

# BUSINESS RESPONSIBILITY REPORT



## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

### CORPORATE IDENTITY NUMBER (CIN) OF THE COMPANY

L27102MH1994PLC152925

### NAME OF THE COMPANY

JSW Steel Limited

### REGISTERED ADDRESS

JSW Steel Limited, JSW Centre  
 Bandra-Kurla Complex, Bandra East,  
 Mumbai - 400 051, Maharashtra, India.  
 Tel: (022) 4286 1000  
 Fax: (022) 4286 3000

### WEBSITE

[www.jsw.in](http://www.jsw.in)

### FINANCIAL YEAR REPORTED

April 01, 2014 to March 31, 2015

### SECTOR(S) THAT THE COMPANY IS ENGAGED IN (INDUSTRIAL ACTIVITY CODE-WISE)

Manufacture of Iron and Steel: As per National Industrial Classification, Ministry of Statistics & Programme Implementation

Industrial Group	Description
071	Mining of iron ores
241	Manufacture of basic iron and steel
243	Casting of metals
251	Manufacture of structural metal products, tanks, reservoirs and steam Generators
259	Manufacture of other fabricated metal products; metal-working service Activities

### LIST THREE KEY PRODUCTS / SERVICES THAT THE COMPANY MANUFACTURES / PROVIDES (AS IN BALANCE SHEET)

Hot rolled coils  
 Cold rolled coils  
 Galvanised steel

### TOTAL NUMBER OF LOCATIONS WHERE BUSINESS ACTIVITY IS UNDERTAKEN BY THE COMPANY

Number of International Locations (major 5)

1. JSW Steel USA in Texas near Houston
2. Bella Vista and Vinita mines in the Atacama region of northern Chile
3. Development of a cape size port in North Caldera in Chile to support mining operations
4. Coking coal mines in West Virginia
5. Mining operations in Mozambique

### Number of National Locations

1. JSW Steel Ltd: Vijayanagar, Dolvi and Salem
2. Subsidiaries: Vijayanagar, Dolvi, Vasind, Tarapur, Kalmeshwar and Salav

### MARKETS SERVED BY THE COMPANY - LOCAL / STATE / NATIONAL / INTERNATIONAL

JSW Steel is India's leading private sector steel producer, with a pan-India presence, and exports to over 140 countries. Nearly one-fifth of JSW Steel's total products are exported, while 15-20% of the total sales are carried out through a unique nationwide branded distribution channel of 481 JSW Shoppes and JSW Explore. The Company has operations in the south and west of India.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)**

Paid up Capital

**₹ 241.72 Cr**

Net Turnover

**₹ 45,352 Cr**

Net Profit

**₹ 2,166 Cr**

Expenditure on Corporate Social Responsibility

**₹ 43.39 Cr**

**LIST OF ACTIVITIES IN WHICH EXPENDITURE UNDER CSR HAS BEEN INCURRED:**

1. Education
2. Nutrition and Health Care
3. Art, Culture and Sports
4. Water and Sanitation
5. Skill Development

**SECTION C: OTHER DETAILS**

**Does the Company have any Subsidiary Company / Companies?**

Yes

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

Yes. Some of the major subsidiaries of JSW Steel are:

1. JSW Steel Coated Products Limited
2. JSW Steel Processing Centres Limited
3. Amba River Coke Limited

**Do any other entity / entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

JSW Steel's value chain partners (e.g., suppliers and contractors) are encouraged to contribute to its CSR initiatives. However, with the expansive nature of JSW Steel's value chain, currently less than 30% of the entities partner with JSW Steel in its BR initiatives.

**SECTION D: DETAILS OF DIRECTOR / DIRECTORS RESPONSIBLE FOR BR**

#	Name	DIN	Telephone No.	Email ID
1	Dr. S.K. Gupta (Chairman) Independent Director	11138	(91) 80 2559 9074, 5555 9869, 2555 9870	saibalkgupta@gmail.com
2	Mr. Seshagiri Rao M. V. S Executive Director	29136	(91) 22 4286 1000	seshagiri.rao@jsw.in
3	Dr. Vinod Nowal Executive Director	46144	(91) 8395 283 416	vinod.nowal@jsw.in
4	Mr. Jayant Acharya Executive Director	106543	(91) 22 4286 1000	jayant.acharya@jsw.in
5	Mr. Uday M. Chitale Independent Director	00043268	(91) 22 2265 1186	uday@mpchitale.com
6	Mr. K. Vijayaraghavan Independent Director	00544730	(91) 40 2335 0586, 2335 6507	vijay@sathguru.com
7	Mrs. Punita Kumar Sinha	5229262	(91) 98333 63533	punitakumarsinha@gmail.com

**DETAILS OF THE BR HEAD**

Name	Designation	Telephone No	Email ID
Dr. S. Majumdar	Chief Sustainability Officer, JSW Group	(91) 22 4286 1000	suman.majumdar@jsw.in

## PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

JSW Steel lives by its core values of transparency, strive for excellence, dynamism and passion for learning. These are reflected in the innovative approach adopted by the company without compromising on integrity. The Company adheres to all applicable laws and regulations, and this effort is strengthened by internal guidelines that include the Business Conduct Guidelines and Supplier Code of Conduct, covering aspects of ethics, transparency and business

accountability for all employees as well as the value chain.

### BOARD COMMITTEE FOR BUSINESS RESPONSIBILITY / SUSTAINABILITY REPORTING

The seven-member Committee has four Independent Directors including the Chairman, and it assesses the framework for Business Responsibility and Sustainability Reporting, as well as the related performance of the

Company. In FY 2014-15, the Committee convened three times.

The Company has in place specific policies to address each of the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, and therefore comply with the requirements of the Clause 55 of the Listing Agreement of the SEBI, as shown in the following table.<sup>1</sup>

Principle	Topic	Policy
1	Ethics, transparency and accountability	Policy on business conduct
2	Goods and services that are safe and contribute to the sustainability throughout their life cycle	Policy on sustainable steel production
3	Employee well-being	Policy on employee welfare
4	Stakeholder engagement	Policy on stakeholder engagement
5	Human rights	Policy on human rights
6	Environment	Policy on conservation and preservation of the environment
7	Public policy advocacy	Policy on public regulatory policy
8	Inclusive growth	Policy on social development
9	Customer value	Policy on engaging with and providing value to customers and consumers



Women's SHG at Vijayanagar

These policies have been developed through a process of due consultation and engagement with the relevant internal and external stakeholders. While developing these policies the following national and international standards and guidelines were referred to:

- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
- ILO Convention on Human Rights
- Report on Affirmative Action by CII
- National Action Plan on Climate Change and the National Environmental Policy of the Government of India
- UN Millennium Development Goals

The implementation, review and updation of these policies are governed by the Board Committee for Business Responsibility Reporting/ Sustainability Reporting. The policies

and performance against them are evaluated on a half-yearly basis.

The Company has a stakeholder grievance redressal mechanism<sup>2</sup> in place to help address complaints related to Business Responsibility (BR)/ Sustainability Policies. In FY 2014-15, two complaints were received through the Grievance Redressal Mechanism.

1. A shareholder, for non-receipt of share details. He had not submitted the requisite information to the Company; the format was provided.
2. An end-customer, relating to product quality; product samples were not provided to the Company for testing despite multiple reminders.

JSW Steel publishes business responsibility reports along with the Company's annual report, as well as sustainability reports every year.<sup>3</sup>

<sup>1</sup> The Business Responsibility policies for JSW Steel are available at: <http://www.jsw.in/corpcitizenship/sustainability-policies>

<sup>2</sup> The stakeholder grievance redressal mechanism is available at: [http://www.jsw.in/Corporate/pdfsNew/Grievance\\_Redressal\\_Mechanism.pdf](http://www.jsw.in/Corporate/pdfsNew/Grievance_Redressal_Mechanism.pdf)

<sup>3</sup> JSW Steel's sustainability reports can be accessed at: <http://www.jsw.in/corpcitizenship/corporate-sustainability-reports>

**PRINCIPLE 2: PRODUCTS AND SERVICES DESIGNED WITH ENVIRONMENTAL AND SOCIAL OPPORTUNITIES**

The role of developing sustainable products to reduce the environmental and social impacts of the Company’s operations is gaining importance with each passing day. By incorporating environmental and social concerns into the product design philosophy, JSW Steel has developed certain products which are not only unique, but also at the same time, environmentally friendly.

In FY 2014-15, new grades of steel for the automobile sector were developed, such as high-strength low-carbon steel, high-strength low-thickness steel, etc.

**REDUCING THE OPERATIONAL FOOTPRINT**

- (a) Utilising waste heat: 78.3%
- (b) Re-utilising waste gases: 91,005,125 GJ (98.5 % of total waste gases/energy)
- (c) Scrap recycling: 848,872 metric tonnes
- (d) Waste recycling (hazardous + non-hazardous): 2,234,714 metric tonnes
- (e) Recycling and reuse of wastewater: 10,396,821 m<sup>3</sup>
- (f) GHG emissions mitigated through initiatives: 281,284 tCO<sub>2</sub>e

**REDUCING THE LOGISTICS FOOTPRINT**

JSW Steel is making conscious efforts to increasingly shift to transportation of raw materials and products within India by rail. In FY 2014-15, about 83% of all goods were transported via rail, as compared to 76% in FY 2013-14.

**SUPPORTING LOCAL ECONOMIES**

**Materials:** About one-fourth of all input materials are sourced locally [i.e., from within the state].

**Workforce:** Majority of workers hired for housekeeping, canteen, horticulture, etc. services are from nearby local areas. Further, support has been extended to 29 Industrial Training Institutes (ITIs) under the public-private partnership route to enhance skill levels in the persons from adjoining areas and provide them employment opportunities.

**Community:** Uniforms for the plant employees are sourced from the tailoring institute for women at the O. P. Jindal Centre, Vijayanagar. Also, skilled workers are hired from the Rajiv Gandhi Institute for Iron & Steel Technology at the O. P. Jindal Centre.

**PRINCIPLE 3: HUMAN CAPITAL**

The Company does not discriminate on the basis of religion, gender, caste or disabilities, and has a policy for equal opportunity for all. Besides equal employment, the workforce (including contractual workers and those with disabilities) is entitled to the same benefits, training and skill enhancement.

**DIVERSITY IN THE WORKFORCE**

Employee category	FY 2014-15	FY 2013-14
Permanent employees	12,271	11,392
Female employees*	493	449
Disabled employees*	25	24
Temporary/contractual workforce	30,536	21,428

\* Included in permanent employees



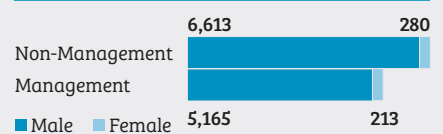
Rounds



Hot Rolled Coil

**LEADERSHIP & TALENT MANAGEMENT**

**Workforce Segmentation**





Employees at JSW Steel

## LEARNING & DEVELOPMENT

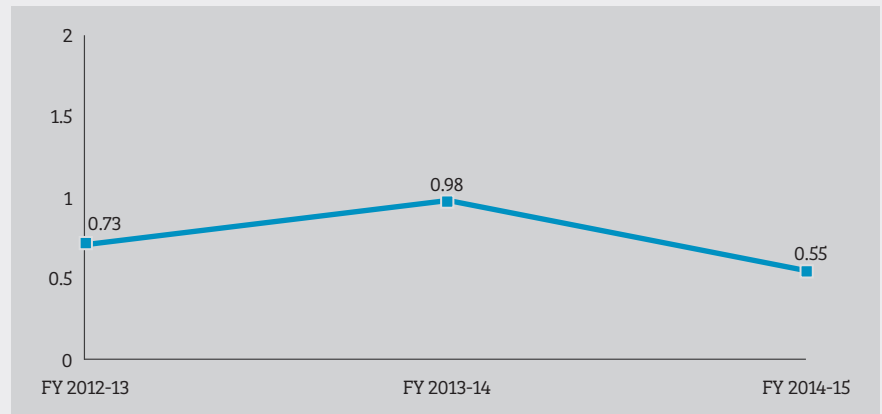
### Average Training Manhours

Vijayanagar	19.18
Salem	63.27
Dolvi	61.14

Employee category	% trained on Safety	% trained on Skill Upgradation
Permanent employees	83	76
Permanent female employees	75	66
Temporary/contractual employees	73	83
Disabled employees	13	18

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	0	0
Sexual harassment	0	0
Discriminatory employment	0	0

## Lost Time Injury Frequency Rate



## OCCUPATIONAL HEALTH & SAFETY

JSW Steel has taken some unique initiatives to stress on the importance of occupational health and safety across all the operations. One of these is the linking of the safety performance with the variable pay of the senior management, thereby motivating employees to enhance their safety performance.

## DEVELOPING SUSTAINABLE PRODUCTS

One of the significant developments JSW Steel has developed is customised products catering to the passenger vehicles industry, and is a market leader in this respect. These products were earlier imported due to an absence or deficit of quality suppliers in India. This development has led to the following overall positive impacts:

- Boost to local economy due to new line of product development, leading to new market creation and additional job creation
- Import substitution and hence support the Government's 'Make in India' initiative
- Reduction in GHG and other emissions due to reduced import logistics
- Cost savings for customers
- Enhanced passenger safety

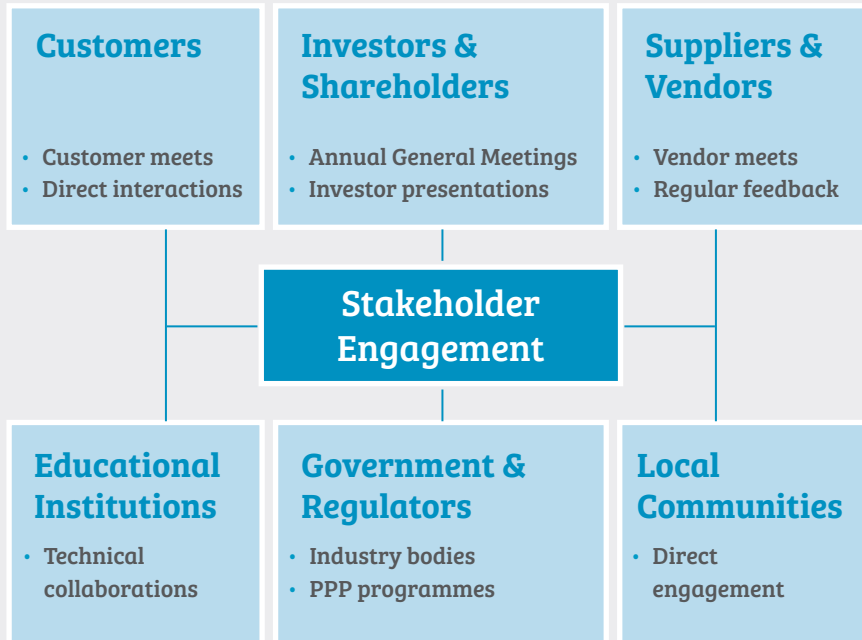
There are other products that have been developed that are helpful for the agricultural market, and have helped farmers to prevent spoilage of food-grains and other crop yields. This has received an overall positive response so far, and helped to address the needs of the marginalised sections of the society.

## COLLECTIVE BARGAINING AND EMPLOYEE ENGAGEMENT

JSW Steel ensures that all its employees contribute to business decisions through a participatory approach. Employees give feedback through various mechanisms which include interaction sessions, tool-box talks, town-hall sessions, joint safety committees, etc. The Dolvi Works has a recognised employee association and all non-management employees are free to get affiliated to it. 11.6% of the Company's entire permanent workforce is represented through this recognised trade union.

## PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

JSW Steel focuses on integrating business strategies with community development issues in order to leverage its core competencies while addressing needs of various stakeholders. The Company has established dedicated communication channels to interact with the identified stakeholders.



**PRINCIPLE 5: HUMAN RIGHTS**

The Company respects human rights and takes steps to ensure they are protected. The organisation’s Guidelines and Code of Conduct are in harmony with the UN Declaration on Human Rights as well as the ILO (International Labour Organisation) Conventions. The policies address human rights issues across the supply chain.

JSW Steel provides awareness to its employees and sensitises them on the subject right from the time of joining. Further, separate training is organised for security personnel on aspects related to human rights and dealing with people under different situations. Also, while placing orders or signing new contracts the Company has instituted a system of including human rights related clauses in the purchase orders. The vendor registration forms also communicate the duties of suppliers and vendors to ensure upholding the human rights in their respective operations.

In order to ensure the workers get paid as per the actual hours worked, and minimise any discrepancies while capturing the time spent, the Company

has initiated the real-time tracking of hours of work for both permanent as well as contractual staff. This is to ensure their wages are as per the contractual terms and within the purview of the law.

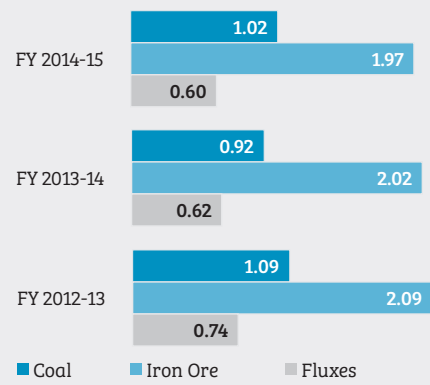
**PRINCIPLE 6: ENERGY AND ENVIRONMENT**

India is on a growth path, and hence, is now witnessing increasing trends in business and commercial activities. The Company tries to learn about global and local issues, and has taken on the responsibility to address and tackle global long term challenges such as demographic change, climate change and diminishing resources in a socially, ecologically and economically responsible manner. Various policies, programmes, systems and initiatives are already in place. The Company has developed a Policy on Conservation and Preservation of the Environment which also extends to its entire value chain. All the plants maintain the generation of emissions and waste within the permissible limits. There are no pending legal notices received from the CPCB or SPCB at any of JSW Steel’s operations. Highlights of these are presented in the exhibits that follow.



View of Blast Furnace at Vijayanagar

**Specific Material Consumption**  
(t/t of crude steel)



**Specific Water Consumption**  
(kL/t of crude steel)



**Total Direct Energy Consumption**  
(Million GJ)



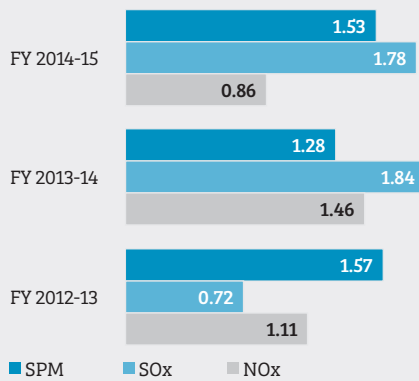


View of the Salem plant

### Total GHG Emission (Million tCO<sub>2</sub>e)



### Specific Emissions (t/t of crude steel)



### Initiative to Address Climate Change

Additional power generation through waste heat	22,422
Introduction of VFD in boiler feed pump	384
Additional power generation through waste gas	258,478

### Greenhouse Gas Reduction (MtCO<sub>2</sub>e)

Additional power generation through waste heat	22,422
Introduction of VFD in boiler feed pump	384
Additional power generation through waste gas	258,478

During the financial year no CDM projects were developed/registered.

### BIO-DIVERSITY

In FY 2014-15, JSW Steel put in significant efforts to ensure a positive impact on its surrounding flora and fauna and local ecosystems. The Company is among the pioneers to sign up and commit to the Indian Business and Biodiversity Initiative (IBBI), an initiative by the Confederation of Indian Industry (CII) in partnership with India's Ministry of Environment, Forests & Climate Change. This has helped to not only learn from peers about their efforts to manage biological diversity at their locations, but also to demonstrate to stakeholders the Company's commitment and efforts towards a sustainable future.

The Vision of the JSW Group states "Global recognition for Quality and Efficiency while nurturing Nature and Society". Through this vision, biodiversity is intrinsic to the focus on sustainable production. The Company's sustainability policy highlights the commitment to address environmental issues through efficient use of natural resources, promote use of renewable energy, minimisation of wastes, water management, protecting the biodiversity and reducing carbon footprint.

The Vijayanagar Works has implemented a comprehensive array of initiatives to enhance its surrounding biodiversity. These include setting up a biodiversity park containing IUCN red-list (i.e. endangered species) medicinal plants, treating the sewage from the township using "root zone treatment" with the help of select reeds, undertaking watershed management programme in the neighbouring

villages resulting in multiple crops and improving agricultural yields, extending the green belt in and around the Works area and township, and many more.

In a similar manner, the Salem Works has also commenced several initiatives on a long-term basis. These include increasing the green cover not only inside the Works, but also in the neighbouring community with the help of a watershed development project.

### PRINCIPLE 7: PUBLIC POLICY ADVOCACY

JSW Steel works closely with trade/industry associations in evolving policies that govern the functioning and regulations of industries. The Company has memberships in Technical Committees and on the Executive/Subject Councils, and are members of key trade/industry bodies. Through these platforms, the Company engages in responsible and transparent public policy dialogue to promote and incorporate elements of sustainability.

JSW Steel engages with the following organisations/institutions:

1. World Steel Association (WSA)
2. Confederation of Indian Industry (CII)
3. Federation of Indian Chamber of Commerce and Industry (FICCI)
4. Karnataka Iron & Steel Manufacturing Association
5. Associated Chambers of Commerce (ASSOCHAM)

- 6. Global Reporting Initiative (GRI)
- 7. Carbon Disclosure Project (CDP)
- 8. Institute for Steel Development & Growth (INSDAG)
- 9. Maharashtra Economic Development Council (MEDC)

Through these organisations the Company enhances its understanding and propagates its views on sustainable development, promotion of human rights, social and community development, transparency and disclosure, bio-diversity, and non-conventional energy.

**PRINCIPLE 8: COMMUNITY DEVELOPMENT**

The CSR Policy of JSW Steel highlights the special thrust towards empowering the women through social inclusion. The Company ensures access of school-level learning and vocational training to rural women. It also runs an all-woman rural BPO at Vijayanagar called Data Halli, which was awarded by NASSCOM recently. The Company also runs tailoring centres and a sanitary napkin manufacturing unit to link women to livelihood opportunities.

Further, JSW Steel also has specific focus areas for its community

development initiatives. These include:

- Nutrition and health care
- Water and sanitation
- Education
- Skill development
- Art, culture and sports

The Company has a dedicated CSR team of development professionals at each of its plant locations. It also brings on board the expert organisations and individuals to help run specific initiatives in and around the plants. The Company is also working with the Government to tackle the issue of malnutrition in the states of Maharashtra and Karnataka.

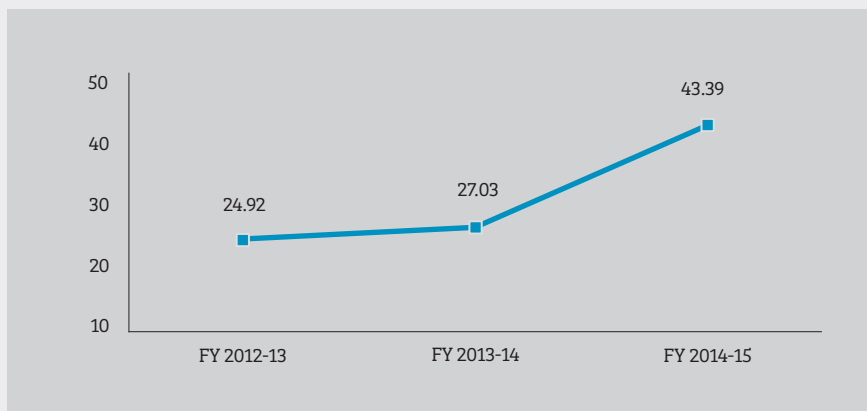
- O. P. Jindal Centre (OPJC) of Vocational Studies, Vasind - in collaboration with Father Agnel Technical Training Institute
- OPJC, Vijayanagar - in collaboration with Nettur Technical Training Institute
- Nutrition Mission Bellary - Government of Karnataka and Spirulina Foundation
- Nutrition Mission in Thane and Palghar - Government of Maharashtra
- HIV/AIDS awareness and counselling - Bhoruka Charitable Trust
- Farm yield enhancement (Bellary) - the International Crop Research Institute for Semi-Arid Tropic



Balwadi: Enabling pre-primary education

**CSR Expenditure**

(₹ Crore)







Data Halli - the all-women, rural BPO at Vijayanagar

(ICRISAT) and Government of Karnataka

- Water conservation and farm yield enhancement (Salem) - National Bank for Agriculture & Rural Development (NABARD)

The internal CSR teams manage pre and primary education initiatives, infrastructure upgrade of primary healthcare centres (PHCs), sanitation projects like construction and repair of school toilets (individual toilets in households), and health camps among others.

JSW Steel ensures both internal and external monitoring of its CSR programmes. As per the mandate in its CSR policy, the Board, the CSR Committee, and plants' management review the progress of CSR programmes periodically.

For FY 2014-15 the Company adopted a theme "Janam Se Janani Tak - JSW Aap Ke Saath", a long term commitment extending services to meet the pressing needs towards empowering women and children living in the direct impact zone at locations and beyond. If we look at the impact, then in Vijayanagar 358 institutional deliveries have been ensured, more than 550 women are benefitted through self-help group (SHG) initiatives, and more than 3,500 children are receiving quality education.

The Company has also engaged India's premier social development organisation, the Tata Institute of Social Studies (TISS), to conduct the third party impact assessment of its on ground initiatives at steel plant locations. The Institute has shared the first set of reports to the Company's management. The Company has also

mandated the organisation “CSO Partners” to audit and validate the targeted initiatives and the results and impacts achieved thereof.

JSW Steel ensures community participation in all its initiatives. None of its activities are merely handing over the benefits; this is to ensure the ownership of the community and critical for the sustenance of the initiatives. The communities are sensitised to come forward and contribute in whichever way possible they can.

JSW Steel monitors the effectiveness of its community investment programmes through the following three mechanisms:

- Needs identification: The Company proactively seeks feedback of its stakeholders to understand their expectations and structures its community programmes around it.
- Monitoring: During project implementation effective monitoring is carried out to ensure timeliness and effectiveness of programmes.
- Impact assessment: During and after the implementation of the projects, the Company carries out impact assessment studies to understand the impacts created by the projects.

**PRINCIPLE 9: CUSTOMER SATISFACTION**

JSW Steel hosts a Customer First culture, which drives all efforts to synergise and put customers at the core of all initiatives undertaken by the company. The customer testimonials speak for themselves.

**PRODUCT INFORMATION AND LABELLING**

The Company displays product information on labels as mandated

by the law. It provides the following information:

- Brand name/logo
- Statutory information, wherever needed
- Grade, weight/quantity & size (thickness, width, length)
- Coil Number
- Further, JSW Steel has initiated a Life Cycle Assessment (LCA) study for Environmental Product Declaration (EPD) for hot rolled coils (HRC) at Vijayanagar.

**ENSURING CUSTOMER SATISFACTION**

JSW Steel conducts customer satisfaction surveys once in two years through a third party. The survey captures customer expectations on the following attributes:

- Product quality
- Order servicing
- Customer relationship
- Company personnel
- Customer loyalty

These inputs provide strategic direction for continual improvement in critical areas such as Operation, Quality, Logistics, Planning, R&D, etc. The latest survey was conducted in 2014. The results show improvement in the Customer Satisfaction Index [CSI] for JSW Steel. Overall, the CSI score improved from 3.73 in 2012 to 3.88 in 2014, with contributions from both segments: OEMs and Traders. This survey results are based on a scale of 1 to 5, with 5 being excellent and 1 being poor.

All customer complaints are resolved within a defined time-frame. As on March 31, 2015, less than 2% cases were under the process of resolution. During the FY 2014-15 there were no complaints pending relating to unfair trade practices, irresponsible advertising or any competitive behavior against JSW Steel Ltd.



Jindal Vidya Mandir: Promoting rural education



Public Health Camp: Improving quality of life

## INDEPENDENT ASSURANCE STATEMENT

JSW Steel Limited (the Company) has requested KPMG to provide an independent assurance on its Sustainability Report 2014-15.

The Company's management is responsible for content of the report, identification of the key issues, engagement with stakeholders and its presentation.

KPMG's responsibility is to provide limited assurance on the report content as described in the scope of assurance. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

### SCOPE OF ASSURANCE

The scope of assurance covers the following aspects of the report:

- Data and information related to the Company's sustainability performance in the period 01 April 2014 to 31 March 2015.
- The sustainability specific data and information covering the Company's operations at Vijayanagar, Salem and Dolvi and its subsidiaries JSW Steel Coated Products Limited, JSW Steel Processing Centres Limited and Amba River Coke Limited.
- The Company's internal protocols, processes, and controls related to the collection, collation, and reporting of sustainability performance data.
- The Company's approach to identify material issues and engage with its stakeholders.

### EXCLUSIONS

The assurance scope excludes;

- The Company's financial performance;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim

or future intention provided by the Company;

### INDEPENDENCE

Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

### RESPONSIBILITIES

Our responsibility is to express our conclusions in relation to the assurance scope listed above. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and economic information and with experience in similar engagements. JSW Steel is responsible for developing the report contents. JSW Steel is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported.

This assurance statement is made solely to JSW Steel in accordance with the terms of our engagement. Our work has been undertaken so that we might state to JSW Steel those matters we have been engaged for. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than JSW Steel for our work, for this statement, or for the conclusions we have reached. By

reading this statement, stakeholders accept and agree to the limitations and disclaimers mentioned above.

**METHODOLOGY ADOPTED FOR ASSURANCE:**

We conducted our review in accordance with International Standard on Assurance Engagements (ISAE 3000), “assurance engagements other than audits of review of historical information” issued by International Audit and Assurance Standards board. The process of assurance involved -

- Discussion on sustainability with senior executives at the different plant locations and at the corporate office to understand their perspectives, expectations and future plans
- Site visits to the operational locations at Vijayanagar, Salem and Dolvi and subsidiaries JSW Steel Coated Products Limited located at Tarapur, Vasind and Kalmeshwar, JSW Steel Processing Centres Limited located at Vijayanagar and Amba River Coke Limited, located at Dolvi on a quarterly basis for
  - Testing reliability and accuracy of data on a sample basis
  - Understanding technical values considered
  - Assessment of the stakeholder engagement process through interactions with relevant internal stakeholders and review of relevant documentation
  - Review of the processes deployed for collection, compilation, and reporting of sustainability performance indicators at corporate and plant level.

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information

our team physically verified the documents.

**OBSERVATIONS**

Our observations are as follows:

- JSW Steel has started taking steps to increase awareness on sustainability reporting across the organisation.
- JSW Steel has initiated the process for systematic stakeholder engagement and materiality assessment.
- The data management system could be further improved to identify responsibilities of monitoring and review which will help enhance the reliability and accuracy of data reported.

**CONCLUSIONS**

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

- The report does present JSW Steel’s sustainability performance covering its operations as mentioned in the scope.
- Material issues that have impact on JSW Steel and are of interest to its stakeholders have been highlighted in the report.
- The report meets the requirements of A+ application level of GRI G3.1 Guidelines on Sustainability Reporting.

**Santhosh Jayaram**

Director  
KPMG India  
June 4, 2015