

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L27100MH1973PLC016617
2. Name of the Company	Sarda Energy & Minerals Limited
3. Registered Address	73-A, Central Avenue, Nagpur (M.H.) 440018
4. Website	www.seml.co.in
5. Email-id	cs@seml.co.in
6. Financial Year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Sponge Iron/Ferro Alloys /Billet/Wire Rod/ Iron Ore Pellet -241
8. List three key products/services that the Company manufactures/provides(as in balance sheet)	Iron Ore Pellet Wire Rod Ferro Alloys
9. Total number of locations where business activity is undertaken by the Company	1
a) Number of International Locations (Provide details of major5)	NIL
b) Number of National Locations	1
10. Markets served by the Company-Local/State/National/International	International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (INR)	36.05 crore
2. Total Turnover (INR)	1,423.91 crore
3. Total profit after taxes (INR)	183.84 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.64%
5. List of activities in which expenditure in 4 above has been incurred	a) Healthcare b) Education c) Environment d) Empowering Women e) Art & Culture f) Armed Forces Veterans g) Livelihood Projects h) Sports i) Rural Development

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?	Yes
2. Do the Subsidiary Company /Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Sarda Energy & Minerals Limited [SEML] has 11 subsidiaries / controlled entities. Subsidiaries do not participate in the BR Initiatives of the parent company. However, each of the subsidiaries strives to carry out its business in a sustainable manner and undertake initiatives independently.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Our suppliers are not directly involved with the 'Responsible Business' initiatives of the Company. However, our contracts with them address areas like HSE, Ethics, and Human Rights that our suppliers are obliged to adhere to strictly.

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SECTION D

1. BR Information

1 a)	Details of Director/Directors responsible for BR	DIN : 00008190 Name: Mr. Pankaj Sarda Designation: Jt. Managing Director
b)	Details of the BR Head	Mr. Anup K Nanda Head (Works) Telephone: +91-771-2216100 Email ID: anup.kn@seml.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

A. Name of principles:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

B. Details of compliance (Reply in Y/N):

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes. The relevant policies have been developed over a period of time by taking inputs from concerned stakeholders.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are in compliance with the national standards. They are also being reviewed and amended from time to time based on the amendments in the respective standards /regulations.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies which are statutorily required have been formulated by the Board or concerned committees of the Board. The Policies have been signed by CMD of the Company.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online	Statutorily required policies are available under the investor section on the website of the Company – www.seml.co.in .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								

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No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

C. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

D. Governance related to BR

a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year	The Company proposes to assess the BR performance of the Company at such intervals as may be required, but at least annually.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The company is publishing BR report for the first time. It is available on the website of the Company at www.sem1.co.in under investor section and same will be published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

No. It extends to the group, joint ventures, suppliers and contractors and employees too.

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

During the financial year 2019-2020, the Company has received 14 complaints/queries from shareholders of the Company and all of them were satisfactorily resolved. The Stakeholders Relationship Committee of the Company specifically looks into various aspects of interest of shareholders, and other security holders of the Company.

During financial year 2019-2020 no complaints pertaining to sexual harassment were received by the Company. Similarly, the Company has not received any complaint about unethical behavior, actual or suspected fraud or

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violation of the Code of Conduct or any other unethical or improper activity under Whistle Blower Policy/Vigil Mechanism of the Company.

The Company has received 10 complaint from other customers, which have been resolved.

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

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

The Company has installed pollution control equipments to control emission. The company processes the waste generated to reuse it or to make it reusable by others.

- Iron ore Pellets - The waste generated in the production is fully recycled. The Tar and Ash generated from Gasifiers is sold for use in production process by customers. The ESP dust is recycled. The accretion of the Kiln is also processed and recycled in production of other products in the company to recover Fe content thereof.
- DRI/Sponge Iron - The Company uses waste heat for production of electricity. The fly ash is used in brick making. The Kiln accretion is reprocessed for recovery of Fe content. The water is treated and recycled in production process. Bag filter dust is also sold to customers for use in production process of their products.
- Ferro Alloys - The slag generated is granulized and used in brick making. The ESP and GSP Dust is recycled to recover Mn and Fc content thereof.
- Fly Ash Bricks - The Company produces bricks using waste generated from production of different products which replace red bricks, which is hazardous to the environment. The company has increased production capacity over years to fully utilize the waste. In the year 2019-20 the company produced 1.86 lakh MTs of bricks.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Being a natural resource Company, there is intensive need for resources – water, energy and raw materials, in our operations. We are also in continuous need for fuel and electricity, which places us amongst the energy intensive industries. We therefore recognize the impact of our operations on the environment and adopt strategies to minimize our resource use in all our processes. To further channelize our endeavours, we consciously track usage of these resources – water, energy and raw materials, throughout our operations to keep the usage to minimum levels and focus on recycling these resources to the maximum possible extent.

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The details are as under:

Power

Product	UOM	Reduction achieved in consumption, PMT of production in 2019-20 as compared to F.Y. 2018-19
Sponge Iron	Kwh/MT	6.84
Billet	Kwh/MT	6.86
Wire Rod	Kwh/MT	8.67
HB Wire	Kwh/MT	0.88

Water

Product	UOM	Reduction achieved in consumption, PMT of production in 2019-20 as compared to F.Y. 2018-19
Sponge Iron	Ltr/MT	41
Billet	Ltr/MT	33
Power	Ltr/MW	343

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

The Company has a structured procedure for sourcing to ensure raw materials are sourced in an optimal sustainable manner. The Company procures key raw material like Iron-Ore from Odisha and its own mines at Dongarbore, Chhattisgarh. The sourcing of raw materials like iron ore and coal was made through rail and road transport with the material being covered suitably to avoid spillage and dust generation. Priority is given to sourcing by rail for reduced emission. Multiple handling is avoided to the extent possible. Operations have been vertically integrated to reduce transportation and waste of heat.

At material handling areas for coal and iron ore - water sprinklers have been installed; while bag filters are installed at ferro alloys division. Fly ash is transported in bulkers.

In financial year 2019-2020 majority of inputs of the Company were sourced sustainably.

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

The Company promotes procurement of goods and services from local vendors and small producers. This is primarily for hiring equipment and services, as well as procuring minor raw materials, stationary items and food supplies. For example, the Company has hired local contractors for cargo handling equipment, dozers, dumpers etc. It also recruits workers from local communities for operation and maintenance of its plants. Minor fabrication works and materials are also sourced from local suppliers. The Company continuously builds and improves the skills and capacity of local contractors through periodic vendor development programmes.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has mechanism to recycle most of its waste for which it has been pursuing programme titled **“Waste to Wealth”**. Waste is recycled to recover residual metal and remaining waste is used in civil construction / brick making. Fly ash is also supplied to cement plants for use in production process.

Principle 3 : Businesses should promote the well-being of all employees

Our employees are our key assets and our growth and success are attributable to them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses. We are committed to providing our employees with a safe and healthy work environment through a high degree of engagement and empowerment, supported with adequate training and workshops, we enable them to realize their full potential, creating a high-performance work culture. We also focus on effectively utilizing and grooming talent by appropriately rotating them across businesses for experience in new roles and to prepare them to take up various key positions in the future. The Company supports brilliant children of employees to pursue higher studies. The Company has also taken medical insurance for well-being of employees.

1	Total number of permanent employees	1,217	
2	Total number of employees hired on temporary/contractual/casual basis	2,602	
3	Number of permanent women employees	7	
4	Number of permanent employees with disabilities	NIL	
5	Do you have an employee association that is recognized by management	NO	
6	Percentage of your permanent employees is members of this recognized employee association	NA	
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment were received during the F.Y. 2019-20.	
8	Percentage of under mentioned employees who were given safety & skill up- gradation training in the last year	a) Permanent Employees	63.01%
		b) Permanent Women Employees	57.14%
		c) Casual/Temporary/Contractual Employees	70.98%
		d) Employees with Disabilities	NA

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

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

Yes. The Company has mapped its stakeholders and the key stakeholders are as follows:

- a) Government and regulatory authorities
- b) Investors and Shareholders
- c) Employees
- d) Customers
- e) Local Communities
- f) Suppliers/contractors
- g) Lenders
- h) Displaced families

Mapping of various mechanisms and practices with stakeholders will be formally established in due course.

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

Yes. The Company has identified such stakeholders.

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

The Company has implemented programmes to improve their livelihood. One such area is operation of Mobile hospital with doctors and medicine in remote areas through-out the year. Support to NGOs providing services to marginalized stakeholders such as Friends of Tribal Society/Support to affordable Schools.

Principle 5: Businesses should respect and promote human rights

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

The policy of the Company on human rights cover extends to the Group, Joint Ventures, Suppliers, Contractors, NGOs.

All its business partners (Suppliers, Contractors, NGOs) are contractually obliged to respect human rights.

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

The details of complaints received, resolved and pending as on the end of the F.Y. are as under:

Complaint from	Received	Resolved	Pending as on 31.03.2020
Shareholders	14	14	NIL
Customers	10	10	NIL

The Company has not received any other complaint during financial year 2019-20.

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

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

The policy related to Principle 6 extends to the Group, Joint Ventures and Contractors.

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

The Company understands the global issue of climate change and takes suitable actions to address it. The Company is committed to -

- i. Addressing environmental issues through efficient use of natural resources, promote use of renewable energy, minimization of wastes, water management, protecting the biodiversity and reducing carbon foot print.
- ii. Effective implementation of environmental management system to prevent, mitigate and control environmental damages.

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The Company has taken extensive plantation in and around the plant premises to maintain / increase the green cover. The company is promoting renewable power and hydropower project promoted by the company is registered as CDM project. The waste heat recovery is another major step in this direction. The company is also examining feasibility to recover waste heat from ferro alloys process. Another step is installation of VVF drives and use of LED lighting system in place of conventional lighting system.

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

Yes. The Company assesses the potential impacts of its operations on the environment through the implementation of the policy on Conservation and Preservation of the Environment. Potential environmental risks are identified, steps are taken to measure and mitigate the risk.

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

Yes, the hydro power project promoted by the Company is registered under CDM.

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

Yes, the Company has installed gasifiers for cleaner use of coal. WHR boilers for use of waste heat, upgraded ESP for reduced emission. Installed solar and hydropower projects. More details can be found on our website www.seml.co.in

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

Yes, the emissions/waste generated by the Company are within the permissible limits prescribed by CPCB / SPCB and are monitored constantly.

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

No show cause/legal notices issued to the Company were pending as at the end of F.Y. 2019-2020.

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

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

We are a member of various trade/chamber associations, major among them being the Confederation of Indian Industry (CII), Sponge Iron Manufacturers Association (SIMA), Chhattisgarh Sponge Iron Manufacturers Association (CGSIMA), Indian Ferro Alloys Producers Association (IFAPA) and the likes.

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

Yes, the Company is actively involved in the following areas for advocating public good:

- Blood Donation camps
- Safety and Skill Development
- Energy and Raw Material Security
- Sustainable Business principles
- Governance
- Economic Reforms
- Inclusive development policies

Principle 8 : Businesses should support inclusive growth and equitable development

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

Yes, as a responsible corporate citizen, the Company focuses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives. The focus of our community investment initiatives is on social development programmes, especially integrated development, which impacts the overall socio-economic growth and empowerment of people, in keeping with the national and international development agendas. One such initiative is support to 90 Single teacher schools and mobile hospital in deep remote areas starved of basic necessities.

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The Company has voluntarily adopted a Corporate Social Responsibility (CSR) policy which governs the CSR activities of the Company are governed as per the said policy. During the year 2019-20, the Company has spent ₹ 4.85 crore on social initiatives including quality/affordable education, healthcare, rural development activities, etc. The Company has also supported various activities and support programs in the fight against COVID-19 pandemic. For further details, Members are requested to refer the annual report on CSR activities annexed as Annexure G to the Directors' Report.

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

We implement our programmes directly through our Corporate Social Responsibility team and also in association with government and NGOs. We also actively encourage our own employees to contribute towards these social initiatives.

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

Yes

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

The total amount spent on all CSR activities and projects during the FY 2019-2020 was ₹ 4.85 crore. The major thrust areas for our programmes are – a) Healthcare b) Education c) Environment d) Women empowerment e) Art & Culture f) Livelihood projects g) Sports h) Rural Development projects i) Support to programmes of national importance including but not limited to disaster mitigation, relief and rehabilitation

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

Most of our programmes emerge from a community requirement assessment, endorsed by Gram Panchayats and are delivered in close partnership with them. We have taken steps to ensure that the beneficiaries of the support are in true sense the needy people. The Company regularly engages with nearby villagers to ensure community development programs adopted by the respective beneficiaries are achieved with maximum possible benefits to the community.

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

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

No complaints pending at the end of FY 2019-2020

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

The Company's products do not have any mandatory labelling requirements. However, the Company provides test certificates issued by in house testing lab and sometimes from the certified third parties containing quality parameters, as well as the chemical and physical properties of the product. The above information is also available in product brochures that are given to customers. One of the company's lab is NABL accredited Lab.

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

No case was filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and as accordingly, no such case is pending as on end of financial year.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Feedback is a continuous process at our operations, and we leverage feedback for continual improvement in product and service quality, for benchmarking ourselves with industry standards and identifying scope and future opportunities to increase customer value. The Company's Management regularly reviews the feedback/ suggestions received by its marketing team.