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POLICY ON SOCIAL DEVELOPMENT AND COMMUNITY INVOLVEMENT

PREFACE

As part of our efforts to deliver our Sustainability Vision, we at JSW Energy Limited **('JSW')** have established this Policy to demonstrate our commitment to supporting and contributing to social development through enhanced community involvement.

Background of the Issue

Social development and community involvement are both integral parts of sustainable development. Social development is generally understood to be the improvement in the quality of life of a population and, through contribution to social development and enhanced community involvement, industrial organisations can help to create employment, deliver investments in wealth and income creation through local economic development initiatives, introduce and expand education and skills development programmes, provide and promote community health services and initiatives, and promote and preserve local culture and arts. Such contributions create the broad community benefits on which long-term sustainable development depends.

How it Relates to JSW

As one of India's leading power producer, JSW recognises that it is a stakeholder within wider communities, sharing common interests with those communities. We fully understand, and wholeheartedly embrace our obligations to enhance the value of our communities through the provision of support, knowledge, resources and expertise.

In pursuance of our stated commitment to support and contribute to social development through enhancing community involvement, we have adopted a number of aims towards which we will strive.

These aims are supported by a range of actions and improvements through which those aims are to be achieved.

In addition to maintaining all our current social development and community involvement activities, we also aim to gain a full and detailed understanding of the communities of which we are a part, our impacts upon them and how we interact with them.

To do this we will:

- Undertake an extensive review at all our sites of the nature, extent, impacts and effectiveness of our current community interactions;
- Engage widely with local stakeholders to enhance our understanding of key community needs, matters and concerns, focusing especially on issues relating to women, the socially deprived, vulnerable and the marginalised, including:
 - Consulting representative community groups in determining priorities for social investment and community development activities;



- Consulting and accommodating communities, including indigenous people and marginalised sections of the community, on the terms and conditions of development that affect them, including any human rights matters;
- Develop social investment and development programmes for each site, based on our engagement activities and responding to national and local development priorities, potentially including:
 - Encouraging and supporting employees to be volunteers for community service;
 - Developing schemes to promote good health and raise awareness about major health threats and their prevention;
 - Reducing infant and maternal mortality rates;
 - Developing schemes to support long-lasting and universal access to essential healthcare services and to clean water and sanitation;
 - Contributing to durable programmes and partnerships that assist community members, especially women and other socially disadvantaged and vulnerable groups, to establish businesses and co-operatives, in improving productivity and promoting entrepreneurship;
 - Wherever possible, giving preference to local suppliers for products and services and contributing to local supplier development;
 - Contributing to the development and sharing of innovative technologies that can help solve social and environmental issues in local communities;
 - Improving the quality of and access to education, in particular, promoting learning opportunities for vulnerable or discriminated groups;
 - Improving the quality and delivery of pre-school and primary education;
 - Helping eradicate illiteracy;
 - Helping to develop, promote and participating in local and national skills development programmes, including apprenticeship programmes, lifelong learning programmes and skills recognition and certification schemes;
 - Promoting cultural activities where appropriate, recognising and valuing the local cultures and cultural traditions, consistent with the principle of respect for human rights;
 - Facilitating human rights education and awareness raising;
- Monitor our community involvement activities and their impacts on social development on a regular basis to see how we are progressing, and reporting on this progress through our annual reports.

We aim to promote social development through enhanced community involvement across all our suppliers and business partners.

To do this we will:

- Define and openly share in a Code of Practice the minimum expectations we have of our suppliers and business partners in relation to their support and contribution to social development through enhanced community involvement;
- Evaluate suppliers & partners for their attitude, risk profile and performance towards sustainability issues including social development.
- Encourage those suppliers and business partners whose attitudes and performance most closely matches our own aims and aspirations.



We will continue to be fully committed to our statutory and voluntary obligations relating to social development and community involvement.

These include:

- National Guidelines on Responsible Business Conduct;
- All local and national statutory regulations relating to supporting and contributing to social development through enhanced community involvement;
- Annual reporting of our performance on the issue of social development and community involvement through GRI (Global Reporting Initiative).

The achievement of our aims and the delivery of the improvements to achieve them, and the fulfilling of our compliance obligations, will all be managed through the Sustainability Framework that JSW is committed to implementing and maintaining across all our sites.

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PRASHANT JAIN JMD & CEO JSW ENERGY LIMITED