



Pillar 1

PERSEVERANCE

Capitalising on renewable opportunities for future growth and transition towards clean energy.



Embracing a green future



Relevant Material Issues

1, 2, 3, 4, 5, 6, 8

Our business and macro environment is continuously evolving at a rapid pace, requiring companies to persevere with innovative, proactive, adaptive and futuristic approach in order to remain competitive. Perseverance is at the core of JSW Energy's strategy and values, forming an important pillar for all our activities.

The ongoing transition towards clean energy, driven by climate change concerns as well as technological shifts brings significant opportunities for JSW Energy to expand its footprint in the renewable space.

JSW Energy is committed to reduce its carbon footprint by transitioning towards renewable energy, and is uniquely positioned to deliver on this strategic objective.

India's power demand has more than doubled over the last two decades and continues to increase with the country's economic growth and rising population. It is expected that overall power demand will increase to ~2,700TWh by 2030, up from 1,500TWh in 2020¹. To meet the rising power demand in a sustainable manner, demand for carbon-free and commercially attractive renewable power will increase. This will also place additional demand on electricity networks, creating the need for further investments in expansion and modernisation of transmission infrastructure.

There are several factors that have made renewable energy segment the centrepiece of India's long-term power story. As the world comes to terms with the enormity of the threat posed by climate change, India has embarked on one of the world's largest clean-energy expansion programmes. New technologies have enabled an exponential growth in the renewable energy sector over the past five years further supported by a steady inflow of domestic and foreign capital, and improving project economics. Renewable energy sector has also received massive support from the Government in the form of policies and targeted programmes for its promotion including an ambitious goal of 450 GW of renewable capacity by 2030.

Renewable energy will be the focus of JSW Energy's strategic objectives going forward. As the energy sector is expected to undergo a significant transformation, JSW Energy will persevere to drive this transition towards clean energy, supported by its robust Balance Sheet and project execution expertise, thereby enhancing stake holder value and creating a sustainable future for the generations to follow.

5,953

 MUs

Net Power Generation from our Hydro Plants in FY2020

Pillar 2

ENDURANCE

Generating sustainable value for stakeholders amidst multiple sectoral headwinds



Time tested business model



Relevant Material Issues
1, 15, 17, 20, 24, 27, 29, 30

Our business model's emerging theme is focused on meeting the growing demand for electricity through our gradual transition to a carbon-less and renewable energy future. We aim to become the leading provider of sustainable energy and all our core strategies are geared on realigning ourselves to the rapidly-shifting external environment.

Our strategic foresight underscores our ability to endure the challenging sector dynamics, and pave way for a positive and sustainable future.

We believe our enduring business model will enable us to navigate the era of rapid change and create sustained long-term value for stakeholders.

Our enduring business model reflects multiple advantages – strategic plant locations, diversified fuel sources, efficient raw material sourcing and blended off-take arrangements, thereby enabling us to operate without any constraints and to keep pace with rapid change, uncertainty, and complexity. Moreover, our strategic foresight and structured process orientation helps in early identification of headwinds thereby enabling us to devise appropriate response strategies that bodes well in weathering through a turbulent external environment.

At JSW Energy, we constantly aim to improve our operational efficiency, aided by digitisation and technology, which helps in reducing susceptibility to outages and potential downtime.

By successfully managing our operations, minimising environmental impact and employing cutting-edge innovation, JSW Energy has secured its position as one of the industry frontrunners. As the industry matures further, we remain committed to creating an organisation that generates long-term sustainable value for all stakeholders.

58.23%

Increase in PAT YoY

RESILIENCE

Our robust financial foundation will propel us towards becoming a 10GW company.



Drawing on our strong Balance Sheet



Relevant Material Issues

21, 24, 25, 27, 28

JSW Energy continues to be one of the strongest power generating companies in India with a resilient balance sheet. This provides us with the confidence and financial flexibility to embark upon a robust growth path through a mix of organic as well as inorganic opportunities.

We have inculcated a conscious approach to grow our business through the lens of commercial, social & environmental sustainability.

Our Balance Sheet strength is the result of prudent capital allocation, strong free cash flow generation, proactive deleveraging and sound working capital management. This has enabled us to steer through market adversities relatively unscathed.

Over the last few years, we have successfully tied-up a significant part of our generation capacity under long term PPAs with various counter-parties, thereby ensuring diversified, stable and predictable revenue streams to further de-risk our business. Moreover, with prudent hedging strategies and efficient working capital management, we have ensured healthy free cash-flows and insulated ourselves from the external risks of currency and fuel price fluctuations.

During the year, we reduced our Net Debt to ₹8,945 crore, a reduction of 11% YoY. With this, our Net Debt to Equity ratio has reduced to 0.77x and Net Debt to EBITDA to 2.76x. This gives us ample Balance Sheet headroom and ability to raise capital at favourable terms and conditions and strategically pursue value-accretive growth opportunities.

2.76x

Net Debt to EBITDA Ratio

0.77x

Net Debt to Equity Ratio

Resilience is a quality built over time, and we have nurtured our business model in a way that allows us to remain stable despite multiple sectoral headwinds.

With a clear roadmap to grow sustainably in the energy sector, we are expanding our portfolio to reach 10GW over the medium term with incremental capacity predominantly coming from renewable sources. Our financial strength will allow us to tap into these opportunities to effect this transition seamlessly and continue being an efficient provider of continuous high quality power to our customers.

We continue to stay focused as we move forward and navigate through the challenging sector dynamics with resilience. Given our Balance Sheet strength and operating expertise, we are confident of generating long-term value for all our stakeholders in a sustainable manner.



Pillar 4

RESPONSIBILITY

As a leading energy company, we understand our responsibility to operate in the best interests of the community and the environment that surrounds us.



Measuring our ecological impact



Relevant Material Issues
1, 15, 17, 20, 29

We work towards inclusive growth and aim to foster the creation of an ecologically sensitive, value based and empowered society. As a leading energy company, we also have a responsibility to address global challenges such as climate change, and depleting natural resources.

We regularly assess and initiate critical actions towards utilising clean technology, achieving energy efficiency, and enhancing renewable ways of energy production.

At JSW Energy, we focus on achieving growth by continuously improving our operating efficiencies by adopting the best global industry practices. While striving for robust growth, we also consistently deliver on our commitment to operate responsibly and contribute to our community and environment.

All our power plants maintain emissions and waste within the permissible limits by keeping a constant check on our waste production, and Greenhouse Gas (GHG) and Suspended Particulate Matter (SPM) emissions. Furthermore, we have taken several initiatives to monitor and control the impact of our business activities on the environment. We have improved our emission standards and reduced the auxiliary power consumption with the help of various in-house operations and process improvements.

We have taken significant initiatives towards using clean technology, achieving energy efficiency, and promoting renewable ways of energy production. Our commitment towards the environment is embedded in all our processes and we fully understand our responsibility to ensure that we operate our power plants in a diligent manner that minimises our carbon footprint.

Our broader aim is not just to protect and preserve the environment but also to replenish it. While our power plants are compliant and operate within the permissible limits prescribed by national and local authorities, we also undertake significant efforts such as tree plantation, water recycling, and safe disposal of fly-ash, amongst others, to ensure that our business activities are in consonance with environmental sustainability.

We strive relentlessly to lower the impact of our actions on the environment and regular measure our environmental performance as we strongly believe that our growth will not be sustainable without achieving ecological balance.

59.92

MUs
Total Energy Saved in FY2020

We understand that it is our responsibility to ensure that we are using our power plants most responsibly and efficiently to ensure the minimal negative impact on the environment.



Pillar 5

QUALITY

With an efficient thermal & hydro portfolio, we are well-positioned to deliver continuous and quality power to our customers, even while progressively transitioning towards renewables.



Leveraging a healthy mix of thermal & renewables



Relevant Material Issues
13, 14, 15, 25, 31

At JSW Energy, we believe in responsible power generation and are accordingly working with concerted efforts to minimise our carbon footprint, to utilise our resources efficiently and to improve the share of renewables in our asset mix going forward. However, we also recognise that this transformation towards clean energy will be gradual, necessitating the supply of uninterrupted and quality power to our customers during this paradigm shift.

We strive to unlock value from our efficient thermal and hydro asset base and use it as a springboard to fulfil our renewables vision

While the transition towards lower carbon emission is inevitable, we aim to adopt a holistic approach, keeping in mind the best interests of our customers, environment and the society at large. During this transition, we strive to provide efficient solutions to our customers by effectively leveraging our best-in class existing asset portfolio and deeply entrenched expertise across the energy value chain. At JSW Energy, we are determined to capitalise on a new golden-age of renewable power generation, endeavouring towards a sustainable and carbon-free world, supported by a strong and efficient thermal and hydro back-bone.

10_{GW}

Our Target Installed Capacity over the medium term



Pillar 6

SUPPORT

We aim to be a people-driven company by nurturing our workforce and uplifting society through purposeful engagements and continuous developments.



Improving quality of life



Relevant Material Issues

10, 18, 19, 20, 21, 22, 34

Our people are our most important assets and the driving force behind our long-term success. Therefore, our efforts are always directed towards investing in their development and ensuring that they work in a progressive environment that encourages productivity, innovation and transparency.

The philosophy behind our people management is to empower our employees through various initiatives that are directed towards enhancing their productivity and growth.

49,272

Total Number of Man-Hours spent on Training

Our solid business performance over the years is the result of concerted efforts of our employees across the organisation. Our workforce comprises of people with strong skillsets and competence who can work seamlessly across our plants with the most advanced machinery and technology to ensure best operating efficiencies.

As a company that is defined by the efforts of its people, we leave no stone unturned when it comes to their development. The philosophy behind our people management is to empower our employees through a broad range of initiatives directed towards their holistic growth. We believe in continuous learning and keeping abreast of the latest technologies and processes. Therefore, our human resource management continuously works on designing and offering new and exciting learning opportunities for all our employees which ensures effective employee engagement.

At JSW Energy, we firmly believe in having a healthy and amicable workplace. Towards this, our utmost priority is to ensure that all our people work in a safe and secure environment that helps in maintaining high levels of motivation and productivity. We have designed and implemented several policies that safeguard the best interests of our employees. Being one of the industry leaders, we also consistently ensure that we foster a diversified and inclusive workplace.

During the year, we witnessed continued sustenance of various employee development initiatives in order to create superior employee experience, including the launch of a new model called CARE covering all aspects of an engaging workplace to drive business objectives.

For us, people encompasses both our internal and external stakeholders who constantly contribute towards the success of our organisation.

Our employees are our most valuable assets and we have formulated strategic rewards and recognition programmes to identify and appreciate their contribution towards our success, in order to keep our people motivated and to stimulate a performance-driven culture.

Furthermore, we extend our efforts towards the communities in which we operate. Our Corporate Social Responsibility arm consistently works towards implementing initiatives for the betterment of the underprivileged sections of the society. Some of our focus areas have been promoting social equality, improving living conditions, generating employment opportunities, preserving National Heritage, supporting sports development, and contributing towards the Clean India Mission.

With the right strategic direction, positive corporate culture, as well as the commitment and hard work of our employees, we envision JSW Energy to continue on its path towards success in the years to come.