



# Sustainability Founded with Steel

Sustainability Report 2016-2017



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# Message from the Managing Director

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Dear Stakeholder,

We are delighted to present our 4th annual Sustainability Report. At Mahindra Sanyo Special Steel Private Limited, our commitment to sustainability is core both to our company vision and the strategic priorities that drive our growth over the long term. We are keen to share our key achievements and challenges faced over the past year with you, and more importantly, how our sustainability priorities intersect with our business strategy and overall company performance. Our employees are guided by the business sustainability framework that helps our actions to continuously align our journey towards our vision to become one of the most admired, successful

and socially responsible special steel manufacturers in India by 2019. As sustainability reporting takes a leap towards GRI Standards, we rise to the challenge by becoming an early adopter of this new, modular and dynamic framework. Each year, we seek to extend the depth of our engagement with our stakeholders to remain responsive to the emerging trends. As we engage, our objective is to respond effectively to the expectations and concerns of our business partners and other stakeholders – manage the risk while tapping the potential opportunities that lie ahead of us.

Global steel businesses have been under intense pressure to improve profitability. The recovery in the demand side was slow after the 2008 crisis. Huge capacity imbalances on the supply side kept constant pressure on price and margin. These factors, coupled with extreme volatility of raw material prices as well as the region-specific policy disparities, stemmed global growth thereby deteriorating the financial health of companies at large. However, last year we witnessed a recovery of demand and growth in India and other countries across the globe. Sales volume at Mahindra Sanyo grew by more than 10% and financial performance improved considerably compared to earlier years. Significant improvements in our sustainability priority performance areas, together with enhanced product quality, deeper employee engagement and elevated customer satisfaction are directly linked to this improved business performance. We are determined to continue operating in an environmentally and socially responsible manner.

In the last 5 years, our achievements include:

- 30% reduction in water intake at the plant
- 25% reduction in specific oil consumption in our reheating furnaces
- 11% reduction in specific electricity consumption
- 50% reduction in pollution from stacks and lower fugitive emissions
- Significant reduction in waste to landfill and new circularity in refractory usage
- 78% reduction in reportable accidents

Aligning with the spirit of the Paris Agreement, we now plan to set up internal carbon pricing for our business next year. Also, we are the first steel company in India to commit to the Science Based Target (SBT) initiative. Our company measures its environmental footprint and takes up scientific and aspirational targets through continuous improvement in our rolling 5-year sustainability roadmap. We conducted an environmental life cycle assessment (E LCA) and carried out simulation and modeling on the same platform to assess our environmental footprint trajectory based on the plans and projects on the way forward.

In the social sustainability aspect, we piloted social LCA (S LCA) with one of our end customers (automotive segment) in the trans-border value chain. We intend to conduct more S LCAs with our customers to understand value chain risk and opportunities – to illuminate blind spots, reduce hot spots and enhance bright spots. In the social fabric of our country, many challenges are encountered in the industry – skill development, reducing inequity, fair labour practices, gender discrimination and inclusive growth. We are consciously working to address these aspects collaboratively with our stakeholders. Our value chain partners respect us for this continuous improvement effort underpinned by the core values of the company. We work with our local communities to deliver our social responsibility manifesto in the defined areas: education, healthcare and women's empowerment. One important aspect is to connect with the small and micro scale entrepreneurs in our supply chain operating in the informal sector of the Indian economy to educate and train them on environmental and social aspects of doing business.

Finally, business sustainability at Mahindra Sanyo is about our people. I am truly inspired by their commitment and passion for the well-being of our stakeholders while continually improving the business performance through long term value creation. We thank you for your continued support and welcome your feedback on this report.

- Uday Gupta



Congratulations to the team at Mahindra Sanyo for its sustainability report. Mahindra Sanyo's sustainability journey is truly inspiring because of the manner in which sustainability is integrated with the business. The scale of work in the environmental LCA space is truly outstanding and the step towards building expertise on social LCA is pioneering. Mahindra Sanyo's work is getting recognised by industry bodies like CII and I am sure the team will continue to keep the Mahindra flag flying high!"

Mr. Anirban Ghosh, Chief Sustainability Officer, Mahindra Group



# ABOUT MAHINDRA SANYO



# Vision, Mission and Core Values

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Mahindra Sanyo, India's leading alloy manufacturer, is a joint venture between Mahindra and Mahindra, Sanyo Special Steel Co., Ltd and Mitsui and Co., Ltd. headquartered at Khopoli in Maharashtra, India.

Mahindra Sanyo is the preferred supplier to many multinational and domestic customers as well as the government in the field of Automobile, Power Generation and Railways for over 50 years. With ISO TS 16949, ISO 14001, OHSAS 18001 and ISO 50000-1 certifications, our vision is "To be the most admired, successful and socially responsible special steel manufacturer in India by 2019". Our commitment and our actions towards social, economic and environmental sustainability rest upon a set of core values which are an amalgamation of our past success, present performance and our aspirations for the future.

The Mahindra Group has strong core values of good corporate citizenship, professionalism, putting the customer first, focus on quality, integrity, business responsibility and maintaining the dignity of the individual. Its core purpose is to challenge conventional thinking and to use resources innovatively to make positive changes in the lives of stakeholders and communities across the world, enabling them to Rise. Sanyo Special Steel Co. Ltd. has a philosophy of confidence-based management that focuses on the importance of earning the confidence of the society by fulfilling our commitment as a responsible member through production of high-quality special steel, by responding promptly to the needs of our customers, and communicating with all stakeholders. Mitsui and Co., Ltd. has a pragmatic corporate philosophy focusing on building trust with fairness and humility, continuous innovation, a culture of open-mindedness and by striving to achieve one's full potential. We have integrated these values into our own approach.

We have a well-defined Code of Conduct for our Directors, employees as well as suppliers. Additionally, we make prompt, complete and accurate disclosures under applicable laws about our financials, shareholding and other material information for the knowledge and benefit of our stakeholders. Our quality of service and reputation is upheld by the values and philosophy we follow. Together with our vision and our core set of values, we believe that we are well primed to endeavour on and achieve our mission, which is "to supply high quality special steels to meet growing demand and to contribute to customers' competitiveness."



# Business Profile and Economic Performance

## Business Profile:

Mahindra Sanyo is noted for being a reputed manufacturer and supplier of special steels, alloys and ring products. Our expertise lies in the manufacture of high quality special steel products which serve as the main raw material for major industries. We produce Carbon Steel, Alloy Steel and Stainless Steel and also manufacture steel products like steel in the shape of Ingot, Bloom, Slabs, Billets, Bars, Wire Rods and Rings. Our production facility is spread over 25 hectares in Khopoli town of Maharashtra state. The main markets and sectors we serve are the automotive and farm industry, oil and gas industry, bearing industry, power generation industry, engineering industry, tools and die industry and the Indian Railways, amongst others.

For the fiscal year 2016-2017, a total of 2,386 people (executives, workmen and contractual employees) were employed.

## Economic Performance:

During the financial year we had a secured financial position as our total capital was in excess of our total long-term debt, with a total capitalization ratio of 0.32.

The following table shows the economic value we generated and distributed over the last 3 years:

Economic Value Generated and Distributed (EVG & D)	(Amount in Millions INR)	2016-17	2015-16	2014-15
Economic Value Generated				
Revenues		9,209	8,521	9,277
Economic Value Distributed				
Operating costs		7,490	7,088	8,869
Employee wages and benefits		613	590	576
Payments to providers of capital		273	223	229
Payment to government		981	916	990
Community investments		0.15	0.05	0.06
Economic Value Retained (Calculated as Economic value generated less economic values distributed)				
		(148)	(295)	(187)

# Sustainability Highlights and Awards

- Awarded CII National award on Energy Management for most efficient system, consecutively.
- Conducted a Environmental Life Cycle Assessment on the basis of FY16 data to validate positive results in comparison to FY13 data
- Conducted Simulation ELCA computing for likely Environmental Impacts of FY22 considering full capacity production, Energy Efficiencies and Renewable Energy targets
- Presented at the International Life Cycle Management (ILCM) conference arranged by FICCI and at International Eco balance conference
- Presented Social Life Cycle Assessments at Harvard School of Business,
- Contributed to the progress of Phase 3 of development of certification scheme as a member of Product Social Impact Assessment (PSIA) working global group.
- Participated in anti-corruption campaigns as part of the advisory board of Alliance for Integrity (AfIn)
- Contributed to a Steel Stewardship Council - Responsible Steel as an advisory board member
- Developed policies and procedures for 5 pillars under Ethics and Governance
- Recertified under Revised ISO 14001: 2015 certification



11%

Reduction in specific electricity consumption compared to base year FY 13



7%

Renewable energy consumption in FY17, moving to 20% by FY21



Continuous emission intensity reduction :  
27% in Scope 1 emissions  
14% in Scope 2 emissions,  
compared to base year  
FY 13



25%

Oil reduction through equipment upgrade and adoption of oxy fuel technology, compared to base year FY 13



30%

Reduction in water intake in last 10 years



50%

Reduction in pollution load from reheating furnaces since 2014



Promoting circular economy

- Moving towards no landfill
- Upcycling waste
- Recycled inputs



78%

Reduction in reportable accidents and

**ZERO** fatalities

# Governance and Sustainability Management

## Governance Overview:

Our philosophy on Corporate Governance is based on fair and transparent governance and disclosure practices. We have adopted this in all our activities to ensure that our policies benefit and deliver fairness to all stakeholders. We have a strong governance structure and a well-defined Code of Conduct to help regulate our employees, the Board of Directors and the external independent counsels. Our Board of Directors is the highest authority for decision making on sustainability matters while ensuring we mitigate significant risks.

### Composition of our Board:

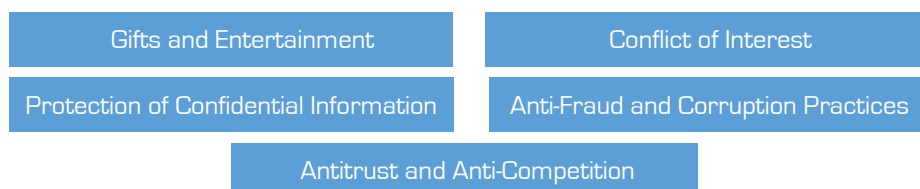
- 8 Directors of which 2 are independent Directors (including one woman independent director)
- 6 Directors nominated by 3 shareholders in proportion to their equity holding
- 3 Directors from Mahindra and Mahindra including the Chairman and Managing Director
- 2 Directors from Sanyo
- 1 Director from Mitsui

The Chief Finance Officer (CFO) and Company Secretary administer Board Proceedings.

Our Board of Directors comprises of highly knowledgeable and experienced experts in diverse functional areas. Our Managing Director is a member of the Board as an executive director and functions under its administration.

## Code of Conduct:

Our Board of Directors, in line with our corporate vision, has laid down two Codes of Conduct, covering business ethics, management, accountability, reporting, communication, competition, compliance and community among others. The first Code is for the Members of the Board and senior management and covers business practices and principles of behaviour that help conduct business activities in accordance with applicable laws and regulations. The second Code of Conduct, for our employees, outlines the organisational policies aimed at maintaining the highest standards of corporate conduct. It emphasises that the members of the Mahindra Sanyo family should be equally concerned about their responsibility towards all stakeholders and maximising profits and shareholder value. Both Codes of Conduct are publicly available on our website. We have developed a policy and internal procedure to report and address any cases of Anti-corruption and this has been communicated to all members of our senior management. Training sessions are also separately conducted for all heads of departments. We have developed a policy and internal procedure to report and address any cases of Anti-corruption and this has been communicated to all members of our senior management. Training sessions are also separately conducted for all heads of departments. All our operations are assessed for risks related to corruption and there were no incidents during the reporting period. As part of our ethics and fair governance practices, we have developed the following policies and guidance documents in the financial year 2017:



“

We understand that sustainability brings significant benefits to our business. We are examining key elements of sustainable operations and expect to implement new actions to help achieve the Sustainable Development Goals also in our Ring Plant operations.”

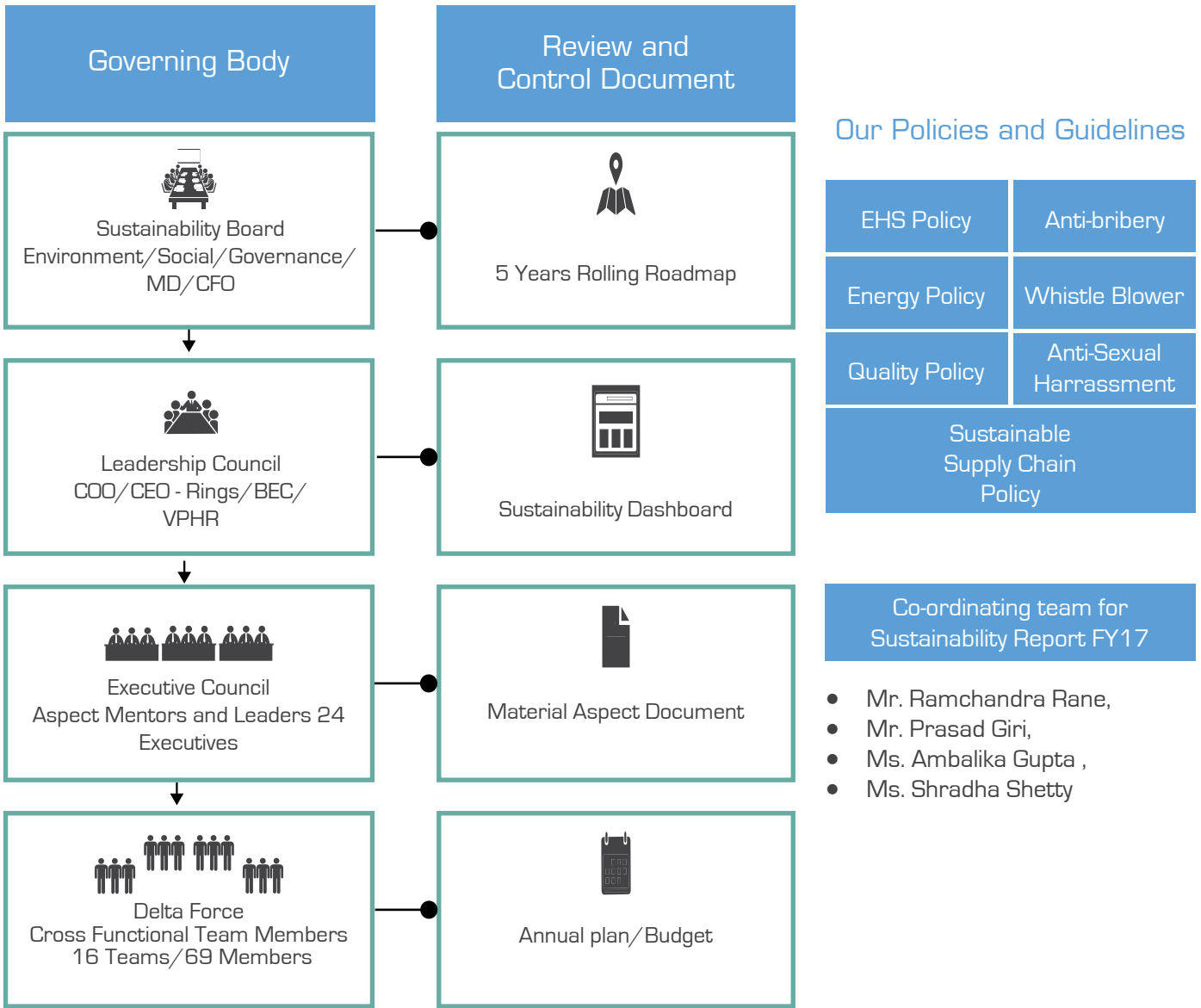
Mr. Krishna Mandke, Chief Executive Officer (Rings) - Mahindra Sanyo

Sustainability Governance Framework:

The sustainability governance framework of our organisation is multi-layered and includes participation of managers and employees at various levels. Such an approach helps to ensure that the ethos of sustainable development is ingrained firmly within our organisation. Our Sustainability Board is responsible for decision making relating to the triple bottom line to generate effective allocation of resources such as human capital, financial and natural resources.

Sustainability Management:






We identified key focus areas through materiality assessment and stakeholder engagement and have taken several steps towards mitigating the impacts of our activities. Our Sustainability and Leadership Councils are responsible for operational performance in line with our sustainability mission in all areas of sustainability. The Councils conduct environment, economic and social impact assessments periodically and review the results.



# Memberships and Associations

“ Mahindra Sanyo, has been part of the Alliance for Integrity right from the time of its inception in 2015. During the period Mahindra Sanyo has not only owned the agenda of Business Integrity but also led by example through the initiation of measures within the organisation. We wish them all the success in their continuous endeavours in this direction.”

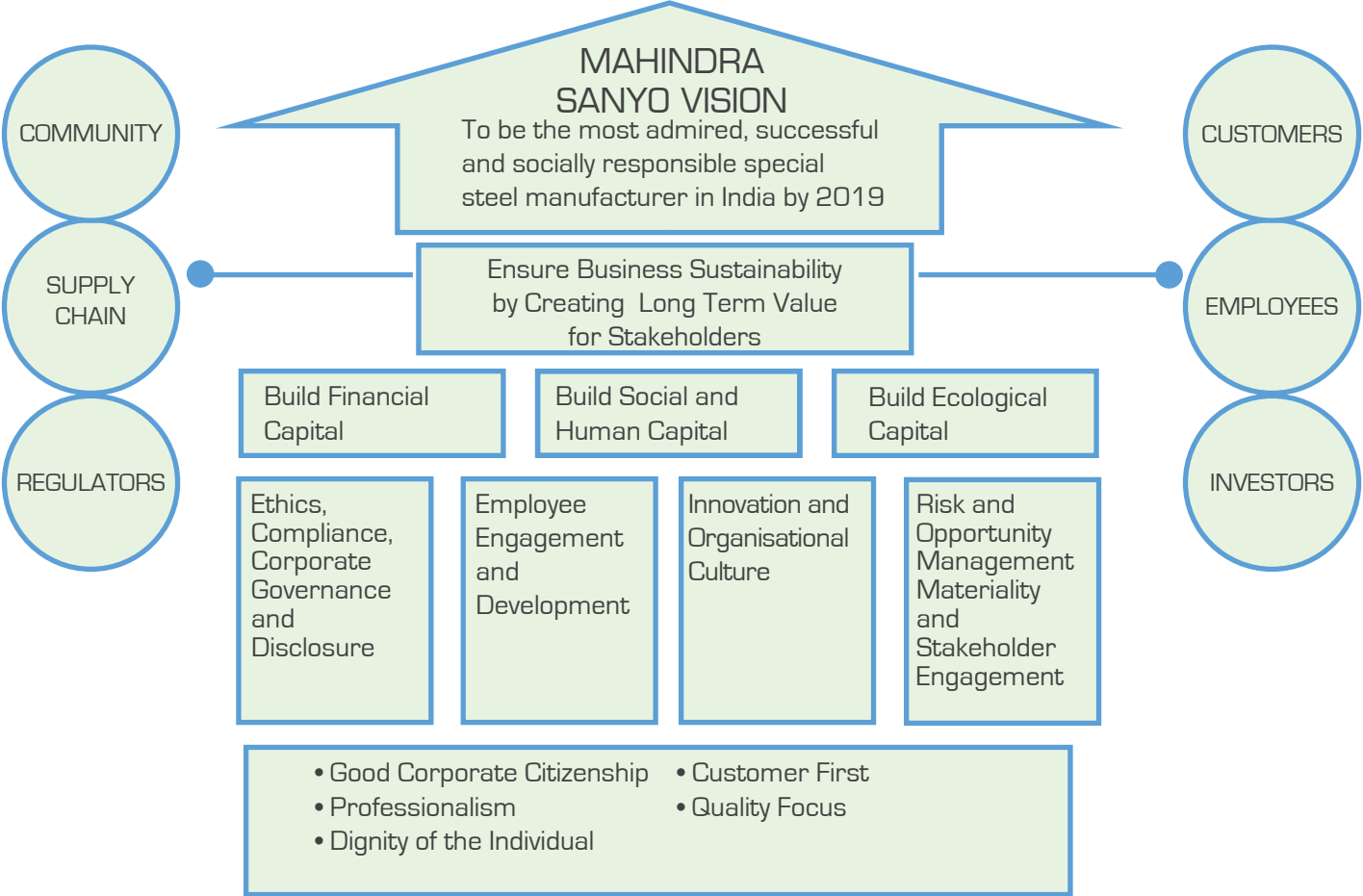
– Ms. Nandini Sharma, Network Manager India, Alliance for Integrity.

 <p><b>INDIA GHG PROGRAM</b> <small>Pursuing profitable, sustainable and competitive businesses.</small></p>	<p>Mahindra Sanyo is the Founding member and first Indian steel manufacturer to be part of the India GHG Program, spearheaded by World Resources Institute (WRI, India), The Energy and Resources Institute (TERI) and the Confederation of Indian Industry (CII). The India GHG Program acts as a “Centre of Excellence” for benchmarking of GHG emissions in India.</p>
 <p><b>AQUEDUCT</b> <b>Water Risk Atlas</b></p>	<p>Mahindra Sanyo is also the first amongst Indian steel makers to be part of WRI's (USA) initiative - Aqueduct Water Risk Atlas. This initiative is instrumental in mapping water risks and vulnerability.</p>
 <p><b>GPMDG</b></p>	<p>We are a Member of the Green Power Market Development Group (GPMDG), India, which develops effective renewable energy purchase approach for industries.</p>
 <p><b>Alliance for Integrity</b></p>	<p>We are on the Advisory Board of the policy-making team for India operations of Alliance for Integrity, intended to promote integrity in the economic system of business entities and improve the conditions for clean business compliance.</p>
 <p><b>ResponsibleSteel</b></p>	<p>Mahindra Sanyo is on the Advisory Board of the Steel Stewardship Council - Responsible Steel, and collaborates with them to develop a global sustainability certification scheme called ‘Responsible steel’ for steel business which is a multi-stakeholder international platform, designed to provide certification of compliance with nominated sustainability criteria for all sectors of the steel supply chain, and covers the full life cycle of steel.</p>



# SUSTAINABILITY PRIORITIES

Business Sustainability Guiding Framework



# Sustainability Strategy, Goals and Targets

The operations involved in a steel industry pose implications for all major environmental resources and for localities neighbouring steel operations where most of the workforce lives. In this context, it is important for Mahindra Sanyo to focus on efficient use of environmental resources and adopt a responsible and proactive approach to ensuring long term sustainability and profitability. Additionally, our customers have high expectations of quality and sustainable production practices. This is reflected in our organisational vision statement which guides us to ensure success in our production, economic performance and safety goals as well as social and environmental responsibility. Additionally, since 2011 we have incorporated the 'fifth' perspective – environmental and social – in the traditional Balanced Scorecard framework to fully integrate sustainability into our business strategy and daily operations.



“ We have always believed in a holistic business approach with sustainability being integrated in our corporate governance. Continuing this tradition, we strive to maintain good governance of equity, transparency and accountability. Sustainability initiatives have also delivered considerable financial benefits.”

Mr. Sudhir Yagnik,  
Chief Financial Officer - Mahindra Sanyo

## Framework

Our dedicated sustainability framework lays the foundation for achieving our objectives, providing an overall direction to our strategy. It details specific areas of implementation including Environmental, Social, Emerging and Enablers.

Sustainability Operational Framework			
Environment	Social	Emerging	Enablers
<ul style="list-style-type: none"> <li>Energy</li> <li>Water</li> <li>Resource Intensity and Recycled Inputs</li> <li>Waste</li> <li>GHG Reduction</li> <li>Pollution Control</li> <li>Sustainable Supply Chain</li> <li>Afforestation</li> </ul>	<ul style="list-style-type: none"> <li>Safety</li> <li>Succession Planning and Skill Development</li> <li>Employee Engagement</li> <li>Corporate Social Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Renewable Energy</li> <li>Green Building</li> <li>Product Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Materiality and Stakeholder Engagement</li> <li>Environmental Life Cycle Assessment</li> <li>Management Accountability</li> <li>Social Life Cycle Assessment</li> </ul>

## Implementation and Monitoring Mechanisms










Sustainability Roadmap	Aspect Teams	Mahindra Group Sustainability Dashboard
<p>We have a rolling 5-year Sustainability Roadmap based on guidelines from the Ceres framework and Mahindra Group sustainability policies and goals. The Roadmap indicates the measurement against material issues, evidence of interest and impact (SASB guidelines), future aspirations, risks and opportunities, collaboration, internal and external guidelines, link to business goals/Balanced Scorecard and responsibility across the organisation for monitoring and regular reviews of targets.</p>	<p>Through materiality analysis and stakeholder engagement, priority issues have been identified. Cross-functional teams work on these aspects and deliver targets and goals as per the long-term plans. The goals, Roadmap and action plan is reviewed quarterly by Sustainability Board.</p>	<p>The Mahindra Group Sustainability Dashboard functions like a report card for each company, assessing various sustainability parameters relevant to each company's progress. The combined result presents the sustainability score of the company as assessed by the group. The sustainability parameters are divided into the following broad groups with many sub parameters: Business strategy, Engaging Sustainability, Eco-Efficiency (Energy, Water, Waste and Biodiversity), Products and Services, Social, Supply chain and Employee Safety.</p>



“

We have been very successful in linking sustainability initiatives with our company goals and establishing a strong business case. This has helped us involve a maximum number of people in these initiatives and connect them to people, planet and profit.”

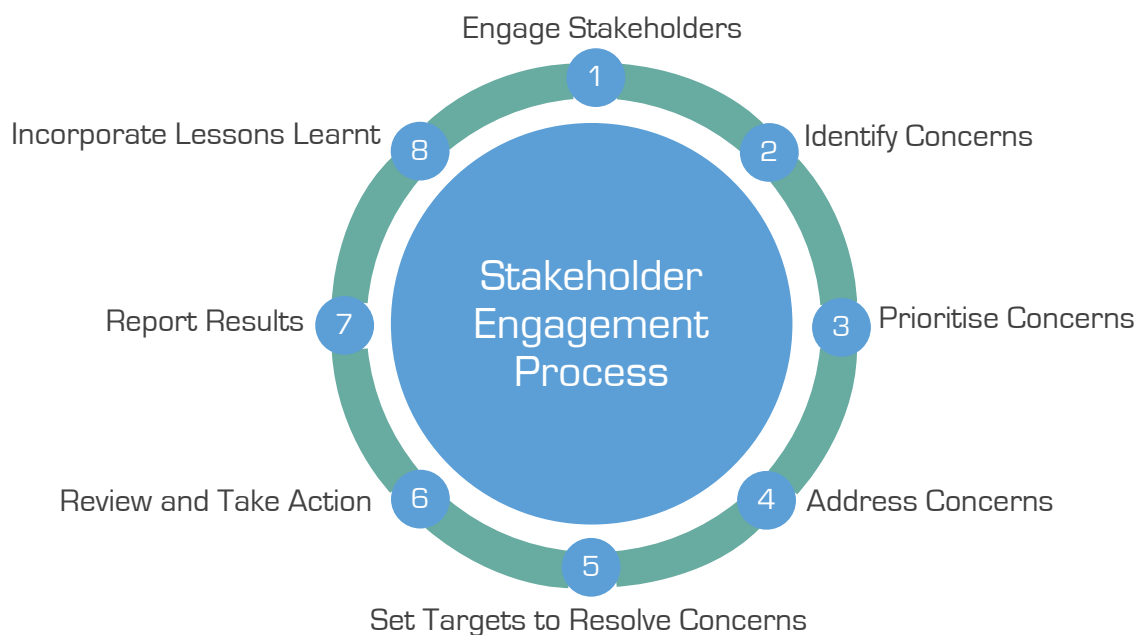
– Mr. Ramachandra Rane, AVP BEC - Mahindra Sanyo

Aspect Targets and Linkages					
Aspect	Unit of measurement	Commitment (F13-F21)	FY 17 (Target)	FY 17 (Actual)	GRI Standard linkage
Energy Efficiency Improvement - Electricity	Kwh / Ton	21%	10%	11% 	302 - Energy
Energy Efficiency Improvement - Furnace Oil	Ltr / Ton	36%	28%	26% 	302 - Energy
Water Conservation	M 3 / Ton	68%	35%	35% 	303 - Water
Greenhouse Gas reduction	CO2e Kg / Mt Scope 1 CO2e Kg / Mt Scope 2	35% Scope 1 40% Scope 2	25% Scope 1 16% Scope 2	27% Scope 1 14% Scope 2 	305 - Emissions
Safety Standard Improvement	Reportable accidents	0	0	2 	403 - Occupational Health and Safety
Succession Planning and Skill Development	No. of retirements replaced	213	83	83 	404 -Training and Education
Employee Engagement	Employee Satisfaction Score MCARES (Score on scale of 1-5)	4.5	3.93	4.12 	401 - Employment
Renewable Energy and Waste Heat Recovery	% of total KWH Consumed	20%	7%	7% 	302 - Energy
Environmental Life Cycle Analysis	Assess environmental impact performance.	Every 3 year	Perform LCA for FY 16	Simulation LCA done in FY17 	

# Engaging with Stakeholders

We have developed a comprehensive stakeholder engagement mechanism with an objective to interact with various stakeholder groups on a periodic basis. Over the years, this approach has become embedded in our business practice.

Listening to our stakeholders' view gives us an opportunity to understand their interests and expectations. These perceptions guide us while taking decisions which directly or indirectly affect them. Such engagement always goes a long way in helping us mitigate risks, resolve conflicts and ensures that we are fully compliant with regulatory requirements



“ It is a pleasure to see Mahindra Sanyo being at the cutting edge of sustainability in the steel industry in India, in addition to being the leader in the special steels business. It is key for Mahindra Sanyo to be recognised as an ethical and responsible corporate citizen which protects the interests of all stakeholders. We have been privileged to be associated with Mahindra Sanyo for several decades and congratulate Mahindra Sanyo on its success in the sustainability domain.”

- Mr Rakesh Agrawal, Girdharilal Agrawal and Co.

Stakeholder Group	Engagement Mechanism	Frequency of Engagement	Key Concerns Raised	Response Mechanisms Adopted
Employees	Meetings at department level and one-to-one interaction, performance review, internal publications, suggestion drop-boxes, joint meeting with labour unions	Weekly, Monthly, Quarterly, Annually	Remuneration, training and skill development, career progression, health and safety, workplace grievances	Robust HR policies, effective and transparent communication, training activities, grievance redressal mechanism
Suppliers	Supplier meets, engagement workshops, assessment questionnaires, quality and sustainability audits	Quarterly, Annually	Supplier satisfaction, on - time payment, environmental issues, labour practices	Sustainability data collection, trainings and workshops, grievance redressal mechanism
Customers	Plant visits, top management interaction, customer meets	Quarterly, Annually	Product quality, cost, complaints, value creation	Customer Touch Point (CTP) Program, Customer Satisfaction Survey, Research and Development
Community	Interaction of villagers, meetings with municipal corporation groups, community visit of top management	As required (Planning on quarterly basis)	Employment, healthcare, education, infrastructure, sustainable livelihoods	JCMM Primary School, Industrial Training Institute collaboration, Mahila Bachat Gat, health camps
State and Central Regulatory Bodies	Meetings with pollution control board representatives, plant visits and inspections, factory inspector, labour department	Annually, As required	Environmental compliance, workplace safety, other regulatory compliances	Management systems deployment, monitoring KPIs, periodic reporting
Industry Associations	Conferences, meetings, seminars	Annually, As required	Industry policies, economic scenario, regulations	Active participation, capacity building of representatives

“What really impresses me about Mahindra Sanyo is their active engagement in their supply chain; downstream to see how to best align their efforts with key clients – and upstream to coach and educate suppliers using the highest standards possible. Mahindra Sanyo plays an active role in the global special steel industry and its various sustainability initiatives. In the business, Mahindra Sanyo is pro-actively integrating sustainability into core business strategy – up to Board level. They lead through their continuous personal engagement of key stakeholders complemented with a facts-based risk and opportunity approach.”

– Ms Marjella Alma CEO and Co-founder, eRevalue, UK

# Materiality Assessment

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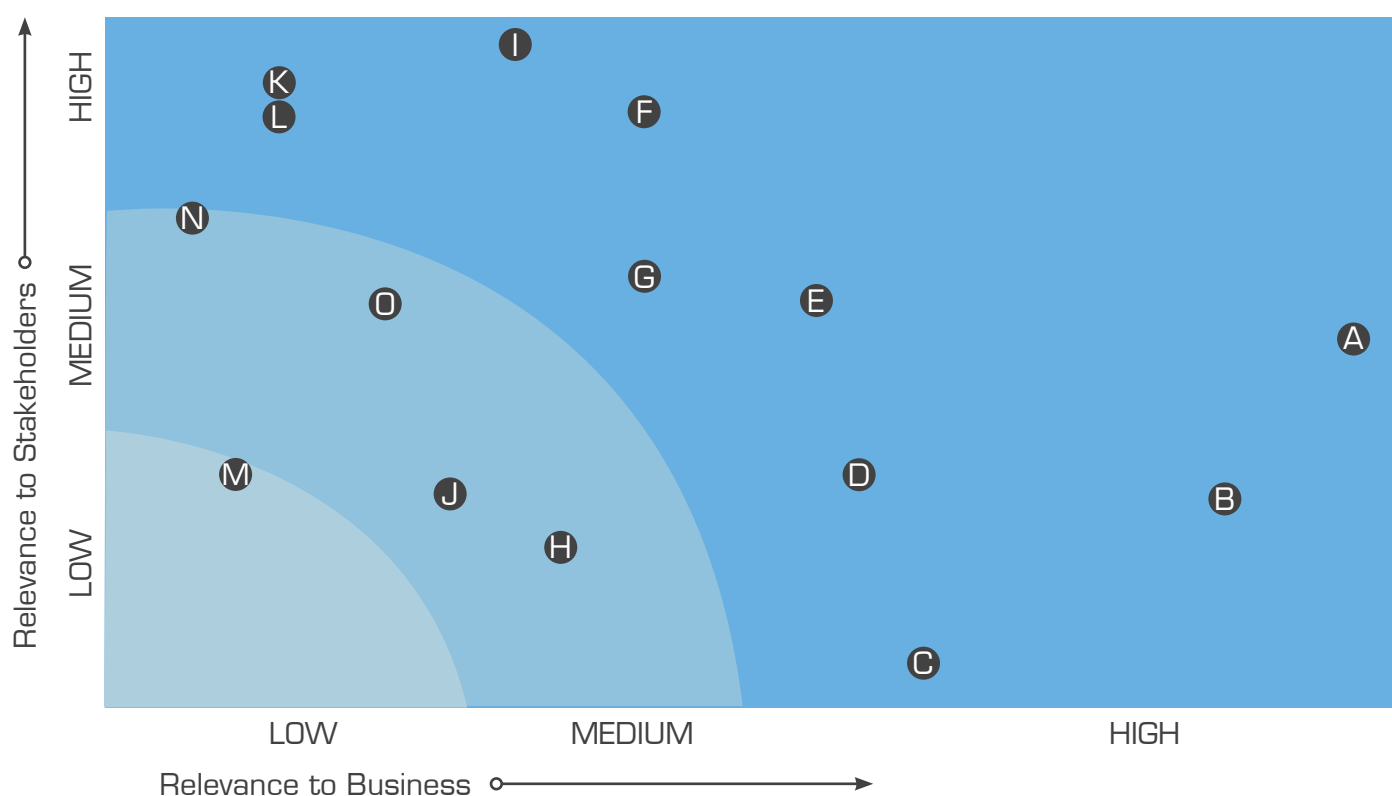
We at Mahindra Sanyo believe that conducting a thorough Materiality Assessment, based on multi-stakeholder engagement is the best way to determine and address overall strategy, risk and opportunity management.

Our goal is to foster positive relationships between the company and its stakeholders through two-way communication to ensure that our understanding of material issues are aligned. Conducted in a dynamic and continuous manner by our aspect team members in a step by step process, materiality assessment involves stakeholder identification, prioritisation and engagement; risk identification; mapping and ranking according to impact on the business and stakeholders and the creation of action plans to mitigate risk and leverage opportunities. The results of the materiality test are validated by senior management including the Managing Director.

The selection of issues to be included in the materiality assessment involved a review of our previous assessment and a study of regulatory, reputational and stakeholder issues taken up by our peer and sector companies, and standards like GRI and SASB. Following this, we created a stakeholder engagement plan that engaged over 250 stakeholders including employees, customers, investors, community groups, banks, schools, government agencies, peer industries and NGOs. This helped us to identify, rank and map the issues which were most material in terms of importance and impact. In the final analysis, the company listed 15 sustainability issues which featured in our business process decision making and have helped us define the content of this report. Some topics, such as supply chain management, climate change, happiness and work-life balance are not listed as our most material topics though we continue to address our impacts in these areas.

In addition we use Datamaran by eRevalue to study emerging economic, environmental, social, and corporate governance risks periodically during the reporting year. This tool allows us to gain insights into issues publicly disclosed by over 7,000 companies worldwide. To further strengthen our value chain, we are engaging our Tier I and Tier II suppliers to create awareness.

# Materiality Assessment



	Material Aspect	GRI Indicator	Business Connect
A	Air Quality	305-7	Regulatory Risk, Licence to Operate, Externalities, Tax
B	Greenhouse Gas Emission	305-1, 305-2, 305-4	Regulatory Risk, Carbon Tax, Operational Efficiency
C	Sustainable Supply Chain Management	308-1, 308-2	Cost Reduction, Disruption Risk, Alternatives Materials, Reputation Risk, Inclusivity
D	Water Management	303-1	Regulatory Risk, Licence to Operate, Cost Reduction, Disruption Risk
E	Energy Management	302-1, 302-5	Cost Reduction, PAT Risk / Opportunity
F	Recycling Management	306-2	Cost Reduction, Revenue Model, Regulatory Risk
G	Process Innovation	MSSSPL Measures	Cost Reduction, Revenue Model,
H	Use of Renewable Energy	302-1, 302-5	Cost Reduction, PAT Risk / Opportunity
I	Product Quality	MSSSPL Measures	Customer Lock in, Revenue & Growth, Reputational Risk, Brand and Innovative Materials
J	Waste Management	306-2	Cost Reduction, Revenue Model, Regulatory Risk
K	Employee Health, Safety and Wellbeing	403-1, 403-2, 404-1, 404-2	Licence to Operate, Fair Labor Practices, Talent Retention, Cost
L	Product Innovation	MSSSPL Measures	Customer Lock in, Revenue & Growth, Reputational Risk, Brand and Innovative Materials
M	Employee Engagement and Development	401-1, 401-2	Fair Labor Practices, Talent Retention, Positive Working atmosphere, Reputational Risk
N	Career Planning	401-1, 401-2	Fair Labor Practices, Talent Retention, Positive Working atmosphere, Reputational Risk
O	Initiatives to Reduce Environmental Impacts of Products	416-1, 416-2	Customer Lock in, Revenue & Growth, Reputational Risk, Brand and Innovative Materials





SUSTAINABLE  
ECONOMIES  
FOUNDED  
WITH STEEL

# Steel as An Essential Element of Sustainable Economies

Steel is a unique material vital to almost every aspect of modern life. It is durable, reusable, and 100% recyclable, thus, a permanent material. All steel, even steel created a century ago, can be recycled today and used in new products and applications. This makes steel a sustainable material which can enable a transition to resilient low carbon economies.

Today, the metal production process involves a combination of primary resources and metal scrap. Recycling of scrap is gaining ground and has become the main source of steel manufacture in developing countries. At Mahindra Sanyo, raw materials for manufacturing include steel scrap, direct reduced iron (DRI) and pig iron. Steel scrap, specifically, in the form of heavy metal scrap and shredded scrap, contributes over 70% of our ferrous input.





## Building India's Infrastructure with Steel

Steel plays an important role in contributing to the development of a country's infrastructure and accelerating its growth. Sometimes termed the backbone of human civilisation, steel finds its primary and secondary application across all major industries and economies alike. It contributes to increasing the mobility of people, products and services and helps increase business productivity. Mahindra Sanyo provides steel products to a multitude of key vehicle manufacturers and component suppliers, including crank-shafts, connecting rods, etc. We are consistently developing a wide range of higher performance steel products to continue delivering high quality steel to our customers in the automobile sector including Mahindra and Mahindra, TATA, Maruti Suzuki and more.

Steel is also a vital part of developing infrastructure that gives people access to energy, because of its use in oil rigs. It also finds application in the mining and exploration sectors which are essential to sustain the flow of raw materials to major industries.

An important sector that relies heavily on steel is the Railways. Indian Railways procure steel from Mahindra Sanyo for axle application. During the past five years, we supplied 71,092 tonnes of steel to support India's railway infrastructure.

We consistently strive to supply high quality steel, in the form of forged, rolled, cast and bright, peeled bar of steel and steel rings to crucial industries in India such as -

Automotive and Farm Industry	Bearing Industry	Oil and Gas Industry	Engineering and Mining Industry
			
Bharat Forge	SKF	CAMERON	Atlas Copco
Ford	Timken	GTN	Cummins
TATA	FAG	SMITH	Siemens

# Supporting Our Customers' Competitiveness

Our mission statement is “To supply high quality special steels to meet growing demand and to contribute to customers' competitiveness”. Keeping this statement in our focus, our core value proposition is to continue being the quality leader in our chosen market segments and orienting product quality parameters to the target segment for the satisfaction of customers.

At Mahindra Sanyo, we regard our customers as business associates and through our unique Customer TouchPoint Program, [CTP], we endeavour to understand their expectations of products, beyond technical contract reviews. We analyse the processing of our steel supply in the customers' manufacturing setup and this helps to further improve the quality of our products by incorporating necessary process modifications at our end. The CTP program is a platform for regular interaction with the customers, where various best practices and industry knowledge is shared. In terms of feedback from our customers, we were able to improve our customer satisfaction performance.

The Customer as Promoter Score (CaPS) score has consistently increased. In the steel division, the score increased from 42 to 43 and in the ring division, the score increased from 15 to an impressive score of 55.

Innovation is an ongoing process at Mahindra Sanyo. We are constantly developing new products which add value to our customers by taking initiatives like:

- New product segment and inputs substitution
- Improving steel cleanliness
- Process and equipment up-gradation
- State-of-the-art infrastructure

We also initiated joint projects with customers in the areas of sustainability, human rights, ethics, safety, training and development. We believe in creating a platform for sharing knowledge and interact with our customers to enable their competitiveness and ultimate success.



“ Our sustainability initiatives have definitely helped our Steel Operations to grow positively, both from an environmental perspective as well as in terms of cost-efficiency.”  
Mr. Dilip Pachpande, Chief Operating Officer, Mahindra Sanyo

# Adding Value for All Stakeholders

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At Mahindra Sanyo, we are conscious of the role that steel plays, both as a product and an industry, in the local and national economy. Large amounts of steel is required for growth of infrastructure. Growth of steel consumption is typically linked to the economic growth.

The “Make in India” initiative is expected to witness significant investments in construction, infrastructure, automobile, ship building and power sectors, all of which will stimulate steel demand, the benefit of which will

be seen by domestic steel producers. The use of cost efficient and competitive ‘Indian made steel’ will pave the way for infrastructure development and construction activities in the country.

We registered an 11 % growth in sales volume and 7 % in sales revenue. Due to intense competition and pressure on pricing, we face challenges in improving our economic performance.





SUSTAINABLE  
BUSINESS  
FOUNDED WITH  
RESPONSIBILITY

# Preserving the Environment

## AIR QUALITY

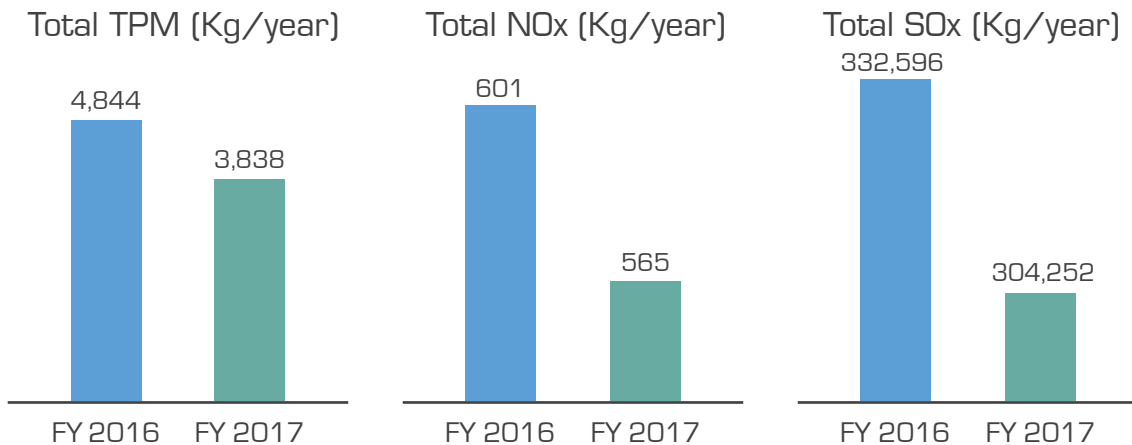
Being a responsible steel manufacturer, we aim to minimise our atmospheric emissions. All emission sources are mapped and monitored regularly by a dedicated cross-functional team. Beyond compliance, air quality is particularly important for us to avoid reputational risk from our neighbouring communities.

Our air emission reduction strategy focuses primarily on the reduction of SPM, SO<sub>x</sub> and NO<sub>x</sub> concentrations, around which we have built a focused roadmap approach. Last year we conducted an Air Quality monitoring study, and as part of our digitisation strategy, we have started to implement an Internet of Things (IOT) approach for automated online monitoring.

Emission reduction at Mahindra Sanyo is achieved through innovation and process improvements. We have extensive investment programs in place to improve air quality. These schemes include site greening, segregation of clean and dusty activities, installation of dust suppression systems and road infrastructure modifications.



To attain outdoor air quality emission to International (EU) standard.  
To attain indoor (factory and offices) air quality to International (EU) standard.



## GHG MANAGEMENT

Reduction of Scope 1 and 2 emissions while reducing our dependence on fossil fuels is one of the top five goals at Mahindra Sanyo.

Due to the high dependence on energy in steel production, carbon emissions will continue to pose challenges. With the current global scenario, our Company will be facing new regulatory norms in future. To meet these new GHG emission norms, it is essential for us to focus our efforts on emission reduction. In 2013, we prepared a rolling 5-year strategy to do this.



60% reduction in our Scope 1 emissions and 20% reduction in our Scope 2 by 2020 (baseline 2013)  
20% of the total power consumption as renewable energy by 2020

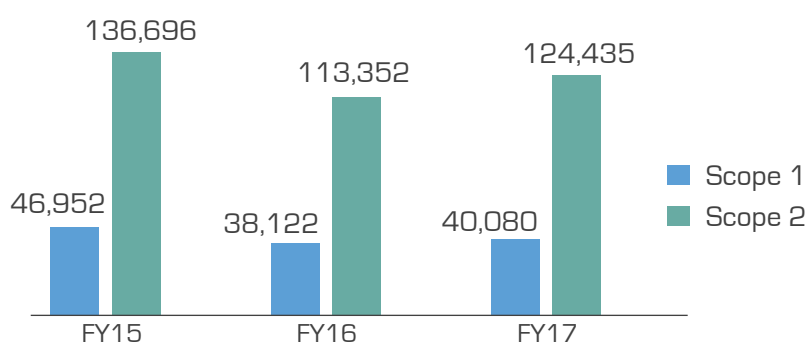
We are continuously making efforts to identify projects with reduction potential. The project design and execution excellence is undertaken by a cross-functional team.

Our GHG impact arises mainly from use of fossil fuels (furnace oil) and electricity intensive processes (owing to Electric Arc furnace technology). We are working towards switching to natural gas as fuel for all our furnaces to reduce our GHG impact. We are presently working on a framework to capture and measure our impact from Scope 3 emissions that consists of a robust data capture system.

We have begun setting up solar power panels to take care of the lighting load of our administrative building as an attempt to move towards renewable energy. We also receive electricity from wind power station and solar power which further offsets our carbon footprint.

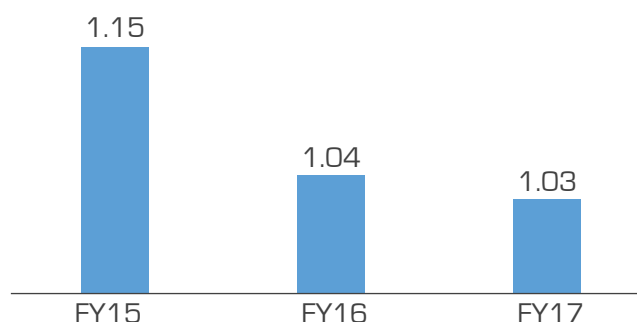
Our roadmap includes planned targets for Scope 1, 2 reduction strategies based on emissions intensity values. Our Scope 1 reduction strategy is aligned with our oil roadmap and Scope 2 correspondingly with our electricity roadmap.

### Scope 1 and Scope 2 Emissions (tCO<sub>2</sub>/year)



\* Calculations were carried out as per IPCC guidelines. Renewables were considered as zero emissions

### GHG Intensity (tCO<sub>2</sub>/MT)



As shown in the graph, our GHG intensity has been steadily reducing, encouraging our efforts in energy-efficiency and overall emission management, thereby reinforcing our commitment to sustainability.

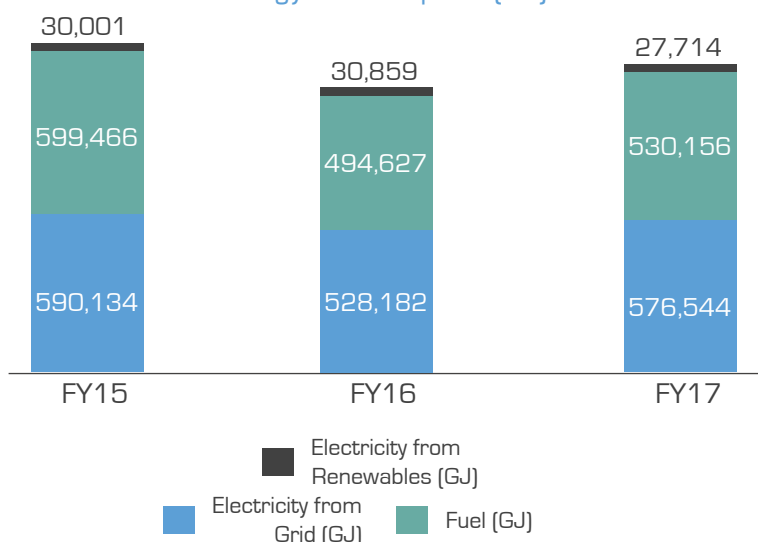
## ENERGY MANAGEMENT

Energy ranks among the top material topics for us at Mahindra Sanyo. The energy mix of our plants predominantly consists of furnace oil, electricity and renewable energy. Use of EAF (Electric Arc Furnace) technology for manufacturing makes us significantly electricity-dependent. Our reheating furnaces, for rolling and forging processes, use fossil fuel (furnace oil) as the primary energy source. Owing to the increasing power tariffs, price volatility of oil and increasing regulatory restrictions, energy reduction has become a priority area within our business strategy. We have implemented a 5-year rolling roadmap to reduce our impact on the environment, which includes an energy reduction strategy that addresses two main parameters: reducing the consumption of electrical energy and primary fuel (oil) and increasing our renewable energy share.

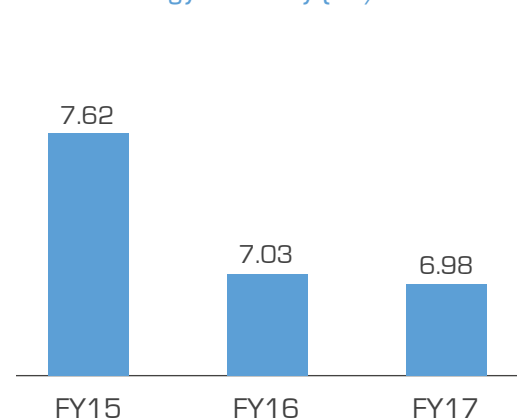


“ At MSSSPL, we are dedicated to resource conservation, climate protection and cost reduction. This can be seen in our energy management program achievements.”  
Mr. Satyajeet Kumar, Energy Manager Mahindra Sanyo

Energy Consumption (GJ)



Energy Intensity (GJ/MT)



## SUSTAINABLE SUPPLY CHAIN

At Mahindra Sanyo, we believe in inclusive growth and are committed to sustainable sourcing. There is a need to get involved with supply chain and generate awareness, while providing guidance on best practices. Therefore, we strive to have a positive and long lasting impact on the three important aspects: Environmental Sustainability, Social Sustainability and Governance (ESG). We follow the guidelines of BS 8903 and UNGC BSR (Business for Social Responsibility) for Sustainable Supply Chain Management.

“It is always heartening to see Mahindra Sanyo’s commitment to sustainability and compliance. I for one, have first-hand seen the active role that the company has played in multi-stakeholder initiatives such as the Alliance for Integrity. It is this commitment of senior leaders that ensures that Mahindra Sanyo stands out as a responsible corporate citizen.”  
– Mr. Sherbir Panag, Partner, Law Offices of Panag and Babu

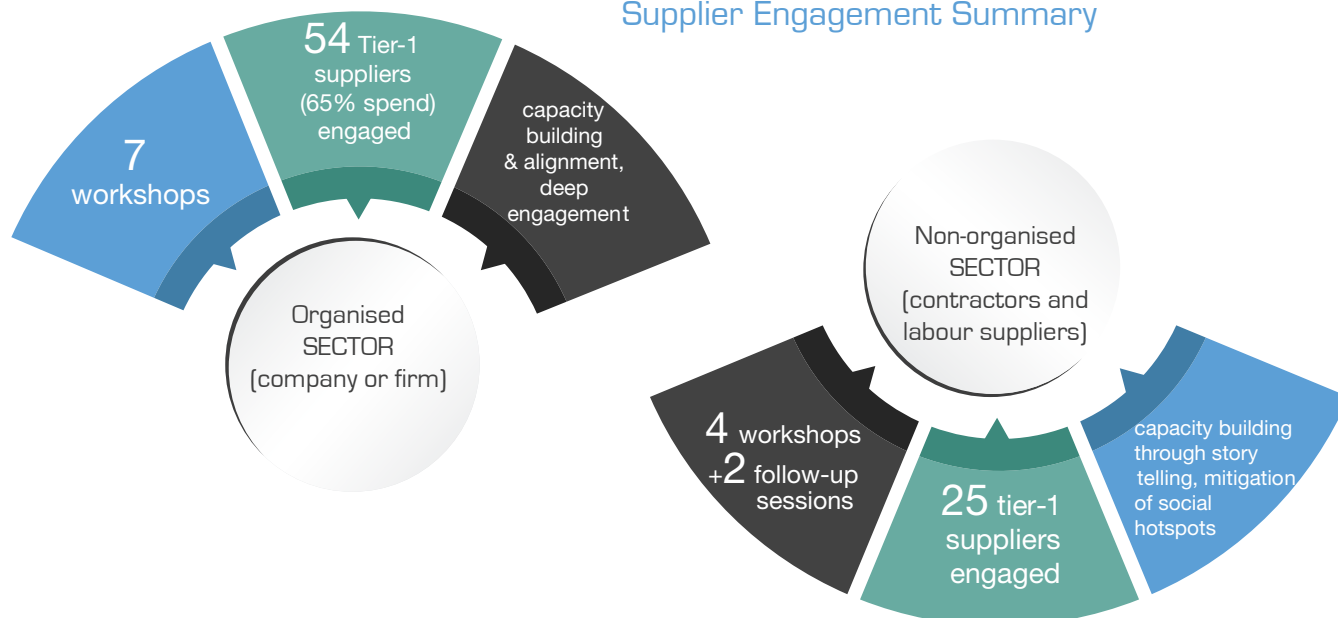
### Supply Chain Policy

We have a comprehensive procurement policy that includes sustainable sourcing. We have been discussing responsible procurement with our suppliers as well, preparing them for our procurement policy that will additionally consider sustainability parameters.

### Supplier Code of Conduct

The Code of Conduct contains “Minimum Standards” and “Qualifying Standards”. The standards are grouped into three main areas: Environment; Labour and Business Ethics.

### Supplier Engagement Summary



### Supplier engagement

With a view to extending sustainability across our supply chain, we have been organizing Sustainable Supply Chain Management workshops for our suppliers for the past five years. Tier 1 suppliers with the organised sector and non-organised sector have been engaged on GHG accounting, LCA, corporate governance etc.

## Supplier Assessments

Every year we shortlist some suppliers for auditing, based on their share and nature of business to ensure the quality of their supply and their compliance to the Code of Conduct. If they are identified as non-compliant with qualifying standards, they are expected to establish targets and action plan for reaching the qualifying standards. All our new suppliers are screened for environment, social and governance criteria. There were no incidents of non-compliance in the reporting period.

## Components of Supplier Code of Conduct

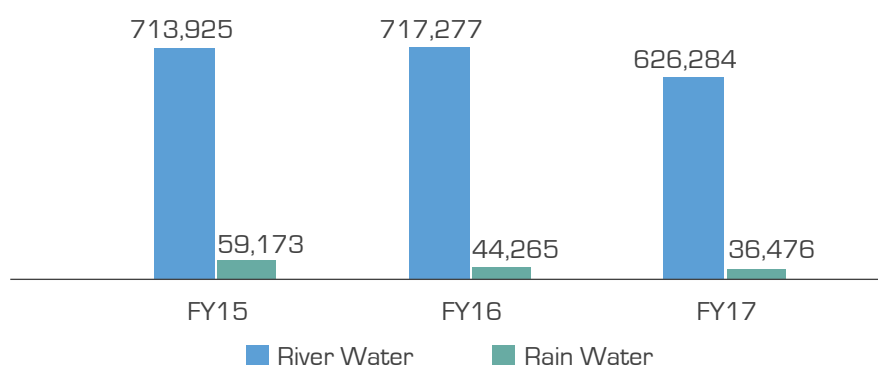
- Child labour
- Discrimination
- Forced labour
- Harassment or inhumane treatment
- Working hours and salary
- Health and safety
- Anti-bribery
- Conflict of interest
- Gifts and hospitality
- Right to privacy
- Information security
- Emergency preparedness planning
- Chemicals and hazardous materials
- Air emissions
- Greenhouse gas emissions
- Minimise waste
- Maximize recycling

## WATER MANAGEMENT

At Mahindra Sanyo, we have identified water management as an important focus in the company's commitment to the environment. Fluctuations in precipitation patterns, source vulnerabilities and expected rising water prices have made it increasingly important to manage water use. Our company's water needs are served by river water and rain water. Over time, we have also reduced fresh water consumption through different process modifications, new technologies adaptation and Kaizen. Recently, we surrendered a part of our water quota to the government.

Water consumption is mainly for the cooling process in the manufacturing process. Domestic and gardening needs in the housing colony adjacent to our plant also contribute to our total water consumption.

### Water Consumption (m3)

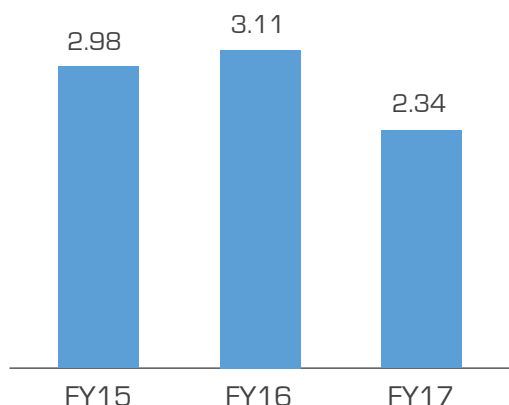


Our water reduction journey has been managed and executed through excellent team work which Prioritises the following:

- Water conservation at source
- Zero effluent discharge from operations
- Rainwater harvesting and water accounting

We conducted a water audit to understand our water use pattern, leakages and waste. Following this, we built an internal check dam for rainwater harvesting and ground water recharge. We reuse grey water from our Sewage Treatment Plant for gardening, rain water for industrial top-up, and have set targets to reduce industrial withdrawal and consumption volumes. WRI's Aqueduct tool helps us map our water risk and source vulnerabilities, and contribute to our local community by supplying filtered water to the residential township housing our staff. Through monthly flyers, we create awareness amongst our employees about water conservation and water management within our operations. Our water roadmap includes planned targets

### Water Intensity (m3/MT)



for two key parameters; reduction of river water withdrawal for industrial top-up and increasing reuse of treated water for industrial and gardening purposes. This year, we have been successful in achieving our targeted water intensity with 25% reduction, compared to the previous year.



By 2021, we aim to achieve a water reduction of 60% from the baseline year of 2013.



“Life is nonexistent without this precious resource, so save water.”  
Mr. Prabhakar Gawade, Water Manager, AGM - Maintenance

## RECYCLING & WASTE MANAGEMENT

As a conscious manufacturer, Mahindra Sanyo is committed to effective resource and waste management. During the reporting period, Mahindra Sanyo consumed a total of 167,604 tons of raw materials which consist of scrap, sponge iron and pig iron. More than 50% of our waste materials are recycled and reused as input materials in our production cycles.

### Circular Economy

We at Mahindra Sanyo believes in moving towards the circularity. Our process waste is the internal scrap which is almost 20% (Nearly 35,000 MT) of our production tonnage (melting). This scrap is sent back for re-melting and hence 100% is reused/recycled. During reporting period we sent 115 MT of broken refractories to supplier for recycling.

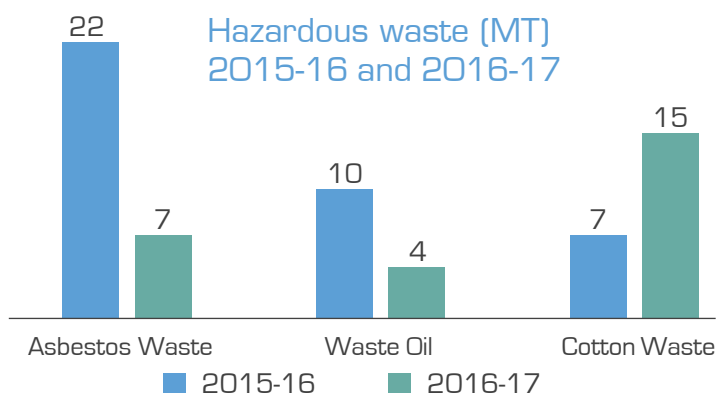


To reduce the landfill rate by 90 % by 2022 (baseline 2013)

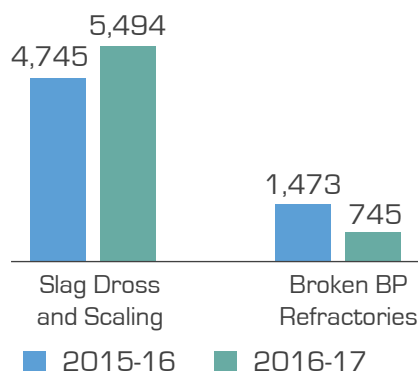
## Waste Management

As part of our waste management measures, we are aiming at reducing our landfill waste, reusing our manufacturing output, responsibly managing e-waste, and moving towards zero hazardous waste. A cross functional team manages and monitors the W2W (Waste to Wealth) waste management programme. We have demonstrated our commitment by training the employees in waste management techniques,

encouraging employees' suggestions, providing resources for 3R (Reduce, Recycle and Reuse) activities, measuring/monitoring waste generation and waste recycling. Our next waste stream comes from slag and fume extraction system [FES] dust which is sent to pig iron manufacturers. The W2W team has made significant progress in reducing the slag generation content by altering the input charge mix. Since our slag has a high content of iron, it is unusable by the cement and construction industry. To address this, we have initiated installation of a slag crusher unit, wherein the iron is separated and used for re-melting. The iron-free slag will be then sold to cement manufacturers. Fume extraction system dust is being sent to pig iron manufacturer. During reporting period we have sent 2,334 MT of FES dust for recycling. All other hazardous and electronic waste generated is sent to authorised recyclers.



### Non-hazardous waste (MT) 2015-16 and 2016-17



\* In FY 2015-16 we disposed old stock of Refractories

## CASE STUDY

### Water Savings by using Waste MS Pipes

We were observing water wastage which was causing extra withdrawal of water from the river due to water blooming in furnace return trench. Our daily water intake had dramatically increased. We realised that the main reason for this was that we were pumping extra water in the trench beyond its rated design capacity. Our teams worked to resolve this problem and decided to divert extra water from the trench directly into the main cold well sump, for which 280 m of pipe was required. By using waste MS pipes from within the plant. We used different sizes of pipes to meet our requirement and our project was successfully completed in November 2016.

Overall savings are as below:-

Saving on pipes of  
worth  
INR 0.45 Million

Annual cost  
saving  
INR 3.8 Million

Water saved 150  
m<sup>3</sup>/day

## CASE STUDY

### Waste to Wealth – Power Saving Project

Our teams had observed that there was one pump in operation for the supply of drinking water to the overhead tank through a filter, which involved a risk of breakdown while running the pump or motor as the mismatch between the pump head and the required head energy consumed was high.

To address this issue, through our Waste to Wealth Program, we decided to use spare, scrapped pumps. The pump was overhauled and its impellers were trimmed to achieve required head.

Results of the initiative:

Achieved required  
head of 35  
meters

Time required to fill  
overhead tank is  
30 – 35 minutes

The pump  
is used for 4  
hours daily

Benefits from  
the project:

Current drawn is  
by reduced 56%.

245 kWh Units  
of energy saved  
per day

Projected annual  
energy savings  
of 66,240 kWh  
Units

# Process and Product Innovation

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The spirit of innovation culminates from the driving purpose of our group corporate philosophy - Rise: we will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise - a call to action. To challenge the status quo. To think alternatively. To accept no limit. Our Sustainability mantra is to Rise for Good – A call to action – to do good. Our innovation paradigm has three guiding principles: Do more with less, Do it together and Do it for all.

In Mahindra Sanyo we believe in the string of innovations that happens in our daily life by engaged employees in our processes that underpins our business sustainability. We also believe in customer centric innovation – developing products that benefits our customers while meeting our responsibility towards the environment and the society.

## Process Innovation

Our Sustainability Roadmap challenges our people with elevated targets in the areas of specific energy reduction, converting waste into revenue stream, conserving water to reduce the risk of source vulnerability, improving product yield to reduce resource intensity, designing or modifying processes to increase circularity in the inner and outer loop, modifying business model to enhance takeback of recycled scrap from our customers' processes, collaboratively work in the supply chain to identify alternate materials and also opportunity for circularity.

45% of our executives are members of cross functional teams of aspects derived out of sustainability roadmap. These employees in turn connect with people across the organisation to ideate and implement innovative process solutions to meet the agreed roadmap targets. Our business financials are intricately connected with achieving such targets.

We also run theme months on various sustainability aspects with appropriate recognition and awards to scale up improvement suggestions received, kaizens and QC stories implemented and performance of skits and cultural programmes to involve one and all.

We also continuously scan the landscape of new and emerging technology and adopt the appropriate ones for breakthrough in process improvement. In a resource intensive business that we are in, sustainability is often a business case for corporate resource allocation. We also work with our supply chain partners in this area on shared benefit basis rather than allocating upfront capital.

## Product Innovation

Our recent product innovation stories have adjacency to:

- Improving customers' competitiveness
- Reducing resource intensity and extractive materials
- Reducing environmental footprint of product manufacturing / usage

The product innovation stride has resulted in:

- Increased sales of micro alloys that require less energy for manufacturing end products at our customers' end in auto component segment
- New die steel with enhanced use life – our product has less environmental footprint (under patenting)
- Ultraclean steel for high speed axles for railways ensuring passenger safety

# Product Quality

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Our company mission is to supply high quality special steel to meet growing demand & to contribute to customer's competitiveness. In order to achieve this we are focusing on significant improvement in steel cleanliness through process improvements. One of our long term goals is to become the manufacturer of cleanest steel in India.

Our business strategy is underpinned by our quality differentiation in the market. Our quality credo has a strong brand connect since last 50 years of our presence in the Indian alloy steel market. A key objective of the Joint Venture Mahindra Sanyo Special Steel with Sanyo Special Steel Co, Japan, one of the most reputed quality steel supplier across the globe, was to embark on a journey towards world class quality.

Setting elevated quality standard has been a key focus area for the company. We are the first steel company in India to be ISO certified in IATF 2016. We are

- ISO / TS 16949 Certified by RWTUV (Germany)
- Well Known Steel Maker of Creep Resistant Steel under IBR 1950 Certified By Central Boilers' Board
- Registration of in-house R&D Unit Certified by Ministry of Science & Technologies, Government of India

We have robust quality design built into our processes. The quality framework comprises of supplier quality, process quality and product / customer quality. With ingrained philosophy of continuous improvement in the company, we have significantly improved the internal process rejections as well as reduced customer claims. Our customer claims have reduced from 0.4 % to 0.07 % and internal rejections from 2.9 % to 1.56 % in last 3 years.

Our company is also preferred supplier to our customers when it comes to new product development for applications in various segments: automotive, bearings, tool & die steel, engineering steel and mining applications. We have improved on our new product development capability over the years to improve the "first right time" index from 86 % to 91 % in last 3 years as well as significantly reduced the risk of field failure at customers' end.

Our business excellence stride follows "The Mahindra Way" (TMW) in our pursuit of quality – a variant of TQM philosophy developed by the group company that holistically looks at all dimensions of quality in the management processes as well as the business processes. As a part of capturing our progress on the quality journey, our company undergoes a rigorous assessment process every year to dipstick the maturity level of attained and receive recommendations to enhance the same.

In order to develop Culture of Quality across organisation we are encouraging our employee to take projects under Mahindra Yellow Belt programme (42 projects taken), Quality Kaizens (925 no's), Systematic problem solving by QC stories and Daily Work Management to standardise – do -check – act framework.

# Product Environmental Responsibility

Mahindra Sanyo carried out Environmental LCA and mid-point LCIA for its products in FY 13 using GaBi platform of thinkstep (formerly P E International). This study included both gate to gate and supply chain parameters. The outcome of this study was used to undertake appropriate targets in the various aspects of energy, air quality, emission, waste, water and supply chain to reduce our negative environmental footprint and plan for a low carbon pathway of our processes. This is then captured in our Sustainability Roadmap.

In 2017, we updated the LCA & LCIA study to assess the results and did a gap analysis to enhance our action plan in the roadmap. We also did a simulation and modelling to understand our journey forward considering action points in our roadmap as well as the technology shift that we plan to do in the coming years through investments.

Comparison of GWP of FY 13 with FY 16 for selected steel grades

Grade	Global Warming Potential (GWP 100 years) [kg CO2-Equiv.] per ton of product			Interpretation
	FY 13	FY 16	% Change	
20MC5	3338.96	2559.30	-23.4%	<b>Fuel Efficiency:</b> Specific fuel consumption in SMS has reduced from 1.18 L/tonne (21% change) to 0.91 L/tonne.
5HS64	3515.01	3158.84	-10.1%	
8219 Timken	3788.07	2529.60	-33.2%	
9HS74	3638.27	2689.69	-26.1%	<b>Electricity Consumption:</b> The average electricity consumption in SMS and Forge shop has reduced by 6%.
AISI 1080	5511.79	3443.03	-37.5%	
AISI H11 Bar	4240.03	4000.00	-5.7%	<b>Electricity Consumption:</b> The average electricity consumption has reduced by 21% in Rolling shop, increased by 17% in Billet/Bloom shop.
AISI H11 Forged	6312.00	5000.00	-20.8%	
AISI H13	5511.79	3443.03	-37.5%	<b>Yield of SMS:</b> The average yield in SMS has increased from 90.3 to 91.8%.
AISI O1 Bar	4240.03	4000.00	-5.7%	
AISI O1 Bar Peeled	3515.01	3158.84	-10.1%	<b>Yield of Rolling Shop:</b> The average yield of rolling shop is increased from 91.92% TO 93.25%
D6AC	4312.00	4533.00	4.8%	
DIN 86CrMoV7	6061.06	4702.10	-22.4%	<b>Yield of Billet/Bloom Shop:</b> The average yield of billet/bloom shop is increased from 87.01% to 92.59%
EN36 C Forging	3303.38	3586.45	8.6%	

We also became a member of the roundtable of companies mainly in Europe to build a framework for Product Social Impact Assessment that was guided by Pre Sustainability. This framework helps us to conduct gate to gate analysis of hot, blind and bright spots of social issues. We extended this exercise to work with our value chain partners to improve social footprint of our products.

During the reporting period we have not observed any non-compliance with regulations and voluntary code concerning the health and safety impact of our products

# Engaging our Employees



“Employee engagement is universally material for all businesses. Advancing employee engagement at Mahindra Sanyo has provided many opportunities to learn and embed new ways of doing things.”

– Mr. Niranjana Purandare, GM HR Mahindra Sanyo

Our employees' capabilities, wellbeing and engagement are directly proportional to their productivity and in turn our bottom line, thus, a conducive work environment is a priority at Mahindra Sanyo. Our human resources policies are designed to create a productive and empowering workplace. We provide equal opportunity to every employee with no discrimination in any aspect of our people management. We ensure that remuneration is purely merit based and that there is no violation of the freedom of collective bargaining. 100% of permanent employees of our company are members of trade unions.

Workforce by Gender			
Role	Male	Female	Total
Management	540	11	551
Trainees	138	5	143
Contractual Labour	1,277	3	1,280
Workmen	412	0	412
Total	2,367	19	2,386

Workforce by Age				
Role	<30 years	30-50 years	>50 years	Total
Management	161	323	67	551
Trainees	127	4	12	143
Contractual Labour	621	617	42	1,280
Workmen	1	166	245	412
Total	910	1,110	366	2,386

Hiring and Attrition by Gender (Number and Rate)					
Hiring			Attrition / Retirement		
Male	Female	Total	Male	Female	Total
300	5	305	259	4	263
13%	26%	13%	11%	21%	11%

Note: Attrition numbers shown include contract workforce.

Hiring and Attrition by Age (Number and Rate)					
Hiring			Attrition / Retirement		
<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
177	114	14	117	130	16
19%	10%	4%	13%	12%	4%

## EMPLOYEE SURVEY

We seek regular feedback from employees to assess organisational effectiveness and to improve overall engagement. This is done through the MCARES survey, followed by focus group discussions. We have also instituted a task force to address the concerns raised through feedback. This year, we recorded the highest MCARES score of 4.12 on a scale of 5.

## PERFORMANCE ASSESSMENT

The performance evaluation and management process is the backbone of all HR activities. All executive employees are assessed on a 5 - point scale by their respective Head of Departments on parameters including results, change in attitude, behaviour and use of acquired skills. Employees also participate in a mid-year assessment to understand Key Result Areas (KRAs) or any change in KRAs. The entire process is open and transparent.



## CAREER PLANNING

MSSSPL has a gradation system for Executives and Workmen. New Executives/Engineers are recruited into E00 to E03 grades depending on their qualifications. Career Progress mainly depends on the performance of the individual, though we follow a Promotion Policy set by Mahindra and Mahindra Group. Hi-Potential Employees are taken into the fast track and career progression is done accordingly. Grades for Executives starts from E00 and ends at E15 (Managing Director). There is designation system linked to Grades starting from Executive to Chief Officers. Workmen also have categories named as A, B and C based on the jobs they are handling. We have a system of upgrading workmen into Executive cadre based on their performance. We also upgrade Contract Workmen to Permanent Cadre depending on the Skills they gain during their tenure as Contract Workman.

## EMPLOYEE BENEFITS

All permanent employees and contractual workmen are covered under all statutory benefits. In addition we provide subsidised canteen food, medical facilities (dispensary), housing accommodation and transport facilities. The Company also provides employee welfare recreation facilities.

## GRIEVANCE REDRESSAL

Grievance Redressal at Mahindra Sanyo is done in several ways:

- Through capturing and working upon Grievances during regular interactions with Labour Union Committee Members.
- Online Complaint Management System which is open for all employees. Grievances/Complaints are posted by employees online and directed to relevant department for rectification. Any grievances raised and rectified is monitored by BEC and department wise compliance status is presented to top management on a monthly basis.
- Grievances are taken directly by HR-PIR (Public Industrial Relations) team during "Meet Your HR" initiative and the Grievances are reviewed in Monthly Unit HR Meetings.
- The Works Committee is another channel for addressing grievances and providing solutions.

## HAPPINESS and WORK-LIFE BALANCE

At Mahindra Sanyo, we are conscious of the importance of keeping our employees engaged and satisfied with their workplace.

We also encourage employees and workers to participate in a fair and transparent two-way communication system during General Communication Meetings (GCMs) to share their views, concerns and opinions. We have formulated a whistleblower policy as a mechanism for employees, directors and other stakeholders of the company to approach the Chairman of the Audit Committee or Mahindra Sanyo's Chairman to address their concerns.

We also place great emphasis on helping employees achieve a good work-life balance as it increases work satisfaction, loyalty to the company and helps achieve career longevity.



### EMPLOYEE ENGAGEMENT MECHANISMS

- Employee feedback surveys
- Whistleblower policy
- General Communication Meeting (GCM)
- Performance reviews
- Internal publications
- Suggestion drop-boxes
- Joint meetings with labour unions

### Workshops and training programs on work-life balance

- Positive work culture
- Work-life balance
- Diet and nutrition
- Stress management
- Motivation
- Life after retirement
- Health starts from your kitchen
- Outbound trainings on safety
- Leadership development

## TRAINING

We conduct regular training programmes for managers and employees using internal and external professionals and experts in various areas of operations. Additionally, we select managers to attend Business Education Programmes at reputed institutions to improve their skills and knowledge.

The training needs of our employees and managers are assessed by the heads of the departments. The effectiveness of our training programmes is measured through our training evaluation system. In addition to immediate feedback after individual programs, an additional cycle of evaluation is conducted after three months to assess retention and functional application. The ratings index and evaluation of the results allows us to decide whether there is need for retraining or improvement. This objective approach has allowed us to take informed decisions to meet training needs which are aligned with business requirements and employee aspirations.

Training Hours	Training			
	Total Male	Total Female	Average Hours (Male)	Average Hours (Female)
Management	14,447	575	122	52
Trainees	986	78	8	39
Contractual Labour	7,347	0	5	0
Workmen	7,527	0	18	0

- Human rights in the workplace
- First aid awareness
- Safety awareness and Disaster Management
- OHSAS and EMS Awareness
- Health Awareness
- Positive Work Culture
- TPM, TMW, 5S, QC, FMEA, POKA YOE
- Company Vision Mission

Employees can enhance their qualifications and upgrade their skills through certifications such as energy manager, energy auditor etc. Skill mapping and assessment are conducted on a yearly basis to emphasise the skill gaps of the employees. We are also developing skills required for the steel industry in students of local Industrial Training Institutes (ITI) under the MPTA scheme. Through this effort, several graduates have found permanent employment at Mahindra Sanyo.

## WORKING SAFELY

The steel industry is a heavy industry, involving a whole range of processes – metallurgical, mechanical, electrical, materials handling, and others – all of which have many in-built hazards. Thus, ensuring safety is an extremely critical high priority at Mahindra Sanyo. We are proud of our record of fatality free operations and are working towards our vision to make steel injury-free and illness-free as well as a productive environment. We have equal number of worker and management representatives in health and safety committees and are committed to the safety of our employees, customers and civilians in our vicinity, to cause zero harm due to occupational exposure. This is integrated into our business systems and processes, along with our company vision.

### Safety goals

- Towards zero accidents.
- To have safety measures recognised by international safety awards bodies.

For the year under review, we delivered 1,950 hours of safety-related training for our workforce. Safety training at Mahindra Sanyo covers a wide range of topics such as fire safety, job-specific safety training (e.g. safety at height, handling tools and operating cranes). We also offer training in material handling and hazardous waste management. Our safety activity rate for the year was 15% and on an average of 24 perfect safety days per month.

## Safety principles

- All injuries and work-related illness can and must be prevented
- Management is responsible and accountable for safety and health performance
- Employee engagement and training is essential
- Safety is a condition of employment
- Excellence in safety and health supports business results
- Safety and health must be integrated in all business management processes

Safety Performance				
Safety Statistics	Gender	Permanent Employees	Contract Employees	Others
Man hours worked (hours)	Male	2,357,680	3,104,816	427,232
	Female	26,624	6,032	3,952
Reportable Accidents (numbers)	Male	1	1	0
	Female	0	0	0
Fatalities (numbers)	Male	0	0	0
	Female	0	0	0
Lost days (days)	Male	140	170	0
	Female	0	0	0
Lost time Injury Rate (per million hours worked)	Male	0.42	0.32	0
	Female	0	0	0
Lost Day Rate (per million hours worked)	Male	59	55	0
	Female	0	0	0

Reportable accidents are documented as per the Factories Act.

Injury rates are calculated by  $(\text{Number of Incidents} \times 1000) / \text{Total number of Man Hours}$

There were no case of absenteeism this year resulting from incapacity of any kind.





“ As we progress towards creating an incident free workplace, we have pledged to enthuse this philosophy into the lives of our employees. With this, we are aiming towards making our Company the safest place to work.”

– Mr. Hanumant Chavan, HSE Manager

In the past four years, reportable accidents have reduced significantly and we are keen to move to a zero harm rate. Our commitment to safety is demonstrated through our EHS policy and we are certified for OHSAS 18001:2007.

Our employees are our most valuable resource and we make conscious efforts to improve their standard of living, keeping them healthy and improving their productivity. We work hard to prevent occupational diseases on our premises by taking pre-emptive measures, ensuring easy access to medical facilities and regularly conducting health camps.

The EHS Policy ensures leadership from the top management in laying down norms to improve safety, environment and health aspects in operations. We have constituted a Central Safety Committee and set up several cross functional teams comprising of various hierarchical levels. The Central Safety Committee comprises of representatives from Trade Unions members and committee leaders. External audits are conducted to ensure effectiveness of the policy and initiatives and recommendations are considered for further improvements.



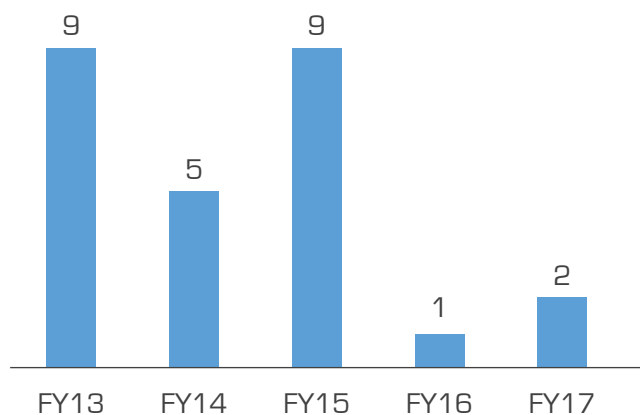
Additionally, we have accorded the highest importance to adoption of safety measures to prevent accidents. In the event of an accident, a thorough investigation is carried out to identify the root cause and immediate steps are taken to eliminate it to ensure such an event does not recur.

We regularly conduct counselling and safety review meetings for employees to educate them on the adoption of safety measures and avoiding unsafe practices. Awareness and first aid training is conducted regularly along with mock drills as an exercise in disaster management readiness.

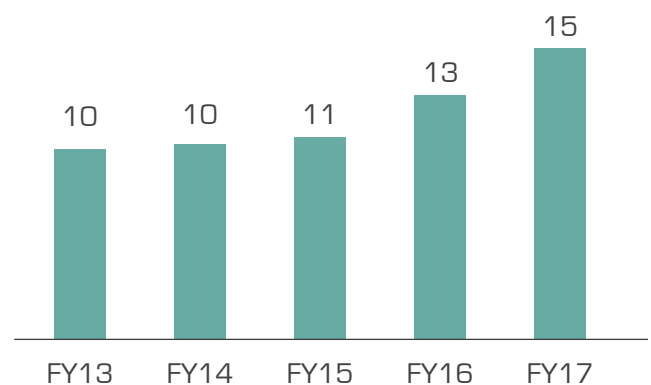
In terms of employee health, we periodically conduct health checkups and health awareness programmes for all employees and if required provide prompt medical assistance. We have an internal plant dispensary which operates round the clock and is manned by qualified doctors supported by staff who are available for addressing health issues of employees.



Reportable Accidents  
FY 13 - FY 17



Safety Activity Rate  
FY 13 - FY 17



Safety Activity Rate:

$$\frac{\text{Number of Safety Activity} \times 1000}{\text{Number of Mandays worked}}$$



# Contributing to Local Communities

We have endeavoured to positively impact the life of the communities around our operational sites. Our CSR commitments are needs-based, arising from materiality analysis and stakeholder engagement, in the areas of health, education and women's empowerment. All our CSR activities are reviewed periodically through a structured mechanism involving dialogue and engagement with target groups and impact assessment studies. We continue to work towards four focus areas with initiatives undertaken during the Financial Year 2016-17 as follows:

HEALTH	EDUCATION	WOMEN'S EMPOWERMENT	EMPLOYEE SOCIAL OPTIONS
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## Health

We frequently conduct health camps which help us to constantly monitor the health status of employees engaged in dangerous work and prevent occupation related injuries/illnesses. In this reporting period, we held 29 health camps, reaching out to 891 beneficiaries including employees and members of local communities.



## Education

Mahindra Sanyo has been successfully running a school - Jagdish Chandra Mahindra Memorial School - since 1977. The school is open for over 800 children from all walks of society and many of them are first generation literates. More than 50% of the students are from local communities. The school has maintained 100% results for many years in a row and our students have represented their talent and intelligence in national and state level competitions. The school runs an eco-club which undertakes various measures to discourage use of plastic bags and bottles. Its efforts have led to a significant decrease in the use of plastic products on campus. The music choir at JCMM has formed a "Garbage Band" – creating music from scrap like plates, barrels, drums, pots and bottles. These efforts by our students were recognised when the school was ranked 14th best school in the country under the "Green School Project" conducted in association with the Centre for Science and Environment, New Delhi.

## Earn and Learn Scheme

Another Mahindra Sanyo educational initiative is our Public Private Partnership (PPP) with the Industrial Training Institute (ITI), Khalapur, in running a unique “Earn and Learn” scheme. In this programme, ITI graduates can complete their Diploma in Engineering free of cost and after successful completion, these students are welcome to join Mahindra Sanyo. This initiative has been successful in bolstering the employability of the beneficiary students. This year, 15 students joined the Multidisciplinary Professional Training Academy (MPTA) trainee programme. Our future planned initiatives for education include:

- Sponsoring students for a Diploma in Engineering from Maharashtra Tilak Vidyapeeth
- Sponsoring benches for ITI Khalapur
- Green School Programme
- Adult education program for improved literacy
- Development of a government polytechnic college and renovation of school facilities
- Further increasing employability skills through education and informative lectures



“Our employee engagement activities have been enriched through sustainability activities at Mahindra Sanyo. More than 50% of our Executives take part in various sustainability activities as members of our working Management Teams. The example they set helps to keep our employees effectively engaged.”

Mr. Avinash Somvanshi, VP HR - Mahindra Sanyo

## Women's Empowerment

We endeavour to act as a catalyst in helping women generate a steady income and maintain sustained livelihoods. To achieve this, we have undertaken the following initiatives:

- Empowerment of employees' spouses by forming and providing support to Mahila Bachat Gats (Female Self Help Groups).
- Encouraging small business enterprises to be run and managed by women.
- Purchasing food items from these self-help groups for the employee's canteen- the Self Help Groups supply chapattis for Mahindra Sanyo canteens.

## Employee Social Options

The Employee Social Options programme is an initiative to connect our employees to the needy and underprivileged sections of society. Employees focus their activities around the areas of health, education and environment, apart from taking up several local initiatives like donation drives, teaching and creating awareness of public health and sanitation throughout the year.

This year, our employees participated in tree planting, Swachh Bharat initiatives at railway station and municipal school and also raised awareness of organ donation and the harmful effects of tobacco. 151 employees participated in these activities, clocking in a total of 328 hours.



## Afforestation

Afforestation drives are elementary to our biodiversity management measures and are focused to offset our impact from our carbon footprint. We are deeply committed to enhancing biodiversity conservation in our areas of operation in the most scientific way possible. We have an area reserved for natural biodiversity where various kinds of plants, climbers and reptiles can be seen. A nursery is maintained in the premises with many the species of plants including Teak, Peepal, Gulmohar, Mango, Marigold, Eucalyptus, Banyan rain Tree and many more.

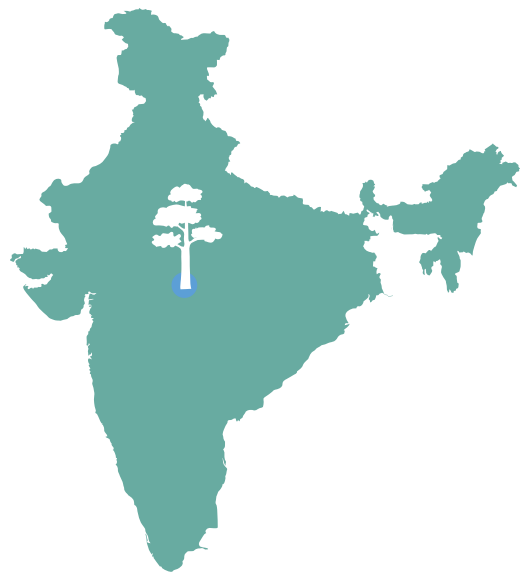


### Harda, Madhya Pradesh

We have provided 37,000 bamboo saplings to Harda district as a part of the district's plan to plant 3.7 million bamboo saplings during the onset of the Monsoon. The main purpose is twofold; firstly to create an asset for the farmer and secondly to protect natural rain water channels in the district. The farmers are being encouraged to plant along the rain water channels. The district administration is hand holding the project through the entire supply chain (sapling to market).

### Randhal, Madhya Pradesh

Mahindra Sanyo supplied 6,000 Bamboo/ Teak/ Sheesham saplings to Village Randhal. The main purpose here was to create assets for the Gram panchayat through MNREGA on panchayat land. Village Randhal is a well-run village, chosen as one of the top 30 villages in the country, Located on the banks of the Narmada



“ Sustainability is not only about saving the planet, it is also about saving ourselves and all those we serve now and in the future.

– Mr. Rajib Basu, Head Administration - Mahindra Sanyo



# ABOUT THIS REPORT

# About This Report

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A part of India's largest federation of businesses, Mahindra Sanyo Special Steel Limited is a subsidiary of Mahindra and Mahindra Ltd. This report presents a review of the sustainability performance and initiatives of the company, during the reporting period April 2016 to March 2017 (F17).

The report covers all material aspects in terms of sustainability that we at Mahindra Sanyo believe are important and relevant to our business and our impacts. Our materiality assessment follows a prudent approach which places high priority on our stakeholder perspectives. We encourage a positive relationship with our stakeholders, which provides a platform for sound and effective two-way communication which enables us to identify the most relevant and significant impacts of our organisation and our stakeholders. Our approach to materiality assessment is disclosed in detail in the materiality assessment section of this report.

There were no restatements during the reporting period and the list of material aspects and topic boundaries remained the same as the previous year with no significant changes.

This report has been prepared in accordance with the GRI Standards: Core option.

At Mahindra Sanyo, we review and publish a sustainability report annually. The previous report, released in July 2016, was for the year April 2015 to March 2016 and can be found on our website – [www.mahindrasanyo.com](http://www.mahindrasanyo.com)

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## Independent Assurance Statement

### Introduction and Engagement

Mahindra Sanyo Special Steel Private Limited (hereafter 'MSSSPL' or 'the Company') commissioned TUV India Private Limited (TUVI) to conduct the independent assurance of MSSSPL's sustainability report (hereinafter 'the Report'), which includes "limited assurance" of MSSSPL's sustainability information for the applied reporting period. This assurance engagement has been conducted against the Global Reporting Initiative (GRI Standard) - Sustainability Reporting Guidelines for verification of the Sustainability Report. The verification was conducted in September 2017 at MSSSPL Khopoli. MSSSPL opted for external assurance for third time. The Report covers MSSSPL's sustainability information for the 01 April 2016 to 31 March 2017 period.

### Scope, Boundary and Limitations of Assurance

The scope of the assurance includes the Economic, Environmental and Social disclosures in the report as per "Core" option required in GRI Standard. In particular assurance engagement included the following

- Verification of the application of the Report content, and principles as mentioned in the GRI Standard, and the quality of information presented in the Report over the reporting period (01 April 2016 to 31 March 2017);
- Review of the policies, initiatives, practices and performance described in the Report;
- Review of the disclosures made in the Report against the requirements of the GRI Standard and limited level of assurance;
- Verification of the reliability of the GRI Standard Performance Indicators (as identified under materiality test);
- Specified information is selected based on the materiality determination and needs to be meaningful to the intended users;
- Confirmation of the fulfillment of the GRI Standard; 'in accordance' with the Core criteria, as declared by the management of MSSSPL.

The reporting boundary is based on the internal & external materiality assessment covering the MSSSPL, Khopoli, District Raigad, Maharashtra plant. The reporting aspect boundaries are as set out in the Report covering the sustainability performance of MSSSPL.

The reporting aspect boundaries are as set out in the Report covering the sustainability performance of MSSSPL.

Our engagement did not include assessment of the adequacy or effectiveness of MSSSPL's strategy or management of sustainability related issues and during the assurance process, TUVI did not come across limitations to the scope of the agreed assurance engagement. The financial disclosures in the Report are based on the audited financial statements issued by the Company's statutory auditors. Further, Tax transparency report was not discussed and referred in the report and was not included in the scope and boundary of verification and assurance. No external stakeholders were interviewed as a part of the sustainability engagement for the period FY 2016-17.

### Verification Methodology

This assurance engagement was planned and carried out in accordance with the GRI Standard. The Report has been evaluated against the following criteria:

- Adherence to the principles of Stakeholder Inclusiveness, Materiality, Completeness, Sustainability context, Accuracy, Balance, Reliability, Comparability, Clarity and Timeliness; as prescribed in the GRI Standard
- Application of the principles and requirements of the GRI Standard for its 'in accordance' Core criteria

During the assurance engagement, TUVI adopted a risk-based approach, concentrating on verification efforts on the issues of high material relevance to MSSSPL's business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. In doing so:

- TUVI reviewed the approach adopted by MSSSPL for the stakeholder engagement and materiality determination process. TUVI performed limited internal stakeholder engagement to verify the qualitative statements made in the Report;
- TUVI verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- TUVI examined and reviewed the documents, data and other information made available by MSSSPL for the reported disclosures including the Disclosure on Management Approach and performance indicators;
- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the Company during the site visit;
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability related policies, as described in MSSSPL's Sustainability Report;
- TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period

## Opportunities for Improvement

The following is an extract from the observations and opportunities for improvement reported to the Management of MSSSPL and are considered in drawing our conclusions on the Report; however they are generally consistent with the Management's objectives.

Opportunities are as follows:

- Organization can strategize a ESG risk heat map for linkage to Enterprise Risk Management
- Organization can opt for ISO 20400 - Sustainable Procurement guideline to strengthen the supply chain function
- Organization can accelerate its focus on Behavioral Based Safety Module
- Organization can plan for calculating all relevant scope 3 emissions in coming years

## Conclusions

The Sustainability Report was prepared based on the GRI Standard Reporting Principles and Standard Disclosures 'in accordance' with Core option. In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material aspects, related strategies, and performance indicators, and meets the general content and quality requirements of the GRI Standard Core option.

- **Disclosures:** TUVI is of the opinion that the reported disclosures generally meet the GRI Standard reporting requirements for 'in accordance' - Core reporting criteria. Organization referred the General disclosure to report contextual information about an organization while Management Approach is discussed to report the management approach for each material topic
- **Topic Specific Standard:** TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standard reporting requirements for 'in accordance' - Core reporting criteria.

Below disclosures and topic specific material aspects are verified by assurance team

<b>General Disclosures</b>	
<b>Organizational profile</b>	102-1 to 102-13
<b>Strategy</b>	102-14
<b>Ethics and integrity</b>	102-16
<b>Governance</b>	102-18
<b>Stakeholder engagement</b>	102-40 to 102-44
<b>Reporting practice</b>	102-45 to 102-56
<b>Management Approach</b>	
<b>Management Approach</b>	103-1 to 103-3
<b>Specific Disclosures</b>	
<b>Economic</b>	
<b>Economic Performance</b>	201-1
<b>Market Presence</b>	201-2
<b>Environment</b>	
<b>Materials</b>	301-1, 301-2
<b>Energy</b>	302-1, 302-2, 302-5
<b>Water</b>	303-1, 303-2, 303-3
<b>Emissions</b>	305-1, 305-2, 305-4, 305-7
<b>Effluents and waste</b>	306-2
<b>Social</b>	
<b>Employment</b>	401-1, 401-2, 401-3
<b>Labor/ Management Relations</b>	402-1
<b>Occupational Health &amp; Safety</b>	403-1, 403-2, 403-3, 403-4
<b>Training &amp; Education</b>	404-1, 404-2, 404-3
<b>Incidents of discrimination and corrective actions taken</b>	406-1

**Limited Assurance Conclusion:** On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement is not prepared, in all material respects. TUVI found the sustainability information is reliable in all material respects, with regards to the reporting criteria ("Core") of GRI Standard.

TUVI did not perform any assurance of procedures on the prospective information, such as targets, expectations and ambitions, disclosed in the Sustainability Information. Consequently, TUVI draws no conclusion on the prospective information. This assurance statement has been prepared in accordance with the terms of our engagement. Limited level assurance engagement with respect to sustainability related data involves performing procedures to obtain evidence about the Sustainability Information. The procedures performed depend on the practitioner's judgment, but their nature is different from, and their extent is less than, a reasonable level assurance engagement. It does not include detailed testing of source data or the operating effectiveness of processes, internal controls and consequently they do not enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable level assurance engagement.

TUVI has evaluated the Report's adherence to the following principles with respect to the requirements of the GRI Standard.

**Stakeholder Inclusiveness:** Stakeholder identification and engagement is carried out by MSSSPL on a periodic basis to bring out key stakeholder concerns as material aspects of significant stakeholders. In our view, the Report meets the requirements.

**Sustainability Context:** MSSSPL established the relationship between sustainability and organizational strategy within the report, as well as the context in which disclosures are made.

**Materiality:** The materiality assessment process has been carried out, based on the requirements of the GRI Standard, considering aspects that are internal and external to the Company's range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of MSSSPL. In our view, the Report meets the requirements.

**Completeness:** The Report has fairly disclosed the General and Specific Standard Disclosures, including the Disclosure on Management Approach, covering the sustainability strategy, management approach, monitoring systems and sustainability performance indicators against the GRI Standard, 'in accordance' Core option. In our view, the Report meets the requirements.

**Reporting Principles for defining report quality:** The majority of the data and information was verified by TUVI's assurance team at MSSSPL's premises and found to be fairly accurate. Some inaccuracies in the data identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and these errors have been corrected. Therefore, in accordance with the GRI Standard and limited level assurance engagement, TUVI concludes that the sustainability



data and information presented in the Report is fairly reliable and acceptable. In our view, the Report meets the requirements. The disclosures related to sustainability issues and performances are reported in a balance and clear in terms of content and presentation. In our view, the Report meets the requirements.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the management of MSSSPL. The Management of the Company is responsible for the information provided in the Report as well as the process of collecting, analyzing and reporting the information presented in the web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance – environmental and social indicators) disclosed by MSSSPL in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI are complete and true.

### **TUVI's Competence and Independence**

TUVI is a global provider of sustainability services, with qualified environmental and social assurance specialists. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with MSSSPL on any engagement that could compromise the independence or impartiality of our findings, conclusions and recommendations. TUVI was not involved in the preparation of any statements or data included in the Report, with the exception of this Assurance Statement. TUVI maintains complete impartiality toward any people interviewed during the assurance engagement.

**For and on behalf of TUV India Private Limited**

Manojkumar Borekar  
Project Manager and Reviewer  
Head – Sustainability Assurance Service  
TUV India Private Limited

Date: 05/10/2017  
Place: Pune, India  
Project No : 8115050885

[www.tuv-nord.com/in](http://www.tuv-nord.com/in)



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