

MATERIAL MATTERS

SLI operates in a constantly evolving and dynamic environment. To stay responsive, the company conducts an annual materiality assessment, identifying and evaluating the most critical issues affecting its business and stakeholders. This process ensures that key priorities are addressed effectively. The figures below illustrate the sequential process we follow in managing material matters. This section focuses solely on the process, with detailed activities and descriptions provided in the corresponding statements referenced by the page numbers below.

Initially, we analysis our operating environment, both internal and external and sustainability and climate related risks and opportunities. Secondly, we detect issues stemming from our stakeholder engagement process. These issues are evaluated for strategic consideration according to stakeholder prioritization and their impact on our value creation.

MATERIAL MATTERS IDENTIFICATION PROCESS



THE BOARD INVOLVEMENT

The executive management team, including the Managing Director, considers material matters in the corporate planning cycle, which includes a three-year financial projection. The projections are derived after considering the impact of material matters identified through above process and are presented to the board for approval. The board carefully evaluates the three-year plan and approves it for execution.

CHANGING MATERIALITY

Recently, the materiality assessment process has evolved to integrate climate-related risks. This change ensures that environmental factors are given due consideration when identifying and evaluating material matters. Additionally, as part of our digital transformation journey, there is an increased emphasis on cybersecurity-related risks, reflecting the growing importance of safeguarding our digital infrastructure and data assets.

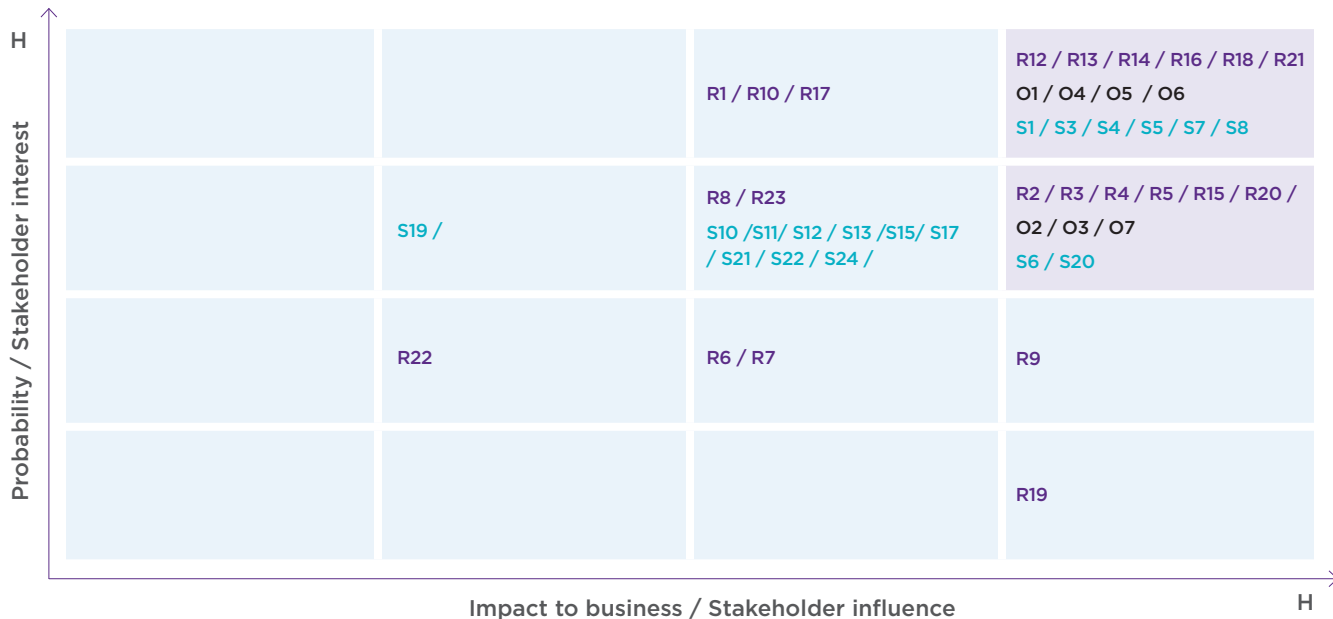
FOCUS ON DOUBLE MATERIALITY

In preparing our sustainability report, we consider the concept of double materiality to visualize the impacts of Climate Related Risks and Opportunities (CRRO) and Sustainability Related Risks and Opportunities (SRRO) on our business and vice versa. Double materiality concept helps us comprehensively understand not only how CRRO and SRRO affect our operations but also how our business activities influence various stakeholder groups. By leveraging double materiality, we ensure that our strategies are aligned with both internal objectives and external expectations, fostering a transparent and balanced approach to sustainability. This dual perspective enables us to make informed decisions that support long-term value creation for all stakeholders involved.

MATERIAL MATTERS

Below matrix showcase material matters we identified, and their prioritization based on the impact and probability of occurrence.

The risks and opportunities outlined above were identified through a detailed PESTEL analysis, which is thoroughly discussed from page 65 to 71, including the source of each risk and opportunity. Stakeholder concerns were gathered through multiple engagement methods and are categorized under the relevant stakeholder groups, as detailed from page 50. The strategies we have set in order to respond for above risks and stakeholder concerns and materializing the opportunities are provided under strategy formulation on page 91.



R - Risks arising due to SRRO or CRRO

O - Opportunities arising due to SRRO or CRRO

S - Stakeholder concerns