Materiality Assessment and Stakeholder Engagement

Fulfilling expectations through constant 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.

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Stakeholder engagement and outcomes

Stakeholders	Value proposition	Why they are important to us	How we engage with them	Key material issues	Capital linkage
Customers	▪ Service quality ▪ Data protection ▪ Innovation through strategy and technology	▪ Revenue growth and generation ▪ Streamline goals and processes ▪ Demand-led innovation	▪ Airtel Stores and contact centres across operational cities ▪ Email, SMS communication and Company website ▪ Social media engagement ▪ Airtel Thanks App	▪ 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	
Investors	▪ Return on investment ▪ Short term and long-term financial viability ▪ Risk management	▪ Respond to queries of investors on operations of the company ▪ Bring transparency with the community of existing and potential investors	▪ Annual General Meeting ▪ Face-to-face and electronic correspondence ▪ Press briefings ▪ Analyst meets ▪ Earning calls	▪ Regulatory compliance ▪ Corporate governance and business ethics ▪ Climate change, energy efficiency and emission reduction	
Suppliers	▪ Fair trade practices ▪ Protecting interests and providing opportunities to minority suppliers ▪ Sustainable supply chain	▪ Operations without barriers ▪ New developments and innovation ▪ Competitive – stay ahead based on quality, technology, pricing	▪ Electronic correspondence ▪ Partner Portal ▪ Company Website ▪ Annual Confluence ▪ Meetings/Governance/Review ▪ Sustainability Awareness session	▪ Sustainable supply chain management ▪ Green ICT solutions ▪ Innovation in products and services	
Employees	▪ Performance review and feedback ▪ Training and development ▪ Health, safety and well-being	▪ Drivers to achieve the target set for them ▪ Satisfied and engaged employees perform good at work ▪ Right talent gives us competitive advantage	▪ Annual employee surveys ▪ Skip level meetings ▪ Regular employee communication forums	▪ Employee health and well-being ▪ Talent attraction and human capital development ▪ Diversity and inclusion ▪ Innovation in products and services ▪ Promoting human rights	
Channel Partners	▪ Skill development ▪ Capacity building ▪ Promoting innovation of products and services	▪ Boosting productivity ▪ Increased loyalty and engagement ▪ Lead generation	▪ Superior commission and reward scheme ▪ Sustained marketing support ▪ Extensive product portfolio	▪ Sustainable supply chain management ▪ Enhancing customer experience & satisfaction ▪ Network quality, expansion and transformation	
Network Partners	▪ User satisfaction and productivity ▪ Enhancing and expanding network quality ▪ Optimising energy efficiency	▪ Increase reach of service ▪ Revenue growth ▪ Addressing social and environmental issues ▪ Improving environmental footprint	▪ Online portal ▪ Training modules and partner documents ▪ Face to face interactions	▪ Network quality, expansion, and transformation ▪ Climate change, energy efficiency and emission reduction ▪ Sustainable supply chain management	
Regulatory Bodies	▪ Formulation of policies and procedures to shape the present and future of business for its growth and development	▪ To ensure smooth operation of the Company, we need to abide to various regulations ▪ Licencing and permissions ▪ Sector sustainability	▪ Face-to-face and electronic correspondence ▪ Public policy - Advocacy ▪ Making representations whenever needed	▪ Corporate governance and business ethics ▪ Regulatory compliances ▪ Information security and customer data privacy	
Community/ NGOs	▪ 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	▪ To create long lasting value for societies ▪ To partner with the government, educational institutions and local communities to help address key challenges	▪ Field visits and community meetings undertaken by Bharti Foundation during the implementation and program operations	▪ Corporate citizenship and community development ▪ Regulatory compliances ▪ Digital inclusion and enhanced access to ICT	

Financial capital | Social and Relationship capital | Manufactured capital | Intellectual capital | Natural capital | Human capital

Materiality Assessment and Stakeholder Engagement

Materiality Assessment

Materiality assessment enables the Company to identify, prioritise, track, and report the most important sustainability issues that play a critical role in our sustainability strategy development process. Airtel as a responsible business organisation understands and addresses the material issues that are relevant to its business operations and the stakeholders to achieve long-term success. Embedding materiality aspects will enable the stakeholders to make more informed decisions about Airtel's impact (on environment and society), opportunities and risk profile, and enable the Company to effectively manage its sustainability risks and opportunities.

Airtel regularly engages with its stakeholders, gaining insights and reviewing new developments on various sustainability frameworks and market updates to understand the emerging risks and their potential impact on its business. In addition, Airtel considers telecom industry-specific material issues, along with various ESG rating assessments. This process helps in the identification of additional material issues, if any, build strategies and create value-creation approaches.

How is materiality assessed at Airtel?

The Company engages with its internal and external stakeholders to have an improved understanding of the material issues that could directly impact its ability to create value. A materiality assessment is conducted every two years through an independent external agency, based on three aspects:

Airtel undertook a comprehensive materiality assessment exercise, which was conducted by professional consultants, who worked closely with the Company's internal and external stakeholders, following GRI Standards and guided by Account Ability'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 to Airtel. This included:

Trends on the 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, indices, and sustainability frameworks to identify sector-specific sustainability material issues

Stakeholder consultation was undertaken to prioritise material Issues

External stakeholder consultation

Objectives

To understand the key concerns and expectations of relevant stakeholders, along with their level of satisfaction in engaging with Airtel and incorporate their perception of important material issues into the materiality assessment

Category of stakeholders engaged

Customers, investors, suppliers and vendors, channel partners, network partners, non-profit organisations and regulatory bodies

Internal stakeholder consultation

Objectives

- To understand top management's vision on business goals and priorities and understand the emerging risks and opportunities for Airtel
- To ascertain how sustainability issues feature in the risk radar of the organisation across different departments
- To incorporate their perception of important material issues into the materiality assessment

Category of stakeholders engaged

Senior management from internal functions – secretarial, customer experience, human resources, operations – networks, Data Centers, facilities, supply chain management, risk team, information security, product team, corporate communications, ombuds, Bharti Foundation

Process

Mapping the existing stakeholders

Map the stakeholders who can impact or influence the organisation

Questionnaire development

Questionnaire were designed, and online surveys undertaken to engage with internal stakeholders

Stakeholder consultation

Interviews were conducted with all identified stakeholders

Outcomes of external and internal stakeholder consultation

Prioritisation of material topics

The final list of material topics for Airtel was arrived at after an in-depth analysis of the results of internal and external stakeholder consultation. Management perspective was obtained to further categorise the material topics as per the level of priority (Critical-High-Moderate).

Data analysis

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

Materiality Assessment and Stakeholder Engagement

Material issues

The materiality assessment helps identify risk parameters that are integrated across all management levels within Airtel. These material issues are dynamic, and they vary based on changes in our external operating environment and the evolving expectations of our stakeholders. A total of 18 material issues were identified (depicted here in the form of a materiality matrix). The matrix categorises these material issues in order of critical, high and moderate significance to the organisation and its stakeholders.

Airtel materiality matrix

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

E Environment | S Social | G Governance

Critical | High | Moderate

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:

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

Bharti Airtel Limited (Airtel), like any other company, operates in a dynamic external environment that constantly faces challenges and opportunities. We are aware of the need for businesses to review and report the potential impact of environmental and social issues on their overall business performance. For Airtel, key externalities, which we closely observe and follow to mitigate any adverse impacts, are listed in our Risk Mitigation Framework (refer to page 52 of this Integrated Report). A close review of the internal and external factors affecting Airtel's business operations facilitates a more comprehensive understanding of a company's impact and development of the risk profile. This helps the investors make more informed decisions and enables us to manage their sustainability risks and opportunities in an optimum manner.