

# GOVERNANCE – FUNDAMENTALS FOR DELIVERING VALUE

JSW Energy's governance model is based on the realms of a strong leadership that believes in delivering long term value to all the stakeholders. The strong corporate policy framework and a robust Code of Conduct aids the smooth sailing on a daily basis across the business operations.

## Board of JSW Energy

The Board at JSW Energy works on the core elements of Accountability, Transparency,

Integrity, Social responsibility, Environment and Regulatory Compliance. The board represents a diverse group of individuals with all the required skills and expertise to drive the Company's business as per the ESG agenda.

The Board is composed of 3 executive directors, 1 non-executive director and 5 independent directors including 1 woman director. The Board closely monitors the business

progress in alignment with the company's vision while doing a strategic planning to meet the set objectives. The Board also ensures to take into consideration stakeholder concerns in a transparent manner for a highly effective decision-making with respect to the management of material issues and their due diligence.

The various committees of the Board are as under

## Audit

## Corporate Social Responsibility

## Sustainability

## Risk Management

## Stakeholder Relationship

## Compensation and Nomination & Remuneration

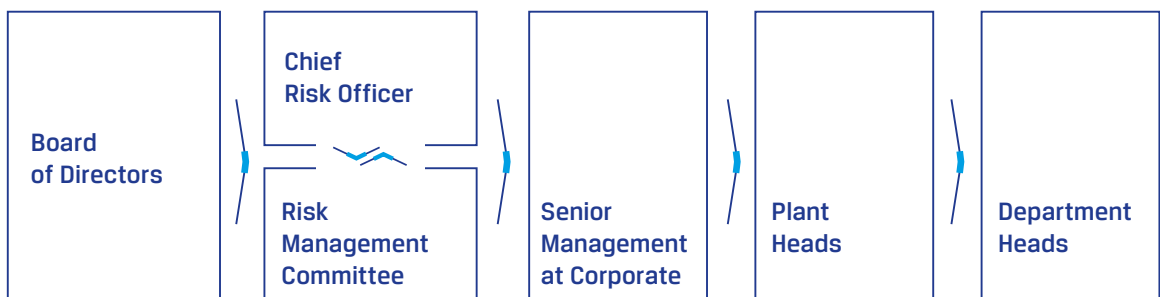
The Sustainability Committee overlooks the climate change agenda by evaluating the climate related risks in addition to managing other relevant material topics such as water management and biodiversity. The committee chairman evaluates the progress against the targets undertaken and ensures that the Group is aligned with the

overall sustainability vision and accordingly complies with the management of high priority material topics.

## Risk Management

JSW Energy has a board-approved risk management framework which aligns with the principles laid down by the COSO Framework. The organisation understands that

enterprise risk management is a continuously evolving process which needs close monitoring by the Board. The Risk Management Committee regularly interacts with the Board of Directors and Plant Heads to ensure effective implementation of the policy, identify any new potential risks and lay down processes for timely mitigation of such risks.



## Business Continuity Management

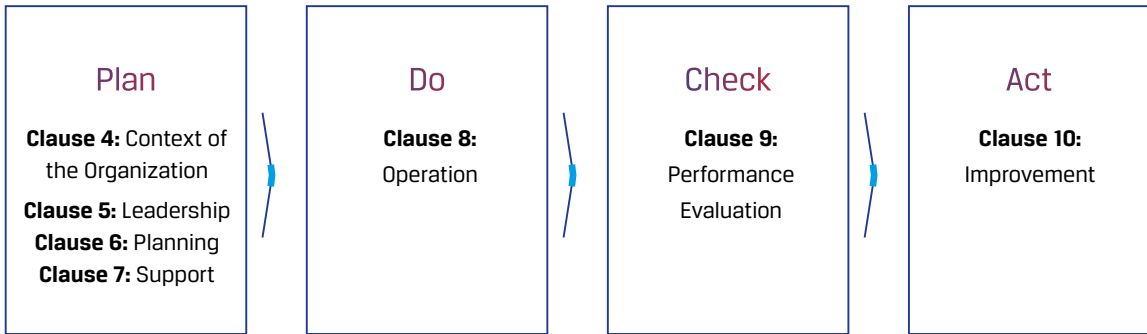
Business Continuity Management (BCM) is a holistic management process that identifies potential threats to an organization and the impacts to business operations those threats, if realized, might cause, and which

provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities. Three of the major plants, viz., Barmer, Ratnagiri and Vijayanagar have

been certified under ISO 22301 for Business Continuity Management Systems. The fourth hydropower plant at Sholtu, Himachal Pradesh, is presently undergoing the BCMS certification process which is expected to be completed by end of Q1 FY 2024.

### Structure and Content of ISO 22301

#### Structure of ISO 22301:2019 Standard

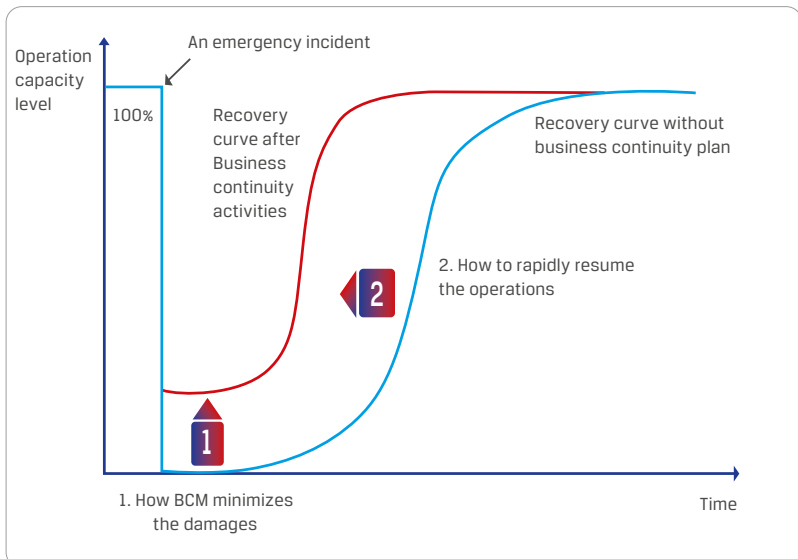


### Continuous Improvement

## Components of Business Continuity Management System (BCMS)

- A Policy
- Competent people with defined responsibilities
- Management processes relating to
  - o Policy
  - o Planning
  - o Implementation and Operation
  - o Performance Assessment
  - o Management Review
  - o Continual Improvement
- Documented information supporting operational control and enabling performance evaluation
- Any BCM processes relevant to the organization

### Benefits of a BCMS



The purpose of BCMS is to prepare for, provide and maintain controls and capabilities for managing organization's overall ability to continue to operate during disruptions. To achieve this the organisation should be able to:

- **Business perspective:** support its strategic objectives; create a competitive advantage; protecting and enhancing its reputation and credibility; contribute to organization's resiliency
- **Financial perspective:** reduce legal and financial exposure and reduce direct and indirect costs of disruptions
- **Stakeholders Perspective:** protect life, property and the environment; consider the expectations of interested parties and provide confidence in the organization's ability to succeed
- **Internal perspective:** improve its capability to remain effective during disruptions; demonstrate proactive control of risks effectively and efficiently; address operational vulnerabilities.

### Business Ethics

JSW Energy recognises the importance of organizational accountability, transparency, and integrity for the continued success of its operations. The corporate governance framework is ingrained with the core business principles of value and trust, while enhancing the overall growth opportunities for all stakeholders. The organisation has a strong Code of Conduct in place for meeting the expectations of all stakeholders including the Board of Directors, Senior Management, and employees. JSW has zero tolerance towards unethical behaviour such as corruption and bribery. Through raising awareness and promoting

these ethical codes, and integrity throughout its value chain, JSW Energy is dedicated to following the best practices to become more sustainable in its journey as a responsible brand.

### Vigil Mechanism

The company believes in fair and transparent mechanisms for conducting daily operations by adhering to the highest standards of professionalism, honesty and integrity. High ethical conduct is at the core of decision-making process at JSW Energy. The company's vigil mechanism encourages all employees and workers to report any irregularity or serious misconduct that can impact the business or its reputation. The company has a set process for reporting incidents of improper or unethical behaviour. During the reporting period, zero confirmed instances of corruption were recorded.

### Prevention of Sexual Harassment (POSH)

JSW Energy has always believed in providing a safe and harassment-free workplace for every individual working in the Company. JSW Energy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has adopted a policy on Prevention of Sexual Harassment and has constituted an Internal Complaints Committee to look into the grievances related to POSH. During the reporting year, zero complaints of sexual harassment were recorded.

### Respecting Human Rights

Human Rights is a core value at JSW Energy. The organisation upholds the highest standards of human rights across its operations and value-chain and

undertakes continuous awareness sessions on Human Rights for all the employees, associates and workers from time to time and in different forums across all plants. Due care is taken to provide a humane care for all the workers / contractors who are working in the plant. Shaded areas for rest, drinking water & sanitation facilities for all contractors, associates and employees, adequate medical facilities and OHC (occupational Health Centre) for medical requirements of all those who are working inside the plant premises are provided. Policies are in place for Human Rights, Labour Practices and Employment Rights, Making our world a better place which are also available on the company's website. In order to have a structured system in place for management of Human Rights, JSW Energy is in the process for hiring an external knowledge partner who shall do a complete Risk Assessment for the organization on the Human Rights implementation, prepare a Human Rights Management Plan in consultation with various teams at the plant level and also conduct several formal Human Rights Trainings at all locations. JSW Energy being a Responsible Business Organization respects the rights of all humans and is now moving from the compliance mode to the Care mode for all ESG requirements especially Human Rights. The company has a zero tolerance approach towards any breach of code of conduct regarding human rights and/ or discrimination. As an outcome, JSW Energy has strict measures in place to ensure zero child/bonded labour within its organisation and also across its value-chain partners. There were no recorded instances of prejudice during the reporting period. Moreover, no operations were identified which may pose a high danger of using forced or underage labour.