

About Corporate Citizenship

We are a global business consultancy specialising in corporate responsibility and sustainability

Established in 1997

Based in London, New York, San Francisco, Santiago and Singapore

Projects completed in more than 45 countries across Africa, India, South East Asia and Latin America





"Corporate Citizenship helped us to understand the issues, anticipated what's next and realise the opportunities for growth."

Global VP, Sustainable Business

Speakers



Richard Hardyment
ASSOCIATE DIRECTOR
Corporate Citizenship



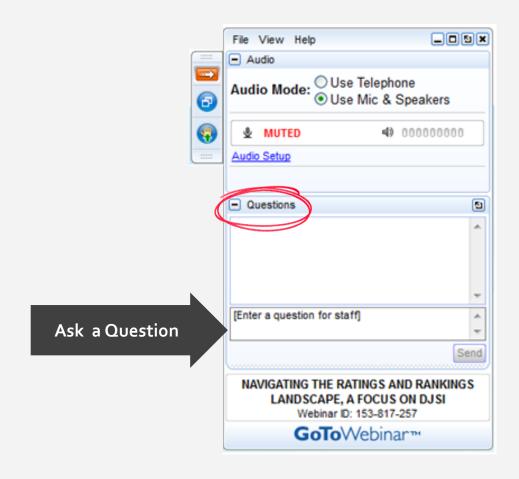
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CONSULTANT
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What we will cover today

- 1. Introduction to materiality
- 2. What the shift to the GRI G4 means for materiality
- 3. How to get real value from assessments
- 4. Common mistakes and how to avoid them
- 5. Discussion and Q&A



Asking questions



A Question for you...

How far along would you say you currently are on your materiality journey?

- (a) Base camp materiality....what's that?
- (b) First timers planning a first assessment
- (c) Next steppers we've already done one
- (d) Moving ahead we've done a few / several
- (e) Old hands we've done many materiality assessments and need some fresh insights







Introduction to materiality

What is materiality

MATERIALITY IS A PRINCIPLE USED IN DECISION-MAKING to define whether an aspect or issue is sufficiently important to warrant attention by the business

MATERIAL SUSTAINABILITY ISSUES are the environmental, social, ethical and governance issues critically important to both a company's STAKEHOLDERS and its LONG-TERM BUSINESS SUCCESS

Why does materiality matter?

EXPECTATIONS ARE GROWING

Increasingly focus from standards such as GRI G4, IIRC, SASB, and DJSI

Producing a public statement on materiality is best practice

OFFERS REAL BUSINESS VALUE

A 360 degree perspective of the risks and opportunities facing your business

Informing better decision making and more focused and impactful reporting

MATERIALITY SHOULD DRIVE STRATEGY AND REPORTING

Materiality assessment process

Where are we now and where are we going?

Illustrative steps:

- Establish a clear purpose and set scope of assessment
- Understand context and identify a broad list of issues facing the organisation

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- Gather a balance of internal and external perspectives

What is important and what do stakeholders care about?

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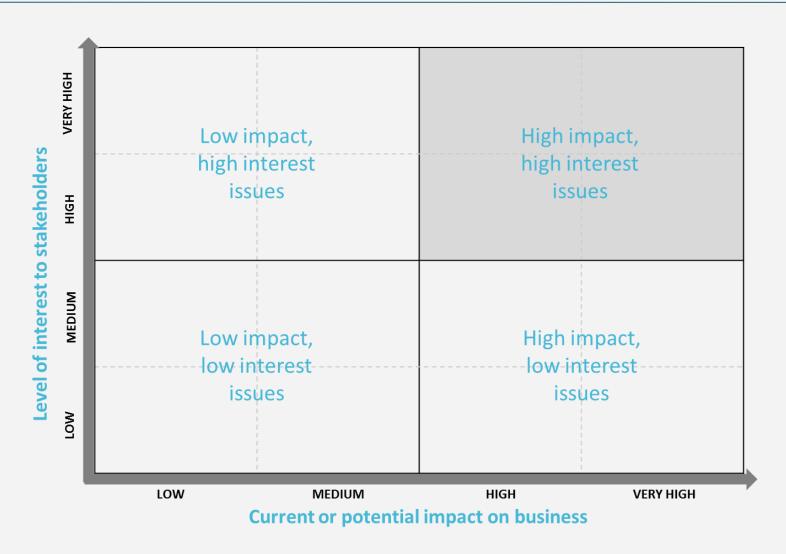
Where should we focus our efforts?

What is important and what do stakeholders care about?

Illustrative steps:

- Triangulate different perspectives and develop a prioritised list issues
- Test and finalise material issues

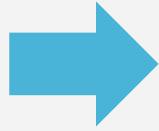
The materiality matrix

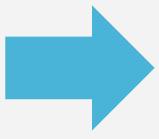


What the shift to the GRI G4 means for materiality

Who is GRI and what is G4?









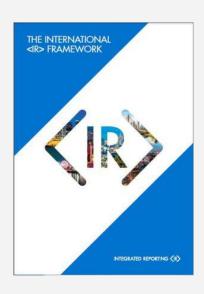


The G4 Guidelines and materiality

- Without the foundation of a thorough materiality process you cannot report against GRI G4 properly
- GRI take a stakeholder based approach to materiality
- Report on what matters and where it matters
- Reading the guidelines won't make you an expert
- Create and adapt a process for your company

MATERIALITY NOW MATTERS MORE THAN EVER!

GRI isn't the only organisation focusing on materiality







How to get real value from materiality assessments

What is materiality for?

REPORTING





REPORTING



MANAGEMENT

REPORTING

MANAGEMENT



STRATEGY





Getting value from materiality

The insights and perspectives of a materiality process help to:

- ✓ Align sustainability with business strategy
- ✓ Inform decision-making and strategic resource allocation
- ✓ Identify potential new opportunities and better manage risks
- Design and deliver appropriate sustainability policies and programmes
- ✓ Drive focused communication and reporting with more impact



Common mistakes - and how to successfully avoid them

Five Common Mistakes with Materiality

- 1. Taking too narrow a scope of the issues
- 2. Not being clear with what the issue is

3. Ending up with too many issues

- 4. Listening to all stakeholders equally
- 5. Failing to prioritise

1. Taking too narrow a scope of the issues

Fast moving consumer goods example

Outside of scope

Interest rates

Succession planning

Wider sustainability

New consumer needs

Supply chain resilience

Responsible marketing

New regulations

Demographics

Product safety/quality

Traditional CR

Environmental impacts

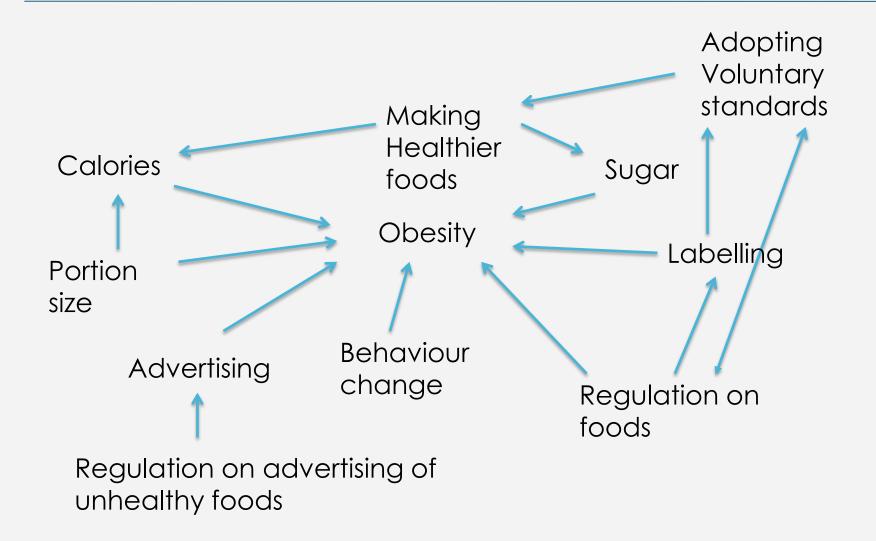
Community relations

1. Taking too narrow a scope of the issues

SOLUTION:

- Start with the business context
- Don't be afraid to look outside your functional responsibility
- Cast the net wide at the research stage

2. Not being clear what the issue is



2. Not being clear what the issue is

SOLUTION:

- Keep it simple
- Focus on issues, not processes or responses
- Avoid vague language

3. Ending up with too many issues

Animal welfare and testing	
Biodiversity	ems ing and sustainable ecosystems
Environmental degredation and sustainable ecosyste	ems ing sinable eco
Bribery and Corruption	d sustaille
	Resilient and safe infrastructure and cities
Ethical business practices	Urbanisation
Anti-trust/Anti-competitive behaviour	Climate change and emissions
Traceability	GHGs from consumer use
Big business accountability	GHGs from transport
Risk and crises management	GHGs from refrigeration
Social Reporting	GHGs from employee travel
(Inclusive business models	
G Sustainable business models	Direct energy consumption
Global partnership for sustainable development	Transportation
Child mortality	Climate Change Products
irect energy consumption	Non-food commodity prices
ccc energy consumps:	Food Commodity Prices
amption	HIV/AIDS, malaria and other diseases
	Brand Protection (Anti-Counterfeiting and Infringing Grey Prevention)
	Compliance

3. Ending up with too many issues

SOLUTION:

- Cluster the issues into connected themes
- Don't cluster too much
 - The meaning may be lost
 - Different issues may have different positions
- Think about who you are as a company and be flexible





4. Listening to all stakeholders equally



4. Listening to all stakeholders equally

SOLUTION:

- Undertake stakeholder mapping
- Prioritisation:
 - Level of interest in the business
 - Level of awareness and knowledge of the business
 - ✓ Influence of stakeholder

5. Failing to prioritise

Water scarcity Food prices HIGH Diversity and inclusion Pesticide Use Labelling Advertising to children Organic ingredients Energy use **GMO** Palm oil Farmers' Obesity livelihood Free range School food Water scarcity Water use animals Sodium stakeholders (supply chain) **Biodiversity** Supply chain water levels Renewable energy Employee training Food miles Sustainable agriculture Solid waste diversion Cocoa Supply chain GHG **Environmental laws Immigration** Employee / contractor safety and regulations Talent attraction t Supplier Code of Nutrition for older Conduct and audits adults Reduce sugar levels and reduce mportance saturated fat and trans fat Hormones in Land use animals Packaging materials Ethics, anti-bribery, anti-Hazardous waste corruption, integrity Sustainable fisheries Watershed quality Environmental compliance **Building practices** Solid waste reduction **LOW LOW** Impact on the business HIGH

5. Failing to prioritise

SOLUTION:

- Prioritise ruthlessly to ensure that the highest issues are in the top right
- Consider the real business impact
- Consider likelihood of the issue having an impact

Discussion and Q&A

Thank you for joining us!

Contact us



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