

# DETERMINING MATERIALITY

(GRI 3-1 to 3)

As a responsible organisation, we make it our duty to create sustainable value through our business activities. Aligned to the Group’s goals and key objectives, our sustainability strategy strives to;

- » take proactive action towards the identification and management of significant adverse impacts that could harm to the environment, the society and the economy; and
  - » enhance positive outcomes and opportunities;
- to contribute towards local and global development needs.

We continue to refine our approach to determine material matters for the Aitken Spence Group, within the boundary explained in the ‘About the Report’ section, taking into consideration the outputs and outcomes of our businesses on the economy, environment, and people as well as our capitals.



## ACTUAL AND POTENTIAL ECONOMIC, SOCIAL, AND ENVIRONMENTAL IMPACTS

### Examples of Actual Adverse Impacts

- » Depletion of non-renewable resources due to the use of fossil fuels for energy
- » Impacts on water systems by the withdrawal of water for consumption
- » Generation of solid waste, effluents, and emissions
- » Impacts on the workforce due to workplace injuries

### Examples of Potential Adverse Impacts

- » Impacts of emissions on natural ecosystems
- » Possible impacts on human rights due to poor labour standards within supply chains
- » Possible closure of business resulting in loss of economic opportunities for local communities

## OPPORTUNITIES TO CREATE POSITIVE VALUE

### Examples of actual positive outcomes

- » Income generation through employment opportunities and local purchasing
- » Skills development for employees through learning and development strategies
- » Increasing green cover through targeted reforestation interventions

### Examples of potential positive outcomes

- » Local economic development within the extended supply chain through opportunities channelled from our operations.
- » Contribution towards developing a green workforce through environmental education and sensitisation in the workplace

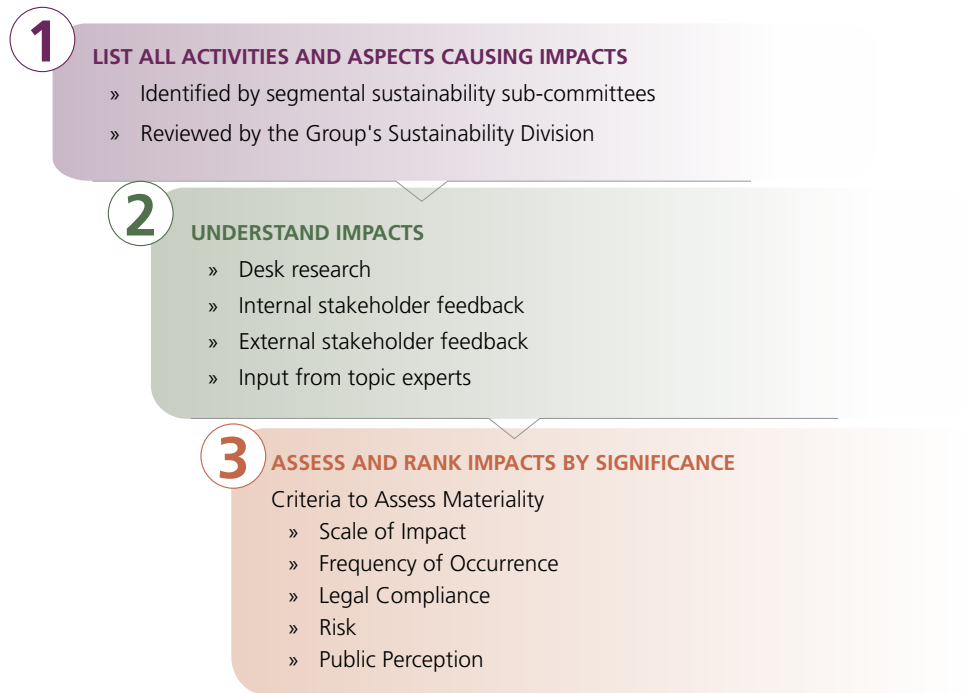
To determine our significant impacts (i. e. material topics), we followed the process set out herewith. We list the activities of our operations and the aspects causing impacts and review their materiality (i. e. significance) using five criteria, and a scale of

0 – Low significance

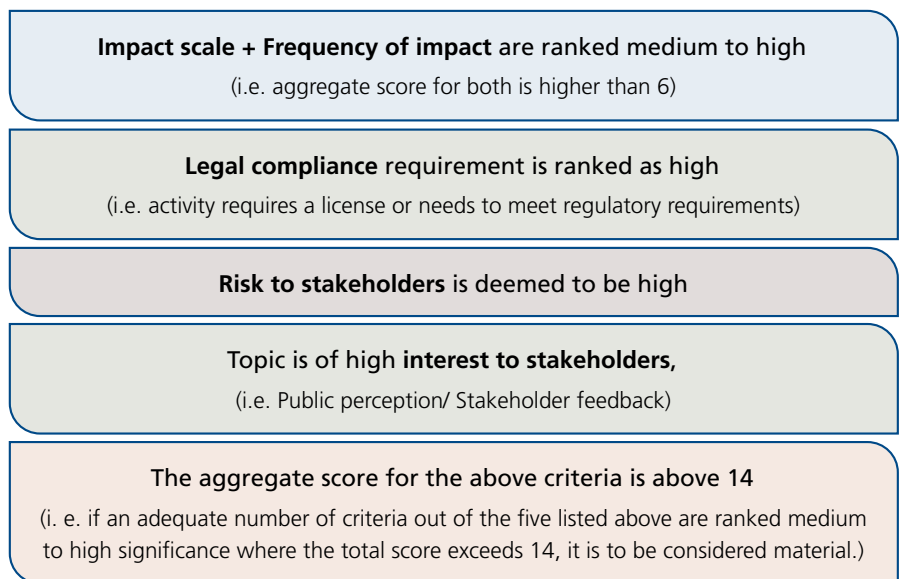
3 – Medium significance and

5 – High significance

for each criterion. Topics thus determined to be of 'High' or 'Medium' significance (see the list of material topics overleaf) are covered in detail while topics with 'Low' significance are covered in less detail in the report.



Activities and aspects causing impacts are considered 'material' if;



The team uses this process combined with the collective feedback from internal teams, external stakeholder feedback and expert insights to determine the significant impacts (i. e. material topics). We group these aspects causing impacts according to the topics given in the Topic Standards of the GRI Standards and the list of material topics by significance can be seen herewith. The full list of our disclosures can be found in our GRI Index.

# DETERMINING MATERIALITY

## Our list of material topics by significance at Group level;

	HIGH SIGNIFICANCE	MEDIUM SIGNIFICANCE	LOW SIGNIFICANCE
<b>Governance</b>	<ul style="list-style-type: none"> <li>» Financial governance (GRI 201, 415)</li> <li>» Anti corruption (GRI 205)</li> <li>» Anti-competitive behaviour (GRI 206)</li> <li>» Compliance &amp; ESG</li> </ul>	<ul style="list-style-type: none"> <li>» Innovation</li> </ul>	<ul style="list-style-type: none"> <li>» Market presence (GRI 202)</li> </ul>
<b>Economic Performance</b>	<ul style="list-style-type: none"> <li>» Direct economic value created &amp; distributed (GRI 201)</li> <li>» Taxes (GRI 207)</li> </ul>	<ul style="list-style-type: none"> <li>» Indirect economic value created (GRI 203)</li> </ul>	
<b>Environmental impact control</b>	<ul style="list-style-type: none"> <li>» Energy consumption (GRI 302)</li> <li>» Emission control (GRI 305)</li> <li>» Effluent control (GRI 303)</li> <li>» Water consumption (GRI 303)</li> <li>» Solid waste management (GRI 306)</li> </ul>	<ul style="list-style-type: none"> <li>» Supplier environmental assessment (GRI 308)</li> <li>» Biodiversity (GRI 304)</li> </ul>	<ul style="list-style-type: none"> <li>» Materials (GRI 301)</li> </ul>
<b>Social impact control</b>	<ul style="list-style-type: none"> <li>» OHS &amp; employee welfare (GRI 403, 401)</li> <li>» Human rights &amp; labour standards (GRI 402, 406, 407, 408, 409, 410, 411)</li> <li>» Learning &amp; development for employees (GRI 404)</li> <li>» Product responsibility &amp; customer satisfaction (GRI 416, 417, 418)</li> </ul>	<ul style="list-style-type: none"> <li>» Supplier social assessment (GRI 414)</li> <li>» Diversity, Equity and inclusivity (GRI 405)</li> <li>» Local purchasing and employment (GRI 204)</li> <li>» Local community development (GRI 413)</li> </ul>	

These material matters feed into the Group's strategy formulation process and are supported by formal policies. It is supported by our **Integrated Sustainability Policy** that covers 21 policy commitments and an implementation framework that lists all recommended action to be implemented for each policy commitment, to control adverse impacts and enhance positive outcomes.

Sustainability teams across the Group evaluate and report on their progress on the implementation of these actions and conduct annual internal audits / inspections of their operations which are reviewed with the respective management teams. Where specific segments have certified management systems to manage certain topics identified as 'high significance, the progress is also externally audited. Results of these audits / inspections are discussed and reviewed with the respective

management teams. The Group Supervisory Board is updated on the performance and progress on key topics at Group level on a monthly basis. Feedback from these processes is used when we repeat this process to identify and update our material topics. Our sustainability governance structure is detailed in the Corporate Governance report for further reading.

### GRI Topics Covered in this section;

- GRI 3: Material Topics 2021
- 3-1 Process to determine material topics
- 3-2 List of material topics

### For more information on GRI 3-3 Management of material topics, please refer to the following sections;

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|----------------------|-----------------|
| Corporate Governance | Page 68 to 90   |
| Capital Reviews      | Page 193 to 248 |
| Sector Reviews       | Page 120 to 192 |
| GRI Index            | Page 399 to 405 |