

Material Issues Impacting Value Creation

Materiality assessment plays an important role in shaping the ESG journey and enhancing the ability to create value for our stakeholders. We strive to understand and resolve the key material issues that impact our business, to achieve long-term success as a responsible and sustainable business.

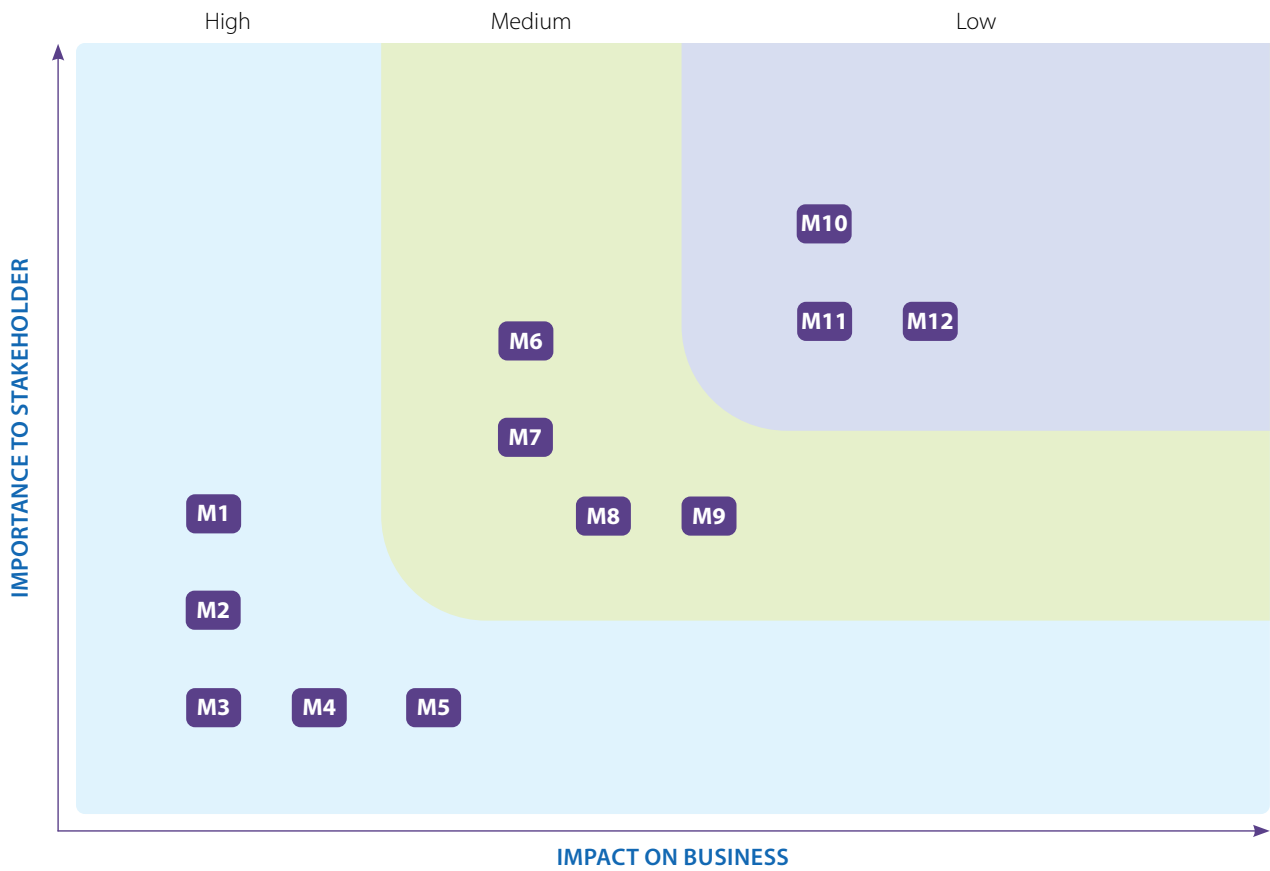
Materiality Analysis

Materiality analysis helps us identify where we can provide the most value and drive our strategy and where we should focus our efforts and allocate resources.

Identifying material issues	Identified materiality issues based on global standards stakeholder inclusion and aligning them with our goals and objectives
Evaluating current status	Study of internal and external factors, product value chain and SWOT (all group companies) analysis <ol style="list-style-type: none"> 1. Engaging with internal cross-functional teams 2. Evaluating the long-term strategy plan for SBTi 3. Progressing to Net Zero Carbon emission
Mapping ambitions	<ol style="list-style-type: none"> 1. Prioritising actionable themes for now and for 2030 2. Revamping the strategy to align with all geographies
Identifying critical and key action areas	Prioritising the key areas into short, medium and long-term needs as per internal and external stakeholders' relevance

Approach to Finalise Material Matters





Material Topics Selected for FY 2022-23

Highly Critical Areas

- M1** Health & Safety
- M2** Process and Product Innovation
- M3** Supply Chain (Materials Sourcing, Strategy and Policies & Logistics)
- 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 (Wastewater Management and Treatment of Air Emission)
- M9** Access to Technology

Low Critical Areas

- M10** Community Relation
- M11** Energy Efficiency of Operations and End Products
- M12** Diversity, Engagement, Benefits and Retention

Importance of Material Issues in Business Context and How We Address Them

M1 Occupational Health and Safety Management

Employees face risks of working with hazardous chemicals at chemical plants, occupational health and safety (OHS) and complacent individual behaviour

Impact

Adverse incidents (loss of life, lost days, damage to assets, environment) due to safety gaps may impact business operations and reputation and relationships

Mitigation

1. Continual improvement in responsible manufacturing and lead indicator tracking
2. Leadership and stakeholder engagement to promote safety culture
3. Digitalisation and data analytics
4. Safety risk assessment and audit
5. All sites are ISO 45001:2018 certified
6. Provide regular safety training for our permanent and contractual employees

M2 Process and Product Innovation

Impact

1. Strengthening the portfolio helps transform the earnings profile and diversify the risks
2. Offer more opportunities to employees

Mitigation

1. Our R&D team remained focussed on developing products to address portfolio gaps and marketing opportunities
2. We incorporate responsible practices across our product lifecycle approach and hold training programs

M3 Supply Chain

Impact

Can impact the business continuity and affect customer commitment as well as reputation loss

Mitigation

1. We invest in new capacities and maintain existing ones to manufacture quality products. These investments also help manage our environmental footprint
2. Optimising outbound logistics and modes to enhance customer service and reduce freight cost
4. Enhanced active ingredients manufacturing capacities, completed new formulation plant and progressed on construction of the multi-purpose plant
5. Enhanced reach in Crop Care through dealer network realignment

M4 Management of the Legal & Regulatory Environment

Impact

Loss of reputation and penalties and business continuity

Mitigation

1. A digitally-enabled regulatory compliance tracking is in place with periodic review of new requirements
2. Assurance on the same is provided to the Board / Committee of Board

M5 Climate Change Mitigation and Adaptation

Impact

Climate change can directly and indirectly impact the business and operations across the value chain right from operational efficiencies to logistics

Mitigation

1. Reduce absolute climate emission by 30% by 2030
2. Develop green process chemistries
3. Target waste minimisation, water recycling
4. Develop products to address abiotic and biotic stress