron and Steel Institute (IISI). As per IISI, LCI for steel has to be considered only from 'cradle to gate' that is from steel manufacture to gate principally because of long life of steel that exceeds 100 years. Thus the data provided in the earlier sections account for the entire life cycle inventory of steel manufacturing. The data fairly evidences the fact that when properly managed by robust systems, steel manufacturing does not have adverse environmental impacts.



Use of waste oil in non recovery coke ovens.

Waste oil is categorized as hazardous waste as per schedule I of Hazardous Wastes (Management and Handling) Amendment Rules, 2003. In the upstream unit we have made an elaborate arrangement consisting of a storage facility, pipeline network and pumps to reuse the waste oil generated from different plant units in the coke ovens. By this way we avoid the problem of disposal of hazardous waste oil. The addition of waste oil in the coke ovens helps to improve the bulk density of coal thereby improving the quality of coke. Initially the use of oil to improve the bulk density of coal was seen as a deterrent to the quality of coke but with a continuous vigil and analysis of coke quality, an optimum dosage of oil was established to produce a better and consistent quality of coke.

Such systems will be installed right from the beginning during the expansion of the coke ovens.

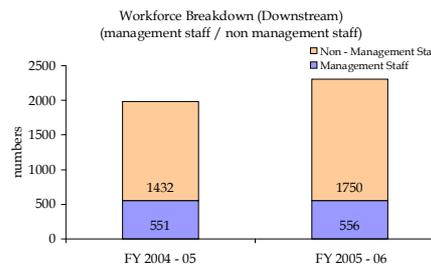
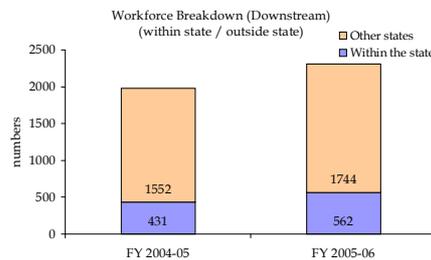
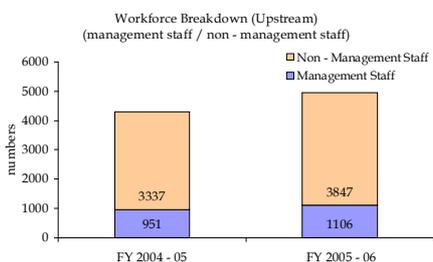
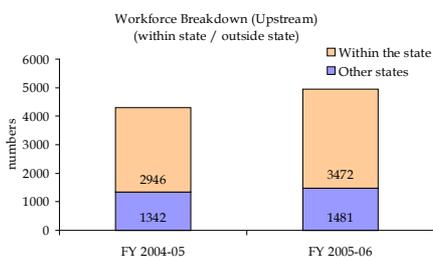
Social Performance

Employee & Labour Management

Our success lies in our people, who are key to day-to-day functioning of our facilities, and help us achieve excellence in whatever we do. We constantly work towards nurturing them with a safe, healthy and respectful work atmosphere- which fosters mutual learning and respect, and a spirit of healthy competition.

Our workforce has a diverse mix of Indian culture. Our workforce is a miniature model of the Indian society with its rich diversity. We have a multi-lingual and multi religious work force. At all our locations we value and ensure local representation. This year our total workforce at the downstream locations numbered to 2,306 of which 24.4 percent was the local representation. Similarly at the upstream location the total workforce stood at 4,941 of which 70 percent belongs to the local population. Ideally the local population at the upstream is more than 80 percent but this year due to the expansion activities across locations, personnel have been brought to Toranagallu site for training purpose.

We help our people to realize their



potential, live their dreams, and make their lives better and happier. The focus is clearly on achieving job satisfaction in the workforce. This is evident from the low employee attrition rate at all of our manufacturing locations – upstream and downstream. We have some of the finest minds working with us and our aim is to carefully select and nurture the best talent. We realize that our customers expect the best from us, and hence our efforts are directed towards selection and retention of the best minds to deliver world class products. At the upstream location, because of the expansion activities, the recruitment process continues throughout the year. The downstream locations are stabilized and here the recruitment process is need based or subject to a vacancy. This year the employee attrition rate in the upstream unit decreased to 3.7 percent from 4.8 percent in the last year; while the employment creation rate increased to 20.1 percent from 13.2 percent in the previous year. Similarly, in the downstream unit, the employee attrition rate decreased from 7.2 percent to 6.8 percent this year and the employment creation rate decreased to 7.6 percent from 13.8 percent.

We have a highly dedicated and motivated workforce which works with great discipline. We encourage our employees to state their grievances regularly, through informal and formal mechanisms, as we feel that addressing an issue at its very inception can prevent many a grouse. This practice has helped us in maintaining a union free environment since inception as we are able to arrive at amicable solutions to all the problems through dialogue and discussions. To facilitate this, we have periodic interaction with employees at the shop floor along with open house sessions for all employees presided by the senior officials, JMD & CEO.

We strongly believe in gender equity and provide equal opportunities to each and every person. This is evident from the growing number of women in our organization. All our employees are given fair opportunities to grow in the organization irrespective of their position. In our effort to break gender stereotypes, we have employed women in non-traditional roles, such as that of crane operators, which is a typical male bastion in the industry.

We are in total compliance with the Factories Act, 1956 (and rules thereof), which is mandatory in India. Compliance to the Factories Act means stringent compliance to clauses overlooking human rights, child labour. At JSW, forced and compulsory labour is prohibited for employees as well as for contractors. We ensure the rights of our employees and respect their culture and do not allow any type of racial discrimination between our employees. We consider human rights violation as a contradiction to our ethics and values and hence oppose that without any exception. We are working towards developing a human rights policy which will

Social Performance

encompass all our manufacturing units.

We have adopted stringent measures to prohibit child labour. All our employees along with contractor's employees have an identity card. The identity card bears the name and age of the holder. At all entry and exit points are manned by security personnel who manually check the identity cards of personnel entering the factory premises. Any violation with respect to the age of any person entering the factory is brought to the notice of the Head of Security, who then take proper action against defaulters.

We have stringent penalties ranging from fine to termination of employment for personnel found guilty of bribery and corruption related issues.

We have posed no restrictions on our employees' association with any organization or a political party as far as it does not affect the interest of the organization.

Health & Safety Management

Commitment by our management towards plant safety encompasses the three vital components technology, facilities and personnel. We believe that everyone has the right to a safe and healthy workplace and it is the responsibility of the management to ensure the same. We have set for ourselves a formidable target of achieving zero accidents and maintaining the same. The upstream unit is certified for OHSAS 18001 – Occupational Health and Safety Assessment Series while the downstream units are gearing up for the same.

We have established a safety framework in our upstream unit based on the principle of achieving excellence through discipline. The framework is supported by several building blocks like process hazard analysis, operating procedures and



related best practices, safety reviews, technology management, training and performance, incident reporting and investigation, personnel management, contractor safety, on-site and off-site emergency response and planning, safety audits, change management, linkage with quality and environmental parameters and many more. Together these blocks have created a system that

safeguards the JSW campus against any industrial disaster.

Given ahead is a glimpse of our safety records in past year. We are striving hard to improve our safety performance and have planned some safety and health related initiatives in the year 2006 – 07.

	U/s*	D/s*
Injuries	25	14
Injury rate	0.308	0.274
Lost days	1573	12000
Lost day rate	19.36	234.91
Fatalities	0	2

*U/s – upstream; *D/s – downstream

Safety at workplace is impossible without the whole hearted participation of the employees, which is why we have formed several HSE (Health, Safety & Environment) committees at the upstream and downstream units. The principal aim of these committees is to ensure 100 percent compliance to the laid safety measures and abide by the organizations health, safety and environment policy. To demonstrate the organization's involvement the committees have equal participation from the management as well as

Employee Perception Survey at Toranagallu

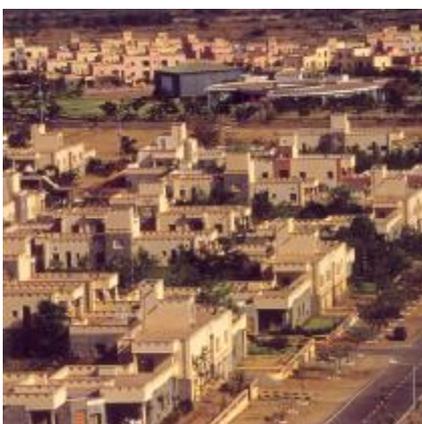
The employee perception survey was conducted to ascertain the perception & satisfaction levels of the employees at JSW. The aim of the survey was to eliminate bottlenecks through transparent and effective communication and by addressing issues in the right perspective. The survey is meant to help the HR team to focus on the areas of improvement and also bridge the gap between the employees and the management. The idea is to encourage greater participation of the employees in the overall growth of the organization. The survey was conducted with the help of a systematic questionnaire designed for JSW covering all the employees working in all the shifts. The success of this survey will lay the foundation for the forthcoming surveys like Employee Satisfaction Survey, Employee Aspiration Survey, etc. which are planned during the financial year of 2006-07. The findings of this survey are under review by top management and will be released in the second quarter of the next year for public review.

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from the employees. These committees are empowered to take decisions related to HSE issues, at the local level. The upstream unit has a central safety committee supported by 10 plant level committees involving 210 personnel, while in the downstream units Vasind has 3 committees with 78 members and Tarapur has 1 committee with 34 members.

We follow the Factories Act, 1948 and rules thereof, which is mandatory in India and similar to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases. We have round the clock in-house occupational health care services in form of occupational health care centres at the downstream units and a full fledged hospital at the upstream unit. We regularly monitor the health of our employees in the form of half yearly and yearly checkups. The health care centres and the hospital have a detailed record of the health parameters of each and every employee. We have extended the health care facilities to our contractors and their personnel at minimum cost.

We are well aware of the dangers of AIDS and related diseases and have initiated several programs on AIDS awareness and continue to educate our people about its dangers. We plan to introduce a comprehensive and a formal AIDS policy in future.



Knowledge & Learning

In today's competitive and demanding work environment, having the right skills at the right time and at the right place plays an important role in achieving success. Training and development are high priority areas which require a lot of intensive work, and commitment on the part of the trainer as well as the trainee. There are ample opportunities provided for people to grow and appropriate training helps them to develop the necessary skill sets to expand their capabilities and contribute to the growth of the organization. After all, we grow when our people grow!

At JSW, training needs are assessed as a part of the yearly appraisal process. The assessment starts from at the employee level where each employee identifies his / her areas of improvement. This is followed by an evaluation from the immediate supervisor and senior managers. Finally development plans are created for every individual based on existing employee talent and identified skill gaps to achieve the company as well as individual goals.

JSW has a tie up with JFE (Japan) and VAI (Austria) for imparting training on steel manufacturing. We also sponsor employees for exposure to state-of-the-art technology at POSCO (Korea), BAO Steel (China), China Steel, etc.

In addition we train our employees

in the UK, USA, France, Germany, etc., at sites of the foreign collaborators and equipment suppliers, to handle the expansion and modernization of the plants.

On a macro level, we have classified our training programs under professional upgradation of qualification; technical skills upgradation; administrative areas, and management. Some of the programs include:

- Multi-tier programs aimed at addressing the needs of individuals at different levels in the organization and in different functions. Under this category are programs for Outstanding Leadership,

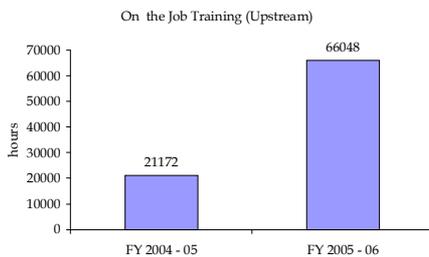
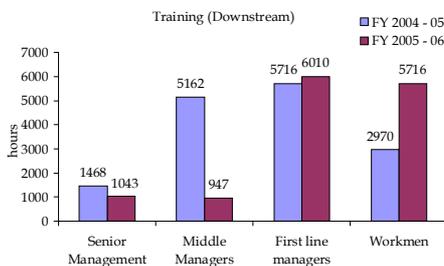
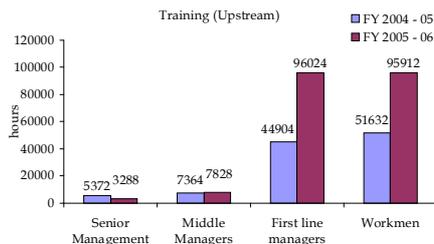


Emerging Leadership, Young Leaders and General Management, etc.

- Functional programs to develop skills in sales and marketing, supply chain, finance and manufacturing.
- Role-specific programs aimed at developing skills for specific assignments for unit heads, function and department heads.
- Competency-based programs that focus on building individual skills, enhancing personal and team effectiveness.
- Business-focused programs to address business needs, issues and practices specific to a

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- particular business.
- Outreach programs, such as performance management programs and team-building workshops.



To facilitate the entire training process we have established the Jindal Knowledge Centre (JKC) at Vijaynagar and an HRD centre at Vasind. We are in the process of setting up a 'Developmental Centre for Excellence' in Mumbai. The JKC is equipped with books and magazines on various topics; augmented state-of-the-art infrastructure for faster and timely access to information. We have installed a web based Online Public Access Catalogue (WEB OPAC) to access JKC's holdings in a more interactive way.

We also have a mentor – mentee relationship amongst our employees. Every senior employee takes upon himself, the task of improving the

performance of his juniors. The mentor becomes a source of information, encouragement, help and guidance, in adherence to JSW's culture of continuous improvement through knowledge sharing.

Social Responsibility

As a responsible corporate we understand our role in the society and hence to focus clearly and specifically on social issues with greater commitment, we have established the JSW foundation. Managed by an exclusive project head and supported by respective unit heads in the capacity of project champions, the JSW foundation is responsible for managing all the social activities of JSW Steel Ltd. across locations.

We have segmented our developmental activities under the following categories:

- STI & AIDS
- Health
- Livelihood
- Education
- Culture
- Capacity Building
- Drinking Water
- Infrastructure Development
- Sports
- BPO
- Women Empowerment

The aim of the foundation is to address the issues of the common man and specially concentrating on the weaker sections of the society. The key result areas are poverty and illiteracy.

STI & AIDS

The activities under this category include creating awareness about Sexually Transmitted Infections & AIDS; identification of patients and their treatment. Awareness is created by organizing programs, conducting street plays, distribution of pamphlets and condoms. The target audiences for these programs are truck drivers and local villagers. Till

date we have successfully covered more than 9 villages and 2000 plus truckers under this scheme at Vasind and Tarapur and 12 villages at Toranagallu.

Health

The Mahuli Health Project

Mahuli is a predominantly tribal area located about 15 Km away from the Vasind manufacturing unit at the foothills of Mahuli fort. Preliminary needs assessment studies indicated lack of medical facilities in this area. For any medical problem the tribals from this area have to visit a primary health centre situated 15 kilometers away or the private practitioners in the area who lack credibility. The tribals either lose their daily wages on account of visiting the health centre or suffer from wrong diagnosis and medicine prescription. They also have to bear the cost of medicines which was way beyond their capacity. As a result minor ailments were left untreated, especially amongst women and young kids and finally resulted in prolonged morbidity, reduced immunity and major illnesses.

The aim of the Mahuli Health Project is to treat minor ailments of the community here. A team of doctors and paramedics has been scheduled to visit Mahuli every week to offer free diagnostic help and medicines to tribal population, especially women and children. Also, in selected cases, patients are given



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vitamin and necessary supplements. On an average 50 to 60 patients are treated per visit under this project.

Health camps in Tribal Residential schools

In a health camp organized previously in two residential schools, doctors had diagnosed many students with skin ailments. As these children stay in residential schools the chances of them suffering from skin infections is very high. On 20th & 27th November and 11th December 2005 health camps were organised in Sant Gadge Maharaj Ashram Shala & Mukane Adiwasi Ashram Shala in association with the Rotary Club of Goregaon. In this camp medicines and medicinal soaps along with necessary vitamin supplements were distributed amongst the infected school children free of cost.

Activities at Jindal Sanjeevani Hospital

Jindal Sanjeevani hospital constructed at Toranagallu was started in 2003. The hospital is spread over an area of 27,000 square feet and has a capacity of 75 beds. The services offered by the hospital include in – patient and out – patient treatment, medical check – up, outreach programmes, operation theatres and ICU, pharmacy and ambulance services. During the year 2005 – 06, eye camps were conducted in 9 villages wherein 117 villagers availed free cataract surgery. Also in the regular general health



checkup camps, 101 villagers were treated for dental problems and 758 villagers were treated for general health problems.

Cancer Screening

Cancer awareness lectures and a cancer screening facility were organized in February 2006 at Vasind. Over 100 local women benefited from this camp. The results of the screening were communicated to the women and guidance was offered for the follow up treatment.

Livelihood

Rural BPO

In a step towards creating sustainable livelihood, JSW Steel Ltd. has set up a BPO (Business Process Outsourcing) unit in its township premises in Toranagallu in collaboration with Lason India Ltd., Chennai. Lason India has pioneered the rural revolution in southern India by setting up its production units in villages and 'B' towns. This particular unit handles a portion of the publishing work, outsourced by an American unit. The activities consist of data entry and data processing which can be handled by any literate person.

The unit started with a practice session for about a month. About 150 women (100 from surrounding villages and 50 from township) were trained and asked to appear for a test and 40 candidates were selected.

These candidates further underwent project specific training for about a month before commencing the actual work. These selected trainees are being paid a stipend and a share of the revenue generated. The remaining 100 candidates who were not selected earlier were subjected to another round of training along with newly registered candidates to improve their skills.

The main rationale behind setting up this unit was

- To cater to the employment needs of about 5,000 youth in the surrounding rural areas.
- To empower rural youth economically by providing them a dignified employment opportunity.
- To enable the rural youth to adjust themselves to the changing life styles.
- To bring the technology closer to rural populace.
- To increase computer literacy in the surrounding villages.
- To reduce the migration of youth from rural area to urban area in search of employment.

Mahila Dairy Development Group

At Toranagallu, the JSW Foundation partners with women from neighbouring communities to enable them to earn a livelihood through dairy related activities. The foundation provides financial inputs to local groups in form of revolving

Social Performance

funds which are disbursed to identified beneficiaries. The loans are recovered over an extended time period or when the beneficiary is in a position to repay the loan. Till date INR 450,000 have been disbursed to around 90 women under the initiative.

Education

Early Childhood Education Project

This was a partnership project with Integrated Child Development Scheme of Government of India with training support from Centre for Learning Resources, an NGO based in Pune. The ICDS project is aimed at holistic development of children from 0-6 years. Eventually the project contributed to developing feeding centers for children at village level. The task of imparting education to the children was left incomplete because of untrained anganwadi workers. JSW foundation selected 29 anganwadi workers in Vasind and provided training to them for 10 days. The workers were also equipped with training material to educate children using interactive methods. They were also taught to design and use of low cost educational material that could be locally made. The intended beneficiaries of this project are 1500 children between 3 to 6 years, who study in 29 anganwadis in project area. A similar project has also been initiated in Tarapur from February



2006, which would train 27 anganwadi workers around Tarapur.

Computer Assisted Learning Centres

At Toranagallu, in association with the Azim Premji Foundation, the JSW Foundation has set up computer assisted learning centres in government schools with a motive to enhance child's learning capabilities through computers. This year 3 schools were provided with such centres increasing the tally to 9 government schools till date benefiting 4000 students.

Balwadis and Accelerated Reading Programme

To provide quality education to the rural children and enterprise opportunity for local girls, the JSW foundation in collaborating with the Akshara Foundation, has initiated 'Swathantra Balwadi' centres to cater to needs of children in the age group of 3 to 5 years; 'Mobile Child Library' and 'Accelerated Learning Programme' (ALP) to benefit the children in the age group of 6 to 14 years. The *balwadis* are being run by educated local girls for a nominal charge. Till date, 25 *balwadis* have been setup across 17 villages near Toranagallu. While under the learning programme, 500 slow learners have been identified from 17 government primary schools to enhance their learning skills.

Culture

KHOJ Workshop

Vasind hosted an international artist's workshop titled KHOJ 2005 during 5th June to 22nd June 05. This workshop brought together 23 artists from Germany, France, UK, Sri Lanka, Pakistan, Bangladesh, Barbados, South Korea, South Africa, and India; representing various cultures and backgrounds, to reside together and work intensively for two weeks on a common platform, exchanging ideas and methods, approaches and exploring alternative visual expression. In this workshop, issues related to international developments in the visual arts were addressed. The emphasis of the workshop was on the exchange of ideas and practice between Indian and international artists. The focal point was learning through informal interactions in a free environment encouraging spontaneity. The artwork of artists was on display for the JSWites, art critics, students, and local artist community.

Royal Court Theatre Workshop

Royal Court Theatre workshop was organized in Vasind from 20th March to 31st March. Resource persons of British origin along with 11 play writers and 8 stage artists from India participated in this workshop. This was JSW's third workshop with the group. Participants from previous workshops were invited to interact with the current group of participants. The workshop included play writing and enactment. The resource group commented on the writing style and setup of the play and suggested appropriate changes in the plot. The play written during this workshop would be further developed by a group of playwrights and will be staged in Mumbai at NCPA and Prithvi Theatre by this year end in the form of a festival named 'Writer's Block'. This

Social Performance

workshop is a partnership effort of Rage Theatre group from Mumbai, Royal Court Theatre from London, British Council & JSW Foundation.

Enameling workshop

An enameling workshop was organized in Shramsadhana Vocational Training Centre, Vasind during 23rd to 29th December 2005. This workshop was organized in two batches, attended by 34 participants. The participants worked on steel & copper and used small kilns for firing the enameled objects. In this enameling workshop apart from working on small pieces the participants also experimented with jewelry and 3 D objects such as ashtrays and candle stands.

Capacity Building

Shramsadhana Vocational Training Centre

Since its inauguration on 28th March 2003 SVTC aimed at imparting vocational skills to local youth to increase their employability.



In its first year SVTC imparted vocational skills to 138 students who completed either a 3 month or a 6 month certificate course and to 128 students who learnt handicrafts & creative skills. From July 2004, SVTC started offering one-year certificate courses jointly with Fr. Agnel Technical College. The students who completed the course were formally handed over their course completion certificates in a small function. Many of the students from technical background have got employment while those from tailoring and beautician background have become self employed professionals. From 2005 onwards special courses and workshops on soft skills development, self-awareness, and communication skills were organized. In 2005-06, 175 students are pursuing certificate courses in Welding & Fabrication , Electrician, Electronics, Dress Making & Fashion Designing, and Beautician. From March 2006, Computer courses & conversational English courses have been introduced. SVTC also runs a school extension project for students studying in 8th & 9th grade from the tribal residential school in Dahagaon. The students are given introductory training in electrician skills, personal hygiene & grooming. The students of SVTC pay a token amount as fees which constitute about 20 percent of total expenses of SVTC. This payment is taken to

ensure that students value this training and it is not considered to be free aid by a benevolent corporate entity.

Considering the response to SVTC from the local community; in the coming year SVTC will witness an infrastructure upgrade with introduction of additional class rooms along with a fully equipped computer lab.



Social Performance



Life Skills Development Program

Adolescence is a crucial phase of life which needs to be handled carefully. To explain the importance of adolescence and to educate young girls and boys about the future physiological and hormonal changes JSW foundation organized two one-day workshops in Vasind on life skills education in October 2005. Over 55 adolescent girls and boys attended this program to enlighten themselves about the facts on adolescence.

Similarly, a two-day workshop on life skills was organized on in February 2006 to focus on self confidence, communication skills, goal setting, interpersonal relationship, making healthy choices, handling emotions, etc. Over 32 students attended this workshop in Vasind.

Career Guidance Program

Students from rural areas lag behind in the race for careers, not because of lack of talent, but due to lack of information about career avenues that lead to employment opportunities that can fully realize their potential. To address this, we have started a series of one-day career guidance workshops in schools to discuss the various dimensions of career planning. Students of 8th, 9th, 10th grade and junior college attend these sessions conducted by trained career counselors. The salient activities this year were;

- A career guidance exhibition & database that was introduced in 20 schools.
- 22 Career Guidance workshops that helped 3,442 students in Tarapur & Vasind to decide about their careers.
- Aptitude Interest Personality Test for 35 JVM students along with appropriate counseling sessions for the students and their parents.

Infrastructure Development

Hostel for tribal residential school

With an objective to contribute to the cause of education of tribal children JSW foundation decided to allow Sant Gadge Maharaj Mission to use 8 flats in Vrindawan Housing Complex owned by JSW Steel Ltd. as a hostel for tribal students of the residential school for in Bhatsai village at a nominal charge of Rs. 1 per annum. This school started way

back in 1970, has more than 500 students studying in various grades from 1st to 10th. The decision was taken to support the social cause and also in keeping with the Foundation's aim of making primary education available to all.

Relief Work in Kalyan Flood

Mumbai and its suburbs were hit by torrential rains on 26th July 2005. Heavy rains resulted in floods that created havoc in Kalyan & nearby areas. Jindal Vidya Mandir, Jindal Hospital together with JSW foundation initiated flood relief activities in Kalyan. Following is a brief account of the activities:

- Health camps: Jindal Hospital organized health camps in low lying areas of Kalyan which were submerged during floods and were at maximum risk of outburst of epidemics. For five consecutive days, our team headed organised diagnostic camps in Kalyan and also distributed free medicines worth. About 3000 people were treated for skin infections, minor wounds, fever of unknown origin, diarrhea, cough & cold.
- Distribution of dry ration: Jindal Vidya Mandir with the help of its students & members of Akanksha Ladies Club distributed 700 food packets of dry ration in Raita village. The dry ration packets



Social Performance

consisting of rice, oil, dal, and biscuit packets were distributed to each household with the help of local grampanchayat.

- Together the total amount of funds released for the relief work amounted to INR 2,33,000.

Women Empowerment

JSW foundation, in pursuit of its vision has initiated a number of innovative projects. One such innovative project proposed by Ms. Sangita Jindal is crane operation training for women. Under this project we proposed to train women to operate cranes, generally a male dominated profession. The idea was to empower women and help them to realize their potential. We interacted with several women in the neighbouring communities to understand their reaction and much to our surprise; their response was a positive and enthusiastic one. We selected 9 girls from the age group 20 to 25 and trained them to operate a crane and a pay loader. The girls had to part with their regular attire and switch to trousers and shirts with safety shoes and helmet. The girls remarked that they derived tremendous power and energy from wearing the trousers and shirts. The girls were deployed to work in the general shift and were paid a stipend during the initial training. After a period of four months they were promoted as Assistant Operator based on their performance.



The main rationale behind starting this project was to empower rural women and help them realize their potential. The interest shown by the village girls added to our eagerness to launch the project at the earliest the project without any delay. The project helped us realize our goals of:

- Socio-economic empowerment of women in surrounding villages.
- Motivating other rural women to become part of similar initiatives.
- Increasing the self confidence of rural women.
- Instilling a sense of achievement in the women.
- No discrimination based on gender.

Our Approach to Reporting

Our aim is to provide a balanced and reasonable representation of JSW's economic, environmental and social performance in this sustainability report.

We have initiated the reporting of our triple bottom line performance as we recognize the role we play in the society as a responsible organization and the importance of being transparent and accountable. We are continually improving our systems and endeavour to present useful and accurate information to our stakeholders.

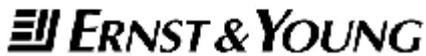
Our approach to reporting has been dynamic and progressive since we began the reporting process in the year 2005 – 05 through “Ingredients of Sustainability” – our maiden sustainability report. We have taken in to cognizance the rising and changing stakeholder expectations, feedback and our own expectations before releasing this report. This report concentrates on our efforts to improve the dignity of life in the villages neighbouring our manufacturing locations. The report also gives an account of our ongoing activities and the benefits realized out of the same.

The 2005 - 06 sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) 2002 Sustainability Reporting Guidelines. The report covers the three manufacturing locations at Tarapur, Vasind and Tornagallu.

Due to the size and complexity of our business, appropriate judgements have had to be made regarding the extent of the information presented in relation to each indicator. We have taken enough care to ensure the accuracy of the information presented in this report. As the data is derived from our operations across locations the grouped data may not be strictly comparable. Anyone seeking to rely on information in this report or seeking to draw detailed conclusions from the data should contact the Company for verification and assistance.

Your comments on the content and usability of this report are appreciated as they are useful in developing the future reports. Please use our feedback mechanism if you have any suggestions about this or for our future sustainability reports.





JSW Steel Limited
Jindal Mansion
5, A.G. Deshmukh Road
Mumbai 400026

Independent Assurance Report

We have been engaged by JSW Steel Limited (the Company) to provide independent assurance of its Corporate Sustainability Report 2005-06 (the Report). The preparation of the Report and its content is the sole responsibility of the management of the Company. This engagement is aimed at providing 'limited assurance' to the report contents. However, this assurance report should not be taken as a basis for interpreting the Company's performance across the scope of issues covered in the Report.

Reporting criteria

There is currently no statutory requirement in India for preparation and publication of sustainability report. We understand that the Company has based the Report on the perceived need of communication to its identified stakeholders on sustainability matters. The Company has followed the Global Reporting Initiative 2002 guidelines, and has aimed at 'in accordance' reporting, as stated in the "Report scope and profile" section of the Report.

Approach and scope/limitation for assurance

Our assurance is in accordance with the International Standard on Assurance Engagement 3000 (ISAE 3000) and our conclusions are for 'limited assurance'. The assurance was performed by our multidisciplinary team of professionals in the field of environment, health and safety (EHS) and social matters, in

conformity with the standard.

We understand that the economic/financial data and information on company profile included in the Report are derived from the Company's Annual Report and audited financial records; we have not performed any review of these data.

The scope of our work was limited to verification of data pertaining to EHS, Human Resources, Training and Social performance at the downstream locations in Tarapur and Vasind, and at the upstream location in Toranagallu for the year April 2005 – March 2006; we have not performed review of the past years' information included in the Report.

In order to develop our conclusions we executed the steps outlined below.

Desk review of the report: A thorough desk review of the report was carried out for acquaintance with the contents of the report.

Discussion with the Company's Managing Director and Senior Executives: We planned and organized sessions with the Managing Director and the Senior Executives to understand their perspective on incorporating and embedding sustainability in the business approach of the Company as set out in the report. We also discussed the internal procedures and systems to assure the data given to the Board of Directors.

Discussion with Plant Heads at the Company's manufacturing locations at Tarapur, Vasind, and Toranagallu: The discussions with Plant Heads at Tarapur, Vasind, and Toranagallu were organized to understand their perspective on adopting and implementing the environmental and social expectations at the manufacturing location, as set out by the Managing Director and his team.

Review of the Stakeholder Engagement Process at Tarapur, Vasind, and Toranagallu: We reviewed the stakeholder engagement process at Tarapur, Vasind, and Toranagallu through interviews with concerned personnel and by reviewing the relevant documentation.

Review of information and statements presented in the Report: We reviewed the information and statements presented in the Report vis-à-vis our site visit observations and discussions with key personnel by conducting site visits to the manufacturing locations and through one-to-one discussions with the personnel who collected and collated the information and developed the statements.

Review of data presented in the Report: We reviewed the data presented in the Report with respect to environment, health and safety performance. We also reviewed the data presented in the Report related to Human Resources, Training and Social Responsibility.

We understood the process of data collection and collation. We tested sample data across the Report for its auditability and accuracy.

The review process involved analysis of selected sample information presented in the report and the documents and processes used to capture and collate such information relating to EHS, Human Resources, Training and Social performance parameters. Challenging the information presented specifically with respect to performance indicators, and review of evidences against selected claims to substantiate the assertions made in the Report was also a part of the process.

For performing the engagement, we have obtained sufficient and appropriate evidences to support the conclusions in this assurance report.

Assurance Statement

Our Observations

As per our scope and based on our approach, our observations on the Report are as follows:

- The Company attempts measuring performance against issues of concern, which have been identified both internally and externally, in consultation with key stakeholders to provide information that is relevant and meaningful.
- The objectives and performance indicators set at the local level are consistent with the priorities and objectives set at the corporate level.
- The reported information may be used by the Company and its stakeholders as a reasonable basis for their opinions and decision-making specific to the Tarapur, Vasind, and Toranagallu manufacturing locations.
- The Report describes the broad range of economic, environmental, and social issues that the Company has addressed, including those for which it has legal responsibility along with the necessary steps that have been adopted to address the issues.
- The information presented in the Report describes alignment of manufacturing locations with the corporate policies and objectives. The manufacturing locations are responsive to the changes suggested as a part of the corporate strategy.
- The Company is responsive to issues identified as important by the stakeholders.
- The reported data covers core indicators of the GRI G2 Guidelines and giving necessary justification for omission and / or partial reporting of information.
- In a few cases, errors in compilation and collation of
 - data on performance indicators were observed during assurance process, which were corrected subsequently.
 - Stakeholder engagement with key stakeholders is executed in a regular and formal manner but with a fragmented approach.
 - Green House Gas (GHG) emissions accounting is in place at upstream location but not evidenced to be existing at downstream locations.
 - The quantity of effluent generated at both the downstream locations is being measured on the basis of tank capacity instead of flow meters.
 - The quantity of sewage generated at Vasind is not measured but estimated on the basis of an assumption that 80 percent of water consumed is converted in to sewage.

Conclusions

On the basis of the work undertaken, nothing has come to our attention that would cause us not to believe that:

- The Company has demonstrated commitment towards sustainability in its business endeavour.
- The Company has selected the significant performance indicators for depicting sustainability performance.
- The top management of the Company considers sustainability related matters in corporate decision making process.
- The Company has reported data on the key performance indicators on the basis of internal records, which were made available to us in the course of our assurance.

Ernst & Young Private Limited

Kolkata, India

GRI Content Index

GRI CONTENT INDEX				
■ - Reported; □ - Not reported; ■ - Partially reported; ⊙ - Not applicable				
		Status	Location	Page No.
1. Vision and strategy				
1.1	Statement of the organization's vision and strategy regarding its contribution to sustainable development	■	Vision & Mission - We Value Young Thinking	6
1.2	Statement from the CEO describing key elements of the report	■	Letter from the CEO	3
2. Profile				
2.1	Name of reporting organization	■	Company Profile	2
2.2	Major products and/or services, including brands, if appropriate	■	Company Profile - JSW Steel Limited (Upstream); JSW Steel Limited (Downstream)	4
2.3	Operational structure of the organization	■	Corporate Governance - Corporate Governance at JSW	8
2.4	Description of major divisions, operating companies, subsidiaries and joint ventures	■	Company Profile - JSW Steel Limited (Upstream); JSW Steel Limited (Downstream)	4, 5
2.5	Countries in which the organization's operations are located	■	Company Profile - JSW Steel Limited (Upstream); JSW Steel Limited (Downstream)	4
2.6	Nature of ownership; legal form	■	Corporate Governance - Corporate Governance at JSW	3, 8
2.7	Nature of markets served	■	Economic Performance; Letter from the CEO	3, 13
2.8	Scale of the reporting organization (including employees, assets, sales and products)	■	Company Profile	4, 5
2.9	List of stakeholders, key attributes of each and relationship to the reporting organization	■	Stakeholder Engagement	11
2.10	Contact person(s) for the report, including e-mail and web addresses	■	Report Scope and Profile	2
2.11	Reporting period for the information provided	■	Report Scope and Profile	2
2.12	Date of most recent previous report	■	Report Scope and Profile	2
2.13	Boundaries of report and any specific limitations on the scope	■	Report Scope and Profile	2
2.14	Significant changes in size, structure, ownership or products/services that have occurred since the previous report	■	Report Scope and Profile	2
2.15	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations and other situations that can significantly affect comparability from period to period and/or between reporting organizations	⊙	Not Applicable	
2.16	Explanation of the nature and effect of any restatements of information provided in earlier reports, and the reasons for such restatements	⊙	Not Applicable	
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report	⊙	Not Applicable	
2.18	Criteria/definitions used in any accounting for economic, environmental and social costs and benefits	■	Report Scope and Profile	2
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental and social information	⊙	Not Applicable	
2.20	Policies and internal practices to enhance and provide assurances about the accuracy, completeness and reliability that can be placed on the sustainability report	■	Our approach to reporting	29
2.21	Policy and current practice with regard to providing independent assurance for the full report	■	Our approach to reporting	29
2.22	Means by which report users can obtain additional information and reports about economic, environmental and social aspects of the organization's activities, including facility-specific information	■	Report Scope and Profile	2
3. Governance structure and management systems				
3.1	Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization	■	Corporate Governance - Corporate Governance at JSW	8
3.2	Percentage of the board of directors that are independent, non-executive directors	■	Corporate Governance - Corporate Governance at JSW	8
3.3	Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities	■	Corporate Governance - Corporate Governance at JSW	8

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GRI CONTENT INDEX				
■ - Reported; □ - Not reported; ■ - Partially reported; ⊙ - Not applicable				
		Status	Location	Page No.
3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental and social risks and opportunities	■	Corporate Governance - Corporate Governance at JSW	8
3.5	Linkage between executive compensation and achievement of the organization's financial and non-financial goals	□	Not reported.	
3.6	Organizational structures and key individuals responsible for oversight, implementation and audit of economic, environmental, social and related policies	■	Corporate Governance - Corporate Governance at JSW	8
3.7	Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental and social performance and the status of implementation	■	Corporate Governance - Corporate Governance at JSW; Corporate Governance - Our Ethics	9
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors	■	Corporate Governance - Corporate Governance at JSW	8
3.9	Basis for identification and selection of major stakeholders	■	Stakeholder Engagement	11
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	■	Stakeholder Engagement	11
3.11	Type of information generated by stakeholder consultations	■	Stakeholder Engagement	11
3.12	Use of information resulting from stakeholder engagements	■	Stakeholder Engagement	11
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organization	□	Not reported as the precautionary approach is not addressed by JSW	
3.14	Externally developed, voluntary economic, environmental and social charters, sets of principles or other initiatives to which the organization subscribes or which it endorses	□	Not reported as data with respect to external endorsements not available	
3.15	Principal memberships on industry and business associations and/or national/international advocacy organizations	□	Not reported as the number of such memberships is not accounted for.	
3.16	Policies and/or systems for managing upstream and downstream impacts	□	Not reported as the policies are under development at the corporate office.	
3.17	Reporting organization's approach to managing indirect economic, environmental and social impacts resulting from its activities	■	Economic Performance; Environmental Performance; Social Performance	13
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations	■	Letter from the Managing Director	3
3.19	Programmes and procedures pertaining to economic, environmental and social performance. Include discussion of priorities, targets, internal communication and training, performance monitoring, auditing and senior management review	■	Economic Performance; Environmental Performance; Social Performance	13, 14, 19, 22
3.2	Status of certification pertaining to economic, environmental and social management systems	■	Company Profile	4, 5
4. GRI content index				
4.1	A table indicating location of each element of the GRI report content by section and indicator	■	GRI Content Index	33
5a. Economic performance indicators				
EC1	Net sales – as listed in the profile section under 2.8	■	Economic Performance	13
EC2	Geographic breakdown of markets	■	Partially reported in Letter from the Managing Director. Complete list of market breakdown is under review by the sales and marketing department	2
EC3	Cost of all goods, materials and services purchased	■	Economic Performance	13
EC4	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements	□	Not reported as sorting of a huge number of contracts was not possible.	
EC5	Total payroll and benefits including wages, pension, other benefits and redundancy payments broken down by country or region	■	Economic Performance	13
EC6	Distributions to providers of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed	■	Economic Performance	14
EC7	Increase/decrease in retained earnings at end of period	■	Economic Performance	14
EC8	Total sum of taxes of all types paid broken down by country	■	Economic Performance	14

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GRI CONTENT INDEX				
■ - Reported; □ - Not reported; ■ - Partially reported; ⊘ - Not applicable				
		Status	Location	Page No.
EC9	Subsidies received broken down by country or region	□	Not reported as the total subsidies received are not classified and settled with relevant agencies.	
EC10	Donations to community, civil society and other groups broken down in terms of cash and in-kind donations per type of group	■	Economic Performance	14
5b. Environmental performance indicators				
EN1	Total materials use other than water, by type	■	Environmental Performance - Raw Material	15
EN2	Percentage of materials used that are wastes from sources external to the reporting organization	■	Environmental Performance - Raw Material	15
EN3	Direct energy use segmented by primary source	■	Environmental Performance - Energy	15
EN4	Indirect energy use	■	Environmental Performance - Energy	15
EN5	Total water use	■	Environmental Performance - Water	15, 16
EN6	Location and size of land owned, leased or managed in biodiversity-rich habitats	■	Environmental Performance - Biodiversity	16
EN7	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, fresh-water and marine environments	■	Environmental Performance - Biodiversity	16
EN8	Greenhouse gas emissions	■	Environmental Performance - Green House Gas Emissions	16
EN9	Use and emissions of ozone-depleting substances	■	Environmental Performance - Ozone Depleting Substances	17
EN10	NOx, SOx and other significant air emissions by type	■	Environmental Performance - Air Emissions	17
EN11	Total amount of waste by type and destination	■	Environmental Performance - Waste Management	18
EN12	Significant discharges to water by type	■	Environmental Performance - Waste Management	18
EN13	Significant spills of chemicals, oils and fuels in terms of total number and total volume	■	Environmental Performance - Other Environmental Issues	19
EN14	Significant environmental impacts of principal products and services	■	Environmental Performance - Other Environmental Issues	19
EN15	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed	■	Environmental Performance - Raw Material	15
EN16	Incidents of and fines for non-compliance with all applicable international declarations / conventions / treaties, and national, sub-national, regional and local regulations associated with environmental issues	■	Environmental Performance - Other Environmental Issues	19
5c. Social performance indicators – labour practices and decent work				
LA1	Breakdown of workforce, by region/country, status, employment type and employment contract	■	Social Performance - Employee and Labour Management	20
LA2	Net employment creation and average turnover segmented by region/country	■	Social Performance - Employee and Labour Management	20
LA3	Percentage of employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically or percentage of employees covered by collective bargaining agreements broken down by region/country	■	Social Performance - Employee and Labour Management	20
LA4	Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organization's operations (e.g. restructuring)	■	Social Performance - Employee and Labour Management	20
LA5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases	■	Social Performance - Health and Safety Management	21
LA6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	■	Social Performance - Health and Safety Management	21

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GRI CONTENT INDEX				
	■ - Reported; □ - Not reported; ■ - Partially reported; ⊙ - Not applicable			
		Status	Location	
			Page No.	
LA7	Standard injury, lost day and absentee rates and number of work-related fatalities	■	Social Performance - Health and Safety Management	21
LA8	Description of policies or programmes (for the workplace and beyond) on HIV/AIDS	■	Social Performance - Health and Safety Management	22
LA9	Average hours of training per year per employee by category of employee	■	Social Performance - Knowledge and Learning	22
LA10	Description of equal opportunity policies or programmes as well as monitoring systems to ensure compliance and results of monitoring	■	Social Performance - Employee and Labour Management	20
LA11	Composition of senior management and corporate governance bodies including female/male ratio and other indicators of diversity as culturally appropriate	□	Not reported as information for corporate governance bodies was not available	
5d. Social performance indicators – human rights				
HR1	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results	■	Social Performance - Employee and Labour Management	21
HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	□	Not reported	
HR3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring	■	Social Performance - Employee and Labour Management	21
HR4	Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	□	Not reported	
HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue	■	Social Performance - Employee and Labour Management	21
HR6	Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and result	■	Social Performance - Employee and Labour Management	21
HR7	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring	■	Social Performance - Employee and Labour Management	21
5e. Social performance indicators – society				
SO1	Description of policies to manage impact on communities in areas affected by activities, procedures/programmes to address this issue, monitoring systems and results of monitoring	■	Stakeholder Engagement	11
SO2	Description of the policy, procedures/management systems and compliance mechanisms for organizations and employees addressing bribery and corruption	■	Social Performance - Employee and Labour Management	21
SO3	Description of policy, procedures/management systems and compliance mechanisms for managing political lobbying and contributions	■	Social Performance - Employee and Labour Management	21
5f. Social performance indicators – product responsibility				
PR1	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring	□	Not reported as no such policy exists, but our products comply with the Bureau of Indian Standards which guarantee customer protection.	
PR2	Description of policy, procedures/management systems and compliance mechanisms related to product information and labelling	■	Environmental Performance - Other Environmental Issues	19
PR3	Consumer privacy policy, procedures/management systems and compliance mechanisms	□	Not reported as there is no policy to protect consumer privacy	

Your Feedback

We aim to continuously improve our sustainability performance and also innovate the mode of communication to reach wider stakeholder groups. You can help us by completing and returning this questionnaire or by providing your feedback electronically at suresh.iyer@jsw.in and/or post to Suresh Iyer, JSW Steel Limited, Jindal Mansion, 5 A G Deshmukh Marg, Mumbai 400026

Q1: What is your opinion of the ease of understanding of the report?

- Very easy to understand
- Easy to understand
- Difficult to understand
- Very difficult to understand

Q2: What portions of the report particularly interested you (indicate all that apply)?

- Dialogues
- Group Philosophy
- JSW Environmental Vision
- Creation of a Sustainable Society
- Developing New Energy Technologies
- Economic Perspectives
- Environmental Management
- Overview of the JSW Group’s Environmental Impact
- Global Warming Prevention Measures
- Contributions to a Recycling-Based Society
- Environmental Undertakings in Various Aspects of Business Activities
- Reinforcement of CSR Management
- Social Contribution
- Communication
- Employee Relations
- Safe operation and Health Care

Q3: What portions of the report do you think should be improved or added in the future?

Q4: Please indicate your opinions or comments concerning other aspects of this report or activities of JSW.

Q5: Who are you?

- Customer
- Government agency
- JVSL Group employee or employee family member
- Business partner
- School or educational institution
- Business or business organization
- Shareholder or investor
- Environmental NGO
- Resident who lives in the vicinity of an JVSL facility
- Other (please specify). _____

Name: _____
Gender: _____
Address: _____

Occupation: _____
Email: _____
Telephone: _____