MATERIALITY ASSESSMENT

Reaching a consensus on our core priorities

Materiality assessment is significant in identifying and incorporating our stakeholders' perspectives on issues that impact our business. In FY 2020-21, we conducted a comprehensive materiality assessment to understand and act on matters that ensure our long-term business viability.

Our materiality assessment follows a streamlined process of identifying, comparing and finalising material issues followed by mapping them out on the materiality matrix. A total of 410 responses were collected from our diverse groups of stakeholders, including our employees, the management, suppliers and vendors, customers, dealers and channel partners, community and NGOs, investors, the Government, regulators and policymakers.

Materiality assessment process

1

Define purpose, scope and stakeholders

The purpose of the materiality assessment process is to address business imperatives and expectations of key stakeholder groups. The scope of the study covers business operations across plants and geographic areas where we are present. Our key stakeholders are those groups of people who influence or get influenced by the Company's business operations.

2

Identify potential topics

Potential issues that are significant for the Company's operations are identified by desk-based peer review. We also consider topics of relevance as defined by various reporting frameworks and rating agencies.

Global frameworks and ESG rating agencies
Global reporting frameworks considered
GRI Standards, ⟨IR⟩ Framework, SASB material topics
ESG Rating Agencies
DJSI material topics, MSCI materiality map
Peer benchmarking
Indian and international cement companies

3

Stakeholder engagement survey

Questionnaires are developed for internal and external stakeholders which are used to seek their views. Topics for feedback are chosen based on their significance and impact on the organisation.

External stakeholder views
External stakeholders considered for the survey included the following:
› Customers, dealers, suppliers, vendors, local community, NGOs, government and associations, investors, market specialists and agencies
› Investor priorities assessed through desk-based research

Internal stakeholder views
Internal stakeholder engagement included the following:
› Senior management interviews to understand the Company's priorities
› Online employee engagement surveys across all management levels

4

Response analysis

Scores are analysed and validated to identify topics of critical importance to both internal and external stakeholders, after which a materiality matrix is developed.
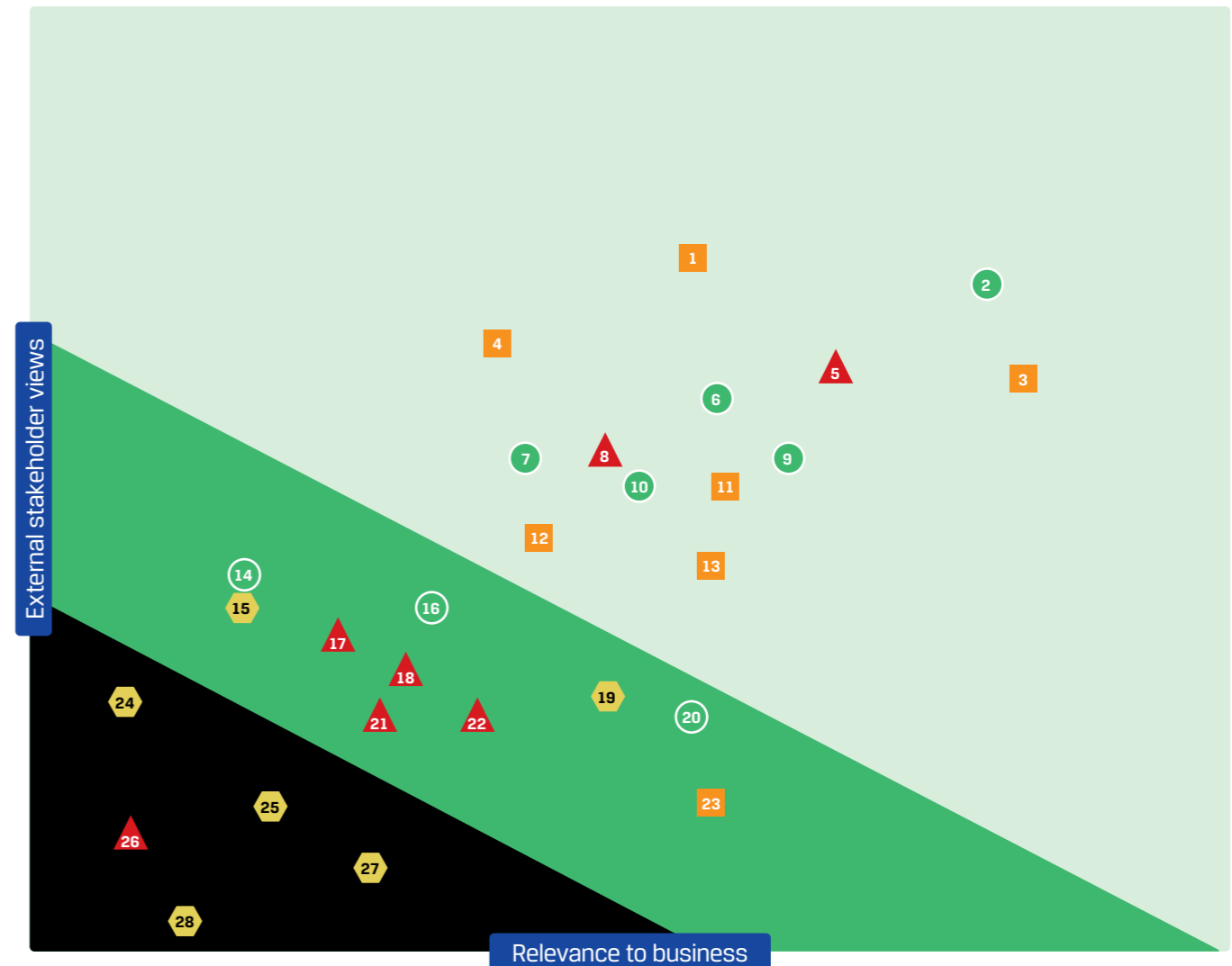
5

Prioritisation of issues

The outcome of the materiality matrix is further validated by the senior management to prioritise material topics.

6

Establish materiality matrix

The final materiality matrix is established which reflects the core issues for the Company.

Materiality matrix

1. Transport and logistics
2. Raw material conservation
3. Product quality
4. Return on invested capital
5. Occupational health and safety
6. Climate strategy
7. Circular economy
8. Human rights
9. Air emissions
10. Energy costs, efficiency and sourcing
11. Customer experience and satisfaction
12. Supply chain management
13. Sustainable products and innovation

14. Biodiversity and quarry rehabilitation
15. Corporate governance and compliance
16. Waste and effluent management
17. Employee diversity and inclusion
18. Labour issues
19. Information security & cyber security
20. Water management
21. Local community
22. Human development
23. Industry growth and stability

24. Fair competition
25. Direct economic impact on stakeholders
26. Land acquisition
27. Industrial relations
28. Dialogue and transparency