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POLICY ON BUSINESS CONDUCT

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 embed sound governance, deliver transparency, tackle corruption, manage risks and provide value through strong governance and robust business ethics.

Background of the Issue

Ethical behaviour in all operations, functions and processes is the cornerstone of any business, guiding their governance of economic, social and environmental responsibilities. A strong and fully embedded commitment to undertaking business ethically brings considerable benefits, including improved consumer perception (leading to increased loyalty), greater investment, reduced costs, and enhanced employee motivation, involvement and interaction to name just a few.

How it relates to JSW

As a major employer, JSW has always recognised its moral obligation to do all that it can to operate its business to the highest standards of personal and professional integrity, honesty and transparency, recognising the intrinsic benefits that good business ethics and governance provide. However, in spite of all that we have so far achieved in operating our business ethically, we recognise that there remains the potential for us to do much more.

In pursuance of our stated commitments to conduct our business ethically, 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.

We aim to ensure that all our employees conduct themselves in accordance with the highest standards of honesty, integrity and fairness, exercising utmost good faith, judgement and due care in the performance of their duties.

To do this we will:

- Provide every employee with sufficient knowledge and understanding of JSW's business to enable them to ethically uphold the interests of our business and its stakeholders;
- Ensure our employees:
 - Only act within the authority conferred upon them;
 - Dedicate sufficient time and attention to the JSW's business to ensure the diligent performance of their duties;
 - Are provided with the means and opportunity to actively participate in the discussion and decision making in meetings or at appropriate forums;
 - Maintain the confidentiality of any information concerning JSW's business, its customers, suppliers, business partners, etc.

We also aim to ensure that we have in place the most effective systems to support our employees in delivering the highest standards of business ethics.

To do this we will:

- Establish a governance structure that promotes business conduct, that is ethical, transparent and accountable;
- Ensure that our systems and employees design, produce and make available goods and services that are safe, resource-efficient, create value, are competitively priced, easy to use and safe to dispose of, whilst minimising any adverse environmental or social impacts;
- Ensure we have an effective, confidential and accessible internal grievance system through which any instances where our strict approach to business ethics appear to have been compromised can be raised, investigated and addressed firmly and uncompromisingly.
- Ensure there are robust systems to protect from discrimination or disciplinary action any employee who makes a *bona fide* report to management (or, as appropriate, to the competent public authorities) regarding a potential or actual infringement of our business ethics;
- Ensure we have an effective, confidential and accessible external grievance system through which any consumer concerns and feedback, any potential and actual conflicts of interest, any suspected incidents of bribery or corruption, etc. can be highlighted, investigated and addressed;
- Provide appropriate training to supervisory and managerial employees with regard to how to comply with our policies and systems for ensuring the highest standards of business ethics;
- Educate our employees about business ethics, what this term covers, and how, with our help, we can ensure they are able to deliver the highest standards to which we aspire;
- Establish monitoring and auditing activities, that will show how well we are doing in ensuring our standards for business ethics are being met, and report on our performance against these measures to our stakeholders.

We aim to promote the ethical conduct of business 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 the the ethical conduct of their businesses;
- Evaluate suppliers & partners for their attitude, risk profile and performance towards sustainability issues, including business ethics
- Encourage those suppliers and business partners whose attitudes and performance most closely matches our own aims and aspirations.

We aim to do what we can to embed sound governance, deliver transparency and tackle corruption in businesses within our local communities and across

India.

To do this we will:

- Support local and national projects that aim to promote sound business ethics and tackle corruption;
- Support local and national stakeholders in efforts to identify new ways to promote sound business ethics and tackle corruption;
- Report our efforts relating to this aim, be that at a site-level with our local communities, and at a corporate level through our annual reports.

We will continue to be fully committed to our statutory and voluntary obligations relating to governance and business ethics.

These include:

- National Guidelines on Responsible Business Conduct;
- All local and national statutory regulations relating to the governance and business ethics;
- Reporting of our performance on the issue of governance and business ethics through GRI (Global Reporting Initiative) and against the United Nation's Sustainable Development Goals.

We will prohibit the following:

- **The offering of, promising of, or giving of a bribe or other undue advantage to obtain or retain business or other benefits, either directly or indirectly;**
- **The accepting, agreeing to, requesting or demanding of a bribe or other undue advantage to obtain or retain business or other benefits, either directly or indirectly;**
- **The use of third parties* to channel money or other benefits to public officials, their relatives, employees or business associates;**
- **The making of any contributions to candidates for public office or to political parties or to other political organisations;**
- **The use of facilitation payments;**
- **The giving or accepting of gifts of money;**
- **The 'insider trading'** of JSW's shares;**
- **Engaging in any deceptive marketing practices or making any representations or omissions that are fraudulent, deceptive or misleading;**
- **Engaging in any form of anti-competitive behaviour, including any agreements to fix prices, submit collusive tenders, impose quotas or restrictions or share/divide markets;**
- **Engaging in any actions which may contravene any trade embargo*** or other form of sanction introduced by the Indian Government.**

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.

With regards to the following range of specific business ethics issues, we have also established a number of specific commitments. These are listed below.

Conflict of Interest

We will ensure that any and all potential and actual conflicts of interest are identified and addressed.

To do this we will:

- Undertake assessment at our sites in order to identify any and all potential areas for conflict of interest;
- Engage with internal and external stakeholders to ensure the comprehensiveness of this assessment process.

Based on the outcomes of this assessment process we will:

- Further enhance our business practices to eliminate any perceived threat of a conflict of interest occurring;
- Review and re-confirm the effectiveness of both our external grievance system and associated internal systems through which any potential and actual conflicts of interest can be highlighted, investigated and addressed;
- Provide appropriate training to employees with regard to how to recognise and avoid conflicts of interest.

Delivering Transparent Disclosure

We will ensure that we disclose fully and transparently, ensuring the validity of all financial and non-financial information.

To do this we will:

- Ensure we disclose at an appropriate frequency and in a manner best suited to our stakeholders, the following material information:
 - Our financial and operating results;
 - Major share ownership and voting rights, including the structure of the Group and intra-group relations;
 - Remuneration policy for members of the board and key executives;
 - Governance structures and policies, in particular, the content of any corporate governance code or policy and its implementation process;
 - The sustainability performance of our business;
- Ensure the validity of the information that we disclose is confirmed through the use of auditing and verification services provided by reputable third parties.

Ensure Fair Competition

We will ensure that we do not engage in any anti-competitive practices.

To do this we will:

- Ensure any and all of our representatives are fully trained to ensure they do not discuss or enter into any formal or informal agreements with any competitor about prices, or matters affecting price, production levels, etc.
- Co-operate fully and openly, if and when requested, with any investigating competition authorities.

Influencing Public Policy

We will ensure that, when we engage in the influencing of public and regulatory policy, we do so in a manner that is responsible and transparent.

To do this we will:

- Ensure, to as great an extent as possible, that we undertake policy influence and advocacy through trade and industry chambers and associations, and other similar collective platforms;
- Ensure that our policy influence and advocacy positions promote sustainability, fair competition and respect for human rights.

Involvement in Local Political Activities

We aim to ensure that the JSW brand is protected from improper or unethical involvement in any local political activities.

To do this we will:

- Ensure all site management abstain from any involvement in local political activities;
- Discourage the involvement of employees in any local political activities that could be deemed illegal, discriminatory, inappropriate or improper, and ensure all employees are aware of this requirement.

Meeting Our Financial Obligations

We will ensure that we contribute to public finances by timely and complete payment of all applicable taxes in accordance with the letter and spirit of the laws and regulations governing such payments.

To do this we will:

- Provide to the relevant authorities with timely information that is relevant or required by law for the purposes of the correct determination of taxes;
- Encourage our employees to fulfil their own tax obligations in a full and timely manner.

Providing Consumer Value

We will ensure that we engage with and provide value to our consumers in a responsible manner.

To do this we will:

- Ensure that we do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling our products;
- Disclose all information accurately, through labelling and other means, including the risks to the individual, to society, and to the planet, from the use of our products, so that consumers can exercise their freedom to consume in a responsible manner;
- Manage consumer data in a way that does not infringe upon their right to privacy;
- Make consumers aware of, and provide information and guidance to them on, safe and responsible usage and disposal of our products (including reuse and recycling), and to eliminate over-consumption;
- Promote and advertise our products in ways that do not mislead or confuse consumers.

Tackling Bribery and Corruption

We will ensure that we eliminate all forms of bribery and corruption within our business.

To do this we will:

- Establish a range of internal financial and accounting controls to ensure the maintenance of fair, accurate and transparent accounts;
- Ensure there are processes of regular risk assessment, monitoring and auditing (both internal and external) to ensure internal controls are effective;
- Conduct due diligence on any agents engaged;
- Educate all our employees about the specific risks associated with bribery and corruption, including those around the giving and accepting of gifts****, and provide them with the tools to identify and highlight any examples they see;
- Making public commitments against bribery, bribe solicitation, corruption and extortion.

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**PRASHANT JAIN
JMD & CEO
JSW ENERGY LIMITED**

* By 'third parties' we mean agents and other intermediaries, consultants, representatives, distributors, consortia, contractors and suppliers and joint venture partners.

** Insider trading is where an individual within a business deals in that business's shares (either directly or through a third party) while in possession of material non-public information relating to that business.

***A trade embargo is a partial or complete prohibition of commerce and trade with a particular country/state or a group of countries.

**** On the subject of gifts, JSW regards the giving and receiving of gifts, complimentaries, favours or entertainment as inherently compromising unless they are of reasonable value *i.e. not extravagant) under the circumstances. This means they must

- have a valid business purpose;
- be appropriate as to time, place and kind;
- be infrequent in occurrence;
- not influence or give the appearance of influencing the recipient;
- are not likely to be viewed as a bribe, kickback or payoff.