Materiality

Approach to Materiality

JSW Energy Limited recognizes that understanding its societal and environmental impacts, along with related ESG risks and opportunities, is essential for long-term growth and success. Stakeholder insights and expectations on these matters are carefully considered. The company is committed to identifying and reporting on the most critical sustainability issues through a comprehensive materiality assessment, carried out at regular intervals.

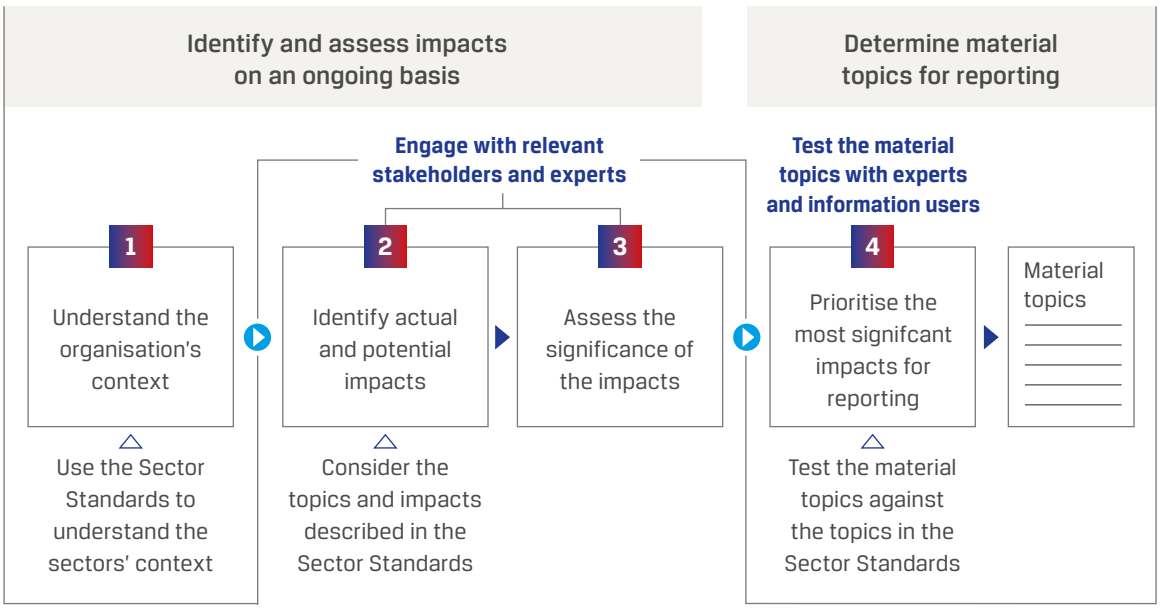
Double Materiality

In FY 2023-24, JSW Energy conducted a comprehensive double materiality assessment, encompassing both impact and financial perspectives. The impact materiality evaluation followed an inside-out perspective in alignment with the 2021 GRI Universal Standards, while the financial materiality analysis adopted an outside-in approach, guided by IFRS and SASB frameworks. No material changes were observed compared to the previous year.

This integrated approach reflects the company's understanding that ESG factors not only shape its operations but are also shaped by them, reinforcing their deep interdependence and impact on long-term value creation. The assessment was structured around two main components, stakeholder engagement and impact analysis, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and European Financial Reporting Advisory Group (EFRAG) guidelines.

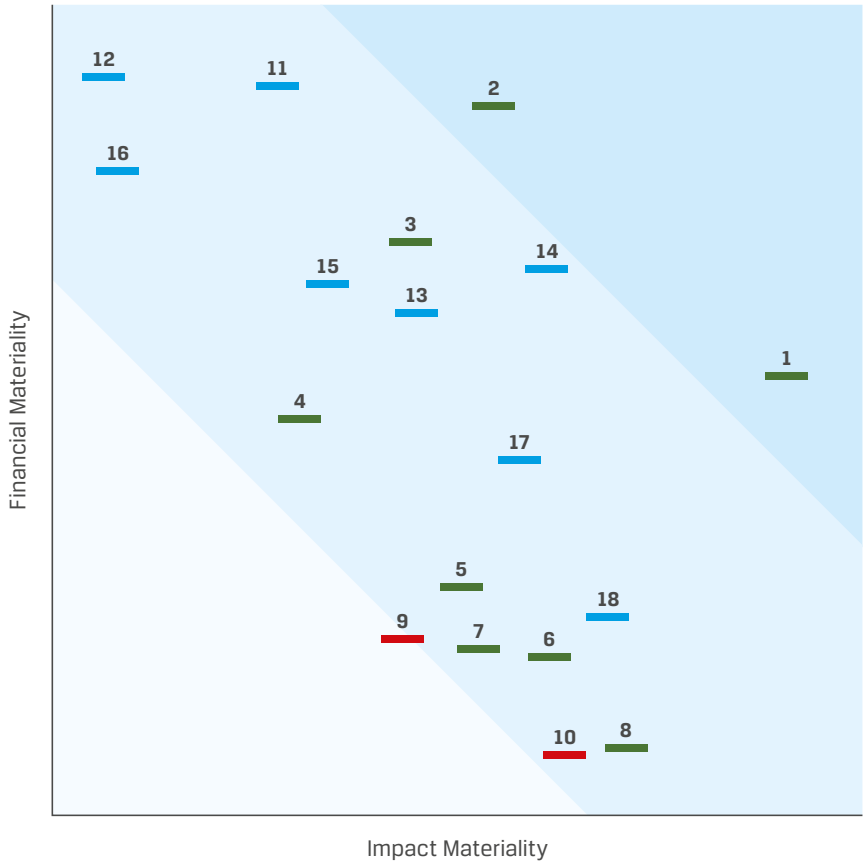
Stakeholder engagement captured the views and priorities of both internal and external participants, providing insights into ESG expectations. Inputs based on factors such as scale, scope, and likelihood of impact were used to calculate both positive and negative scores for each ESG topic across the two dimensions of materiality.

Approach



Materiality Matrix

Topics with a materiality percentile score above the defined threshold were classified as material. These topics are presented in the adjacent graph and detailed in the list below.



The material topics were classified under environmental (E), social (S), and governance (G) categories.

Topic No. | Environment

1 Climate Strategy

2 Greenhouse Gas Emissions & Energy Resource Planning

3 Resource Use and Management

4 Life Cycle Management of Assets

5 Air Quality

6 Waste Management

7 Water and Effluent Management

8 Impact on Biodiversity

Topic No. | Social

9 Labour Relations

10 Occupational Health and Safety

Topic No. | Governance

11 Economic Performance

12 Business Model Resilience

13 Technology, Product and Process Innovation

14 Responsible Investment

15 Opportunities in Renewable Energy

16 Digitalisation and Automation

17 ESG-based Enterprise Risk Management

18 End-Use Efficiency & Demand

Materiality Impact – Linkage to Risk and SDG

Material Topics	Linkage to Key Risk	SDG Linkages
Climate Strategy	Enhancing RE capacity	
Greenhouse Gas Emissions & Energy Resource Planning	Enhancing RE capacity, Battery Energy Storage Systems, Pumped Storage Hydro Power	
Resource Use and Management	Water Stewardship, Waste Water Management, Enhancing RE capacity	
Life Cycle Management of Assets	Resilient Supply Chain, Circular Economy	
Air Quality	Air Emission Management (PM, SOx,NOx)	
Waste Management	Fly Ash Management (100% utilisation)	
Water and Effluent Management	Water Scarcity (Zero Liquid Discharge at all Power Plants)	
Impact on Biodiversity	Biodiversity (Risk Assessment and Mitigation Strategy)	
Labour Relations	Human Rights Risk Assessment, Green job creation throgh RE capacity Enhancement	
Occupational Health and Safety	Occupational Health & Safety (Hazard Identification and Risk Assessment)	
Economic Performance	Adoption of Climate Smart Technologies (Wind, Solar, BESS, Green Hydrogen)	
Business Model Resilience	Enhancing RE capacity	
Technology, Product and Process Innovation	Technology Risk (Utilising new technologies Wind, Solar, BESS, Green Hydrogen)	
Responsible Investment	Collaboration for investments in new technologies Wind, Solar, BESS, Green Hydrogen	
Opportunities in Renewable Energy	Shift in consumer preference towards clean energy	
Digitalisation and Automation	Integrated Digital Cammand Centre for Energy Management	
ESG-based Enterprise Risk Management	ESG Risk Management (TCFD Risk Assessment)	
End-Use Efficiency & Demand	Enhancement in Low Carbon, RE generation capacity	

ESG Ratings

Company		Global Rating Agencies						Indian Rating Agencies		
	MSCI	CDP disclosure		Sustainalytics		DJSI	TPI	CRISIL	CSR Hub	ESG Risk
		Climate Change	Water Security	Risk score	Risk rating	CSA Score				
JSW Energy Limited	A	A-	B	23.2	Medium	76	Level 5	62 (Strong)	90%	69.54 (Strong)