

GOVERNANCE FRAMEWORK

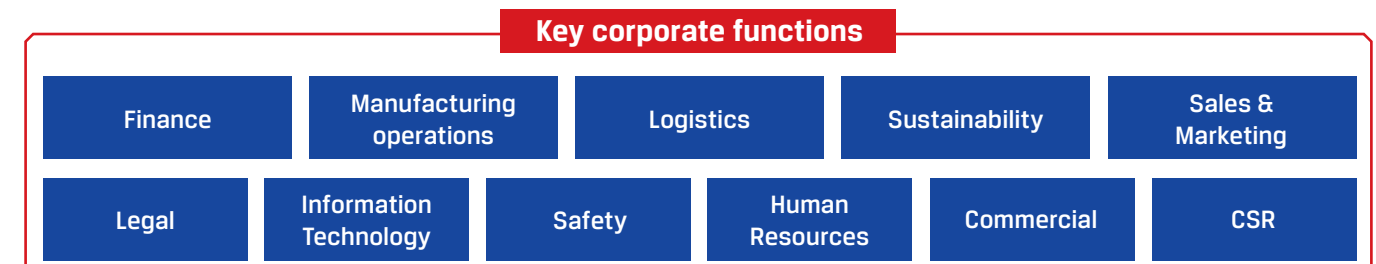
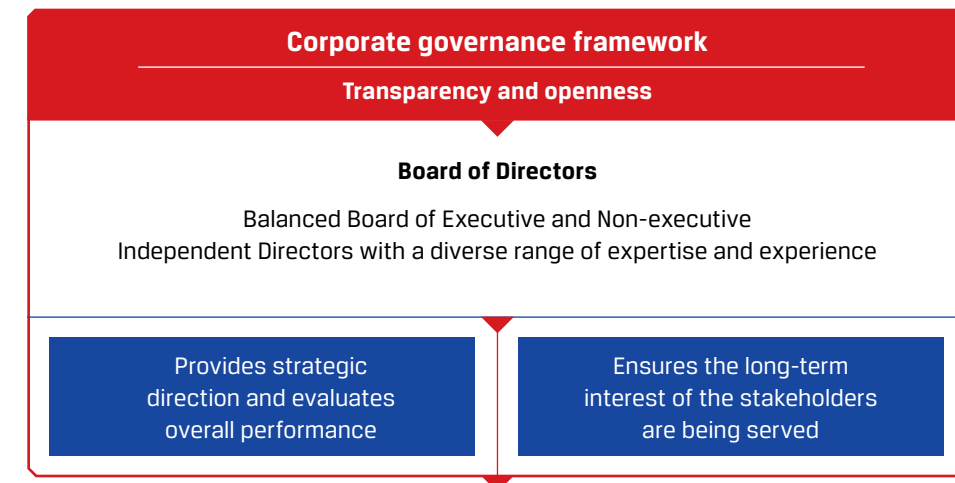
Embedding robust governance systems

Our business is underpinned by best-in-class governance practices and policies and frameworks to ensure the same. The rich experience, diverse expertise and constant guidance of our leadership enable us to uphold the best interests of our stakeholders.



Governance structure

The governance structure at JSW Cement is in accordance with the necessary regulatory requirements. The Board and senior management charged with governance have the capability to influence and monitor the strategic direction of the organisation and its approach to risk management to improve business operations.



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Ethics beyond compliance

A strong and meaningful ESG program can transpire the organisation's larger vision for environmental and societal influence, providing value both internally and externally.

Our aim to create a positive impact on the environment and society as responsible corporate citizens, forms a key pillar of our corporate governance. ESG is gaining momentum throughout the world and we understand the importance of having a clear ESG strategy and framework so that we can impact our stakeholders' lives positively.

We are working on multiple facets of our governance system to ensure robust, transparent and compliant business processes. The governance agenda is defined at the apex level by the Board. We have clearly defined roles and responsibilities with clear accountability at various levels and in various areas of business. Various internal processes ensure that we ethically conduct the business with necessary transparency. For example, the

Risk Committee reviews various risks associated with business and possible impacts and mitigation plans. This allows us to foresee some of our challenges in ensuring governance. An appropriate decision is taken as per the responsibility and authority matrix.

We are institutionalising various governance policies to ensure we operate ethically. These policies cover business ethics, anti-bribery, conduct & discipline, conflict of interest, whistleblowing and prevention of sexual harassment. We update this framework at a regular interval and ensure data protection and confidentiality by mapping out the flow of information. Custodians of the data are identified to ensure sensitive business information and personal data are protected.

We lay equal emphasis on being a fully compliant organisation. Structure and processes are laid down to ensure we comply fully with the law of the land and evolve in the compliant ecosystem. We believe this will help us achieve our goal of 'Ethics beyond compliance'.

Committees of the Board

The Board comprises seven committees. Each committee shoulders a certain set of responsibilities to help the management achieve our strategic goals and create stakeholder value.

Committees	Responsibilities
Audit Committee	<ul style="list-style-type: none"> Reviews the Company's reporting process, its disclosures and valuation of undertakings or assets, whenever necessary Evaluates internal financial controls and Risk Management System Recommends the appointment, remuneration and terms of appointment of auditors Scrutinises inter-corporate loans Finances and Accounts, Internal Audit Team
Nomination and Remuneration Committee	<ul style="list-style-type: none"> Determines the Company's policy governing remuneration of the Managing Director, Whole-Time Directors and senior management and the nomination and appointment of Directors HR team
Corporate Social Responsibility Committee	<ul style="list-style-type: none"> Develops the Corporate Social Responsibility Policy, indicating the activities to be undertaken by the Company, recommends the expenditure to be made on such activities and monitors the CSR policy from time to time CSR team
Project Review Committee	<ul style="list-style-type: none"> Closely monitors the progress of projects, their cost and implementation schedule with the objective of timely project completion within the budgeted project outlay Considers deviations, if any, with a comprehensive note detailing the reasons for such deviation and its impact on viability parameters Project team



Committees	Responsibilities
Risk Committee	<ul style="list-style-type: none"> Reviews the Risk Management Policy from time to time and assesses the Company's risk profile and key risk areas Provides a methodology to identify and analyse the financial impact of loss to the organisation, employees, the public and the environment Risk Management team
ESOP Committee	<ul style="list-style-type: none"> Determines the employees eligible for participation in ESOP and the performance parameters for grant and/or vesting of options granted to employees HR and Accounts team
Finance Committee	<ul style="list-style-type: none"> Authorised to avail credit/financial facilities from banks/financial institutions/corporate bodies to alter/vary terms, conditions and repayment schedules, including premature payments of the credit/financial facilities availed from lenders, with or without premium on such payments Finances and Accounts team
Sustainability Committee	<ul style="list-style-type: none"> Responsible for the adoption of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs) in the business practices of JSW Cement Responsible for the adoption of all sustainability policies/standards Monitors the progress of business sustainability initiatives Sustainability team

Policies and frameworks

At JSW Cement, we have instituted policies and frameworks that ensure good governance, compliance and ethical conduct in accordance with the highest standards of governance and ensure an enabling, equitable work culture. These policies are regularly communicated to the management, employees and other stakeholders.

- Climate Change Policy
- Corporate Environment Policy
- Energy Management Policy
- Raw Materials Conservation Policy
- Water Resource Management Policy
- Wastewater Management Policy
- Air Emissions Policy
- Biodiversity Policy
- CSR Policy
- Indigenous People and Resettlement Policy
- Human Rights Policy
- Labour Practices and Employment Rights Policy
- Health and Safety Policy
- Remuneration Policy
- Whistle Blower Policy
- Anti-Bribery and Anti-Corruption Policy
- Corporate Environment Policy
- Board Evaluation Policy
- Nomination Policy
- Risk Management Policy
- Management Policy

Sustainability Governance

We have a Board level Sustainability Committee, which sets the direction of the sustainability efforts of the Company. It is responsible for the adoption and implementation of all sustainability policies/standards for the Company. It monitors our progress on business sustainability initiatives. It is also responsible for the adoption of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs) and amendments and updates. The efforts are then implemented by the corporate and plant sustainability teams.

The Sustainability Committee was formed on August 3, 2019 and currently consists of two Executive Directors and three Non-Executive Directors, two of whom are Independent Directors. The Company Secretary serves as the Committee's Secretary. The Committee met once during FY 2021-22, with participation from all members. The CFO and the members of the Sustainability Team are permanent invitees, while other employees are invited as and when they're required. The Sustainability Team presents its observations in front of the Committee.