



MATERIALITY ANALYSIS

Environmental, Social and Governance issues impacting our businesses, value creation and stakeholders are analysed while identifying materiality issues and its impact. Based on this analysis we define strategic priorities and develop mitigating actions.

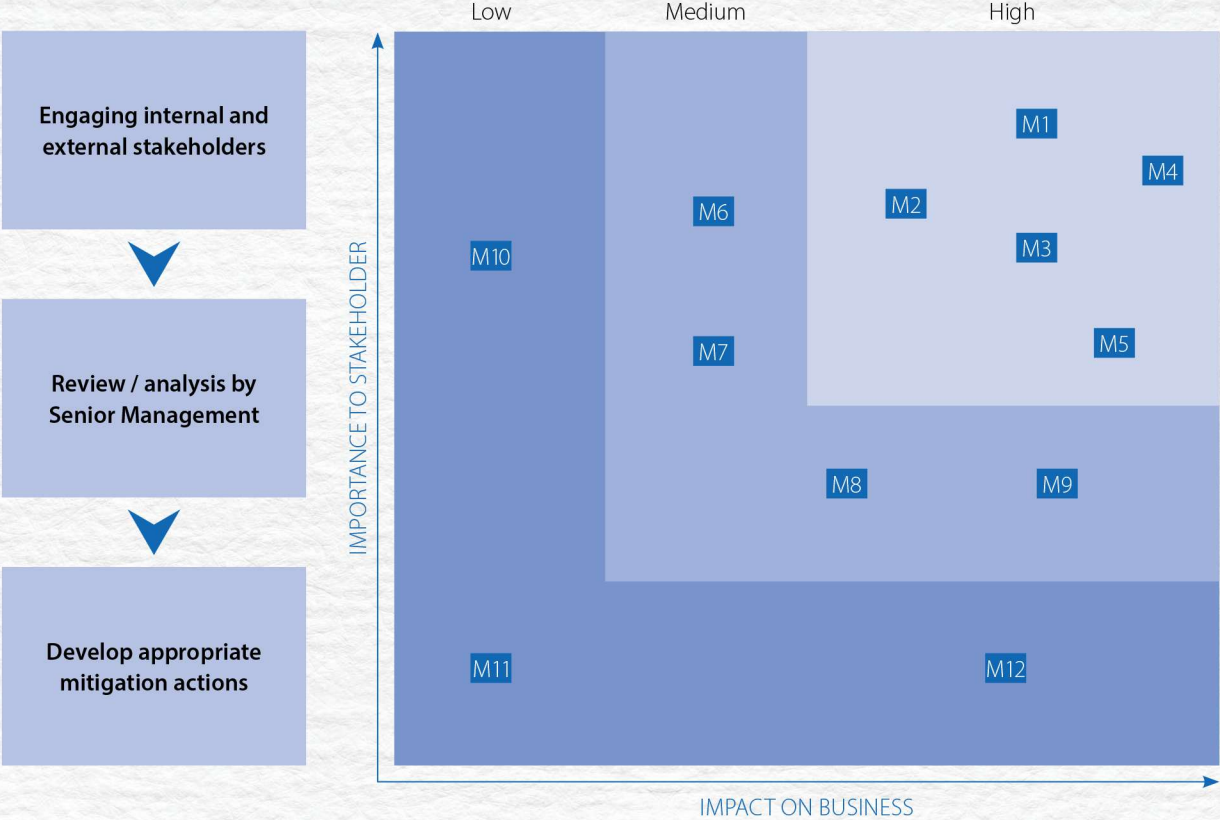
Materiality Analysis

The Company has a process of involving internal and external stakeholders for capturing materiality issues. Based on the inputs / feedback from relevant stakeholders, we plot the materiality matrix followed by review / analysis by Senior Management to identify key materiality issues and its impact on the Company to develop appropriate mitigation actions.

During FY 2021-22, the Company conducted value chain analysis of its operations including logistics (both inbound and outbound), manufacturing and customers. We have assessed various elements of the value chain on multiple parameters involving the teams concerned. Based on relevance, current context and criticality, further screening

was done to find out the degree (High, Medium, Low) of Financial, Environmental and Social impact of our operations and develop appropriate mitigation plans to further strengthen the value chain by minimising the impact.

Approach to finalise material matters



Evaluation of Material Topics

HIGH CRITICAL AREAS

- M1 Health & Safety
- M2 Process and Product Innovation
- M3 Supply Chain
- M4 Management of the Legal & Regulatory Environment
- M5 Climate Change Mitigation and Adaptation

MEDIUM CRITICAL AREAS

- M6 Governance & Ethics
- M7 Human Capital Development
- M8 Pollution Prevention
- M9 Access to Technology

LOW CRITICAL AREAS

- M10 Community Relation
- M11 Energy Efficiency of Operations
- M12 Diversity, Engagement, Benefits & Retention

Mitigation Plans for Highly Critical Material Issues

Material aspects and its context	Impact on our value creation	Mitigating actions
M1 Health & Safety	Adverse incidents (loss of life, lost days, damage to assets, environment) due to safety gaps may impact business operations, reputation, relationships	<ol style="list-style-type: none">Continual improvement in responsible manufacturing and lead indicator trackingLeadership forums and stakeholder engagement to promote safety cultureDigitalisation and data analyticsSafety risk assessment and auditImplementation of Process Safety Management and Behaviour-based Safety
M2 Process and Product Innovation	<ol style="list-style-type: none">Navigate technological and market uncertaintyFaster business growthOffer more opportunities to employeesIncrease in profitabilitySatisfaction of internal and external stakeholders	<ol style="list-style-type: none">R&D centre and Pilot plant facilityDedicated team for technology transferRobust product and process studies conducted from early stageFrequent reviews of product pipeline development
M3 Supply Chain	<ol style="list-style-type: none">Business continuityMarket reputationCommitment to customers	<ol style="list-style-type: none">Identify new sources and optimise procurement actions to ensure continued productionInvest in new capacities to manufacture quality productsOptimising outbound logistics and modes to enhance customer service and reduce freight cost
M4 Management of the Legal & Regulatory Environment	<ol style="list-style-type: none">Loss of reputation, PenaltiesBusiness continuity, Customer commitmentSatisfaction of internal and external stakeholdersLong-term adverse direct or indirect environmental and social impact	<ol style="list-style-type: none">Digitally enabled regulatory compliance trackingReview of new requirementsPeriodical assurance to the Board/Audit Committee/Senior Management
M5 Climate Change Mitigation and Adaptation	Climate change can directly and indirectly impact the operations across the value chain right from operational efficiencies to logistics	<ol style="list-style-type: none">Reduce absolute carbon emission by 30% by 2030Development of Green process chemistriesDevelop products of drought resistance and lower water usage during crop life cycleWater recycle and reuse in manufacturingWaste minimisation



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Addressing Medium and Low Critical Material Aspects

M6 Governance and Ethics	Our Business is run on the ethos of the Tata Code of Conduct. Ethical Business is one of the most important elements in Governance and highest importance is given to ensure compliance
M7 Human Capital Development	Human Capital is key to the success of business and employee engagement and competence plays a vital role in organisational development. Various human development programs ensures availability of competent and skilled workforce
M8 Pollution Prevention	Protecting the environment continues to be vital for sustainable development of chemical industries and we make sure that all necessary controls are in place for maintaining clean and green environment in and around our locations
M9 Access to Technology	Access to technology makes the organisations competitive. We focus on working on new technologies / processes to become competitive while utilising cleaner chemistries
M10 Community Relations	We undertake social initiatives to drive socio-economic development, protect the environment and support communities during emergencies / disasters. This ensures business and societal growth
M11 Energy Efficiency of Operations	The Company has taken various initiatives towards optimising the energy consumption and maximising the use of renewable energy
M12 Diversity, Engagement, Benefits and Retention	We continue to review and strengthen our people policy to further improve diversity and remain in the top quadrant as far as employee engagement is concerned