



PRESS RELEASE

JSW Steel becomes the first company in the steel sector globally to issue a USD denominated Sustainability Linked Bond (“SLB”)

Mumbai, 16 September 2021:

JSW Steel Ltd (“JSW” or the “Company”) created history by being the first company in the steel sector globally to issue a Sustainability Linked Bond (“SLB”) in a hard currency. The Company raised a total of USD 1 Billion in the USD Bond markets through a RegS/144A issuance which was subscribed by high quality institutional investors across Asia, Middle East, Europe and the US. The issuance comprised two tranches of 5.5 years and 10.5 years, each for an amount of USD 500mn. The 10.5-year tranche was issued as an SLB where the Company committed to achieving an ambitious target of ≤ 1.95 tonnes of CO₂ per tonne of crude steel produced (tCO₂/tcs), by March 2030, representing a 23% reduction from its 2020 levels. This target has been certified by DNV, an independent international agency that has opined that JSW’s targets are ambitious and beyond what is considered business as usual. As per the SLB terms, if the company is not able to meet these targets by March 2030, the pricing on the bonds will be stepped up by 37.5bp for the residual life of the bonds. The SLB structure helped the Company attract ESG focused funds thereby giving it a size and price benefit. The SLB is a win-win for both issuers as well as investors - it benefits investors by giving them an avenue to invest in socially responsible companies while providing the right incentive structure to companies to improve their ESG performance and diversify their resource base for long term financing. This path breaking move by JSW is likely to set the tone for the Indian steel industry to proactively move towards reducing its CO₂ emission footprint with the ultimate goal of achieving net zero.

The issuance which mobilised USD 1 Billion across both tranches was handsomely oversubscribed. The 10.5yr tranche which was priced at 5.05% achieved a greater tightening of 45bps as compared to the 5.5yr tranche that was priced at 3.95% and achieved a tightening of 25bps against the initial price guidance. This is also the first issuance in 144A format from the Indian steel sector and thereby attracted high quality US institutional investors. The proceeds of the issue will be used by the Company for funding capex plans as well as for refinancing of debt. JSW Steel is rated Ba2 (Positive) by Moody’s and BB- (Positive) by Fitch.

Seshagiri Rao, JMD and Group CFO, JSW Steel, said: “Sustainability is at the heart of the JSW philosophy and we have always been at the forefront of incorporating sustainability in our core operations in order to improve climate impact performance. The target set by JSW is significantly steeper than that committed as per the India’s Nationally Determined Contributions (“NDC”) and is aligned with the Sustainable Development Scenario (“SDS”) pathway by way of targeting a 42% reduction of CO₂ emission intensity from the base year of 2005. The overwhelming response that we received on the SLB issuance is testimony of stakeholder confidence in JSW’s commitment to climate change mitigation.

With regards to adoption of disruptive technology towards green steel production, JSW is already operating a 100TPD capacity Carbon Capture and Utilization ("CCU") project where the captured and refined CO₂ is used in the beverage industry. Adoption of this technology at a very early stage gives us a head-start in our plans to scale up its utility in conjunction with BF-BOF in the future. In June 2021, we became a key member in the India Hydrogen Alliance ("IH2A") and we were entrusted with the responsibility of bringing industry majors and the government on a shared platform for hydrogen commercialization in the steel the industry."

About JSW Steel Ltd:

JSW Steel is the flagship business of the diversified US\$ 13 billion JSW Group. As one of India's leading business houses, JSW Group also has other business interests in sectors such as energy, infrastructure, cement, paints, sports and venture capital. JSW Steel has grown from a single manufacturing unit in early '80s to become India's leading integrated steel company with a steel-making capacity of 28 MTPA in India & USA, including capacities under joint control & new capacity to be commissioned at Dolvi during this year. Its roadmap for the next phase of growth includes a target of achieving 37.5 MTPA steel capacity 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 & offer high-value special steel products to its customers. These products are extensively used across industries and applications including construction, infrastructure, automobile, electrical applications, appliances etc. JSW Steel is widely recognized for its excellence in business. Some of its key honours and awards include World Steel Association's Steel Sustainability Champion (consecutively from 2019 to 2021), Leadership Band Rating (A-) in CDP (2020), Deming Prize for TQM for its facilities at Vijayanagar (2018) and Salem (2019), DJSI RobecoSAM Sustainability Industry Mover Award (2018) among others. JSW Steel is the only Indian company to be ranked among the top 10 global steel producers by World Steel Dynamics for 10 consecutive years. As a responsible corporate citizen, JSW Steel's carbon reduction goals are aligned to India's Climate Change commitments under the Paris Accord.

Forward looking and Cautionary Statements:

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

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