



PRESS RELEASE

JSW Steel and Smartex sign MOU to explore low-emission steel production

Mumbai, 17th October 2022 –JSW Steel, the flagship company of the \$22 billion JSW Group, has signed a memorandum of understanding (MOU) with Smartex to explore the potential to promote innovation and turnkey approaches - from financing to technology availability and market access aimed at decarbonisation of the steel sector in India, de-risking industry investment, accelerating climate action and addressing social equity.

Smartex has launched the Financing Steel Decarbonisation (FSD) initiative during the 2022 Climate Week in New York City. FSD is creating a \$1B Steel Decarbonisation Fund (SDF) and an eco-system to support steel industry decarbonization. India being the second largest steel producer is responsible for over 10% of CO₂ emissions from energy systems. Decarbonising steel production is not easy, with solutions either commercially unviable or in early development stages. SDF will host a technical assistance facility for identified decarbonization projects' preparation and a blended technology debt fund for low-cost long-term financing solutions to be explored.

“Indian steel industry needs innovation in low emission steel making and financing solutions at comparative cost advantage to reach the next level of steel decarbonisation,” said Mr. Seshagiri Rao - Joint MD, JSW Steel & Group CFO. “A majority of JSW’s strategic focus areas and organizational goals have been formulated to align our existing production facility towards climate change mitigation and reduce our CO₂ emissions intensity by 42% by 2030 from a base year of 2005. We are committed to remain within the sustainable development scenario (SDS) pathway as proposed by International Energy Agency (IEA), which require significant investment. The proposed Financing Steel Decarbonisation (FSD) initiative and Steel Decarbonisation Fund (SDF), hopefully would provide the right opportunity,” Mr Rao added.

Abhijit Basu, KOP (Keeper of the Purpose) of Smartex, said, *“Working with a premier steel producer like JSW, we have the opportunity to place India at the forefront of low-emission steel production and create a sustainable path for both the environment and business.” He added, “To do this we need to take the risk out of investing and open new doors for entrepreneurs.”*

To learn more about the fund and get involved, visit

<https://www.climatefinancelab.org/project/financing-steel-decarbonization/>

About JSW Steel:

JSW Steel is the flagship business of the diversified, US\$ 22 billion JSW Group. As one of India's leading business houses, JSW Group also has interests in energy, infrastructure, cement, paints, sports, and venture capital. JSW Steel, certified by Great Places to Work in 2021, has emerged as an organization with a strong cultural foundation. Over the last three decades, it has grown from a single manufacturing unit to become India's leading integrated steel company with a capacity of 28.5 MTPA in India and the USA (including capacities under joint control). Its next phase of growth in India will take its total capacity to 38.5 MTPA by FY25. The Company's manufacturing unit in Vijayanagar, Karnataka is the largest single-location steel-producing facility in India with a capacity of 12 MTPA. JSW Steel has always been at the forefront of research and innovation. It has a strategic collaboration with global leader JFE Steel of Japan, enabling JSW to access new and state-of-the-art technologies to produce and offer high-value special steel products to its customers. These products are extensively used across industries and applications including construction, infrastructure, automobile, electrical applications, and appliances. JSW Steel is widely recognized for its excellence in business and sustainability practices. Some of these recognitions include World Steel Association's Steel Sustainability Champion (consecutively from 2019 to 2021), Leadership Rating (A-) in CDP (2020), Deming Prize for TQM for its facilities at Vijayanagar (2018), and Salem (2019). It is part of the Dow Jones Sustainability Index (DJSI) for Emerging Markets (2021) and S&P Global's Sustainability Yearbook (consecutively for 2020 and 2021). JSW Steel is the only Indian company to be ranked among the top 15 global steel producers by World Steel Dynamics for 13 consecutive years since 2008. As a responsible corporate citizen, JSW Steel's carbon reduction goals are aligned with India's Climate Change commitments under the Paris Accord.