

# RESPONSIBLE SUPPLY CHAIN MANAGEMENT

## Key Highlights

HOD's and selected Procurement Team employees of Thermal, Hydro and Renewable plants covered under ESG Training

54 critical suppliers being assessed on Sustainability Parameters

### Strategic Approach

At JSW Energy, suppliers are integral to our business success, and we are proactively advancing our commitment to a sustainable and responsible supply chain. We've launched a comprehensive supply chain assessment programme targeted at critical suppliers. Rolled out in a phased manner, this initiative is designed to methodically evaluate and elevate the sustainability standards of our suppliers and business associates.

Through systematic assessments, we pinpoint areas for improvement, foster transparency, and catalyse positive transformations throughout our supply chain. This continuous programme reflects our dedication to cultivating a resilient and socially aware supply chain that mirrors our principles and drives toward a sustainable future.

We are dedicated to fostering a long-term strategic partnership with them to ensure seamless operations. Our commitment extends beyond transactions, aiming to integrate our suppliers and other value chain partners into our sustainability journey by aligning them with our Code of Conduct and ESG objectives.

### Building Trust and Collaboration

**Cultivating Trust:** We prioritise creating an environment of trust and mutual respect with our suppliers, establishing a strong foundation for collaboration and shared progress towards a sustainable, low-carbon economy.

**Alignment with ESG Goals:** By aligning our suppliers with our ESG targets, we work together to reduce environmental impacts across the value chain.

### ESG Engagement and Monitoring

**ESG Questionnaire:** This year, we introduced an ESG questionnaire for our supply chain vendors. This tool helps us gather ESG-related data and initiatives, enabling us to identify which vendors are actively engaged in sustainability and which need further encouragement.

### Workshops and Awareness

**Sessions:** Based on the questionnaire results, we plan to conduct ESG workshops and awareness sessions in the next financial year to elevate the ESG commitment of our vendors and contractors.

### Strategic Vendor Selection

**Spend and Risk Criteria:** We have shortlisted suppliers based on

spending and high-risk criteria, ensuring focussed engagement with key partners.

**Preferred Partners:** Moving forward, we aim to identify and collaborate with preferred partners who demonstrate strong ESG practices, particularly those addressing climate change.

### Comprehensive Supplier Management

#### Supplier Screening Mechanism:

Our robust supplier screening mechanism includes prequalification criteria based on our supplier Code of Conduct, ensuring responsible procurement practices.

**Adherence to Standards:** We expect our suppliers to comply with all statutory and international environmental and social protocols, including our Supplier Code of Conduct and UNGC Principles on Human Rights.

### Training and Development

#### ESG Training for Procurement

**Teams:** Selected procurement team members have already received ESG awareness training.

By working closely with our suppliers and integrating them into our sustainability efforts, JSW Energy is committed to achieving its business goals in a responsible and sustainable manner.



## Elements of Supplier CoC



### 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, Anticorruption, Conflict of interest, information security



### Labour

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

In FY 2024, JSW Energy introduced an ESG questionnaire for some supply chain vendors. This tool helped us capture ESG-related data and initiatives, allowing us to analyse which vendors are actively engaged in sustainability and which need improvement. Our goal is to elevate the ESG commitment of these vendors and contractors by conducting ESG workshops and awareness sessions in the next financial year. Vendors have been shortlisted based on spend criteria and high-risk classification.

### Strategic ESG Engagement

#### Questionnaire Implementation:

The ESG questionnaire will enable JSW Energy to identify vendors who are proactive in sustainability initiatives and those who are not.

#### Workshops and Awareness

**Sessions:** We plan to enhance ESG awareness and commitment among our vendors through targeted workshops and training sessions in the coming year.

### Preferred Partner Identification

#### Short and Medium-Term

**Goals:** Based on climate risk assessments in the value chain, JSW Energy aims to identify and collaborate with preferred partners who exhibit strong ESG practices.

**Climate Change Mitigation:** By selecting vendors with robust ESG practices, we aim to strengthen our efforts in combating climate change through sustainable business activities.

### Continuous Improvement and Evaluation

**Ongoing Reassessment:** Regular reassessment and evaluation of suppliers and contractors will be critical to fostering an ESG-based governance framework.

#### Enhanced Sustainability

**Responsibility:** We will focus on ESG risk assessments and develop

subsequent mitigation plans to enhance sustainability across our value chain.

JSW Energy is committed to integrating ESG principles into its supply chain management, ensuring that our vendors align with our sustainability goals. This proactive approach not only strengthens our value chain but also contributes to our overarching mission of promoting sustainable and responsible business practices.



Greenery inside Ratnagiri Plant