

Building trust at every stage



Stakeholder Engagement

At Airtel, aligning with stakeholders' expectations, needs, and aspirations is at the core of our purpose. We firmly believe that understanding our stakeholders is imperative to building trust while responding to the opportunities and challenges created by the market.

Our stakeholder Engagement framework outlines an approach to engage and work with our stakeholders and is applicable to all our operating entities and functions across the corporate and regional levels.

The primary focus of our framework is to:

- ▶ **Facilitate our ability to understand stakeholder concerns and interests, and incorporate them into our processes and activities**
- ▶ **Improve the way we communicate and engage with our stakeholders, including enhancing the clarity, accessibility, relevance, and timeliness of our communication throughout our engagement processes**
- ▶ **Continue enhancing stakeholders' trust and confidence in our processes, decisions, and activities**

Airtel's Stakeholder Engagement Procedure

The stakeholder engagement process has been tailored to promote a culture of ongoing engagement with every stakeholder group and build a positive relationship with them. The formal engagement process begins with identifying, analysing, and prioritising different stakeholder groups.

Stakeholder Engagement Process

Stakeholder Identification And Prioritisation

The stakeholder identification is based on a strategic understanding of stakeholder groups that are impacted by Airtel and have an influence on our value creation.

Stakeholder Engagement

We have developed customised stakeholder engagement strategies to engage all our stakeholders based on their importance and impact

Understanding Stakeholder Concerns

Our effective stakeholder engagement enables our stakeholders to raise their concerns relevant to our business. We then focus on addressing every concern raised in this process in a timely and dedicated manner

Develop Strategic Response

We develop strategic action plans to align our stakeholder expectations with our business activities

Besides ongoing stakeholder engagement, we partner with competent external experts to effectively engage with certain stakeholders, such as local communities and vulnerable groups. They are responsible for collecting information from stakeholders, to understand their needs and expectations and also ensure that necessary capacity building of stakeholders is undertaken to effectively collaborate with them. A thorough review and analysis of formal stakeholder engagement feedback is done via external consultants to gauge the success of the exercise and continually improve engagement activities.



Stakeholder engagement and outcomes

Stakeholders		Value proposition	Why they are important to us
	Customers	<ul style="list-style-type: none"> > Service quality > Data protection > Innovation through strategy and technology 	<ul style="list-style-type: none"> > Revenue growth and generation > Streamline goals and processes > Demand-led innovation
	Investors	<ul style="list-style-type: none"> > Return on investment > Short term and long-term financial viability > Risk management 	<ul style="list-style-type: none"> > Respond to queries of investors on operations of the company > Bring transparency with the community of existing and potential investors
	Suppliers	<ul style="list-style-type: none"> > Fair trade practices > Protecting interests and providing opportunities to minority suppliers > Sustainable supply chain 	<ul style="list-style-type: none"> > Operations without barriers > New developments and innovation > Competitive – stay ahead based on quality, technology, pricing, quality appearing twice
	Employees	<ul style="list-style-type: none"> > Performance review and feedback > Training and development > Health, safety and well-being 	<ul style="list-style-type: none"> > Drivers to achieve the target set for them > Satisfied and engaged employees perform good at work > Right talent gives us competitive advantage
	Channel Partners	<ul style="list-style-type: none"> > Skill development > Capacity building > Promoting innovation of products and services 	<ul style="list-style-type: none"> > Boosting productivity > Increased loyalty and engagement > Lead generation
	Network Partners	<ul style="list-style-type: none"> > User satisfaction and productivity > Enhancing and expanding network quality > Optimising energy efficiency 	<ul style="list-style-type: none"> > Increase reach of service > Revenue growth > Addressing social and environmental issues > Improving environmental footprint
	Regulatory Bodies	<ul style="list-style-type: none"> > Formulation of policies and procedures to shape the present and future of business for its growth and development 	<ul style="list-style-type: none"> > To ensure smooth operation of the Company, we need to abide to various regulations > Licencing and permissions > Sector sustainability
	Community/NGOs	<ul style="list-style-type: none"> > Transform the lives of children and youth through education > Improving sanitation conditions and awareness about health and hygiene among community members and educational institutions > Promoting employment of local youth as teachers, e-learning as well as community-awareness on girl child's education 	<ul style="list-style-type: none"> > To create long lasting value for societies > To partner with the government, educational institutions and local communities to help address key challenges



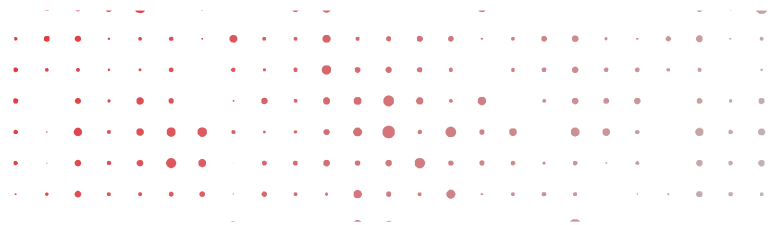
Financial capital



Social & Relationship capital



Manufactured capital



How we engage with them	Key material issues	Capital linkage
<ul style="list-style-type: none"> > Airtel Stores and contact centres across operational cities > Email, SMS communication and Company website > Social media engagement > Airtel Thanks App 	<ul style="list-style-type: none"> > Network quality, expansion, and transformation > Innovation in products and services > Information security and customer data privacy > Enhancing customer experience and satisfaction > Resource efficiency and waste management > Fair marketing and advertising 	
<ul style="list-style-type: none"> > Annual General Meeting > Face-to-face and electronic correspondence > Press briefings > Analyst meets > Earning calls 	<ul style="list-style-type: none"> > Regulatory compliance > Corporate governance and business ethics > Climate change, energy efficiency and emission reduction 	
<ul style="list-style-type: none"> > Supplier audits > Supplier awards > Face-to-face and electronic correspondence 	<ul style="list-style-type: none"> > Sustainable supply chain management > Green ICT solutions > Innovation in products and services 	
<ul style="list-style-type: none"> > Annual employee surveys > Skip level meetings > Regular employee communication forums 	<ul style="list-style-type: none"> > Employee health and well-being > Talent attraction and human capital development > Diversity and inclusion > Innovation in products and services > Promoting human rights 	
<ul style="list-style-type: none"> > Superior commission and reward scheme > Sustained marketing support > Extensive product portfolio 	<ul style="list-style-type: none"> > Sustainable supply chain management > Enhancing customer experience & satisfaction > Network quality, expansion and transformation 	
<ul style="list-style-type: none"> > Online portal > Training modules and partner documents > Face to face interactions 	<ul style="list-style-type: none"> > Network quality, expansion, and transformation > Climate change, energy efficiency and emission reduction > Sustainable supply chain management 	
<ul style="list-style-type: none"> > Face-to-face and electronic correspondence > Public policy - Advocacy > Making representations whenever needed 	<ul style="list-style-type: none"> > Corporate governance and business ethics > Regulatory compliances > Information security and customer data privacy 	
<ul style="list-style-type: none"> > Field-visits and volunteering work including e-volunteering > Reviewing program achievements and impact/outcomes > Direct stakeholder consultation 	<ul style="list-style-type: none"> > Corporate citizenship and community development > Regulatory compliances > Digital inclusion and enhanced access to ICT > Water efficiency 	



Intellectual capital



Natural capital



Human capital

Materiality Assessment

As a responsible business, we understand and address material issues that are relevant to our business and raised by our stakeholders to achieve long-term success. Materiality assessment enables us to identify, prioritise, track, and report the most important sustainability issues, which plays a critical role in our sustainability strategy development process. At Airtel, we consider materiality in the context of global trends, emerging risks and opportunities, our overall corporate strategy as well as the needs and expectations of our stakeholders. Therefore, we continuously engage with our stakeholders, review global sustainability standards such as GRI, SASB, TCFD and SDGs and industry best practices, benchmark our own performance and evaluate risks and opportunities facing our business, in order to further strengthen our sustainability strategy.

How we assess Materiality

We engage with our internal and external stakeholders to have an improved understanding of the issues that directly impact our ability to create value. We conduct materiality assessment every two years through an independent external agency, considering the following three aspects:

Overview of our approach



Methodology for Materiality Assessment

In keeping with Airtel's philosophy to evolve and meet stakeholder expectations, Airtel had conducted a comprehensive materiality assessment exercise in FY 2020-21, including internal and external stakeholder engagement, as per GRI Standards and guided by Accountability's AA1000 principles (2018).

Desk Review to Identify Material Issues

A comprehensive desk review was carried out to identify a set of material topics relevant for Airtel. This included:

Trends on horizon

Review of current and emerging telecom industry trends, business risks and priorities

Benchmarking best practices

Review of peer practices in Indian and global markets to identify sector-specific ESG material issues

Stakeholder Engagement to Priotise Material Issues

External Objectives:

- › Understand the key concerns and expectations of relevant stakeholders, along with their level of satisfaction in engaging with Airtel
- › Incorporate their perception of important material issues into the materiality assessment, in order to prioritise the material issues
- › Identify and prioritise material issues

Process:



Mapping the existing stakeholders

Stakeholders who can impact or influence the organisation



Prioritisation of stakeholders

Structured and open-ended questionnaires were designed and rating scale-based survey was conducted



Analysis of responses

Responses were collated and material issues were prioritised.

External stakeholders engaged:

Customers, investors, suppliers & vendors, channel partners, network partners, Non-profit organisation and regulatory bodies

Internal Objectives:

- › Understand top management vision on business goals and priorities and understand the emerging risks and opportunities for Airtel
- › Ascertain how sustainability issues feature in the risk radar of the organisation across different departments
- › Incorporate their perception of important material issues into the materiality assessment

Process:



Questionnaire development

Questionnaire was designed and online surveys undertaken to engage with internal stakeholders



Stakeholder consultation

Interviews conducted with all identified stakeholders



Analysis of results

Analysed to understand business priorities and prioritise material issues

Results

Data Analysis

Survey results were aggregated to draw inferences on the areas of concern for the stakeholders, and material topics of priority for them.

The insights gathered through external and internal stakeholder engagement were analysed and synthesised with the findings from desk review to develop the materiality matrix.

Prioritised material topics

Arrived at the final list of material topics for Airtel from both management and stakeholder view, further categorised as per level of priority (Critical-High-Low).

Material Issues

Dynamic management of risks has enabled Airtel to grow and innovate, keeping it ahead of competition. The materiality assessment exercise unlocks the parameters for risk assessment and is integrated across all levels of management in the Company. These material issues are dynamic, and they change based on changes in our external operating environment and the evolving expectations of our stakeholders.

To identify material topics relevant to Airtel a comprehensive desk review was undertaken, comprising of a review of current and emerging industry trends, business risks and opportunities, and practices of peer companies in Indian and global markets. The identified topics were further prioritised based on their significance to Airtel and its key stakeholders, considering their key concerns and expectations. The element of significance to the organisation considered the Company's business goals, impacts and long-term strategic objectives.

Basis the above materiality assessment exercise, 18 material topics have been identified: the relative significance of issues is depicted through the materiality matrix.




























Airtel materiality matrix





List of Material Issues

The identified material issues have further been aligned with the Sustainable Development Goals that relate most closely to Airtel's business and vision, as below:

Material Issues	SDGs Impacted
1. Information security and customer data privacy	 
2. Talent attraction and human capital development	 
3. Corporate governance and business ethics	
4. Climate change, energy efficiency and emission reduction	 
5. Enhancing customer experience and satisfaction	
6. Network quality, expansion and transformation	 
7. Regulatory compliance	
8. Innovation of product and services	
9. Employee health and well-being	
10. Diversity and inclusion	  
11. Sustainable supply chain management	 
12. Promoting human rights	 
13. Corporate citizenship and community development	 
14. Resource efficiency and waste management	
15. Fair marketing and advertising	 
16. Digital inclusion and enhanced access to ICT	
17. Water efficiency	
18. Green ICT solutions	