



# WIPRO's Materiality Assessment

June 2023

# Overview

Engaging Stakeholders and assessing materiality isn't just about ticking boxes; it's about building meaningful relationships that drives positive change and a strategic imperative that enables to navigate complex sustainability challenges with clarity and purpose .

This section provides dynamic overview of

- ❑ Stakeholder Engagement and Materiality Assessment.
- ❑ Highlights of the Key Findings from Stakeholder's Responses and Emerging Material Themes.
- ❑ Results of Materiality Assessment & formation of Materiality Matrix which leads to Wipro's ESG Goals.

# Synopsis



## Why Conduct a Materiality Assessment

- ✓ Guides Strategy
- ✓ Prioritize Resource Allocation
- ✓ Garner Stakeholder Trust
- ✓ ESG Disclosures and Reporting

## Approach for assessing materiality

1. Identify a universe of relevant ESG topics
2. Design a methodology for stakeholder engagement
3. Data Collection
4. Calibration of results

## Questionnaire Design

- Customized questionnaire were designed for each stakeholder group with following principles
- Capturing respondents' demographics
  - Closed ended questions

## FGDs With Wipro's Senior Leaders

The intent is to capture qualitative insights from Wipro's leadership

- ✓ Key Differentiators
- ✓ Mega Trends
- ✓ Societal Challenges
- ✓ Changing Expectations
- ✓ Industry Specific Theme discussion

## Key Themes covered in questionnaire Design

- Self-reported awareness
- Attitudes towards sustainability issues
- Stakeholder centric questions
- Views on Strengths, Weakness, opportunities & risks
- Relative rating and prioritization

## Frequency

Every 5 Years in alignment with good practices;  
Which is published in the Annual Integrated Report of Wipro

# Methodology to Engage Stakeholders

## Methodology to Engage

Engaging with stakeholders by gathering diverse perspective and insights helps to identify and prioritize the most significant ESG issues . It also ensures the assessment is comprehensive, relevant, and aligned with the expectations and concern of stakeholders. This helps Wipro to focus on its ESG efforts on areas that will drive most value and impact.

### IDENTIFY

#### Identifying relevant ESG topics based on

- Stakeholders, peer reviews and benchmarking, sector scans, media reports
- Material topics identified by sustainability standards like SASB, MSCI, EcoVadis, and S&P Global's CSA, and various reporting framework like BRSR, GRI, ISSB.

### PRIORITIZE

#### Prioritizing relevant material issues for Wipro and its business

- Prioritizing key material issues which are overarching to both Wipro and stakeholder.

### ENGAGE

#### Conversational Engagement and Managing Stakeholder Expectations

- Designing a methodology for stakeholder engagement by creating customized questionnaire, followed by data collection
- Analyzing responses from stakeholders and synthesizing them into a materiality matrix.

# Approach

## Material Topic Identification

Initial list of 50 material topics were identified, further filtered down to 25 preliminary topics organized under 7 broad themes

## Stakeholder Engagement

Customized questionnaire were designed, and responses were captured to gain insights and views on sustainability and other relevant material issues

## Materiality Matrix Development

Analyzing stakeholder responses and considering multiple ESG frameworks and standards, matrix was prepared.

## Consulting with Wipro Leadership

Despite the primary focus on data protection and cyber security, Wipro is deeply committed to environmental stewardship and integrating sustainable practices across our operations.

## ESG Goals

Based on the information and insights gathered from stakeholders we identified and derived 7 ESG goals for Wipro reflecting its focus towards sustainability, centering planet as one of major stakeholder.

# Overview of Stakeholder Engagement and Materiality Assessment

Wipro engages with a broad spectrum of stakeholders to understand their needs and expectations, and to develop sustainable strategies for the short and long term. It also helps to manage risks and opportunities in business operations. The process of identifying the issue that is most relevant to organization and its stakeholders is called materiality.

The key stakeholders identified are as follows.

## Internal Stakeholder

### EMPLOYEES

To understand their expectations and feedback enables us to strengthen our people processes and empower them.

### INVESTORS

To gain diverse perspectives on business strategy and performance and views on economic & environment.

### CUSTOMERS

To meet their present and emerging business needs & trends and offer differentiated value to them

### SUPPLIERS

To meet diverse business operations requirements.

### PLANET

Understanding the organization's impact on climate and the impact of climate change on the business

## External Stakeholder

### Government & Policy Network

To influence policy directions for larger social good bringing about systemic changes in society through legislation, policies and directives.

### Communities & Civil Society

To engage on systemic issues that are force multipliers for social change and sustainable development

Wipro uses discussions with internal and external stakeholders to prioritize and arrive at a list of material topics with significant **Economic, Environmental, and Social** impacts on its business, reputation, and operations.

# Summary of Stakeholder Engagement

## EMPLOYEES

### What makes Wipro unique

- Commitment to inclusion and diversity
- Sustainability strategy and focus
- Clarity of purpose supported by clear vision and mission

### Key threats that could impact Wipro

- Climate change and associated risks
- Geopolitical conflicts
- Adverse outcome of frontier technology(AI, ML)

## CUSTOMERS

- Several key Customers responded to the survey
- 100% respondents are from Europe

### What appeals to customers most

- Ethical behavior
- Commitment to net zero and decarbonization
- Quality of service and customer centricity

## INVESTORS

### List of participating investors

- ENAM AMC(PRI)
- Citi Group(PRB)
- Sohum Assest Manager
- HDFC Securities
- IIFL
- Kotak securities
- Nomura(PRI)

PRI- Principle Of Responsible Investing

PRB- Principle Of Responsible Banking

## SUPPLIERS

- 71% suppliers have been associated with Wipro 5 years or more
- Suppliers found progress on environmental commitments is lagging
- Wipro may consider conducting ESG training modules for suppliers to spread awareness on risks and opportunities

## INVESTORS

### Key Threats that could impact Wipro

- Macroeconomic volatility
- Cyber-crime and cyber insecurity
- Lack of hi-tech skills and retention issues

### INVESTMENTS IN NEW & EMERGING AREAS

- Robotics and industries
- Emerging technologies(AI, ML, BLOCKCHAIN)

# Key Findings from Stakeholder's Responses

Wipro does not exist in isolation; it is the sum of its interactions with many stakeholders to produce value for all parties involved, either directly or indirectly. Engagement with stakeholders is critical in such a system of interdependencies.

Hence below are the key insights from stakeholder engagement

- 83% of **employees** are concerned about sustainability and have made lifestyle changes to reduce their carbon footprint.
- 20% of **investors** agree that “focusing on sustainability can adversely affect profitability and growth.”
- 90% of **investors** are interested in knowing about Wipro’s efforts toward sustainability.
- 33% of **customers** agree that “focusing on sustainability can adversely affect profitability and growth.”
- Commitment to Net Zero and decarbonization is one of the top five aspects that appeal the most to **customers**.
- 100% of the **customers** are informed about sustainability
- 90% of the **suppliers** are interested in collaborating with Wipro on sustainability, while 60% of the suppliers believe that they can contribute to Wipro’s sustainability ambitions
- 30% of **employees** agree that “focusing on sustainability can adversely affect profitability and growth.”




# Ranking of Material Topics

Material Topics	Ranking from Stakeholders				
	Employees (Junior Management)	Employees (Senior management)	Investors	Customers	Suppliers
Customer Satisfaction And Engagement	1	1	2		4
Talent Attrition And Retention	6	2	1		
Cyber Security And Data Privacy	2	3	6	1	3
Corporate Governance And Business Ethics	10	4	5		1
Fair Compensation And Remuneration		5	4	8	
Employee's Health And Well Being	3	6	3	7	2
Fair Labor Practice And Human Rights	8	7		3	
Stakeholder Relationship And Engagement	4	8			7
Learning And Development	5	9	8		9
R&D And Innovation	7	10	9		
Risk Mangement	9		7	4	8
Responsible Policy Advocacy				5	
Environmental Sustainability Management				6	
Responsible Supply Chain				9	
Social Impact And Community Engagement				10	
Protecting Intellectual Property Right			10		5
Tax Policy And Transparency					6
Supplier Diversity And Resilience					10
Measuring And Managing Impact				2	

# Emerging Material Themes

The following categorization reflects the Key Material Themes(filtered down to preliminary material topics) and its relevance to Wipro.

 **1**  
**Data Privacy and Cybersecurity**  
• Cybersecurity and data protection

 **2**  
**Customer centricity**  
• Customer satisfaction and engagement


 **3**  
**Ethical Governance and transparency**  
• Corporate Governance & Business Ethics  
• Tax Policy and transparency  
• Risk Management including business continuity and contingency planning  
• Stakeholder relationships and engagement  
• Transparency in disclosures  
• Responsible policy advocacy  
• Responsible AI  
• Measuring and managing impact  
• Responsible policy advocacy




 **4**  
**Innovation and Emerging Tech**  
• R&D and innovation  
• Protecting intellectual property right

 **5**  
**Responsible Supply Chain**  
- Responsible supply chain management  
- Supplier diversity and resilience

 **6**  
**Community Impact**  
• Social impact and community engagement

 **7**  
**Environmental Stewardship**  
• Climate action (mitigation) and GHG Emission  
• Environmental sustainability management  
• Green data centers and campuses  
• Climate risks and resilience – physical and transitional

 **8**  
**Future Ready Workplace**  
- Talent attraction and retention  
- Learning and Development (L&D)  
- Fair labour practices and human Rights  
- Fair compensation and remuneration  
- Inclusion and Diversity

 **Environment**  
 **Social**  
 **Governance**

# Materiality Assessment

## Alignment with different ESG Frameworks

- DJSI (Dow Jones Sustainability index)
- SEBI (Securities and Exchange Board of India)
- BRSR (Business responsibility & Sustainability reporting)
- SASB (Sustainability Accounting Standards Board)
- MSCI (Morgan Stanley Capital International)
- GRI (Global Reporting Initiatives) Standards
- ISSB (International Standard Sustainability Board)
- CSRD (Corporate Sustainability Reporting Directive)

**Materiality Map** A process of working with internal and external stakeholders to identify the ESG concerns that affect a company and obtain insight into their relative relevance to the organization.

The goal is to-

- Identify Wipro's greatest risk and potential opportunity.
- **SASB, GRI, BRSR, ISSB, CSRD and AA 1000** are some of the most widely utilized sustainability standards for reporting.
- Identifying the most important ESG topics for our organization provides a plethora of benefits ranging from financial resilience to greater efficiency to a healthier, more harmonious workplace for society

# Materiality Assessment and Materiality Matrix

- A total of 529 responses were received, of which 33 were from external stakeholders such as suppliers, investors, and customers. The responses helped us understand the relevant material themes.
- The engagement with internal stakeholders was through electronic surveys and Focus Group Discussions (FGD) with Board members and the management.
- External stakeholders were engaged through customized electronic surveys designed to gain an understanding of topics that are material to them.
- Responses were mapped. Topics closer to the 45-degree line indicate an alignment between internal and external stakeholder views in terms of relevance, importance and potential impact.
- The ones in purple represent issues that are core to Wipro, while the others represent emerging issues



# Aligning the Material Topics into ESG Goals

- These findings broadly align with external frameworks like the GRI or S&P DJSI as well as with our existing priorities
- While retaining the core of these material topics, we have recast them into a dashboard that is more consistent with Wipro's operating practices and that is clustered logically
- Through this re-alignment, we created the ESG dashboard, which has 8 goals, 13 sub-goals and ~ 35 KPIs. Targets have been set for each KPI and are implemented and monitored by the respective function
- This has been approved by the CEO, Wipro Executive Committee and the Wipro Board of Directors

# ESG Goals based on material topics

A. Environmental Stewardship across the Value Chain	B. Social - Building the future-ready workplace and strengthening our community work	C. Governance : Aligning Purpose, Transparency and Trust
<p><b>Goal #1: Contribute effectively to actions across the value chain on the climate change challenge</b></p>	<p><b>Goal #3 :Build and Promote a culture of inclusion by nurturing diversity and shaping behaviors</b></p>	<p><b>Goal # 7: Maintain the highest standards of governance based on the bedrock of Wipro values and ethical business conduct</b></p>
<p><b>Goal #2: Responsible management of scarce water resources</b></p>	<p><b>Goal #4: Empower employees through continuous learning opportunities</b></p>	
	<p><b>Goal #5: Prioritize employee health, well-being and safety at all times</b></p>	
	<p><b>Goal #6: Contribute in a deep, meaningful manner to a more equitable, humane and sustainable society</b></p>	



# Thank You

Signed

A handwritten signature in black ink, appearing to read "P.S. Narayan".

P.S. Narayan

Vice President and Global Head – Sustainability and Social  
Initiatives