Corporate Governance

ESG Governance

JSW Energy's ESG governance framework integrates sustainability considerations into its corporate strategy, supporting long-term value creation while strengthening risk management and organisational resilience. By embedding ESG principles into decision-making processes, the Company enhances transparency, accountability, and stakeholder trust, thereby reinforcing its reputation and investor confidence. This structured approach enables the Company to drive sustainable growth, protect the environment, and contribute positively to society.

Board Composition

Board Size	10
Executive Directors	2
Non-Executive Directors	1
Independent Directors	6
Women Independent Director	1
Board Diversity	10% (gender diversity)

Key Governance Highlights

0
Instances of corruption or bribery reported

0
Data breaches recorded

JSW Energy Barmer Power Plant

Board

Composition of Board of Directors and Committees of the Company as on 31st March 2026

Sr. No.	Name	Category & Board Independence	Committee details in JSW Energy Limited	Board Attendance In FY 2026 (%)	Number of Directorship in listed entities including this listed entity (Refer Regulation 17A of Listing Regulations)	Areas of expertise
1	Sajjan Jindal	Executive Director	None	44.4	3	
2	Parth Jindal	Non-Executive, Non-Independent Director	Member - Project Review Committee	44.4	3	
3	Sharad Mahendra	Executive Director	Chairman - Project Review Committee	100	1	
			Member - Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Sustainability Committee			
4	Rupa Devi Singh	Non-Executive, Independent Director	Chairperson - Compensation and Nomination & Remuneration Committee and Corporate Social Responsibility Committee	100	2	
			Member - Audit Committee and Sustainability Committee			
5	Sunil Goyal	Non-Executive, Independent Director	Chairman - Audit Committee, Stakeholders Relationship Committee and Sustainability Committee	100	3	
			Member - Compensation and Nomination & Remuneration Committee and Risk Management Committee			Refer page no. 289
6	Munesh Khanna	Non-Executive, Independent Director	Chairman - Risk Management Committee	88.9	6	
			Member - Audit Committee, Compensation and Nomination & Remuneration Committee and Stakeholders Relationship Committee			
7	Rajeev Sharma	Non-Executive, Independent Director	Member - Corporate Social Responsibility Committee, Project Review Committee and Project Evaluation Committee	100	2	
8	Desh Deepak Verma	Non-Executive, Independent Director	Member - Project Evaluation Committee	100	2	
9	Rajiv Chaudhri	Non-Executive, Independent Director	Member - Project Review Committee	100	1	
10	Ajoy Mehta	Non-Executive, Independent Director	Chairman - Project Evaluation Committee	100	2	

JSW Energy's **Compensation and Nomination and Remuneration Committee (CNRC)** plays a pivotal role in upholding the Company's commitment to robust ESG governance. It works towards:

- Identifying and recommending suitable candidates for Board appointments, with an emphasis on building a diverse, skilled, and competent leadership team
- Formulating and overseeing the Company's remuneration policy to ensure alignment with performance outcomes and shareholder interests
- Conducting periodic performance evaluations of the Board and its Committees to enhance overall effectiveness and accountability
- Ensuring compliance with applicable statutory requirements, including the provisions of the Companies Act, 2013 and SEBI regulations

Board performance evaluation

The annual performance evaluation of the Board, its Committees, and individual Directors for FY 2026 was conducted in accordance with the Company's Board Evaluation Policy through a structured questionnaire framework. The assessment incorporated defined evaluation criteria, including the performance of Directors in their individual capacities and compliance with independence requirements for Independent Directors, as prescribed under the Companies Act, 2013 and applicable Listing Regulations.

The outcomes of the evaluation, along with any recommendations, were reviewed by the Board. Key insights, including identified strengths and areas for improvement in processes and governance practices, were discussed to further enhance overall Board effectiveness.

The Board expressed satisfaction with both the evaluation process and the performance of the Board, its Committees, and individual Directors. Additionally, Directors were assessed against a predefined set of skills, expertise, and competencies aligned with the Company's business requirements. The evaluation affirmed that the Board possesses an optimal mix of capabilities necessary for effective functioning.

The **Sustainability Committee** plays a central role in advancing JSW Energy's climate agenda. It evaluates climate-related risks and oversees key material topics such as water stewardship GHG emission, Air Emission, Energy management, waste and biodiversity. The Committee Chair regularly reviews progress against defined targets, ensuring alignment with the Company's broader sustainability vision and effective oversight of critical ESG priorities.

Committees of the Board

- Audit Committee
- Sustainability Committee
- Risk Management Committee
- Stakeholder Relationship Committee
- Compensation and Nomination & Remuneration Committee
- Project Review Committee
- Corporate Social Responsibility Committee

Board Sustainability Committee (JMD & CEO, 2 Independent Directors) → Chief Sustainability Officer → Corporate Sustainability Team → Business Unit Manager → Environment and Sustainability Manager

Ethical Business at JSW Energy

JSW Energy upholds accountability, transparency, and integrity as the foundational pillars of its long-term operational success. Its corporate governance framework is anchored in trust and sustainable value creation, enabling responsible and inclusive growth for all stakeholders.

The Company actively fosters a culture of ethical awareness and responsible conduct across its value chain. Through this approach, JSW Energy remains committed to maintaining the highest standards of business ethics while consistently advancing sustainability best practices.

Policies & Code of Conduct

JSW Energy is guided by a robust Code of Conduct that upholds the highest standards of ethics across the organisation, encompassing the Board of Directors, senior leadership, and all employees. The Company enforces a strict zero-tolerance approach toward unethical practices, including corruption and bribery, reinforcing its commitment to responsible and principled business conduct.

Our Business Conduct Policy covers the guidelines for Anti Corruption and Bribery risk management, the Group Ethics Committee (GEC) periodically monitors the effectiveness and implementation of this policy through reviews, risks, controls, systems, procedures and the use of data analytics to determine any trends and anomalies that may require further action. The key risk indicators are reported periodically to the Senior Leadership and the Risk Audit Board Committee.

For more details on corporate policies and codes, refer links:
https://www.jswenergy.in/investors/sustainability-policies/
https://www.jswenergy.in/investors/policies/

Risk Management

Philosophy of Risk Management at JSW Energy

JSW Energy has adopted a Board-approved risk management framework aligned with the principles of the COSO Framework. Recognising that enterprise risk management (ERM) is an ongoing and dynamic process, the Company emphasises strong oversight and strategic guidance from the Board. The Risk Management Committee plays a pivotal role by maintaining regular engagement with the Board of Directors and Plant Heads. It proactively identifies emerging risks and implements timely mitigation measures to ensure business continuity and long-term resilience. The ERM at JSW Energy integrates the assessment of both potential opportunities and risks that could impact the organisation. Its core objective is to enhance sustainable value creation across all operations and for all stakeholders. The Company acknowledges that both emerging and known risks must be effectively managed and mitigated to:

- Safeguard the interests of shareholders and other stakeholders
- Achieve strategic and operational objectives
- Support long-term, sustainable growth

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the company has a Risk Management framework in place. It has constituted a committee of Directors to oversee Enterprise Risk Management framework to ensure:

- Execution of decided strategies with focus on action, and
- Monitoring risks arising out of unintended consequences of decisions or actions related to performance, operations, compliance, incidents, processes, systems and the same are managed appropriately

The Company has established a comprehensive Risk Management Policy and implemented a robust mechanism to ensure regular monitoring and mitigation of risks. The framework provides for regular updates to the Board of Directors on risk assessment, mitigation strategies and governance practices at various organisational levels. This ensures that the executive management effectively manages risks through a well-structured and proactive approach. The Risk Management Committee periodically reviews the framework including cyber security, high risk items, mitigation plans and opportunities which are emerging or where the impact is substantially changing. There are no risks which, in the opinion of the Board, threaten the existence of the Company. A detailed overview is provided in the "ESG-based Enterprise The Risk Management" section forming a part of this Integrated Annual Report. Risk Management Policy was reviewed by the Board of Directors in 2025.

Brief on management of ESG risks

JSW Energy Limited recognises that understanding its societal and environmental impacts, along with related ESG risks and opportunities, is essential for long-term growth and success. Stakeholder insights and expectations on these matters are carefully considered. The company is committed to identifying and reporting on the most critical sustainability issues through a comprehensive materiality assessment, carried out at regular intervals.

Recognising the significance of the impact of climate change and its implications for our business and financial performance, we have adopted the TCFD to guide our climate strategy. These standards focussing on governance, strategy, risk management, and metrics/targets – provide a globally consistent and comparable framework for identifying, managing, and disclosing sustainability and climate-related risks and opportunities. By aligning with TCFD, we aim to strengthen our understanding of climate impacts, enhance transparency, and build greater accountability with investors and stakeholders.

We are currently conducting comprehensive assessments to identify material sustainability and climate risks and opportunities, reinforcing our commitment to responsible environmental stewardship and long-term business resilience.

Various climate risks evaluated by JSW Energy

Our climate strategy prioritises the identification and management of both transition risks (e.g., policy changes, technology shifts) and physical risks (e.g., extreme weather events, water scarcity etc.). These efforts ensure our operations remain resilient in a changing climate and support our broader goals of sustainability and stakeholder value creation.

Climate Risk Modelling Framework

JSW Energy adopts a dual-pronged approach to assess both physical and transition risks using scenario analysis. This framework allows us to make informed decisions by evaluating risk exposures across locations and incorporating resilience measures into strategic planning. Through scenario analysis (Business as Usual Scenario and Optimistic Scenario), we integrate the outcome of these assessments into our decision-making. This helps to:

- Evaluate location-specific exposure to climate risks
- Identify high-risk assets based on physical vulnerability and policy sensitivity
- Guide mitigation planning and investment decisions for greater climate resilience

At Ratnagiri and Hydro power plants, we have conducted detailed site-level assessments to evaluate and quantify the likelihood and impact of identified risks at the plant/facility level, enabling more robust and climate-resilient infrastructure planning. We have conducted a comprehensive climate hazard risk assessment, encompassing flood, cyclone, storm surge, and sea level rise hazards, and additionally temperature and earthquake hazard profile to quantify physical risks, business interruption losses, and recommend tailored adaptation measures for enhanced site resilience.

ESG risks other than climate change

Air quality - JSW Energy has embedded air quality management as a core pillar of its sustainability strategy. Emission control is not only aligned with regulatory compliance but also reflects the company's commitment to responsible operations and environmental stewardship. JSW Energy maintains stringent air quality standards across thermal operations by deploying advanced emission control technologies like Electrostatic Precipitators (ESPs) and Flue-gas Desulfurisation (FGD) systems. In FY 2026, achieved an overall 48% reduction of dust emissions intensity per unit of energy produced, 17% of reduction of NO_2 per unit of energy produced and emissions intensity of SO_2 remain more or less same.

Waste Management - We have adopted sustainable waste management strategies focussed on safe disposal and resource recovery. Embracing circularity, we undertake initiatives such as recycling rejected coal and hazardous waste, and repurposing ash for use in cement manufacturing. These efforts help reduce our ecological footprint while supporting long-term environmental sustainability. In FY 2026, we have recycled close to 100% (96.3%) of fly ash and wastes generated from our operations, with a target to be 100% by FY 2030. JSW Energy is dedicated to transforming waste into valuable energy resources through innovative recovery initiatives.

By prioritising energy recovery from both hazardous and non-hazardous waste streams, the company enhances resource efficiency, reduces landfill dependence, and lowers greenhouse gas emissions.

- The Ratnagiri thermal power plant has established a 45,000 MT fly ash silo at the adjacent JSW Jaigad port. Fly ash generated onsite is pneumatically transported into this silo and then loaded onto ships for export, primarily to the Middle East and Sri Lanka. There, fly ash serves as a key raw material in cement and concrete production, exemplifying circular economy principles by transforming industrial waste into valuable resources
- In FY 2026, JSW Energy has continued with its efforts by extending the Zero Waste to Landfill (ZWTL) certification to Sholtu, JSW Vijayanagar, Barmer & Ratnagiri and taking up surveillance certifications for pre-existing ZWTL certified sites

Water and effluent management: JSW Energy remains committed to the Zero Liquid Discharge (ZLD) strategy, ensuring that all process wastewater is effectively treated, recycled, and reused within plant premises. This closed-loop system eliminates the discharge of effluents outside the facility, significantly reducing freshwater withdrawal and enhancing overall water efficiency. In FY 2026, approximately 65,76,418 m^3 of water was recycled and reused across operations.

- 20,42,264 m^3 Re-using treated process water and STP water in Horticulture – (Data from Barmer, Ratnagiri, Utkal, Mahanadi & Vijayanagar)
- Rainwater harvesting recycled in Cooling tower / Horticulture

Impact on Biodiversity: In line with its commitment to sustainability, JSW Energy has embedded biodiversity conservation into the core of its operational philosophy. The company takes a proactive approach to minimising its environmental footprint by safeguarding natural habitats, restoring degraded ecosystems, and fostering the growth of native species across power plants and project sites. With a 2030 target of 'no net loss' of biodiversity at all our operating sites, we have completed Biodiversity Risk Assessment at major thermal power plants and begun with implementing the recommendations. We have also initiated biodiversity risk assessment and No Net Loss (NNL) study for Sholtu in FY 2026.

Occupational Health and Safety: Ensuring the safety and well-being of our workforce is fundamental to our operational philosophy at JSW Energy. We have implemented a robust, organisation-wide safety governance framework that spans all plant locations. This includes dedicated safety committees, advanced monitoring systems, and clearly-defined policies – ensuring a proactive, accountable, and consistently high standard of safety across all operations. As an ISO 45001-certified organisation, we are deeply committed to maintaining a zero-incident workplace. We continuously strengthen our occupational health and safety practices to provide a safe, secure, and compliant working environment for all employees and stakeholders. With the significant capacity expansion, specifically through renewable energy projects, all operational sites and upcoming projects integrate established safety systems, including Permit to Work (PTW), Lock Out Tag Out (LOTO), Process Safety, Management of Change (MoC), and Critical Safety Standards. Safety competency is continuously reinforced through comprehensive training programmes such as Safety Induction, Tool Box Talks (TBT), Work at Height, Electrical Safety, and other function-specific modules.

Technology, Product and Process Innovation: JSW undertook a pilot project to evaluate the feasibility of replacing the conventional reducing agent in the Direct Reduced Iron (DRI) process with green hydrogen. Recognising the strategic merit of this model, the Government of India extended its support through the SIGHT (Strategic Interventions for Green Hydrogen Transition) programme administered by SECI. Under this framework, JSW Energy commissioned India's largest commercial green hydrogen plant — a 25 MW electrolyser facility fully powered by renewable energy. The plant produces 3,600 TPA ultra-pure green hydrogen (99.999%), injected into the existing COREX gas network through a dedicated 2.6 km pipeline for use in the Direct Reduced Iron (DRI) steelmaking process at JSW Steel, Vijayanagar. Concurrently, 3,592 kg/hr of high-purity oxygen (99.995%) generated as a valuable by-product is being routed through a pipeline into the steel plant's common consumption header.

Key Technological Highlights:

- Advanced alkaline electrolysers for highly efficient and continuous hydrogen generation
- Sophisticated PLC-based automation ensuring precision, safety, and seamless process control with hot redundancy
- High-purity oxygen recovery systems generating a valuable by-product stream injected into the steel plant
- Dedicated renewable energy integration guaranteeing 100% green operation round the clock

IT and Cybersecurity

The organisation has significantly advanced its IT and OT integration by deploying firewalls under a zoning and conduits model, ensuring unified communication and robust protection policies. A zero trust architecture has been adopted across IT–OT environments, reinforcing security at every access point. Following systems have been implemented -

- IoT sensors have been installed to enable real-time equipment health monitoring, with deviation alerts routed to the right teams for swift corrective action
- At the same time, SCADA, ENMS, and DCS systems have been hardened, and
- Real-time KPI dashboards now track efficiency, emissions, uptime, and asset availability

Additionally, physical security measures, redundancies, and fail safe mechanisms further safeguard continuous operations.

During the reporting period, the organisation successfully upgraded its Information Security Management System certification from ISO 27001:2013 to ISO 27001:2022 for Information technology (IT) platforms, demonstrating its commitment to evolving global standards. Parallel efforts in the Operational Technology (OT) environment have also progressed, with Stage 1 and Stage 2 external audits completed for ISO 27001:2022 certification. The award of this certification is expected shortly, marking a milestone in securing industrial control systems and plant operations.

In addition, work is underway to modernise the traditional data centre into a modular architecture, improving energy efficiency and enhancing the availability of critical information infrastructure. As part of operational efficiency initiatives, a pilot project at the JSW Energy Mahanadi plant has been launched to optimise coal goods vehicle movement. With approximately 150 trucks entering daily, improved scheduling, digital tracking, and streamlined gate operations are expected to reduce turnaround time (TAT), cut vehicle idling, lower emissions, and enhance site safety.

The organisation has carried out a series of cybersecurity posture enhancements designed to strengthen resilience across its enterprise environment.

- Defence-in-depth architecture has been reinforced to provide layered protection
- Continuous monitoring and advanced threat detection capabilities have been expanded to deliver greater visibility and faster response times
- Incident response-readiness has been elevated through structured playbooks and regular simulation exercises, ensuring teams are prepared for real world scenarios
- Identity and access management has been strengthened with enhanced authentication measures and tighter privileged access controls
- Vulnerability and exposure management has been advanced through risk-based prioritisation and timely remediation
- Enabled improved visibility of the external attack surface to proactively identify and mitigate exposure points

Controls have been fortified to prevent unauthorised data movement across removable media and unapproved channels.

In parallel, cybersecurity awareness and behavioural programmes have been broadened to build a strong human defence layer, while third-party and ecosystem risk management has been enhanced to address the challenges of increased digital integration.

This integrated approach reflects a holistic transformation – strengthening cybersecurity, modernising infrastructure, and driving operational excellence. Together, these measures reflect a comprehensive approach to safeguarding critical assets and operations.

Tax Policy and Governance

Tax Strategy

Tax Strategy and Governance: JSW Energy maintains a detailed tax strategy and governance framework that aligns with its broader principles of transparency, compliance, and ethical business conduct. The company ensures full compliance with applicable tax laws and regulations, across all jurisdictions, in which it operates. By adopting a prudent and answerable approach to tax planning, JSW Energy aims to manage tax risks effectively, support long-term value creation, and contribute fairly to public finances. Accountability is maintained through strong internal controls and periodic reviews, reinforcing accountability and governance at all levels.

Policy Influence

Political Contribution

The Company does not make any financial contributions to political parties, candidates, or related activities. This approach underscores its commitment to ethical governance, transparency, and maintaining independence across all business operations.

Policy Advocacy

JSW Energy works closely with various trade / industry associations in evolving policies that govern the functioning and regulations of Power Sector. The company regularly participates in stakeholder consultations with key nodal agencies, ministries and other policy makers. JSW Energy took up several major issues for policy advocacy in 2025-26 and was able to achieve positive outcome in many of them. Some of the details are provided below:

Deferment of flexible operation of thermal power plants: Lowering of technical minimum operation levels and increased ramp-up and ramp-down rates as per recent CEA Regulations led to significantly increased risk of boiler flame instability, boiler tube leakage and reduction in expected life of the power plants. This issue was taken up through Associations and Ministry of Power was convinced to defer the implementation of these Regulations till more pilot studies are carried out.

Levy of Cross Subsidy Surcharge on inter-state captive consumers: Some States started a practice of levying Cross Subsidy Surcharge on inter-state captive consumers on the pretext that their captive consumer status would be certified by the nodal authority only at the end of the financial year and without such certification the consumer could not be treated as a captive consumer. With advocacy efforts made directly by the company and through associations, Ministry of Power was convinced to issue an amendment to the rules, which clearly stated that pending verification of captive status for any financial year, the cross subsidy surcharge / additional surcharge shall not be levied as long as the captive user submits a declaration from their side.

Declaration of Renewable Energy (RE) Zones: Certain high RE-potential sites faced challenges in evacuation of power due to limited grid access. After taking up the matter through RE associations, MNRE provided support and these areas were designated as Renewable Energy (RE) Zones,

enabling Central Transmission Utility of India Limited (CTUIL) to plan and develop the required transmission infrastructure, thereby facilitating project development in such regions.

Greater visibility on MoD sensitive wind zones: Limited visibility on MoD-sensitive zones posed significant risks to wind project development. This issue was taken up through RE associations, resulting in a positive outcome.

The Ministry of Defence (MoD) subsequently introduced a pan-India zoning map, classifying wind potential areas into 3 categories of Red, Yellow, and Green to streamline the No Objection Certificate (NOC) process.

Authorisation for Site Elevation Certification: Delays in obtaining elevation certificates from government agencies posed a significant challenge for wind projects, leading to hold-ups in filing applications in Ministry of Defence. The issue was taken up through RE associations, resulting in favourable support from the Ministry of New and Renewable Energy (MNRE). Subsequently, National Institute of Wind Energy (NIWE) was authorised to issue elevation certificates, helping streamline the application process and reduce timelines.

Relief in Project Development in GIB Areas: The RE industry has been impacted due to restrictions on the development of RE projects in Great Indian Bustard (GIB) areas, particularly in Rajasthan and Gujarat. The RE association pursued legal recourse and obtained a favourable order from the Supreme Court, providing relief for the development of RE projects in non-accessible locations, subject to certain conditions.

Inclusion of Insurance Surety Bonds (ISBs) in Tenders: In September 2024, Ministry of Finance had issued a circular suggesting the use of Insurance Surety Bonds as a viable alternative to Bank Guarantees as it would help in freeing up working capital of contractors. With efforts made through associations, Ministry of Power was persuaded to issue a similar circular allowing the use of Insurance Surety Bonds as an admissible form of Bid Security and Performance Guarantee in all long-term, medium-term, and short-term tenders.

JSW Energy Ratnagiri Power Plant