# Managing Material Matters and Aligning Priorities

We have a structured and systematic process to identify, analyse and manage material matters. This helps us in better understanding the impact of our business on stakeholders and vice-versa, and thus aligns priorities to drive our value creation.

Materiality analysis

In FY 2020-21, we had conducted a product level value chain analysis for TCL India and Rallis operations in a phased manner covering extraction, inbound logistics, production, outbound logistics and customer. Based on this, criticality screening was done to identify and prioritise material issues as well as identify actionable topics to strengthen the value chain.

In FY 2021-22, we have internally revisited these material topics in line with various global frameworks such as TCFD, DJSI, SASB and GRI, key material global trends of chemical industry and peer industry benchmarking. Their relative importance was accordingly updated in the materiality matrix basis these findings along with continuous status analysis. Further, internal strategy meets and deep dives were undertaken to analyse the material topics with our teams.

We have also developed a structured roadmap and focus on increased engagement with respective stakeholders to address critical aspects.
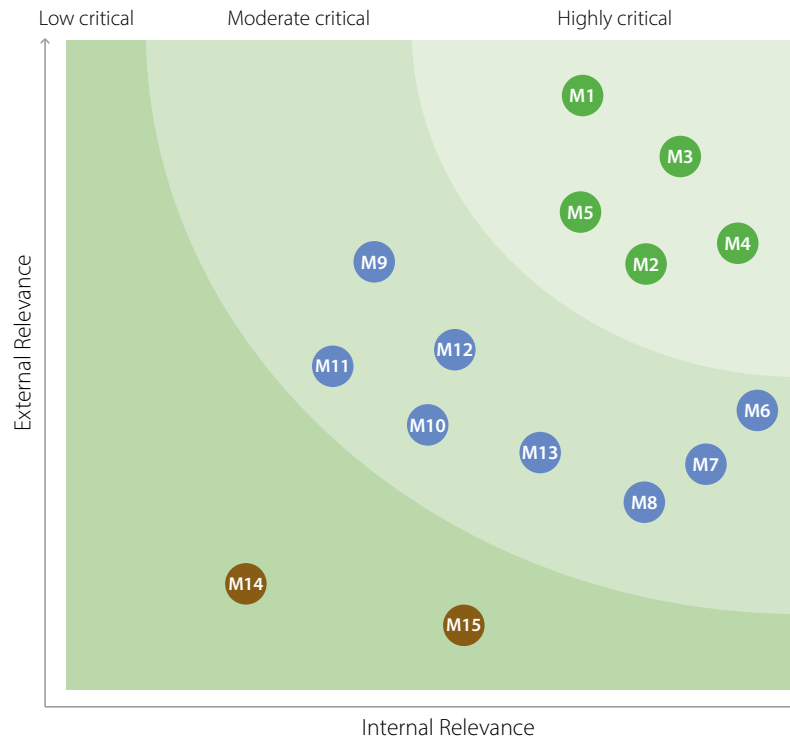
Material issues FY 2021-22 and their criticality

Highly critical

M1 Circular economy	M2 Biodiversity	M3 Climate change
M4 Health & safety	M5 Energy efficiency	

Moderate critical

M6 Customer engagement	M7 Community relations & engagement	M8 Product stewardship	M9 Human capital development
M10 Spills	M11 Diversity	M12 Ethics & governance	M13 Employee engagement

Low critical

M14 Logistics	M15 Employee benefits & retention

TCFD - Task Force on Climate-Related Financial Disclosures; DJSI - Dow Jones Sustainability Indices; SASB - Sustainability Accounting Standards Board; GRI - Global Reporting Initiative

Addressing the material issues
Highly critical material matters

Material matters	Areas focussed	Mitigating actions
M1 Circular economy	Water, effluents and waste management	■ Emphasis on enhancing recycling of water and become net water positive ■ Reduce waste materials and aim to ensure zero waste to landfill ■ Transporting Soda Ash in bulker to reduce plastic packaging ■ Using plastic waste as fuel in cement kiln ■ Community watershed management and rainwater harvesting
M2 Biodiversity	Biodiversity and ecosystem preservation	■ Biodiversity conservation and restoration programmes ■ Biodiversity baseline assessments ■ Biodiversity policy in place
M3 Climate change	GHG (carbon and air) emissions	■ Net Zero Pathway planned ■ Capturing carbon emissions to produce Sodium Bicarbonate ■ Enhancing green chemistry ■ Progressing towards using alternate fuels
M4 Health & safety	Safe work environment, emergency preparedness, digitised reporting	■ Focussed actions on zero harm ■ Safety assessments and audits ■ Digitalisation and data analytics
M5 Energy efficiency	Process optimisation, cleaner fuel transition, energy efficiency	■ Energy savings through process efficiency & redesign, conversion and retrofitting of equipment ■ Increasing the mix of renewable energy

M6

Customer engagement

We are a customer-centric organisation. We regularly engage with customers to meet their needs of value-added products and ensure responsive services. We also leverage digital platforms to enable them to seamlessly connect with us. Initiatives like meets with senior leaders and joint business development plans are undertaken to collaboratively grow businesses. These efforts help maximise customer satisfaction and ensure higher retention.

M8

Product stewardship

We have expertise in science-based R&D. We are increasingly channelling it towards developing products that are more sustainable in terms of resource consumption and the positive impact they have on the planet. We are also collaboratively working with supply chain towards making our operations safer and more sustainable across the value chain. This focus on product stewardship is strengthening our brand reputation and positioning us attractively in a market where customers are increasingly seeking sustainable products.

M7

Community relations & engagement

We maintain amicable relations with the communities near our plants. We ensure that our operations do not in any way cause harm to them or to the local biodiversity. We are undertaking efforts to improve their socio-economic standards including creating livelihood opportunities, targeting health and well-being and encouraging education. Support is also provided during any kind of emergencies.

M9

Human capital development

In a challenging and evolving landscape, it is essential to have people with right and future-ready skills. We run several learning and development programmes to achieve this. We are also leveraging digital platforms to enable mass learning. Further, various leadership development interventions under Future Ready – Future Engaged framework and Managerial Capability Development programmes are being undertaken. These efforts are driving organisational productivity and strengthening our competitiveness.

Spills

M10

Our business deals with chemicals, the spillage of which can cause damage to the environment. We have implemented best practices for safe product handling across value chain of manufacturing, storage, logistics and distribution. We also support and train our distribution network in adopting such practices. Systems have been put in place for tracking and assessing incidents relating to product spills, transport accidents and quality of product and packaging to take corrective actions on time. Our constant efforts have prevented serious incidents and thereby protect our reputation.

Diversity

M11

Being a company engaged in diverse businesses and geographies, it is important for us to attract people having diverse skill-set and knowledge and encourage them to work together as a team. Our programmes of Tata LEAD and Tata Affirmative Action helps drive diversity across race, sex and age. We also encourage women participation through supportive policies and by ensuring balanced hiring. Our diversity focus is driving innovation index and enabling us to solve the challenges of the world, thus making our business more competitive.

Ethics & Governance

M12

Our stakeholders trust us and associate with us because of our reputation of integrity and ethical practices. We strictly abide by the Tata Code of Conduct and have zero tolerance policy for any unethical practices. We engage with all our supply chain partners on such policies including those relating to human rights, anti-bribery & anti-corruption and sexual harassment. We are constantly benchmarking ourselves to global best practices and frameworks to strengthen our governance practices.

Employee Engagement

M13

Highly engaged employees are committed to the organisation and keen to take up responsibility. We achieve this through programmes on health, safety and wellness, and also by appropriately rewarding and recognising their contributions. We undertake to improve people policies basis their feedback. Regular surveys are undertaken to understand their concerns and satisfaction levels. Our Board members also connect with some of them. These actions are driving employment engagement scores and making Tata Chemicals a great place to work.