

# Responsible Supply Chain Management

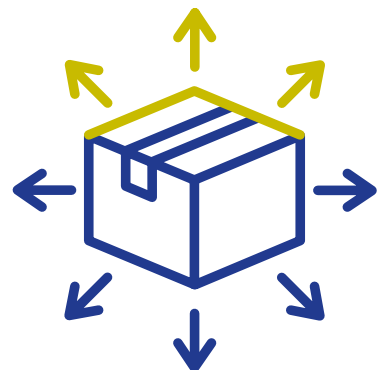
## ESG Integration in RSC

### Responsible Supply Chain Management

At JSW Energy, we view our supplier relationships as strategic partnerships rather than routine business transactions. Because our suppliers are integral to delivering on our operational and sustainability commitments, we are focussed on cultivating an ecosystem rooted in integrity, accountability, and shared value creation.

To operationalise this vision, we have integrated ESG principles directly into our procurement processes:

- The JSW Supplier Code of Conduct: All value chain partners are aligned with these fundamental principles to ensure they reflect our core ethical and operational standards
- Structured Supply Chain Assessment Programme: Implemented in a phased manner, this initiative evaluates our Tier-1 critical suppliers against key environmental, social, and governance benchmarks




- Targeted Optimisation & Support: The programme allows us to systematically pinpoint supply chain strengths, address compliance gaps, and deliver targeted support
- Resilience Through Collaboration: By combining performance transparency with continuous capability building, we foster a collaborative environment grounded in trust and mutual accountability

### Goal of Supply Chain Sustainability Assessment

- Evaluate Supplier compliance pertaining to sustainability & responsible business conduct
- Access the ESG impact of our supply chain with focus on critical suppliers
- Implement programme to align supply chain at par with Global practices

### Digital Supply Chain Assessment Methodology

We have collaborated with a third-party knowledge partner where we utilise a Digital supplier onboarding and profiling methodology to capture ESG-related information, including environmental, social, ethics, and governance parameters. A standardised digital ESG assessment tool aligned with regulatory and global frameworks (e.g., BRSR, SEBI, UNGC principles) has been deployed to ensure consistency and comparability of supplier data. Digital monitoring and tracking of supplier ESG performance is done, which is complemented by corrective action plans (CAPs), and improvement progress over defined review cycles of the supplier.



Embedding ESG into procurement to build resilient, future-ready supply chains



JSW Energy Sandur Wind Power Plant

### Benefits

The above Supply Chain assessments

- enhances transparency and traceability across the supply chain through real-time, centralised ESG data.

- enables early identification and mitigation of ESG risks, including human rights, environmental non-compliance, and ethical concerns
- strengthens regulatory and BRSR compliance, reducing dependency on manual data

collection and minimising reporting gaps

This initiative contributes to long-term value creation and resilience by aligning suppliers with the Company's sustainability and governance standards

### Supplier's CoC & Policies

All registered suppliers are required to adhere to the JSW Supplier Code of Conduct (CoC). This CoC outlines fundamental standards for ethical corporate behaviour, including:

<p><b>Compliance Management:</b> Adherence to statutory requirements and quality checks</p>	<p><b>Human Rights:</b> Protection and promotion of human rights, including those of indigenous people</p>	<p><b>Labour Practices:</b> Freedom of association, collective bargaining, and prevention of forced or child labour</p>
<p><b>Environment &amp; Climate Change:</b> Management of emissions, effluents, energy, and biodiversity</p>	<p><b>Business Ethics:</b> Anti-corruption, conflict of interest, and information security</p>	

### Suppliers Sustainability Assessment

In FY 2025-26:

**6,000+**  
Total no. of Suppliers & Vendors

**94**  
Total no. of Critical Suppliers

**ESG**  
Criteria Considered

**54**  
Number of Suppliers that have been provided with Sustainability Performance Improvement Awareness Plan

We continue to strengthen the integration of sustainability across our value chain by advancing a structured, risk-based supplier ESG assessment framework. During the year, we identified 94 critical Tier-1 suppliers based on materiality and business relevance, to enhance transparency and drive responsible sourcing practices.

A significant proportion of these suppliers were progressively onboarded onto our digital ESG assessment platform, enabling standardised data capture, performance monitoring, and improved disclosure quality. 54 suppliers successfully completed the ESG evaluation process, following which they were awarded ESG performance

certifications and provided with tailored improvement roadmaps to strengthen alignment with our sustainability expectations.

Notably, no supplier was categorised under adverse ESG performance, reflecting a resilient and progressively maturing supplier base. This demonstrates the effectiveness of our engagement approach, capacity-building efforts, and continuous monitoring mechanisms.

Going forward, we aim to deepen supplier engagement, expand ESG coverage across the value chain, and embed sustainability-linked performance metrics, thereby reinforcing long-term value creation and alignment with global ESG benchmarks.

### Supplier Sustainability Assessment

JSW Energy has introduced a structured Supply Chain Assessment Programme implemented via a third-party digital platform. This initiative evaluates performance against key ESG benchmarks to identify potential risks and pinpoint areas for targeted support.

### Supplier Engagement & Trainings

Recognising that value chain sustainability is critical to long-term business resilience, JSW Energy adopts a structured approach to evaluate and enhance the ESG performance of our Tier-1 suppliers. Our framework aligns with SEBI's Business Responsibility and Sustainability Reporting (BRSR) requirements and global ESG disclosures, including CDP, DJSI, MSCI, Sustainalytics, and FTSE Russell.

As part of this engagement strategy, we implemented a targeted ESG questionnaire to analyse the depth of sustainability integration within our partners' operations. This assessment provides a structured benchmark of current supply chain practices, delivering key strategic outcomes:

- **Performance Benchmarking:** Enables clear identification of leading sustainability performers across our procurement network.
- **Targeted Support:** Pins down vulnerable supply areas and isolates partners requiring focussed operational assistance.

- **Forward-Looking Capacity Building:** Establishes the data foundation to roll out a series of specialised, ESG-focussed workshops and sustainability awareness programmes in the forthcoming financial year.

### Human Rights practices with supply chain

At JSW Energy, we expect our partners to operate with the same integrity and accountability that define our own business practices. To ensure every link in our supply chain upholds ethical, sustainable, and socially responsible standards, we enforce a strict responsible sourcing approach:

- **Statutory Compliance:** All suppliers are required to comply fully with relevant legal and regulatory requirements.
- **International Standards:** Partners must adhere to globally recognised environmental and social benchmarks.

- **Supplier Code of Conduct:** We require full alignment with our internal Code of Conduct to maintain ethical and operational consistency across our value chain.
- **Human Rights Alignment:** Sourcing practices are strictly integrated with the United Nations Global Compact (UNGC) Principles on Human Rights.

### Delivering Procurement Excellence

At JSW Energy, we continue to strengthen procurement excellence by fostering responsible sourcing practices, supporting MSMEs, and enhancing engagement with local suppliers across our operations. Through a balanced and inclusive procurement approach, we aim to strengthen supply chain resilience, promote regional economic development, and create long-term shared value. For more details on procurement by business value, refer to the BRSR section on page no. 337, 347, 351 and 362

Delivering Procurement Excellence		
	FY 2026	FY 2025
Directly sourced from MSMEs/ small producers	27.63%	14.37%
Directly from within India	94.24%	94.32%