

Theme of the Month
“Materiality & Stakeholder Engagement”



GRI defines MATERIALITY as Opportunities and Risks which are

most important to stakeholders, the economy, environment, and society, or the reporting organization, and therefore merit particular focus in a sustainability report.” Materiality assessment has moved to the center of sustainability reporting. One of the most important and fundamental guiding principles in the GRI is the concept of materiality. An organization should report sustainability issues that cause the most significant economic, environmental and social impact. In the process of determining material issues, an organization should ac-

tively engage with its stakeholders (both internal and external), and consider the topics and issues within the organization’s boundary and the given time period. For issues that can be measured quantitatively such as greenhouse gas emissions or environmental pollution, there are established methods such as environmental impact assessment (EIA) and life cycle assessment (LCA) to analyze significant impact. For issues that are qualitative in nature, organizations can use methods such as stakeholder engagement, internal reflection and prioritization exercises to assess materiality.

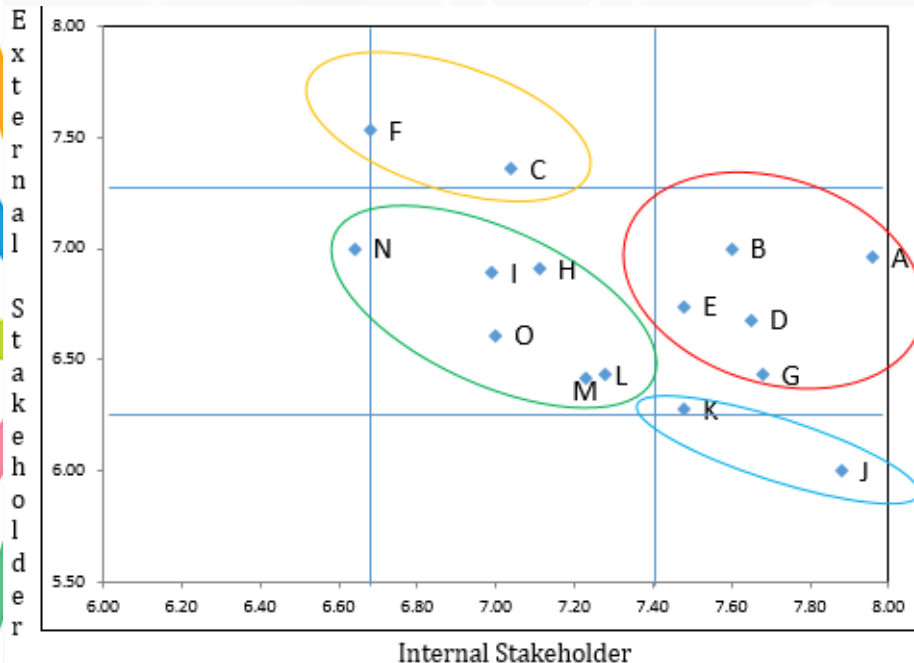
- Mr. Sudhir Yagnik
(Chief Finance Officer)

We are pleased to release the 3rd consecutive issue of sustainability flyer. This month’s topic is Materiality & Stakeholder Engagement [MTSE] Gone are those days when important strategic business decisions were used to be taken by top management & board alone. In today’s times the external surrounding is so fast changing & can have severe impacts on business. Now we are required to take in to account the views of stakeholders like customers, suppliers, investors, local community in & around. Which is the most important or relevant priority [material] for business is now decided by taking in to consideration the feedbacks from above mentioned internal & external stakeholders. In course of taking feedbacks, a lot of interaction takes place which helps to engage us directly with various

stakeholders. This increased reciprocal communication develops a better platform of understanding. We are in a position to capture early warning signals towards business risks if any. Materiality & Stakeholder Engagement today is a very advanced technique. At MSSSPL, MTSE is driven by Mr. Pramod Ingle & team. Please know further details of our successful journey from him in this issue. MTSE is given the highest importance in the Global Reporting Initiative GRI revision G4. This tool is helping us to achieve our vision statement parameter of being the most admired. In addition, MTSE improves our ratings under employee engagement pillar of The Mahindra Way & is linked to the Mahindra Rise pillar of create positive change.

- Mr. R.S. Rane
(Head Business Excellence Cell)

MSSSPL MATERIALITY MATRIX



INDICATOR	IND
Product Quality	A
Career Planning (Right person at right job, Job alignment)	B
Reduce / Reuse / Recycle waste	C
Product Cost	D
Product Delivery	E
Rain water harvesting	F
Energy efficiency improvements	G
Employee Health & Safety	H
Management Accountability	I
Market Presence / Market Share	J
Increase SOB in Top 10 customers	K
Energy Securitization (Guaranteeing energy availability as)	L
Process Innovation	M
Air quality and green house gas emission	N
Skill Improvement	O

- High External Medium Internal
- High Internal Medium External
- Medium External Medium Internal
- High Internal Low External



Materiality test & Stakeholder engagement

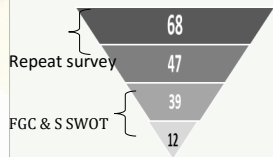
Materiality Identification & Stakeholder Engagement @ MSSSPL

Materiality and its importance is well acknowledged at Mahindra Sanyo and this is the reason why materiality is treated as an important aspect in itself. The vision of the materiality aspect is to ensure that MSSSPL has a good understanding of stakeholder's views and to foster a positive relationship, two way communication between the company and its stakeholders and to identify the most relevant and significant issues for the organization in sync with that of its stakeholders.



The materiality and the stakeholder engagement (MTSE) journey started in Sept'2012 and later on by understanding the theory and importance of the concept from Brown & Flynn, GRI G4 Guidelines, Accountability, Fronesys SASB report, Arcelor Mittal report and many other important industries framework on materiality, we developed our SOP on those guidelines.

The resultant of this engagement was a step by step prioritization and identification of the mutual important issues. What started as a list of 68 issues over every phase of engagement was concentrated to



39 out of it top 12 were considered and taken up for action, these issues coincided with the community aspiration as identified during need assessment done for CSR by Gyan Probdhani institute Pune.

The stakeholders that have been considered for the study were **Investors, Customers, Employees, Suppliers, Community, Banks, Schools & Institutions, Govt. agencies, Peer Industries, NGO's & Media.**

However, we are still evolving and learning. With every materiality engagement we get to learn and unlearn. There have been challenges pertaining to the capacity building of stakeholders. Explanation of the ideology behind conducting the materiality, the importance to prioritize mutual issue and the need to communicate back the actions taken on the issues highlighted and the findings of the engagement.

Going ahead, our plan is to work more on the engagement part of the materiality by increasing the sample size and the number of the engagement opportunities. since F14 to F16 we have engaged 100 - 250 stakeholders and now in F17 we plan to engage 350 stakeholders.

In this journey of MTSE from 12 issues of mutual importance, 17 aspects documents are now currently being worked upon in F17 and have a roadmap for tentative action and targets to be achieved until F-21. To assess real time materiality scanning regulatory, reputational & stakeholder expectation issues globally & locally including peer activities in the sectoral & cross sectoral way we have brought program from eRevalue known as Datamaran.

- Mr. Pramod Ingle
(Leader MTSE)

The Company's engagement with its stakeholders occurs at various frequencies and through various mechanisms, as an example you can see Employees illustration below:

INTERNAL STAKEHOLDERS				
	ENGAGEMENT	FREQUENCY	KEY CONCERNS	RESPOSE MECHANISMS
PERMANENT	Labour Unions	Proactive	Remuneration	Two-way communication
	Internal newsletters	Quarterly	Career development	Training and development products
	Joint Consultations	As required	Skill upgradation	Skill development
ON CONTRACT	Department Meetings	Monthly	Training	Safety Excellence
	Dialogues	As required	Workplace benefits	Sexual Harassment Policy
	One-to-one Meetings	Weekly	Safety	Whistle Blower Policy
UNIONIZED	Annual Appraisals	Annually	Healthcare	
	Suggestion & Schemes	Ongoing	Housing	
	"Bindass Bol"	Ongoing	Grievance Redressal	
			Employment for wards	

Aspect Team Members



Mr. R. Rane (Mentor)



Mr. P. Ingle (Leader)

Ms. A. Gupta
(Co- leader)



Mr. R. Gokavi
(Member)

Mr. H. Jadhav
(Member)



Mr. J. Mahajan
(Member)

Mr. M. Bhavsar
(Member)



Mr. S. Sonavane
(Member)

Mr. A. Ananthan
(Member)



Mr. M. Vyas
(Member)

Mr. S. Shetty
(Member)



Materiality a tool for Employee Engagement



Smart businesses in the 21st century will be those that are best at adapting to changing societal concerns, expectations, risks and opportunities and that know how to generate sustainable outcomes. To be one of these smart businesses you need *Smart Engagement*. While many companies talk a lot about stakeholder engagement, few do it in a way that genuinely contributes to business success. Materiality is one such tool through which engagement can be integrated into core business. In MSSSPL, we strive to engage with all our stakeholders to identify the core business and societal concerns. Through MCARES survey we gauge the engagement levels and concerns amongst our employees. MCARES is an excellent medium which helps us understand the key drives driving engagement. Post survey and Focus Group Discussion's, task forces have been formed to address the employee concerns. We place equal emphasis on capacity building. Over the last

year, employees have been trained across various subjects which helped organization build its expertise. Employees and Customers are not the only differentiators today, other stakeholders play a vital role in generating outcomes. Therefore we connect to all our other stakeholders' viz. suppliers, financial institutions, educational institutions, NGOs, schools, govt. offices, etc. to identify core issues that may possess challenge to business and society. The efforts for the team and support from the management is making our workplace engaged is splendid. We are sure the initiatives we are devising will positively impact the wellbeing of our employees, contribute to their development and growth.

Happy Reading...!!

- Mr. Avinash Somvanshi
(Vice President – PIR/HR/Admin/EHS)

Quiz time :

Recycling one tonne of paper can save?

1. 7,000 gallons of water 2. 1,000 gallons of water 3. 3,000 gallons of water

(Be the first one to SMS the answer @ 7720091891 & get a prize for the same.)

Employee Feedback



Q. How did you find the concept of Materiality?

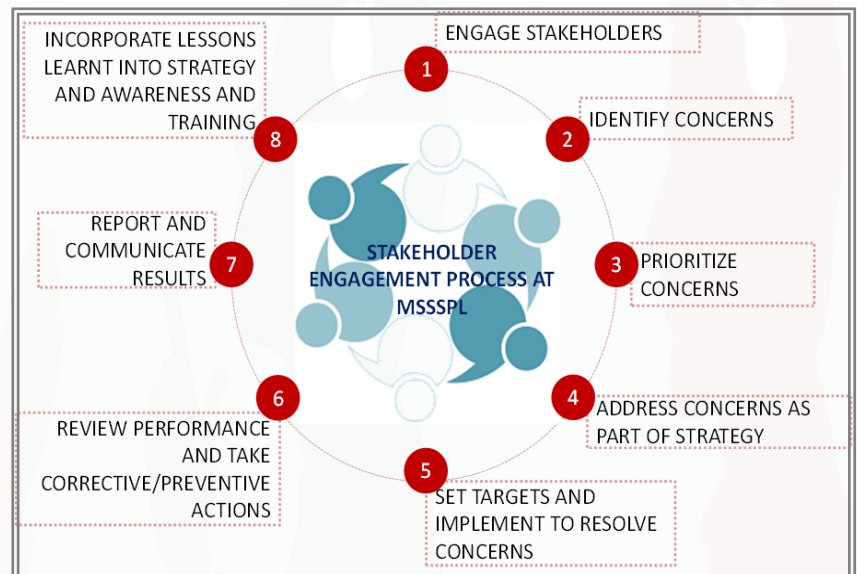
⇒ I found the concept very useful and interesting as it focuses on social & Environmental values & I feel this concept would definitely help our company in long run.

Q. How did you feel while interacting with our materiality representative ?

⇒ It was really encouraging & motivating to know about materiality and various teams on sustainability who are working towards achieving Environmental & Social goals.

- Mr. Amol Deshmukh
(Planning)

Materiality Engagement Process @ MSSSPL



Sustainability Meet 2016



The sustainability meet was organised on 14th May'2016. The objective behind this meet was to provide a common platform and chance to the 16 different aspect teams at MSSSPL to meet interact and share their success stories and challenges amongst each other. Though operating with the common objective to adopt more and more sustainable practices and to be able to contribute to the common vision and goals of the company never in past has been an opportunity for these teams to share a common platform and know about each other's work and struggle.

The full day session witnessed a good number of interesting discussions, appreciation for each other's work accompanied with the brainstorming activities planned for the attendees. The event was attended by each aspect team's mentor, leader & co-leader. At the end of the day there was viewer's choice best presentation awards, a cash prize of 5k, 3k & 2k respectively which was bagged by the electricity, oil and water team as 1st, 2nd & 3rd respectively.

- Ms. Ambalika Gupta
(Business Excellence Cell)



Materiality & Business Connect

12 Material issues	GRI - G4 Indicators	NVG Principles	Business Connect	BSC FY 16 Linkages
GHG Footprint Reduction	G4-EN 15,16,17,18,19	6	Regulatory Risk, Carbon Tax, Operational Efficiency	BP01,FP01-04,CP 01-02
Improve Energy Efficiency	G4-EN 5,6,7	6	Cost Reduction, PAT Risk/Opportunity	BP01,FP01-04,CP 01-02
Improve Waste Management	G4-EN 22,23,24,25	6	Cost Reduction, Revenue Model, Regulatory Risk, Tax Reputation	BP01,FP01-04,CP 01-02
Adopt pollution Prevention	G4-EN 19	6	License to Operate, Cost reduction, Efficiency, Externalities, Tax	BP01,FP01-04,CP 01-02
Improve Waste Management	G4-EN 8,9,10	6	Source Vulnerabilities/ Climate Risk Availability, Cost Reduction	BP01,FP01-04,CP 01-02
Improve Resource Intensity	G4-EN 1 & 2	6	Competitiveness, Availability, Volubility, Cost	BP01,FP01-04,CP 01-02
Sustainable Supply Chain	G4-EN 32 & 33	2/6/8	Cost Reduction, Disruption Risk, Alternative Materials, Reputation Risk, Inclusivity	BP01-02,FP01-04,CP 01-02
Product Sustainability	G4-PR 2	2/6/9	Customer lock in, Revenue & Growth Reputation Risk, Brand Innovative Materials	CP 01-02,FP01-04
Skill Development	G4-LA9,10,11	5	Business Sustainability - Natural Attrition & replacement, Competitive Advantage	LP01-03,BP01,BP02,CP 01, FP01-04
Community Health, Education, Empowerment	G4-S01	4	License to operate, Brand Skilled Manpower, Wellbeing of Workmen, Shared Value	EP01,LP01,FP02-04
Employee Safety & Wellbeing	G4-LA5,6,8	3	License to operate, Fair Labor Practice, Product responsibility, Cost, Talent Retention	EP01,LP01-03,FP02-04
Management Accountability	G4-1 to 58	1/5/7/9	Governance, Innovation, Talent Acquisition & Retention	Enabler for all

Materiality Impact on Business : Illustrative

Where	What	Annual Requirement		Sensitivity		Roadmap		Remarks
						FY 10	FY 15	
Scope 1, Energy	Furnace Oil	KL	15,000	Re 1 / L	Rs1.5 Cr	Base Year	30 % down	Rs 12 in 2002, Rs 42 in FY 14, Rs 27 now
Scope 2, Energy	Electricity	KWH	18 Cr units	Re 1 / KwH	Rs 18 Cr		11% down	Rs 2 in 2002, Rs 7 now
Waste	Process	MT	20,000	20% Cost up	Rs 15 Lacs		15% down	Landfill is becoming increasingly difficult
Water	Process	KL	Rs 1Cr	Double of present	Rs 1 Cr		60% down	Re 1 / 10 cu m in 2012 / Now 64