

# SUSTAINABILITY REVIEW SECTION



— Solar Plant, Tamilnadu

JSW Energy stands at the forefront of sustainability, guided by a visionary approach that aligns its activities and strategies with global imperatives to mitigate climate change and transition towards a low-carbon economy. At the heart of its operations lie the three foundational pillars: Environmental Stewardship, Social Development, and Governance. These pillars serve as guiding principles, shaping the company's trajectory towards continuous improvement and heightened performance against major material issues.

With a comprehensive outlook, JSW Energy has meticulously identified 17 key focus areas across the Environmental, Social, and Governance (ESG) spectrum, intricately aligned with the 17 UN Sustainable Development Goals. These areas serve as focal points, reflecting the company's

commitment to addressing critical sustainability challenges and fostering positive impact within its sphere of influence. Moreover, JSW Energy has implemented a robust framework of internal policies and procedures, designed to monitor and evaluate performance against these material issues rigorously. This internal mechanism ensures accountability and drives the organisation's pursuit of excellence in sustainability practices.

However, JSW Energy's commitment to sustainability transcends its internal operations. Recognising the interconnectedness of its value chain, the company has embarked on a journey to engage with its partners and suppliers, encouraging alignment with its sustainability agenda. By extending its focus beyond internal boundaries, JSW Energy

aims to foster a culture of sustainability throughout its ecosystem, thereby mitigating risks and driving collective progress towards a more sustainable future.


Central to JSW Energy's sustainability agenda is its unwavering dedication to climate action. Aligned with 1.5° Scenario inline with the Paris Agreement, the company has set ambitious carbon neutrality targets to be achieved by 2050. This forward-thinking approach underscores JSW Energy's commitment to playing a proactive role in addressing one of the most pressing challenges of our time. Moreover, the company continuously monitors its performance against set Key Performance Indicators (KPIs), enabling a nuanced understanding of its progress in combating climate change and ensuring timely adaptation to evolving environmental dynamics.

In essence, JSW Energy's sustainability journey is characterised by a multifaceted approach that integrates environmental stewardship, social responsibility, and effective governance. Grounded in a clear vision and guided by global sustainability frameworks, the company is steadfast in its commitment to driving positive change and creating lasting value for all stakeholders. By embracing innovation, collaboration, and responsible leadership, JSW Energy is poised to continue its trajectory towards a more sustainable and resilient future.



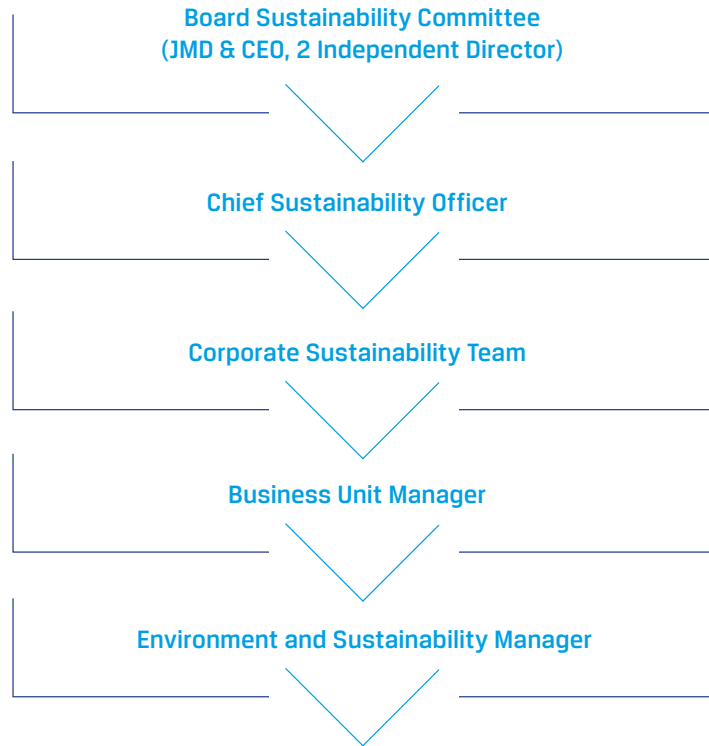
## Sustainability Strategy at JSW Energy

At JSW Energy, sustainability is ingrained in its culture through key elements that synergise to realise the company's vision. These elements form the foundation of a robust sustainability strategy, guiding JSW towards its environmental and social objectives. By fostering a culture where sustainability is paramount, JSW Energy ensures alignment with global goals while driving innovation and responsible practices.

	<b>Leadership</b>	At JSW Energy, leadership demonstrates a fervent commitment to the sustainability agenda, consistently enhancing their understanding of ESG aspects pertinent to the business and industry. This proactive approach, cascading throughout the organisation, empowers JSW Energy to maintain a competitive edge in effectively implementing its sustainability strategy by aligning it to the Business strategy.
	<b>Stakeholder Engagement</b>	Engaging meaningfully with stakeholders allows JSW Energy to grasp their expectations, which are then incorporated into the establishment of sustainability goals and targets. This collaborative approach ensures the creation of long-term value for all stakeholders, aligning the company's sustainability efforts with their needs and aspirations.
	<b>Communication</b>	Digitalisation has revolutionised communication channels at JSW, facilitating efficient and timely interaction with stakeholders. This advancement ensures seamless coordination and information dissemination across all levels, from plant operations to group-wide initiatives, fostering enhanced coordination and transparency throughout the organisation.
	<b>Planning</b>	JSW Energy's sustainability strategy meticulously identifies material issues, enabling timely risk mitigation and capitalisation on opportunities for greater value creation. This proactive approach ensures that the organisation remains agile in navigating challenges while maximising its potential for sustainable growth and positive impact.
	<b>Improvement</b>	JSW Energy is committed to continually identifying opportunities for performance enhancement, particularly concerning Environmental, Social, and Governance (ESG) factors aligned with its sustainability pillars. Through proactive efforts, the company seeks to drive progress and innovation across these critical areas, ensuring alignment with its overarching sustainability objectives.
	<b>Monitoring</b>	The organisation maintains ongoing engagement with both plant-level teams and the corporate team to assess progress against key performance indicators (KPIs) on a monthly basis. This approach ensures that timely feedback is provided, enabling swift intervention on matters requiring attention or improvement. Through regular monitoring and collaboration, the organisation remains agile in addressing challenges and optimising performance across all levels of operations.
	<b>Reporting</b>	The organisation transparently discloses its performance to stakeholders through the Global Reporting Initiative (GRI), ensuring accountability and fostering trust. By adhering to internationally recognised reporting standards, such as GRI, the organisation provides stakeholders with comprehensive insights into its sustainability efforts, achievements, and areas for improvement.

## ESG Governance Structure at JSW Energy

An effective ESG (Environmental, Social, and Governance) governance structure is crucial for businesses to thrive in today's complex landscape. It ensures alignment of corporate strategies with sustainability objectives, fostering long-term value creation. By integrating ESG considerations into decision-making processes, the Company strives to mitigate risks, harness opportunities, and build resilience against emerging challenges. ESG governance promotes transparency, accountability, and trust among stakeholders, enhancing reputation and investor confidence. Ultimately, it enables JSW Energy to contribute positively to society, protect the environment, and maintain robust governance practices, driving sustainable growth and prosperity for all.



— JSW Energy, Strategy Meeting



## Alignment of Sustainability Pillars to UNSDGs

### Pillars of Sustainability

#### Environmental Stewardship

#### Key Focus Areas

#### Alignment to SDGs

Climate Change



Energy



Resources



Water Resources



Waste



Wastewater



Air Emissions



Biodiversity



Local Consideration



#### Social Development

Health and Safety



Indigenous People



Cultural Heritage



Social Sustainability



Supply Chain Sustainability



Employee Well-being



#### Governance

Human Rights



Business Ethics



CORPORATE OVERVIEW

SERVING STAKEHOLDERS

CAPITALS AND MD&A

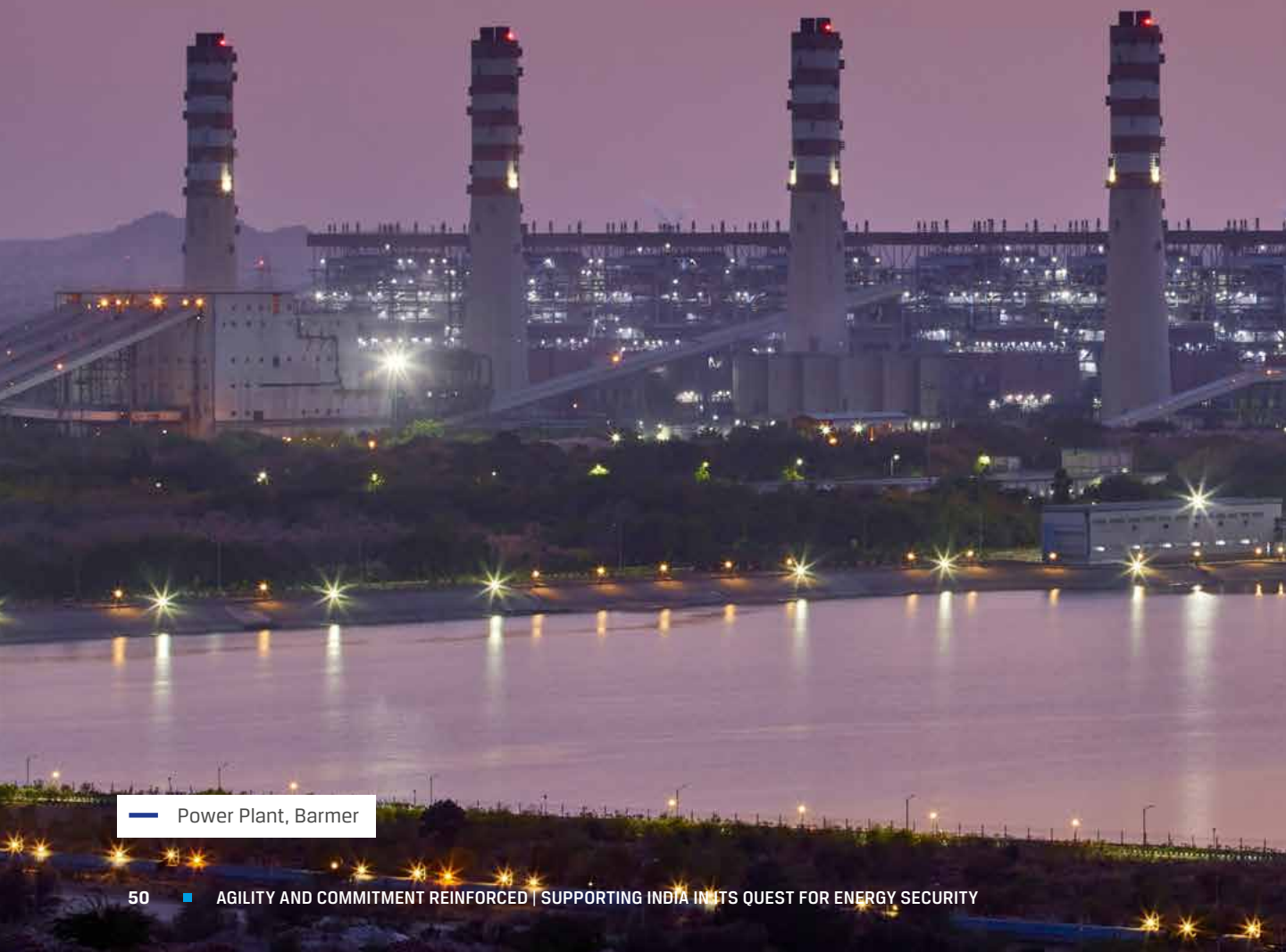
STRATEGIES FOR GROWTH

BUILT ON GOVERNANCE

FINANCIAL STATEMENTS

SUPPORTING INFORMATION





— Power Plant, Barmer



## Key Focus Areas

### Key Focus Areas for FY 2024

### Initiatives

#### Climate Resilient Business – Global Net Zero Agenda

TCFD Risk Assessment – Phase 1 completed wherein the desk assessment for the Physical and Transition risk identification was done for all JSW Energy plant & project locations

#### Responsible Supply Chain Management

Digital Supply Chain Module is implemented to assess ESG performance of Tier 1 suppliers

#### Biodiversity

Baseline assessment completed wherein the desktop risk assessment for biodiversity loss at various plant locations was done and identified as Low, Medium and High Risk as applicable.

Under Phase – 2, one seasons Biodiversity Assessment was completed at our Ratnagiri plant which was identified as medium risk. Similar phase – 2 study shall be completed in another high or medium risk plant in FY 2025.

#### Human Rights

Human Right Due Diligences was completed at two major plant locations i.e. Vijayanagar and Hydro-Sholtu. The Assessment report is under discussion and finalisation. Further, Human Rights Assessments shall be completed for 2 major plants in FY 2025

#### Digitalisation

Sofi – Digitalised Sustainability dashboard has now been implemented. All plant locations now update their monthly sustainability data on the digitised application leading to easy report generations and analysis.



## AWARDS & ACCOLADES

### Environmental Performance

#### Corporate Office

CAP 2 (Climate Action Program) - 'RESILIENT' (1<sup>st</sup> Place) Award by CII for Climate Change

Climate Disclosure Programme (CDP) (Global Rating) - Received "A-" (leadership band) for Climate Change

Climate Disclosure Programme (CDP) (Global Rating) - Received "B" (Management Band) for Water Security

#### Vijayanagar Plant

Mission Energy - Water Conservation Award (Winner)

Green Maple Foundation - Green Feather Environment Award - Diamond Category

Council of Enviro Excellence - Energy Efficiency - Winner 'Operational Excellence' of the power plant

Exceed Energy Efficiency - Platinum Award

Exceed Water Conservation - Gold Award

CII - Energy Efficient Unit Award

Society of Energy Engineers & Managers (SEEM)- Energy Efficiency Platinum Award

Council of Enviro Excellence - Best Energy Efficient Award

IPPAI - Winner - Innovation Category - "Digital Monitoring of Auxiliary Consumption and Heat Rate."



## Barmer Plant

CII-ITC award for "Excellence in Biodiversity"

"Platinum Award 2022 in Environment Management" Organised by Grow Care India

"Water Optimisation Award 2023 in Best Zero Liquid Discharge Plant" Organised by Mission Energy Foundation

"2<sup>nd</sup> CEE Environment Excellence Award 2023" Organised by the Council of Enviro Excellence

"The Gold Award during 14<sup>th</sup> Exceed Green Future Environment Award in the Sustainability Category" Organised by Sustainable Development Foundation

"National Award for Excellence in Energy Management 2023" organized by the Confederation of Indian Institute (CII)

"Horticulture Development Award" Organised by the Green Maple Foundation

"The CEE 3<sup>rd</sup> National Energy Efficiency Award 2023" Organised by the Council of Enviro Excellence

## Ratnagiri Plant

Runner Up Award in the Best Operating Thermal Power Plant Category by IPPAI (Independent Power Producer Association of India)

## Social Performance

### Vijayanagar Plant

British Safety Council - 'Five Star Rating' for Excellence in Occupational Health & Safety

Green Maple Foundation - 'Wellness at Work' - Diamond Award

British Safety Council - 'Sword of Honor' Award for Excellence in Safety received by the Head of Plant in a glittering function at Drapers Hall, London

EXCEED Safety Awards - GOLD Award for 'Excellence in Safety'

### Barmer Plant

"State Safety Award-2023" for high standards of competence and compliance of OHS by Factories & Boilers Inspection, Rajasthan Government

Certificate of Appreciation for good practices in safety systems in 10<sup>th</sup> FICCI Award for Excellence in Safety System organised by the Federation of Indian Chambers of Commerce and Industry (FICCI)

"Platinum Award" in the Power generation sector for outstanding achievement in Occupational Health and Safety Organised by the Sustainability Development Foundation

### Ratnagiri Plant

"International Safety Award - Merit Category" by British Safety Council (BSC)

10<sup>th</sup> FICCI Award in Excellence in Safety System

## Sholtu Plant

Wins Grow Care India Occupational Health & Safety Platinum Award 2023

EKDKN - Platinum award for Excellence in Occupation Health & Safety by Sustainable Development Foundation

## Governance Performance

### Corporate Office

DJSI (Dow Jones Sustainability Index) Rating - 72/100 for ESG Performance under Corporate Sustainability Assessment (CSA)

### Vijayanagar Plant

(CII) DX Digital Transformation Award for 'Best Practice in Digital Transformation'

ISO Convention - 1<sup>st</sup> Prize in TOPS Convention by Indian Society for Quality

TQM (Total Quality Management) - 5 Gold and 1 Platinum in TQM Summit and qualified for ICQC

### Barmer Plant

"Gold Award 2022 in Sustainability" Organised by Grow Care India

### Ratnagiri Plant

'Par Excellence' awards at the 9<sup>th</sup> National Conclave on 5S

Gold at CCQC 2023, Pune chapter

Four Gold and one Silver award in ICQCC, China chapter

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