

Sustainability

Report 2015-16







Leading Companies are already going way beyond CSR and are integrating sustainability within everything they do, in recognition that business cannot succeed if society fails.

(From the proceedings of Sustainability Science Congress in Copenhagen, Oct 2014)



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Statement from Managing Director

Dear Stakeholders,

This is the third Sustainability Report of Mahindra Sanyo in your hand. It has been a rewarding journey for all of us on the learning curve. We attempt to weave sustainability parameters in the fabric of our business processes resulting in to tangible gains. This has collectively reflected on our improved triple bottom line which integrates social, economic and environmental considerations of business. We would thereby accelerate our steps towards our vision -*To become the most admired, successful and socially responsible special steel manufacturer in India by 2019*.

Undeterred by the continuing turbulence and slump in the steel market we have been able to keep ourselves afloat in these hard times with our understanding and commitment to be a sustainable steel manufacturing business.



Embracing sustainability is now an integral part of our transformation journey. These efforts have resulted in energy savings, improved resource efficiency, water conservation and reducing emissions. It also helps us to grasp the interrelatedness of the business economic activities to the environmental and social responsibilities. In line with our focus on environmental issues, we have started our work on generating solar power with 20KW to being with an ambition of going upto 4MW. Similar projects have been initiated for high, intermediate and low waste heat recovery.

Our efforts are not just constrained to imbibing sustainability in our operations but also in our value chain in a collaborative way. We are jointly initiating projects on sustainable manufacturing and consumption to achieve and scale new heights. Understanding and fulfilling these needs also benefits our customers and suppliers within the tenets of risk, opportunity and reputation management.

Our goals have been ambitious - 50% reduction in water consumption and pollution level and 60% lowering of GHG emissions by 2019 in relation to the baseline scenario of the year 2013-14 with the motto: low aim and not failure is a crime. Within the overall five years' rolling roadmap built on back casting, we identify, design and implement short term projects while continuously scanning the horizons for technology changes. These plans are executed through cross functional teams in place. A Business Excellence Cell regularly reviews the progress on such projects while Sustainability Apex Council makes a quarterly review providing guidelines and resources. There is also a continual interaction process with the all the stakeholders to take into account the current and emerging issues that we need to consider as material aspects of the business. The roadmap aspects are also linked to GRI indicators, Sustainable Development Goals and Business Scorecard KPIs.

We are also conscious of the multiple challenges we would be facing on the way which we will resolve together with the support of stakeholders and infusion of technological innovations and continuously create short and long term values for all. This embraces the living Rise – a core purpose and philosophy of the Group.

I would like to thank all Mahindra Sanyo employees for embracing sustainability as a foundation for current and future success, and in doing so being a catalyst for continued positive transformation. I would also like to thank all other stakeholders our suppliers, customers, affiliates and investors for their continued confidence and trust in the value we bring as business.

You are welcome to read the standalone, GRI G4 aligned (core), externally assured Sustainability Report for FY 15-16 from Mahindra Sanyo Special Steel.

Annual Business Review

The steel sector is witnessing slowdown in all sectors as result of several economic and political factors. With it becoming clear that the Chinese is nearing the end of rapid economic growth phase, the steel demand is expected to stabilise in China in the medium term. While low input costs in terms of prices of iron ore have helped improve the steel margins, subdued sentiments due to excess global capacity continue to impart pressure on steel prices eating into the profits of steel manufacturers.

India's steel capacity is following the consumption trend which is forecasted to grow annually at a healthy rate in future. Success enablers such as supportive Government policies and frameworks, boom in infrastructure and logistics sector,

continued infusion of fresh capital and raw material security arising out of clearing allocation hurdles are driving the resurgence

Economic Performance (million ₹)	2013-14	2014-15	2015-16
Revenues	8,550	10,262	8,521
Operating Costs	7,426	8,883	7,087
Employee Wages and Benefits	556	576	590
Payment to Providers of Capital	181	229	223
Payments to Government	859	990	916
Community Investments	0	0.06	0.05
Economic Value Distributed	9,023	10,667	8,816
Economic Value Retained	-472	-415	-295

of Indian steel industry. It is expected that ambitious projects of Indian Government aimed at improving the infrastructure and connectivity across the nation will spurn the demand for steel in coming years and give a major fillip to local manufacturers.

Mahindra Sanyo has carved a niche for itself in the specialised alloy steel business earning recognition for high-quality, value added steel products meeting the most stringent customer requirements. Even though the contribution of alloy steels is a minor 10% to the total steel production of India, alloys are of critical value and find applications in crucial components in automobile, defence, railways, textile and engineering industries.

The year gone by put severe pressure on business due to subdued market sentiments and availability of cheap products from China. We were able to achieve production of approx. 120,000 MT finished products against the budgeted production of 156,000 MT. In spite of the unfavourable market conditions, Mahindra Sanyo has been able to improve profitability and create value for stakeholders. *Our sustainability initiatives have helped us optimize efficiency and reduce consumption which has led to improved in profitability.* The comparative economic performance results based on audited accounts demonstrate the fructification of our efforts.

With the help of Sanyo Steel, which is a technology

leader in Alloy Steel, and Mitsui, a trading and investment giant, being the partners in the Joint Venture i.e. Mahindra Sanyo, the Company is

probing forays in its product mix by straddling across its value chain and exploring widening its outreach. The right deployment of resources and expanded market will stand in good stead for Mahindra Sanyo.

We have reinvigorated our efforts in reaching out to newer prospects and have accelerated our marketing activities. While retaining the patronage of our regular customers, we are exploring domestic as well as global markets for growth opportunities. Adhering to International Standards in Quality and remaining competitive on prices through innovative efforts at shop floor are playing a leading role for our success in securing new business.

Sustainability Highlights

- Electricity consumption reduced by 5% compared to FY 14-15
- Oxyfuel technology expanded by converting all furnaces in blooming mill and forge shop.
- Furnace oil consumption reduced by 8.5% compared to FY 14-15
- Scope 1 GHG emissions reduced by 10.5% compared to FY 14-15
- Scope 2 GHG emissions reduced by 9% compared to FY 14-15
- 20 KW solar power panels for administrative building, 5.8% energy sourced from renewables
- Yield improvement by 2.96% through use of recycled inputs
- Achieved 255 safe working days during FY 15-16

Recognitions

Some of our recognitions for the year 2015-16 are:

- Mahindra Sanyo bagged Mahindra Rise award 2015 in category of "Game Changer Award" for the E-LCA study conducted on 23 of its product representing 70% volume.
- Mahindra Sanyo won Mahindra Rise 2015
 "Innovation Award" for developing new grade of
 high carbon alloy steel for tool & die sector.
- The company has joined Steel Stewardship Council Australia. The association is working towards developing a certificate on sustainability standards for the entire steel supply chain.
- Mahindra Sanyo won the National Energy Management award by CII for "Energy Efficient Unit" in Metal and Steel Sector and an audience choice "Most useful presentation Award" in September 2015.
- Study paper was presented on Life cycle

assessment of steel products at the *International Life Cycle Management Conference (ILCM)* held



on September 2015 at Bordeaux (Paris).

- FICCI hosted event on Indian Life Cycle management September '2015 at Delhi where paper was presented on Life Cycle Assessment of a Steel Ring Product.
- MSSSPL also represented a case study at National Level in the Special Edition of Knowledge Sharing Platform of **BEE magazine** in 2015.

MSSSPL added another feather to its cap by winning the **National Award** for being an "**Energy Efficient Unit**" in the **Metals and Steel Sector**. A total of 350 companies applied for it and 127 of them were shortlisted for the final rounds of presentation.

The assessment for the awards were made on the basis of trends of reduction in the energy

consumption, proximity towards global best practices in specific energy consumption, innovation in identifying and implementing energy saving projects, saving achieved, methodology adopted during the implementation, proven efforts taken by the company to sustain the savings and utilization of Renewable Energy & waste materials.

Report Profile

About the Organisation and Report

Part of India's largest federation of businesses, Mahindra Sanyo Special Steel Private Limited (MSSSPL) (Mahindra Sanyo), a subsidiary of Mahindra and Mahindra Ltd., is a manufacturer of specialty steel, steel alloys and ring products. The production setup is located in Khopoli, District Raigad, Maharashtra with Registered Office / headquarters at Mahim, Mumbai.

MSSSPL manufactures alloy and specialty Long Steel Products (Bars & billets through Electric Arc Furnace (EAF) route), catering to the needs of Automotive, Engineering, Oil & Gas, Tools & Die Industry, Bearings and other capital goods industries. MSSSPL is a prefered source to many multinational and domestic customers as well as the Government of India in the field of Power Generation, Railways and Defence.

Special Alloy Steel is produced through Electric Furnaces (EAF) route by using steel scrap as the main raw material. The additional raw materials include pig iron, sponge iron, lime, coke, ferro alloys etc. Other inputs are electrodes, refractories, fuel and electricity. MSSSPL caters to the steel requirements for the automotive, oil & gas, power generation, engineering, tools and die and bearings industry. Depending upon the requirement the supplies are made in various downstream forms like cast, rolled, forged, heat treated, rings and gear blanks and are customized.

The shareholding pattern of the Company is as under

- Mahindra & Mahindra Ltd. 51%
- 2. Sanyo Special Steel Co. Ltd 29%, and
- 3. Mitsui & Co. Ltd 20%

This Sustainability Report for the year 2015-16 is our third annual Sustainability Report, following our previous report published in March 2015, which deliberates on our commitments and performance in sustainability domain addressed to our valued stakeholders. The Report conforms to the guidelines of Global Reporting Initiative (GRI) G4 and dwells upon, in a balanced and transparent manner, the triple bottom line of Sustainability encompassing the economic, environmental and social aspects ensuring stakeholder inclusiveness, sustainability context, materiality and completeness as well as following the principles defining report quality.

TheReport presents performance and initiatives of the organisation during the reporting period of 1st April 2015 to 31st March 2016. Financial information has been derived from the Annual Report relevant to the products manufactured at Khopoli Works of the Company in Maharashtra. There are no significant organisational changes or changes in reporting boundary since last year. The contents of this externally assured Report have been structured as per the "In Accordance – Core" option of the Reporting Guidelines.

The Team

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Corporate Governance

For Mahindra Sanyo, sound corporate governance is of vital importance and intertwined in the organizational philosophy. Our philosophy on Corporate Governance is based on fair and transparent governance and disclosure practices. We have infused the philosophy of Corporate Governance in all of our activities so as to conduct the affairs of the company in fairness to all stakeholders and to ensure that policies benefit a greater number of stakeholders. The corporate governance structure of the Company is robust enough to weave policies and business goals with operating checks and balances to stay on course.

Our principles for business are based on values of transparency, integrity, ethics, professionalism and accountability. High standards of business ethics, integrity, well defined codes of conduct communicated down the line from the Directors to employees, and appropriate disclosure practices augur well for fulfilling Company's obligations to its stakeholders and its march towards business excellence. The approach is time tested at Mahindra & Mahindra which has withstood the vagaries of business weather.

We make prompt, complete and accurate disclosures under the applicable laws about our financials, shareholding and other material information for knowledge of our esteemed stakeholders. The corporate structure, business and disclosure practices of the organisation have evolved and matured in line with our Corporate Governance Philosophy.

Composition of Board

The Board of Directors of the Company is the apex governing body which comprises of highly knowledgeable and experienced experts in their functional areas. As on 31st March 2016, the Board comprises of 8 Directors and along with other senior management personnel to look after the day to day activities of the Company. The Managing Director is part of the Board as an executive director and functions under the overall supervision of the Board. Further details in Board of Directors are available in our Annual Report.

The constitution of Board as on 31st March, 2016 is as given below:

S. No.	Name of Director	Executive / Non- Executive	Independent / Non Independent
1	Mr. Shriprakash Shukla	Chairman	Non Independent
2	Mr. Uday Gupta	Managing Director	Non Independent
3	Mr. Ajay Kumar Mantry	Non-Executive	Non Independent
4	Mr. Daljit Mirchandani	Non-Executive	Independent
5	Mr. Kozo Takahashi	Non-Executive	Non Independent
6	Mr. Nobuyuki Tanaka	Non-Executive	Non Independent
7	Mr. Naota Komaki	Non-Executive	Non Independent
8	Ms. Jayashree Vaidhyanathan	Non-Executive	Independent

Internal Financial Controls

There are adequate checks and balances built in the system to ensure the compliance of internal policies of the Company and applicable laws and regulatory system. An internal audit system is in place through

an independent firm of Chartered Accountants which covers all the operations of the Company. These audit reports are reviewed by an Audit Committee on a regular basis. The Company has well-staffed Finance and Accounts division and runs extensive programs of internal audits round the year.

Code of Conduct

The Company's Board, consistent with its corporate vision, has stipulated two sets of Code of Conduct. While one set of this code is meant for the Members of the Board and Senior Management cadre, another set of the code is applicable for the employees of the Company, who abide by such laid down codes.

The Code of Conduct for employees outlines the organisational policies aimed towards maintaining highest standards of corporate conduct and business principles. The Code of Conduct emphasis that member of MSSSPL family should be concerned not just with maximizing profits and shareholder value, but be equally conscious of responsibilities to each of the stakeholders including employees, business associates and partners, financiers, society and the State. The Code of Conduct covers complete set of aspects including those related to management, business processes and ethics, products and services, competition, business partners, communication and information, community and compliance, monitoring and reporting, among others. The Code of Conduct is publically available on our websitein public domain.

The Code of Conduct for Directors reflects the business practice and principles of behaviour supporting the commitment or organisation to conduct business activities in accordance with applicable laws, rules and regulations and observe the highest standards of business ethics and ethical conduct. The Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability.

Sustainability Governance Framework

The sustainability governance substructure of the Company is multi layered cutting across the organizational hierarchy. This is an all-inclusive approach ensuring total participation of the management personnel at various levels and employees in the Company's journey on the path of sustainable development. We firmly believe that such an all-encompassing outlook result in more tangible gains in the arena of sustainability of an organization like ours.

The Board is responsible for decision making on fusion of social, economic and environmental issues to generate surplus beyond equilibrium among the

Sustainability Leadership Council (5 Year Rolling Roadmap)
M D - Mr. Uday Gupta, CFO - Mr. Sudhir Yagnik
COO - Mr. Dilip Pachpande, CEO - Mr. Krishna Mandke,
BEC - Mr.Ramchandra Rane, VP- HR - Mr. Avinash Somvanshi

Sustainability Executive Council (Aspect Document)
Aspect Mentors & Leaders - 24 Executives

Cross Functional Teams 16 Teams / 69 Members human capital, financial and natural resources. Sustainability targets are assigned at each hierarchical level to ensure that ethos of sustainable development is ingrained firmly within the organisation. There are established linkages of sustainability aspects with our business focus areas as well as balanced scorecard.

Through a comprehensive risk identification and opportunity assessment exercise, we have identified key sustainability focus areas and have taken several steps towards mitigation the impacts of our activities.

At Mahindra Sanyo, sustainability is a multidisciplinary drive. It counts on the support of interlinkages amongst its three domains namely social, economic and environmental. The governance of sustainability addresses the initiatives taken by our employees and executives in the related domains after stock taking and evaluating its impact as to how equitable, viable and bearable these initiatives are. Mahindra Sanyo's Sustainability and Leadership Councils are catalytic in the development, approval, and updating of the organization's purpose mission statements, strategies, policies, and goals in the various sub areas of sustainability. The review of environmental, economic and social impacts, risks and opportunities is conducted on a quarterly basis and it is ensured that all material aspects are covered in such reviews.

Memberships and Associations

Mahindra Sanyo is the founding member and first Indian steel manufacturer to be part of **India GHG Programme**, being spearheaded by World Resources Institute (WRI, India), The Energy and Resources Institute (TERI) and Confederation of Indian Industry (CII). The India GHG Program acts as a "Centre of Excellence" for benchmarking of GHG emissions in India.

Mahindra Sanyo is also first amongst Indian steel makers to be part of WRI's (USA) initiative

Environment **Energy: Electricity & Oil** Water Resource Intensity & **Social Recycled Inputs** Waste **Succession Plan GHG Reduction Pollution Control Employee Engagement Green Supply Chain Corporate Social** Afforestation Responsibility **Social Life Cycle Assessment Enabler Materiality & Stakeholder Emerging Engagement** Renewable Energy **Environmental Life Cycle** Assessment **Green Building**

Management

Accountability

Aqueduct Water Risk Atlas. This initiative is instrumental in

Sustainability Operating Framework

mapping water risks and vulnerability

Product Responsibility

Mahindra Sanyo in the individual capacity has participated in the Industrial Working Group [IWG] of **Sustainability Accounting Standards Board** (SASB).

The Company is a member of the **Green Power Market Development Group (GPMDG)**, India which develops effective renewable energy purchase approach for industries.

Besides its above affiliations and roles, the Company is also a member 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 a clean business in compliance.

Mahindra Sanyo is collaborating with Australian *Steel Stewardship Council (SSC)* for developing global sustainability certification scheme called Responsible steel which is a multi stakeholder 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.

Stakeholder Engagement

Comprehensive stakeholder engagement is firmly ingrained in the organisational approach for us. We have always been cognizant of the fact that our stakeholders are the true drivers of progress of the organisation. Our business philosophy keeps the stakeholders, any individual or entity who have effect or are affected by our business activities, at the heart of decision making. **Incorporate** Our decisions made with feedback into strategy the aspiration to forge a long-term, mutually beneficial and Report on respectful partnership performance with our stakeholders. and

communicate We are of the opinion that periodically engaging with those concerned and impact by our operations gives valuable inputs which feeds into the identification of risks and concerns for the organisation. We make use of every opportunity available to engage in constructive dialogue with our stakeholders in trying to understand their perspective and aligning our strategies to address issues which are deemed of importance and concern by them.

The Company has developed a time tested stakeholder engagement mechanism which enables periodic interaction with all **Identify and** the stakeholders to collate capture their response and concerns feedback. This approach is sound and well structured. It is an **Evaluate and** important ingredient prioritize of our business concerns practice which provides tangible inputs to resolve any **Prepare** strategy and conflict with stakeholders set targets and make us fully compliant in relation to regulatory requirements. Our engagement process appears in the following structure.







Implement

action plan

and review

periodically





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 & safety, workplace grievances	Robust HR policies, effective & transparent communication, training activities, grievance redressal mechanism
Suppliers	Supplier meets, engagement workshops, assessment questionnaires, quality & 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 & 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 livelihood	JCMM Primary School, ITI collaboration, Mahila Bachat Gat, Health camps Environment Awareness Program, Swacchh Bharat (Clean India Program)
State & Central Regulatory Bodies	Meetings with Maharashtra Pollution Control Board (MPCB), Factory Inspector representatives, plant visits and inspections	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











Materiality Assessment

Our Materiality Assessment structure prioritises the issues related to all the three pillars of sustainability and ranks them according to their perceived importance as well as impact of these issues on the business. Materiality and its importance is well acknowledged at Mahindra Sanyo and this is the reason why materiality is treated as an important aspect in itself. The vision of the materiality aspect is to ensure that MSSSPL has a good under-standing of stakeholder's views and to foster a positive relationship, two-way communication between the company and its stakeholders and to identify the most relevant and significant issues for the organization in sync with that of its stakeholders.

For identifying the stakeholder groups to engage, we performed the exercise of prioritisation of internal stake holders. The key parameters of the ranking in this respect were:

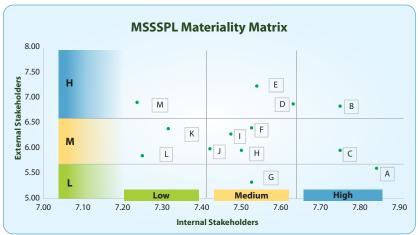
- i. Influence of stakeholders on our business,
- ii. The effect of our business on these groups, and
- iii. The likely aftermath of such influences and effects

Selection of issues to be included in the materiality assessment was an iteration of our previous Materiality Assessment assignment. Certain other issues, which were subsequently added up, came through our peer Companies and global standards like GRI and SASB. This completed the list of important issues which was referred to stake holders for their responses.

In the final analysis, the Company had listed 12 sustainability issues which featured in our business process decision making.

Since Fy14 we have engaged around 250 individual & stakeholder groups. Going ahead, our plan is to work more on the engagement part of the materiality by increasing the sample size and the number of the engagement opportunities.

All the aspects reported except for CSR activities (GRI Aspect: Local Communities) – which is material outside the organisation – have been determined to be material within the organisation.



INDICATOR	IND
Business Growth & Profitability	Α
Energy Management (Fuel, Power)	В
Product Quality (Consistent Product Quality)	С
Water Management / Rain water harvesting	D
Air Quality (Air pollution out of manufacturing process)	Е
Career Planning (Right person at right job, Job alignment)	F
Increase sales from value added products (Sale of steel grades with higher margin)	G
Product Cost (Competitiveness)	Н
Happiness & Work life balance	- 1
Product Delivery	J
Recycling management (Reduce / Reuse / Recycle waste)	K
Performance based compensation and rewards	L
Employee health, Safety and Wellbeing	М
Green House Gas Emission (Gases that trap heat in the atmosphere and effect on climate change)	N
Initiatives to reduce environmental impacts of products	0









Top Aspects from Materiality Assessment	MSSSPL Sustainability Focus Areas	Linkage with GRI Aspects	Reported GRI G4 Indicator
Governance Aspects			
Management Accountability	Management Accountability	Corporate Governance	Standard Disclosures
Economic Aspects			
Energy efficiency improvements	Improve Energy Efficiency	Energy	G4-EC3
Market presence / Market share		Market Presence / Economic Performance	G4-EC5 / G4-EC1
Product Cost	Improve Resource Intensity & recycled inputs	Economic Performance / Materials	G4-EC1 / G4-EN1
Environment Aspects			
Energy Securitization (Guaranteeing energy availability as per requirement)	Renewable energy	Energy	G4-EN3
Rain water harvesting	Improve Water Management	Water	G4-EN8
Air Quality and Green House Gas emission	GHG Footprint reduction and Pollution control	Emissions SOx & NOx	G4-EN15 G4-EN21
Reduce / Reuse / Recycle waste	Improve Waste Management	Effluents & Waste	G4-EN23
Process innovation	The Mahindra Way practices	Products & Services	G4-EN27
Sustainable Supply Chain	Collaborative Projects	Supplier Environmental Assessment	G4-EN32
Social Aspects			
Employee Health & Safety	Improve Employee Safety	Occupational Health & Safety	G4-LA6
Skill improvement	Skill Development	Training & Education	G4-LA9
Career Planning (Right person at right job, Job alignment)	MCARES (Employee Engagement Survey) improvement action plan	Training & Education / Employment	G4-LA9
		Supplier Assessment for Labour Practices	G4-LA14
		Supplier Human Rights Assessment	G4-HR10
Increase SOB in top 10 Customers	Customer value proposition	Product & Service Labelling	G4-PR5
Product Quality	Balanced Score Card & manufacturing & QA departmental goal sheets	Product & Service Labelling	G4-PR5
Product Delivery	Production & Marketing system for online delivery	Customer Data Privacy as a Governance Mechanism	G4-PR8

Sustainability Approach

Business Sustainability Framework



Sustainability Approach

It is in the DNA of the organization and it is integrated with business strategy. We continue to construct a Sustainability rolling Roadmap of FY16 to FY20 by adopting guidelines from Ceres' framework (21stCentury Corporation: The Ceres Roadmap for Sustainability) as well as that from Group Sustainability policies and goals. The Roadmap indicates the measurement against material issues, evidence of interest & impact (SASB guidelines), the aspiration in the years to come, risks and opportunities, collaboration, internal external guidelines, linkage to business goals/BSC and responsibility spread in the organization for monitoring and regular reviews for achieving targets.

We have conducted Materiality Test identifying 68 issues that are important for our business and finally working on Top-12 material issues that are critical for the business. The issues are divided in to Ecological Capital, Human Capital, Social Capital and Financial Capital.

As a part of our Product responsibility, we have carried out E LCA of Top-23 products representing 70% of business in the gate to gate approach as well

as E LCA & LCIA at the organizational inventory level, we learned that this is a good tool to validate our materiality issues going forward. The key environmental & societal risks along with financial / economic risks are embedded in the enterprise risk/opportunity matrix as a mitigation/control items – management of risk matrix supports effective execution of our 3 year strategy plan/yearly budget as per Mahindra Annual Planning Cycle (MAPC).

We achieved a score of 59% against the Mahindra Sustainability Dashboard developed by Group Sustainability Cell. We have chosen the path of sustainability guided by our organisational vision statement and we are working towards improving our credentials.

In Mahindra Sanyo, we incorporated the 'fifth' perspective since 2011 – the environmental & social one – in the traditional Balanced Scorecard framework for rebalancing business sustainability. We work very closely with our stakeholders to understand their requirements and to achieve high level of engagement.



In line with the vision statement of the company, MSSSPL has progressed very well during the year under various categories relating to environment, social, enablers and emerging issues.

Through materiality analysis and the stakeholder engagement 12 priority issues have been identified. To work on these aspects and to deliver as per the long term roadmap planned, targets and goals budgeted, there exists a team with cross functional members from various departments.

There are well defined goals, roadmap and action plan which is quarterly reviewed by the managing director, chief operations officer and the business excellence head.

Sustainability Aspect Teams

Category	Activity	Mentor	Leader	Co-leader
Environment	Primary Energy: Electricity	Jain Vipin	Tayade Utsav	Hatankar Manoj
Environment	Secondary Energy: Oil	Patil Shreerang	Chikate Makarand	Prashant Shete
Environment	Water	Chakrabarti Saurabh	Gawade Prabhakar	Pramod Jadhav
Environment	Resource Intensity / Recycled Inputs	Gokavi Rajshekhar	Padhee Umakant	Prabhune Vijay
Environment	Waste to Wealth	Prabhune Vijay	Hatankar Manoj	Pravin Rajkor
Environment	GHG Emissions Reduction	Bhapkar Shivaji	Tayade Utsav	Komal Mangaonkar
Environment	Pollution Control	Purandare Niranjan	Uthale Kailasnath	Hanumant Chavan
Environment	Green Supply Chain Management	Barshikar Shrinivas	Sonawane Sandesh	Komal Mangaonkar
Social	Safety Standards Improvement	Somvanshi Avinash	Uthale Kailasnath	Hanumant Chavan
Social	Succession Planning & Skill development	Somvanshi Avinash	Purandare Niranjan	Deshmukh Pravin
Social	Employee Engagement	Somvanshi Avinash	Purandare Niranjan	Jadhav Harshal
Social	CSR, Community Development & Creating Shared Value [CSV]	Somvanshi Avinash	Purandare Niranjan	Gupta Ambalika
Enablers	Materiality Test & Stakeholder Engagement	Rane Ramchandra	Ingle Pramod	Gupta Ambalika
Enablers	Environmental Life Cycle Assessment	Sonavane Chandrashekhar	Tayade Utsav	Komal Mangaonkar
Enablers	Organisational Life Cycle Assessment	Rane Ramchandra	Gupta Ambalika	Tayade Utsav
Enablers	Social Life Cycle Assessment	Rane Ramchandra	Gupta Ambalika	Ingle Pramod
Enablers	Management Accountability	Rane Ramchandra	Shetty Shradha	Gupta Ambalika
Emerging	Renewable Energy	Bhapkar Shivaji	Tayade Utsav	Jain Vipin
Emerging	Green Building	Bhapkar Shivaji	Randive Summet	Komal Mangaonkar
Emerging	Product Responsibility	Bhambure Sachin	Sonavane Chandrashekhar	Mulay Rucha





Environment Management

Checking the adverse impact of our operations on the environment has been a matter of prime concern for us. We are conscious of the fact that such unwelcome environmental footprints should be mitigated to the extent possible by according due priority to it. We are committed to this task and set up resilient environmental management systems. In this respect we have identified the following key indicators which are monitored periodically for conserving the environment:

GHG emission,

We are ISO 14001 Certified

- · Quality of air emission,
- Effluent discharge,
- Waste management profile,
- · Energy intensity, and
- Resource planning by evaluating its effectiveness through reuse, reduction and recycling

In order to ensure continual improvement, we have constructed a Sustainability rolling Roadmap for FY2016–2020 under the able guidance and leadership of Sustainability Apex Council The Roadmap indicates measurements against currently identified material issues risks, opportunities, collaborations, internal and external guidelines, linkages to the Company's business goals and responsibilities for monitoring and review. The Roadmap also identifies emerging issues that are likely to become material in course of time.

The Roadmap for Material issues is then translated into aspects documents for one year with identified projects, responsibility and timeline. Regular management reviews are conducted on the aspect documents.

Resource Intensity and Recycled Inputs

In the perspective of reducing environmental burden and life cycle impacts recycling of material is an important consideration. The degree of recycling can be viewed as a measure of maturity and sustainability of a manufacturing process. Steel is a recyclable material as it is possible to collect the steel scrap and reuse it in the production process. The manufacturing inputs at Mahindra Sanyo includes steel scrap, DRI and pig iron. Steel scrap in form of hot metal scrap and shredded scrap contributes to over 50% of ferrous input. There is a strong case of reducing dependence on DRI and pig iron and maximising the use of steel scrap in production of steel at Electric Arc Furnaces (EAF).

The cross functional team for the aspect is working in the direction to improve the percentage of the recycled input material in the steel melting shop as

one of its target. Which means more and more of raw materials are being brought in as recycled

Increased product yield by improving supplier quality and revised charge mix

material and not through natural resource exploitation. This has helped achieve an increase of yield by 2.96%.



Raw Material Consumption (Non-Renewable) (kt)	2013-14	2014-15	2015-16
Semi Manufactured Goods			
HMS Local / Import	33.12	46.28	38.24
Pig Iron	34.35	42.04	45.96
Sponge Iron	18.42	15.12	4.31
Steel Scrap Shredded	20.06	22.39	19.74
Associated Materials			
Cement	0.60	0.70	0.92
LPG	0.22	4.21	28.51
Liquid Oxygen	4.38	6.58	4.65
Lime / Dolomite	7.30	10.12	8.91
Hot-top Mould	0.62	1.11	0.76
Refractories		1.36	2.26

Energy Management

Steel industry is energy intensive and energy cost of steel production is substantial. The energy mix for such industry needs penetration of renewable resources to cut down the cost of operation and

make it eco-friendlier. Keeping this under its sharp focus the Company has set the target to achieve one-fifth renewable energy in the secondary

energy mix by way of solar/wind/hydro sources in the next four years. This will in turn reduce the electrical specific energy consumption by an equal measure.

Treading ahead on the path to be the most sustainable company. Mahindra Sanyo has an aspiration to switch over its 20% of the total energy consumption as renewable energy. An attempt in the same direction is that the unit has already made a beginning by setting up solar power panels for 20 KW to take care of the lighting load at of its administrative building. Besides, we have also signed an agreement for energy procurement from TATA wind power.

Energy, including fuel and electricity accounts for

Energy Consumption (2015-16)	Quantity	Energy (GJ)
FO (kl)	12101	4,76,854
HSD (kl)	85	3,230
LDO (kl)	327	12,237
Coal (t)	33	814
LPG (t)	28	1,492
Grid Electricity		5,28,182
Solar Electricity		87
Total Energy Consumed		10,22,896

nearly 19% of the total cost to the company hence it has been chosen as a key area for optimization. The energy reduction goals of our company were linked with the United Nations' Sustainable Development

Goals for a approach. also guided Life Cycle of our for projects

Furnace oil consumption reduced by 27% since FY14 by converting reheating furnaces to oxy fuel system

holistic We are by the Analysis products prioritizat

ion for energy reduction in order to consider the environmental impact of our energy efficiency initiatives. We are driven by our vision of being the most admired, successful and socially responsible firm to achieve our targets.

To the credit of relentless efforts by energy management team, we have been able to bring

> down specific electricity consumption to 931 kWh/MT in FY16 from 980 kWh/MT in FY15. The specific furnace oil consumption has also reduced from 95.6 l/t in FY15 to 85.7 l/t for the current

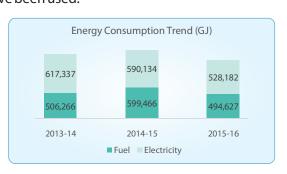
reporting period.

5.8% energy sourced from

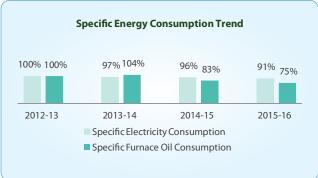
renewables with target to

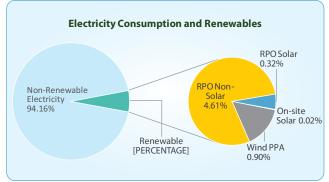
reach 20% by 2020

MSSSPL has decided to embark on the journey of energy reduction through implementation of EnMS ISO 50001. This is being achieved through many initiatives like conducting regular internal & external energy audits for identification of key improvement areas, creating awareness through technical trainings, installation of centralized energy monitoring system for real time monitoring and weekly and monthly meetings. For calculating the energy consumption and GHG emissions, we use calorific values and emission factors from IPCC–2006, multiplying them with the recorded consumption of fuels. For electricity, weighted average emission factor from CEA v11 (0.82 kgCO₂/kWh for 2014-15) have been used.









We recognise greenhouse emissions as a major focus area for sustainability management. In this regard, we have consistently strived to reduce our energy consumption which is directly linked to GHG emissions. We are also increasing the share of renewable energy consumption which will help us offset use of fossil fuels and bring down the overall GHG emissions. We are also making concerted efforts towards eliminating use of any types of ozone depleting refrigerants. The quantities of ozone depleting substances consumed is negligible for the reporting period.

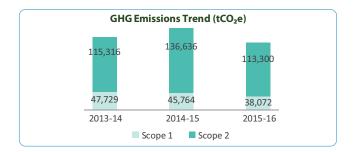
We have achieved scope 1 emissions reduction from 294 kgCO₂e/t of production in FY15 to 263 kgCO₂e/t of production for FY16. Similarly, our scope 2 emissions have reduced from 860 kgCO₂e/t of production in FY15 to 782 kgCO₂e/t of production this year.

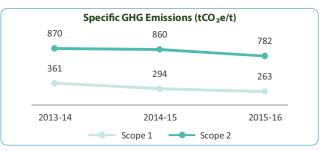
Scope 1 GHG Emissions (tCO₂e)	2015-16
FO	37,071
HSD	202
LDO	628
Coal	77
LPG	94
Total Scope 1 Emissions	38,072
Scope 2 GHG Emissions (tCO ₂ e)	2015-16

Grid Electricity

Extension of Oxy fuel technology to all furnaces of blooming mill and forge shop has reduced pollution load by 50%

1,13,300





Green Building: Towards greater efficiency and environmental conservation

Mahindra Sanyo is working towards upgrading its administrative block into a certified green building. This initiative will not only lead to significant reduction in energy and water consumption but shall also enhance the aesthetics and work ergonomics ensuring higher levels of comfort for employees. We envision this project of ours to achieve highest degree of excellence. Some of areas which we are working upon towards achieving green building status are:

Energy Efficiency

• Energy meter for Lab, ACs, Lightings

Health & Comfort

- CO₂ sensor & controller
- Separate toilet for handicapped or physically disabled people

Site & Facility Management

Alternative Fuel usage for vehicles

Water Efficiency

- Bio sanitizer / STP
- Low flow fixtures

Accessibility

- Ramp provisions & Separate parking area for handicapped or physically disabled people
- Emergency exits



Water Conservation

We have charted a road map towards achieving water neutrality by 2020. This includes steps to reduce industrial lift from both river water and rain water towards water conservation, construction of check dam to store rain water or roof water. We have adopted triple approach of consumption reduction, conservation and recycling to steadily reduce the fresh water consumption over the years. Surface water from the river stream is the only source of water apart from the harvested rain water. We have some bore wells inside plant premises for contingency purpose but are not operational.

A canal flows through the colony which carries the storm water during monsoon season. We have built a check dam in order to harvest the rain water. As a result of this initiative, we have been successful in achieving zero uptake of river water during monsoon months meeting our water requirements from the harvested rain water. We are also continuously monitoring and enhancing the quality of drinking water through upgrade of existing systems.

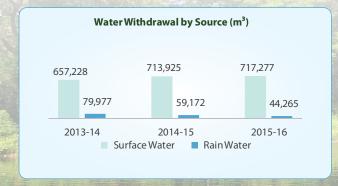
Further, recycling of water is a vital area for reducing dependence on fresh water resources. In order to achieve this, we have taken up the task to connect all toilets in the township and industrial area with the existing sewage treatment plant (STP). Our STP recycles the domestic effluent generated in the colony which is being used for horticulture and other purposes.

Waste Management

We have targeted to cut down industrial waste by about 50% as compared to baseline scenario of 2013-14. This is possible through reuse and recycling of waste in the production system by modifying manufacturing processes. We aim at zero hazardous waste generation and safe disposal of e-wastes. We also intend reducing progressively dumping of wastes into landfill.

Slag is one of the major wastes generated from our production system which is diverted to landfill. A major breakthrough is expected with initiation of metal from slag recovery project. The project would help to recover the metal present in slag and the rest would be sold for road building process. Until now the slag so generated goes for landfill. EBT & EAF slag are stored inside the plant premises for recycling & metal separation.

We also dispatch the spent refractories to the refractory manufacturer who in turn recycles them into fresh refractories. Glass wool is currently declared as hazardous waste as per Pollution Control Board consent. The same shall be categorised as non-hazardous when the consent is renewed in 2016. Oil soaked waste includes oily rags. Spent ion resins are disposed once in 3 years as per applicable rules. Used filter bags are used for collecting dust and are non-hazardous in nature. Canteen waste is sent to bio gas plant of local municipal authority. Garden waste is composted and used as manure.





Hazardous Waste	Disposal Mode	2013-14	2014-15	2015-16
E-Waste [kg]	Recycled	770	830	1100
Oil/OilWaste[t]	Recycled	6.15	0.95	10.37
Containers [unit]	Recycled	705	1,541	1231
Glass Wool / Scrap [kg]	Disposed	780	860	6220
Oil Soaked Waste [kg]	Disposed	2,300	1,908	6,690
Oil Sludge [t]	Disposed	4.37	0	1.31
Battery Waste [unit]	Recovery	177	0	60
Asbestos Scrap [t]	Landfill	0	0	22.16

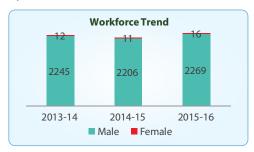
Non-Hazardous Waste	Disposal Mode	2013-14	2014-15	2015-16
Cable / Wires Scrap [t]	Sold	8.45	1.78	
Magnesia Carbon Bricks / Scrap [t]	Reused/Sold	154	217	141
Scraped Motors [t]	Sold	6.5	16.82	12.34
Slag Dross & Scaling [t]	Sold	5,318	4,626	4745
Copper/CopperScrap[kg]	Reused	35.25	5.61	9.77
Used lime powder [t]	Reused	0	23.02	
Wood/WoodScrap/Waste[t]	Reused	11.13	3.28	164
Alumina Refractory Waste [t]	Recycling	24.49	34.6	
Slide Gate, Ladle Plates, Concast Refractory Waste [t]	Recycling	29.02	125.66	61.55
Grinding Wheel / Scrap [t]	Recycling	25.76	24.85	13.71
Graphite / Graphite Electrodes / Scrap [kg]	Recovery	6.04	4.06	11.65
Slag Boulder W/Skull [t]	Recovery/landfill	137.45	225	126.61
Broken BP Refractories [t]	Recovery	290	272	1,270
EBT/EAF Slag [t]	Landfill	22,399	23,242	
LF Slag [t]	Landfill	5,870	5,750	
Cardboard / Paper Scrap [t]	Disposal (recycling)	2.3	40.14	22.64
Steel Scrap [t]	Recycling		157	586
Non-Metallic Dust [t]	Sold			4.17





Employment and Labour Practices

According to the priority of the human capital, our human resource management system is oriented to motivate them, prepare a career plan for them and foster their development. We have also instituted robust feedback mechanisms in form of Employee Engagement activities (through MCARES Survey) to assess their effectiveness and overall engagement. We have adopted the concept of The Mahindra Way (formerly known as the Mahindra Quality Way) and are working closely with the Mahindra Management Development Centre and Mahindra Institute of



Quality (MIQ) by actively participating in the programmes organized by them. There is no seasonal variation in the workforce.

There is no gender bias in our human resource management system and it provides equal opportunity to every employee cutting across the barriers of gender, caste or race. There is no discrimination or preferential treatment on any score and decision about compensation, remuneration are purely merit based. We encourage gender diversity in our hiring practices which ensures selection of

diverse talents. Fairness and equity are hallmarks of our HR policies. All employees and workers are paid wages which are well above the minimum wages

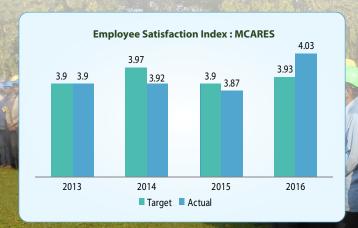
Workforce by Gender	Male	Female	Total
Fixed Term Contract	12	2	14
Junior Management	413	11	424
Middle Management	73	0	73
Others	138	0	138
Senior Management	19	0	19
Third Party Contract	1172	3	1175
Workmen	442	0	442
Total	2269	16	2285

notified as per local laws. We also ensure that contractors are making payments to their workforce as per defined minimum wages. 100% employees are

Workforce by Age	<30 years	30-50 years	>50 years
Fixed Term Contract	3	4	7
Junior Management	161	213	50
Middle Management	1	53	19
Others	134	4	0
Senior Management	0	9	10
Third Party Contract	592	546	37
Workmen	2	160	280
Total	893	989	403

covered as part of collective bargaining agreement.

Continual training and conducting skill development programmes through internal and external professionals is a regular feature at Mahindra Sanyo. Our officers also attend various off the campus business education programmes at reputed institutes to sharpen their professional acumen in their areas of expertise. This enables them to grow with the organization. We take up an exercise of identifying training needs of employees and



management cadre personnel through their heads of the department and prepare training calendar for them to engage them actively. This assignment of recognizing the training needs along with PMS is taken up before the start of every new performance cycle. Our approach to impart training is participative in nature compounded with a feedback system.

Hiring and Attrition	Hiring		Attrition	
By Gender	Male	Female	Male	Female
Total	315	10	167	05

several graduates have found employment in Mahindra Sanyo in its permanent cadre.

We have also in place KRA methodology to set targets and evaluate the employees against them. All

Hiring and Attrition	Hiring Attrition					
By Age	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Total	147	136	42	69	29	74

We have sound training evaluation system. In addition to immediate feedback of every training, post training evaluation is conducted for all training programmes after three months. Employees are assessed on a six-point scale by their respective Head of Departments on various parameters like

executive employees are covered under this program. Reporting Managers are advised to have a performance discussion with employee before evaluating to understand the actual performance. Employees also undergo mid-year assessment to understand the track of identified KRAs or any

Training Hours (2015-16)	Total Male	Total Female	Average Hours Male	Average Hours Female
Fixed Term Contract	0	0	-	-
Junior Management	8099	405	19	37
Middle Management	2681	0	37	-
Others	1073	0	7.8	-
Senior Management	618	0	32	-
Third Party Contract	0	0	-	-
Workmen	2260	0	5	-

employee's performance improvement, change in attitude, behaviour and use of acquired skills. We have developed a rating index for evaluating effectiveness of the training. Every training undergone by an employee is rated on this scale and the outcome allows us to decide on whether there is need for retraining or if any improvement plan is required. Such an objective approach has allowed us to take informed decisions to meet the training needs which are aligned with business requirements and employee aspirations.

Employees can enhance their qualifications and upgrade their skills through certification like energy manager, energy auditor etc. There is skill mapping and assessment on yearly basis which underscores the skill gaps of employees. We are developing skills required for steel industry in students of local ITIs under MPTA scheme. Through this effort till date

change in KRAs.

All permanent employees and contract workmen are covered under Personal Protection Equipment (PPE), PF Act, Gratuity & Various Insurance scheme. Subsidised canteen food and other facilities are provided to all permanent employees and contract workmen. We are also providing accommodation facility within our campus to permanent employees.





Safety & Health

It is our vision to be recognized as one of the best safety practices operating plant by 2020. To achieve this, we have set ourselves a target of zero accidents by 2020. Our safety principles are intended to inculcate a habit of safe working practices amongst our employees. We promote following safety and health principles (in line with World Steel Association-WSA):

- 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 the condition of employment.
- Excellence in safety and health supports the business results.
- Safety and health must be integrated in all business management processes.

We conduct safety inspection and audits periodically, through our internal teams and external agencies.

Our Company is certified for OHSAS 18001 and ISO 14001 EMS. We also arrange regularly safety awareness training and workshops on disaster management, safety at workplace and home for all employees, families and contract workmen. In order to inculcate safe working practices among the employees we organise safety month, fire safety month and environment day every year in the month of March, April and June respectively and track all safety related parameters through well-defined systems.





Realising that the ethos of safe working practices need to become instinctive in nature for employees, we have constituted Central Safety Committee as well as setup several Cross Functional Teams comprising of senior, middle, junior management employees and workmen. Central Safety committee comprises of representative from Trade Unions

members and committee leaders. They are involved in planning and implementation of various safety initiatives and organizing of Safety & Fire months. They also undergo on site and off site safety training. The committee is involved in planning and execution of safety initiatives at departmental and organizational level.

Safety Statistics (2015-16)	Gender	Permanent Employees	Contract Employees	Others
Man hours Worked (hrs)	Male	22,26,016	31,80,528	2,40,240
	Female	21,008	7,904	0
Reportable Accidents (numbers)	Male	1	0	0
	Female	0	0	0
Lost Days (days)	Male	69	0	0
	Female	0	0	0
Fatalities (numbers)	Male	0	0	0
	Female	0	0	0
Lost Time Injury Rate	Male	0.44	0	0
(per million hours worked)	Female	0	0	0
Lost Day Rate	Male	30.99	0	0
(per million hours worked)	Female	0	0	0

Safety Month Celebration at MSSSPL

As a continuous drive towards excellence in all activities in the company, MSSSPL has embarked on celebration of theme based months on various topics. We celebrated Safety Month during March 2016 inspired by our safety vision and ably guided by senior leadership.

Safety month celebration included several events and activities which were kick-started by the inaugural session in plant premises in the form of mass gathering involving all level of employees, including contract workmen. Every attendee took Safety Oath and were briefed by safety team about the importance of safety. We also conducted several competitions and training throughout the month with the objective of creating safety awareness amongst all and to develop a sense of responsibility towards taking safety as top priority.





Preserving Biodiversity

Mahindra Sanyo's manufacturing facility is located at the base of Sahyadri Mountains in Khopoli which comes under the Khalapur Taluka of Raigad District in Maharashtra. The region is part of Western Ghats of India. The lush green campus of the Work has rich biodiversity including a variety of plants, animals and microbial species. A wide variety of flora species ranging from algae, fungi, herbs, shrubs and trees can be found in the campus. Most commonly occurring trees in the campus include Mango, Jamun, Rain Tree, Ashok, Peepal, Karanj, Gulmohar, Nilgiri, Acacia, Babul, Jackfruit, etc. Apart from the wide variety of species growing in natural environment there are small patches of the garden within the entire campus that contains a number of plants which are grown and maintained by several gardeners. This includes plant such as Banana, Mariegold, Shrubs, and Bougainvillea with others plants of aesthetic value.

There are several small gardens outside the Blooming Mill where around 20 varieties of tree species are growing including herb, shrub and trees. Apart from



varied shrubs and trees growing in the entire campus there are a variety of creepers growing alongside the walls and on trees as parasites which enhances the aesthetic setting of the campus.

A nursery is maintained in the premises with all the species of plants growing in the surrounding including Teak, Peepal, Gulmohar, Mango, Mariegold, etc. ranging from small shrubs to large trees including Eucalyptus, Banyan and Rain Tree.

MSSSPL has signed a MoU with Forest-PLUS creating a partnership in which MSSSPL through their nursery facilities in Maharashtra is support the "enhancing forest carbon stock activities" of Forest-PLUS program. They will provide Forest-PLUS assured and timely supply of saplings required for different purposes in its four landscapes.

The Partnership for Land Use Science (Forest-PLUS) is a five-year USAID global climate change mitigation project to reduce emissions from deforestation and forest degradation (REDD+) in India's forested landscapes. Forest-PLUS is aligned with the Government of India's (GOI) National Action Plan on Climate Change (NAPCC), Green India Mission (GIM), and REDD+Cell.

In all its activities, Forest-PLUS works closely with the Ministry of Environment and Forests (MOEF), State Forest Departments (SDFs), local governments, and non-governmental organizations (NGOs) to establish REDD+ in forest policies and forest management actions at national, state, and local levels.

Afforestation Status

- Planted 36,000/- Bamboo in Harda (MP) through farmers of the district as part of 3.7 million Bamboo saplings being planned for the district
- In Hoshangabad District (MP), 6000 teak, Bamboo, and Sheesham were planted in one village as pilot project on Gram Panchayat land to create village assets



Supplier Assessment

Looking beyond our operations and across the value chain has enabled us to determine the importance of evaluating the impact of our activities outside the operational boundaries. In order to better understand and mitigate these, we have set ourselves a target to establish sustainable supply chain which goes beyond the norms of financial capital, i.e., price, cost, quality and delivery and incorporates aspects of environmental and societal capital while encouraging transparent and collaborative approach.

Engaged 54 Tier 1 suppliers representing 65% of the spent 5 were audited jointly with third-party

We have a sustainable supply chain vision guiding our efforts along with a policy document providing the framework for achieving sustainable supply chain targets. In line with our ethos of sustainable business we have consciously evolved a Supplier's Code of Conduct. We enter into a formal agreement with all our approved suppliers to adhere to this Code of Conduct. There are certain basic requirements or pre conditions for suppliers to do business with us. Consenting to these requirements by the suppliers strengthens our supply chain management which not only mitigates risks in supply but also offers opportunities for product innovation.

After the supplier qualifies the product sample test, performs satisfactorilyon preliminary enquiries and scrutiny they are listed as permanent supplier. As and when considered eligible to be taken in as the approved supplier, they are made to sign the Code of Conduct which is a comprehensive document of the working procedures and priorities with MSSSPL. The

Code of Conduct in its broad purview contains "Minimum Standards" & "Qualifying Standards".

Every year we short list some suppliers for auditing based on their share and nature of business with us. This puts them on corrective course in terms of quality of their supplies and conformance compliance with the Code of Conduct. In case the suppliers are identified for non-compliance of the qualifying standards while signing the agreement they are expected to have targets and action plan for reaching the qualifying standards. In this process we work sincerely with our suppliers to help them bridge the gaps and reach the targeted goals.

The standards for selecting suppliers are grouped into three main areasi.e. Environment; Labour & Business Ethics. Components of Child labour,

Supplier Satisfaction Index established

Discrimination, Forced Labour, Harassment or Inhumane treatment, Working hours & Salary, Health & Safety Anti-Bribery, Conflict of Interest, Gifts & Hospitality, Right to privacy, Information Security, Emergency Preparedness Planning, Chemicals & Hazardous material, Air emissions, Greenhouse gas emissions, Minimizing waste Maximizing recycling etc. are significant considerations in selecting suppliers to ensure business sustainability.

Carrying forward the efforts which we started in 2010 for embedding sustainability in our value chain, we have now established weightage for sustainability parameters while evaluating supplier rating and also recognising the sustainability credentials of suppliers through awards.

Supply Chain Risk Mapping

In order to improve our understanding of the environmental and social impacts due to our supply chain, we have completed a comprehensive supply chain risk mapping exercise. As part of this, we have classified major suppliers on parameters related to environmental, social and climate change risk

exposure. We are also actively monitoring the CoC compliance, supplier assessment and audit status of these suppliers. This activity has enabled us in determining detailed risk exposure across supply chain and undertakes focused measures in order to mitigate the potential negative impacts.



Social Responsibility

Corporate Responsibility is more than People, Planet & Profit at Mahindra Sanyo. Our CSR commitments are needs based identified, emerging out of our materiality analysis and stakeholder engagement. They are conceived in the field of health, education and women's empowerment addressing to the

society and communities residing in the proximity of our operations.

The progress in the domain of CSR is reviewed periodically through dialogue and engagement with the target groups, impact assessment studies and for all of these there is structured mechanism in place.

Mahindra Sanyo participated in Roundtable for Product Social Metrics

This was an industry led initiative for developing, verifying and testing a methodology for assessing product Social impact Assessment through product social life cycle assessment. We conducted a case Study as pilot project in collaboration with BMW Germany in the value chain for the Social product impact assessment of the steel ring that goes as

bearing in BMW 1 series. The handbook and methodology so developed is now available in public domain for testing and is being pursued further for an ISO standardisation.

The handbook is out for reference in public domain: http://product-social-impact-assessment.com/

Health

Our employees are our most valuable resource. We constantly strive to better the social living status of our employees and their families with easily accessible world-class medical treatments and frequent medical check-ups.

Plant Dispensary



We have an in-house, well equipped medical centre housing a full time doctor, a part time doctor, three assistants, a pharmacist, an attendant and an ambulance within our premises. Our employees and their family members can avail this medical care resulting in a high employee engagement, improved productivity and a healthy workforce.

Mahindra Sanyo has tie-ups with renowned medical institutions like the Ruby Hall Clinic (Pune), Dhirubhai Ambani Hospital (Lodhivali), Nanavati Hospital (Mumbai) for any major illness treatment emergency cases, Sancheti Hospital, Hardikar Hospital (Pune) and Purohit Hospital (Panvel) for trauma related cases.



Health Camps

We understand the importance of being proactive in our health measures. We unfailingly conduct frequent health camps for free medical check-ups of our employees and their family member and also in the community that helps us to operate. These health camps provide us the opportunity to constantly monitor the overall fitness of our fellow workers and gives an opportunity to serve the community and strengthen the foundation of a healthier country. We

Truck drivers vision test: 22 beneficiaries Pulmonary function test: 63 beneficiaries

have on and off conducted camps in the community and for our logistics partners in fields of road safety, aids awareness, stress management, pulmonary disease identification are few amongst many to name.

Education

At MSSSPL, we care for the local community. We focus our efforts on the holistic growth of the community through various skill building measures and primarily



through education to empower the future generations. We have undertaken numerous high impact social activities to shape the lives of countless children by empowering them with quality education. From providing the young and enthusiastic children in our community ready access to education with our JCMM School to introducing an Earn & Learn Scheme for ITI students, we aim to influence every stage of a student lifecycle.

JCMM School

Our Initiative: Wide-spreading the importance of education among the children of society. We have encouraged children from all walks of the society to avail our school's quality education.

We have been running a school since 1977 and have a prestigious history of securing 100 % results for many years now. Our students have represented their talent and intelligence at many national and state level competitions. The fact that we are proud of is many of our students are first generation learners coming to us.

The School proudly runs its own eco club & Garbage band one of its kind in the vicinity. Attempting to impart the sense and importance of the sustainability in the young ignited minds of its students empowering them to be the catalyst of change that the current world's needs.

The school is proud to say that it was ranked 14th best school in the country under the "Green School Project" conducted in association with the Centre for Science & Environment New Delhi.

Earn & Learn Scheme

Our Initiative: We have offered free Diploma education to ITI students from the community in collaboration with TMU, Pune. The endeavour has bolstered the employability chances of the beneficiary students.

Our future endeavours for education include the following measures

- Sponsoring students for Diploma Engineering from Maharashtra Tilak Vidyapeeth
- Sponsoring benches to ITI Khalapur
- Green School Program
- 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

Women Empowerment

The Company acts as a catalyst towards Women's Empowerment through organizing steady income generation activities largely addressed to the marginalised section of the society. It is aimed to ensure that women in the community secure a sustained livelihood. The Company's approaches in this area has been proactive reflecting its concern on the subject. We have undertaken the following measures for women empowerment:

- 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 employees canteen

Employee Social Options

An organization's output is only the sum total of its employee's endeavours. Our family of associates mirror our commitment for the betterment of the society of which we are an integral part of. Our Employee Social Program is designed to connect our associates with our fellow in-need citizens and the underprivileged section of the society. It is an ongoing initiative through which our employees make a significant contribution to many lives.

Our employees can opt to focus their activities around the needs of health, education and environment apart from taking up several local initiatives over the year. From generously donating money and belongings to helping children with their educational needs, our employees continuously strive to create a lasting impact with their various social endeavours.

Some of the few notable measures undertaken by our employees over the years are as listed below:

- Our employees witness the joy of selflessly giving in the annual 'Joy of Giving' week
- Frequent massive tree plantation drives initiated by our employees ensure that there will never be a dearth of greenery in our compounds and its surrounds
- Increasing safety awareness through unique and captivating measures like street plays
- Celebrating the annual 'Safety Awareness Month' with various engagement measures like quiz competitions, training sessions, essay writing, slogan competitions, etc
- Donating personal belongings like books, computers, kitchen appliances and a horde of other stuff to the underprivileged
- In Jan 2014, 50 MSSSPL employees raised Rs. 1,93,200 for sponsoring the education of 63 girl child under Nanhi Kali project by Mahindra EducationTrust
- Our employees take small but significant measures to celebrate the birthdays of various girl children residing in the economically backward girl hostel in Khopoli
- Special coaching to the girls residing in the economically backward girl hostel in Khopoli



Product Responsibility and Customer Engagement

Product Responsibility and Customer Engagement

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

A periodic feedback system from customers is in place on a comprehensive set of parameters to evaluate the customer satisfaction scores. We ensure that such scores are above our benchmark. We have achieved customer satisfaction score of 86% for the reporting period. We have a systematic framework to ensure that none of the critical specifications are compromised. There have been no complaints of customer privacy breach during 2015-16.

Engagement on Technical Front

Through our unique customer touch point program (CTP), we understand customer's expectations on our products beyond agreed technical contract reviews. We analyze the processing of our steel in the

customer's manufacturing setup. From this we further improve our product quality by incorporating necessary process modifications at our end. This program helps us to improve customer delight.

Engagement on Non-Price Value Propositions

We always consider our customers as business associates. Here we interact with customers regularly for exchange of various best practices, knowledge share etc. The joint projects are initiated in the areas of sustainability, human rights, ethics, safety, training & development etc.

We have also initiated collaborative projects with tripartite R & D initiatives with customers and academic institute.

We introduced ELCA & SLCA jointly with our customers in the value chain

- To discuss Blind spots
- To reduce Hot spots
- To encourage Bright spots



Abbreviations

BEE	Bureau of Energy Efficiency
BSC	Balanced Score Card
CEA	Central Electricity Authority
CII	Confederation of Indian Industry
COC	Code of Conduct
CSR	Corporate Social Responsibility
СТР	Customer Touch Point
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
ELCA	
EMS	Environmental Life Cycle Assessment
EnMS	Environment Management System
	Energy Management System Furnace Oil
FO	
FY	Financial Year
GHG	Green House Gases
GPMDG	Green Power Market Development Group
HMS	Heavy Melting Scrap
HSD	High Speed Diesel
ILCM	International Life Cycle Management
IPCC	Intergovernmental Panel on Climate Change
JCMM	Jagdish Chandra Mahindra Memorial
JV	Joint Venture
KRA	Key Result Areas
LDO	Light Diesel Oil
LPG	Liquefied Petroleum Gas
MAPC	Mahindra Annual Planning Cycle
MCARES	Mahindra Career Alignment Recognition Empowerment Strive
MIQ	Mahindra Institute of Quality
MOEF	Ministry of Environment and Forests
MT	metric ton
NGO	Non-Governmental Organizations
OHSAS	Occupational Health and Safety Assessment Specification
PF	Provident Fund
PLUS	Partnership for Land Use Science
PV	Photo Voltaic
REDD	Reduce Emissions from Deforestation and forest Degradation
SASB	Sustainability Accounting Standards Board
STP	Sewage Treatment Plant
TERI	The Energy Research Institute
TMW	The Mahindra Way
WRI	World Resources Institute

GRI G4 Content Index

General Standard Disclosures

General Standard Disclosures	Page no.	External Assurance	Description	
Strategy and Analysis				
G4-1	4		Statement from the most senior decision-maker of the organization.	
Organisational Pro	file			
G4-3	7		Name of the organization.	
G4-4	7		Primary brands, products, and/or services.	
G4-5	End Cover Page		Location of organization's headquarters.	
G4-6	7		Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	
G4-7	7		Nature of ownership and legal form.	
G4-8	7		Markets served (including geographic breakdown, sectors served, and types of customers /beneficiaries).	
G4-9	5,7,24		Scale of the reporting organization.	
G4-10	24		The total number of employees by employment contract and gender	
G4-11	24		The percentage of total employees covered by collective bargaining agreements	
G4-12	7,29		The organization's supply chain	
G4-13	7		Significant changes during the reporting period regarding size, structure, or ownership.	
G4-14	9,10		Whether and how the precautionary approach or principle is addressed by the organization	
G4-15	10		Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	
G4-16	10		Memberships of associations (such as industry associations) and national or international advocacy organizations	
Identified Material	Aspects and Boundari	es		
G4-17	7		All entities included in the organization's consolidated financial statements or equivalent documents	
G4-18	13		The process for defining the report content and the Aspect Boundaries	
G4-19	13,14		All the material Aspects identified in the process for defining report content	
G4-20	14		For each material aspect, whether the Aspect is material within the organization	
G4-21	14		For each material aspect, whether the Aspect is material outside the organization	

General Standard Disclosures	d Page no.	External Assurance	Description
G4-22	No restatements		The effect of any restatements of information provided in previous reports, and the reasons for such restatements
G4-23	7		Significant changes from previous reporting periods in the Scope and Aspect Boundaries
Stakeholder Enga	gement		
G4-24	12		List of stakeholder groups engaged by the organization
G4-25	11,12		Basis for identification and selection of stakeholders with whom to engage
G4-26	12		Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group
G4-27	12		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting
Report Profile			
G4-28	7		Reporting period (such as fiscal or calendar year) for information provided
G4-29	7		Date of most recent previous report (if any)
G4-30	7		Reporting cycle (such as annual, biennial)
G4-31	7		The contact point for questions regarding the report or its contents
G4-32	7		The 'in accordance' option the organization has chosen, the GRI Content Index for the chosen option, the reference to the External Assurance Report, if the report has been externally assured
G4-33	7		Organization's policy and current practice with regard to seeking external assurance for the report
Governance			
G4-34	8.,9		The governance structure of the organization, including committees of the highest governance body
Ethics & Integrity			
G4-56	9		The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics

Specific Standard Disclosures

DMA and Indicators	Page no.	Omissions	External Assurance	Description
Category: Economic				
Material Aspect: Econo	mic Performa	ince		
G4 DMA	5	-		Disclosure on Management Approach
G4EC1	5	-		Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
Material Aspect: Marke	t Presence			
G4 DMA	24	-		Disclosure on Management Approach
G4EC5	24	-		Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
Category: Environment	tal			
Material Aspect: Materi	ials			
G4 DMA	17	-		Disclosure on Management Approach
G4EN1	17-18	-		Materials used by weight or volume.
Material Aspect: Energy	y			
G4 DMA	18-19	-		Disclosure on Management Approach
G4 EN3	18	-		Energy consumption within the organisation
Material Aspect: Water				
G4 DMA	21	-		Disclosure on Management Approach
G4 EN8	21	-		Total water withdrawal by source.
Material Aspect: Emissi	ons			
G4 DMA	18-20	-		Disclosure on Management Approach
G4EN15	19	-		Direct greenhouse gas emissions (Scope 1)
Material Aspect: Effluer	nts and Waste	1		
G4 DMA	20-22	-		Disclosure on Management Approach
G4EN23	20-22	-		Total weight of waste by type and disposal method.
Material Aspect: Produ	cts and servic	es		
G4 DMA	15,17	-		Disclosure on Management Approach
G4 EN27	1517	-		Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
Supplier Environmenta	l Assessment			
G4 DMA	29	-		Disclosure on Management Approach
G4 EN32	28	-		Percentage of new suppliers that were screened using environmental criteria
Category: Social				
Labour Practices and De	ecent Work			
Material Aspect: Employment				
G4 DMA	23,24	-		Disclosure on Management Approach
	•			5 11

Specific Standard Disclosures

DMA and Indicators	Page no.	Omissions	External Assurance	Description
G4LA1	23,24	-		Total number and rates of new employee hires and employee turnover by age group, gender, and region
Material Aspect: Occup	ational Healt	h and Safety		
G4 DMA	26-27	-		Disclosure on Management Approach
G4LA6	26	-		Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender.
Material Aspect: Training	ng and Educat	tion		
G4 DMA	24-25	-		Disclosure on Management Approach
G4LA9	24	-		Average hours of training per year per employee by gender and by employee category.
Supplier Assessment fo	or Labour Prac	ctices		
G4DMA	29	-		Disclosure on Management Approach
G4LA14	28	-		Percentage of new suppliers that were screened using labour practices criteria
Human Rights				
Material Aspect: Invest	ment			
G4 DMA	29	-		Disclosure on Management Approach
G4 HR1	29	-		Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.
Supplier Human Rights	Assessment			
G4 DMA	29	-		Disclosure on Management Approach
G4HR10	28, 29	-		Percentage of new suppliers that were screened using human rights criteria
Society				
Material Aspect: Local (Communities			
G4 DMA	30-33	-		Disclosure on Management Approach
G4 SO1	30-33	-		Percentage of operations with implemented local community engagement, impact assessments, and development programs.
Product Responsibility				
Material Aspect: Produ	ct and Service	e Labelling		
G4 DMA	34	-		Disclosure on Management Approach
G4 PR5	32	-		Results of surveys measuring customer satisfaction.
Material Aspect: Custo	mer Privacy			
G4 DMA	34	-		Disclosure on Management Approach
G4 PR8	32	-		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

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Independent Assurance Statement

Introduction & Engagement

Mahindra Sanyo Special Steel Private Limited (hereafter MSSSPL 'the Company') has commissioned TÜV India Private Limited to provide the independent assurance of MSSSPL sustainability report (hereinafter ('the Report'). This assurance engagement has been conducted against the Global Reporting Initiative (GRI G4) - Sustainability Reporting Guidelines & AA1000AS (2008) Protocol (Type I, Moderate Level) for verification of the Sustainability Report. The verification was conducted in June-July 2016. MSSSPL opt for external assurance second time for FY 2015-2016. The Report covered the sustainability initiatives taken by MSSSPL for the Period, 01st April 2015 to 31st March 2016.

TÜV 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 & reporting the information presented in the web based & printed Reports, including the website maintenance & its integrity. TÜV responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative & qualitative information (sustainability Performance) disclosed by the management in the Report. This assurance engagement is based on the assumption, that the data & the information provided to TÜV are complete & true.

Scope, Boundary & Limitations of Assurance

The scope of the assurance includes the Economic, Environmental & Social disclosures in the report as per Core disclosures required in GRI G4; In particular the assurance engagement included the following:

- Verification of the application of Report content, principles as mentioned in GRI G4 & the quality of information presented in the Report over the reporting period (01 April 2015 to 31 March 2016)
- · Review of the policies, initiatives, practices & performance described in the Report
- Review of the disclosures made in the Report against the requirements of GRI G4 & AA1000AS (2008), with a type 01, moderate level of assurance
- Verification of the reliability of GRI G4 Performance Indicators
- Specified information is selected based on materiality determination & meaningful to the intended users
- Confirmation of the fulfilment of GRI G4 guidelines; 'in accordance' Core criteria, as declared by the management of MSSSPL

The reporting boundary is based on the internal & external materiality assessment predominately 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. As part of sustainability verification, TÜV's assurance team visited MSSSPL, Khopoli plant in June 2016.

Our engagement did not include assessment of the adequacy or effectiveness of MSSSPL's strategy or management of sustainability related issues & during the assurance process, TÜV 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 & referred in the report & was not included in the scope & boundary of verification & assurance. No external stakeholders were interviewed as a part of the sustainability engagement for the period 2015-16.

Verification Methodology

This assurance engagement was planned & carried out in accordance with the GRI G4 & AA1000AS (2008). The Report has been evaluated against the following criteria:

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- Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Reliability & Neutrality; as prescribed in GRI G4 & AA1000AS (2008)
- Application of the principles & requirements of GRI G4 for its 'in accordance' Core criteria

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

- TÜV reviewed the approach adopted by MSSSPL for stakeholder engagement & materiality determination process
- TÜV verified the sustainability-related statements & claims made in the Report & assessed the robustness of the data management system, information flow & controls
- TÜV examined & reviewed documents, data & other information made available by MSSSPL for the reported disclosures including Disclosure of Management Approach & performance indicators
- TÜV Conducted interviews with key representatives including data owners & decision-makers from different functions of the Company during the site visit (June 2016)
- TÜV performed the sample-based reviews of the mechanisms for implementing the sustainability related policies, as described in the sustainability Report of MSSSPL
- TÜV verified sample-based checks of the processes for generating, gathering & managing the quantitative data & qualitative information included in the Report for the reporting period
- TÜV performed limited internal stakeholder engagement to verify the qualitative statements made in the report
- TÜV verified the specific consumption data of electricity, furnace oil, water, CO₂ emission (scope 1& 2) and found decreasing trend
- TÜV verified the afforestation activity under which 36000 bamboo saplings provided to Madhya Pradesh forest department for plantation

Opportunities for Improvement

The following is an extract from the observations & opportunities for improvement reported to the Management of MSSSPL & are considered for drawing our conclusion on the Report; however they are generally consistent with the Management's objectives: extend the materiality determination system & continuously monitor & evaluate the material issues at site level.

Opportunities are as follows:

- · Material aspect outside the organization boundaries can be linked with CSR expenditure
- Implementation of Green Supply Chain criteria (Supplier screening against the environmental/social criteria)
- Strengthen the systematic data monitoring & verification mechanisms to cover all performance indicators
 across the value chain, which will assist in further improving the quantitative & qualitative data for
 sustainability reporting
- System documentation of Social Aspect needs to strengthen
- · Company shall refer schedule VII of the companies act 2013 for future scaling up of CSR activities

Conclusions

The Sustainability Report 2015-16 is prepared based on GRI G4 Reporting Principles & Standard Disclosures for 'in accordance' GRI G4 Core. In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with referenced information provides a fair representation of the material aspects, related strategies, performance indicators & meets the general content & quality requirements of GRI G4- Core.

• **General Standard Disclosures**: TÜV are of the opinion that the reported disclosures generally meet the GRI G4 reporting requirements for 'in accordance' Core reporting

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Specific Standard Disclosures: TÜV are of the opinion that the reported disclosures generally
meets the GRI G4 reporting requirements for 'in accordance' Core based on GRI G4 covering
generic Disclosures on Management Approach (DMAs) & Performance Indicators for identified
material Aspects as below:

Economic

G4 EC 1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED
G4 EC 5	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT
	LOCATIONS OF OPERATION

Environmental

G4 EN 1	MATERIALS USED BY WEIGHT OR VOLUME
G4 EN 3	ENERGY CONSUMPTION WITHIN THE ORGANIZATION
G4 EN 8	TOTAL WATER WITHDRAWAL BY SOURCE
G4 EN 15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)
G4 EN 16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)
G4 EN 23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD
G4 EN 27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES
G4 FN 32	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

Social

Labor Practices & Decent Work

G4 LA1	TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION
G4 LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER
G4 LA 9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY
G4 L A14	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA

Human Rights

G4 HR 1	TOTAL NUMBER AND PERCENTAGE OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING
G4 HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA

Society

G4 SO1	PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS,
	AND DEVELOPMENT PROGRAMS

Product Responsibility

G4 PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION
G4 PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES
	OF CUSTOMER DATA

TÜV have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' & 'Needs Improvement'

Stakeholder Inclusiveness: The stakeholder identification & engagement process is well documented & implemented through the MSSSPL Sustainability Assurance Programme & the Report brings out key stakeholder concerns as material aspects of significant stakeholders. In our view, the level at which the Report adheres to this principle is **Good**.

Materiality: The process of materiality assessment has been carried out based on the requirements of GRI G4, considering Aspects that are internal & external to the Company's range of business. The Report fairly brings out aspects & topics & its respective boundaries for the diverse operations of MSSSPL. In our view, the level at which the Report adheres to this principles is **Good**.

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Responsiveness: TÜV consider that the responses to material aspects are fairly articulated in the report i.e. disclosures on MSSSPL's policies & management systems including governance. In our view, the level at which the Report adheres to this principle is **Acceptable.**

Completeness: The Report has fairly disclosed the General & Specific Standard Disclosures including the Disclosures on Management Approach covering the sustainability strategy, management approach, monitoring systems & sustainability performances indicators against the GRI G4, 'in accordance' Core option. In our view, the level at which the Report adheres to this principle is **Acceptable.**

Reliability: The majority of data & information verified at the MSSSPL's Office in the factory premises by TÜV's assurance team & found fairly accurate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation & aggregation errors & these errors have been corrected. Hence, in accordance with GRI G4 & AA1000AS (2008) for a type 01, moderate level assurance engagement, TÜV conclude that the sustainability data & information presented in the Report is fairly reliable & acceptable. In our view, the level at which the Report adheres to this principle is **Acceptable**

Neutrality: The disclosures related to sustainability issues & performances are reported in a neutral tone, in terms of content & presentation. In our view, the level at which the Report adheres to this principle is **Acceptable**.

TÜV's Competence & Independence

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

For & on behalf of TÜV India Private Limited

The step of

Manojkumar Borekar Project Manager & Reviewer Head – Sustainability Assurance Service TÜV India Private Limited



Date: 19 July 2016 Place: Pune



Mahindra Sanyo Special Steel Pvt. Ltd.

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