

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Suppliers play a substantial role for every business. JSW Energy is committed to building long-term strategic partnerships with all its value chain partners ensuring smooth operations. The organization continuously strives to align all the suppliers and other value chain partners with its Code of Conduct and ESG targets to align them in the sustainability journey. JSW Energy believes in creating an environment of trust for all its suppliers to maintain a strong bond and forge a common ground for progressing towards a low

carbon economy. The organization believes in working closely with its supply chain to reduce the impacts along the value chain for which the company ensures that all the vendors fill the supplier registration survey which includes questions pertinent to ESG. JSW Energy also expect its suppliers to abide by all the applicable statutory and international environmental and social protocols and strictly adhere to the Supplier Code of Conduct as also UNGC Principles on Human Rights. The company has laid down a comprehensive

screening mechanism for its suppliers. They have a robust prequalification criterion for all its value chain partners through the code of conduct. This helps JSW Energy achieve its business goals sustainably by adopting the principle of responsible procurement. Few members of the procurement teams across plant locations also received ESG awareness training. JSW Energy plans to provide ESG trainings to all procurement teams at each plant in FY 2024, as part of the employee development program.

The Supplier CoC is based on the following elements:

Compliance Management

Statutory compliance, notices, taxes, assurance mechanism for quality check

Environment & Climate Change

Emissions, Effluents, Energy and Biodiversity

Human Rights

Protection and Promotion of Human Rights and rights of indigenous people

Business Ethics

Ethical behaviour, Anti-corruption, Conflict of interest, information security

Labour

Freedom of Association, Collective Bargaining, Forced Labour, Child Labour, OHS and Wages

In the current year, JSW Energy has designed an ESG questionnaire for the supply chain vendors which shall enable the company to capture its ESG related data & initiatives allowing it to carry out an analysis to identify the vendors who are actively involved in sustainability initiatives and the ones who are lagging. JSW Energy aims to raise the level of ESG commitment of such vendors / contractors by conducting ESG workshops and awareness

sessions subsequently in the next financial year. The suppliers have been shortlisted based on the spend criteria as well as the High Risk suppliers & partners.

Going forward, in the short and medium time horizon and based on the climate risks assessments in the value chain, JSW Energy intends to identify preferred partners who have good ESG practices to combat climate change, for conducting business activities. However,

re-assessment and evaluation of suppliers and contractors shall remain an important activity to influence value chain partners to have an ESG based governance framework for enhancing the Sustainability Responsibility, ESG Risk assessments and subsequent mitigation plans and actions.