



POLICY FOR A JUST
TRANSITION

POLICY FOR A JUST TRANSITION

PREFACE

Title	Policy for a Just Transition
Version Number	1.00
Effective Date	23.05.2025
Authorised by	Board of Directors
Number of Revisions	0
Last Revised Date	23.05.2025

In 2020, JSW Steel Limited ('JSW') progressively adopted a 'Policy To Make Our World A Better Place' in which we outlined our aims across a range of social topics including poverty, hunger, education and sustainable cities and communities.

Alongside this Policy, JSW has, for many years now, also been actively pursuing its Climate Change Policy in which we commit ourselves to 'quantified progressive emission reduction targets', a commitment we fulfilled in 2024 when formally established our Decarbonization Pathway and published our first 'Climate Action Report' through which we aim to deliver the following:

- achieve net neutral in carbon emissions for all operations under our direct control by 2050;
- mitigate the many impacts of climate change that so many of us are already having to contend with; and
- help individuals and communities adapt to the changed and increased threats that they now face.

One of the threats referred to in the last of the aims listed above is the threat associated with the transition to a low-carbon, sustainable way of life and whilst we rightly aim to focus on the long-term societal benefits that we hope our carbon commitments will deliver, we must also acknowledge that the process of decarbonisation can itself result in a number of potentially negative societal impacts.

In furtherance of this acknowledgement, and to mitigate the negative impacts of

decarbonisation and promote and enhance the positives, the Board of Directors has adopted this 'Policy for a Just Transition'.

Background of the Issue

As the world moves inexorably away from the widespread use of fossil fuels and governments, businesses and individuals seek to embrace economies and societies that are low-carbon and more environmentally sustainable, there is a recognition of the risk that, in seeking this more desirable future, some in society (workers, parts of our supply chain, communities and customers/consumers) may be left behind.

It is to minimise this risk, and to identify and exploit the many societal opportunities that decarbonisation and sustainability will present, that many progressive businesses are now actively seeking to integrate the concept of a Just Transition into all aspects of how their business operates.

How it Relates to JSW

We at JSW are one such business. For us, a Just Transition means:

'Delivery of our Decarbonization Pathway and our wider Sustainability Vision whilst both minimising any negative impacts this may have on our stakeholders and maximising the benefits and opportunities this presents to us all, as a business, as a community and as a society.'

To achieve this, we will build on our strong existing sustainability foundations and utilise our well-established Sustainability Framework to actively integrate into our decision-making processes an awareness and appreciation of the following Just Transition Principles that we have chosen to embrace:

- To anticipate and plan for how the transition to net-zero emissions will effect employment and communities, both positively and negatively;
- To anticipate and plan for how our workers and communities will face climate risk, and strive to build resilience;
- To choose emissions reduction plans that also promote sustainable development and drive environmental sustainability, jobs and decent work, social inclusion and poverty eradication;
- To clean up environmental damage and in so doing ensure that the burden of doing so is not passed to local communities;
- As part of our plans and their implementation, to prioritise retraining and redeployment of workers, and ensure and support skills development, particularly for vulnerable workers;
- To ensure support for workers, their families and the wider community affected by climate related closures, job losses and displacement through adequate and sustainable social protection;
- To ensure consultation with key stakeholders including our workforce;
- To respect, protect and promote human and gender rights, particularly rights related to work, as they are the foundation for social dialogue;
- To advocate for rapid and just action on climate change, and policies and investments that support just transition.

In pursuance of a Just Transition, we have adopted a number of aims towards which we

will strive.

We aim to elevate Just Transition risks and opportunities to the level of the JSW Board and through this achieve robust transition governance.

To do this we will:

- integrate management of Just Transition issues into business risk management;
- establish Board oversight of Just Transition related sustainability disclosures;
- designate clear roles and responsibilities to manage risks and opportunities related to a Just Transition;
- use targets, KPIs and internal controls to oversee Just Transition related strategies and investments;
- build capacity internally to educate the relevant decision-makers on Just Transition.

We aim to include in our Just Transition planning a risk analysis of financial assets and liabilities of environmental transition, the robustness of which will be assured through the involvement of key stakeholders, including governments, workers, customers, suppliers and communities.

To do this we will:

- identify the most affected/marginalised workers, consumers and communities likely to be affected by our Just Transition plans;
- integrate social issues such as changes in demands and demographics (e.g., migration, changing population) into sensitivity assessments.

We aim to consult with all relevant stakeholders, including communities and civil society organisations and include them in the assessment of social risks and opportunities related to a Just Transition.

To do this we will:

- commit to engage in social dialogues with relevant stakeholders (such as employees and local communities);
- involve stakeholders such as employees and communities in the development of the Just Transition planning through social dialogue;
- be transparent about the categories of stakeholders involved in Just Transition planning and disclose the steps taken to ensure meaningful engagement with stakeholders in our Just Transition.

From a policy and partnership perspective, we aim to:

- **advocate for a Just Transition in industry associations and in interacting with governments;**
- **ensure that advocacy on climate is complemented by advocacy for robust social policies;**
- **support partnerships at the local, sectoral, national and global levels.**

To do this we will:

- be transparent about advocacy activities undertaken on both climate and social issues;
- regularly assess alignment between:
 - our own advocacy activities and our Just Transition Policy, aims and commitments;
 - our own advocacy and Just Transition Policy, aims and commitments and the

positions of trade and industrial associations that JSW supports.

For our workers, we aim to:

- **deliver good jobs and decent work in the transition and ensure respect for worker and human rights;**
- **promote and provide reskilling and retraining, redeployment, or retirement support;**
- **through collaborative processes, identify existing and future skills and training gaps in the context of a Just Transition.**

To do this we will:

- evaluate and disclose the risks of job loss for workers as a result of transition, with special attention to vulnerable groups;
- support access for workers to sustainable and decent jobs as part of the transition, with special attention to vulnerable groups;
- consider whether new products create new, sustainable jobs with decent work conditions;
- take action to ensure that the new sustainable and decent jobs incorporate gender balance and the inclusion of vulnerable groups;
- take action to anticipate the skills of the future and re/up-skill workers impacted by the transition, involving stakeholders.

For our supply chain, we aim to:

- **support suppliers (especially small and medium-sized enterprises) through access to skills, finance and technology;**
- **apply labour, human rights and environmental due diligence and policies along the supply chain.**

To do this we will:

- consider the impact of transition on the value chain, focusing on SMEs;
- support smaller suppliers in adapting to changes by providing amenable service arrangements and/or supporting them in the design and delivery of their own transition plans;
- require members of industry initiatives to commit to embedding the concept of a Just Transition in their strategies, climate plans and operations and collaborate to develop a common framework for key skills needed for a low-carbon career in the industry;
- carry out sustainability due diligence across the value chain.

For our communities, we aim to:

- **engage with them to address the social risks of transition and promote local wellbeing, with a particular focus on vulnerable groups as well as wider sustainability considerations (such as biodiversity);**
- **partner with them to share value in net zero and resilience investments, ensuring this includes engagement and respect for the rights of Indigenous communities.**

To do this we will:

- conduct dedicated impact analyses for local communities, including job losses, impacts on livelihood, traditional local activities and local ecosystems;
- support access for communities to sustainable and decent jobs as part of the transition, with special attention to vulnerable groups;

- conduct impact assessments of historic sites, cultural heritage and the rights of indigenous communities;
- identify and end harmful practices, such as sacrifice zonesⁱⁱ;
- invest in local infrastructure to support a Just Transition.

For our customers and consumers, we aim to support them by ensuring affordable access to key goods and services in the transition and enabling/encouraging our customers and consumers to participate actively in the transition.

We aim to demonstrate to all our stakeholders our seriousness regarding a Just Transition through transparency and disclosure.

To do this we will:

- regularly report on our Just Transition policies, actions and progress through our future Climate Action Reports.

ⁱ Informed by

- Just Transition: A Business Guide, Principles and Recommendation for Just Transition, Just Transition Centre/The B Team, May 2018
- Seven principles to realize a just transition to a low-carbon economy, Stockholm Environment Institute, June 2020

ⁱⁱ A 'sacrifice zone' is a geographical area where communities, often composed of minority populations and/or people on low incomes, are exposed to increased environmental and economic burdens often due to their proximity to industry.