

S-hub

Introduction to materiality and stakeholder
dialogue - trends and best practices

24.04.19

External reporting and the concept of materiality is maturing



Trust



Shape
of value



Investment
disconnect



Big data

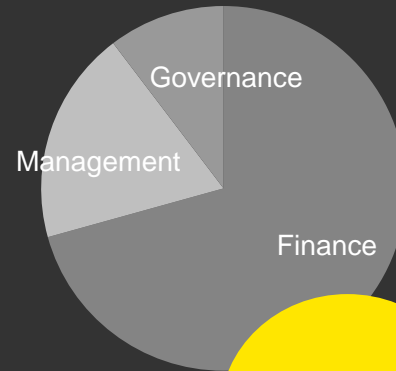
Sustainability reporting and materiality has evolved as a result of stakeholder expectations and company practice

1990



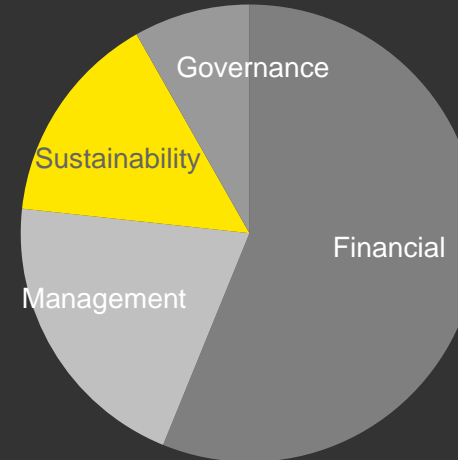
Environ-ment

2000



Sustainability

2010

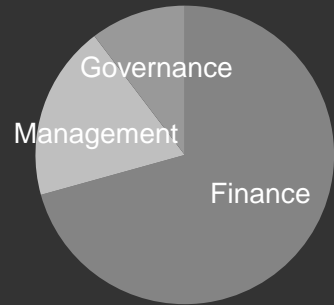


2020

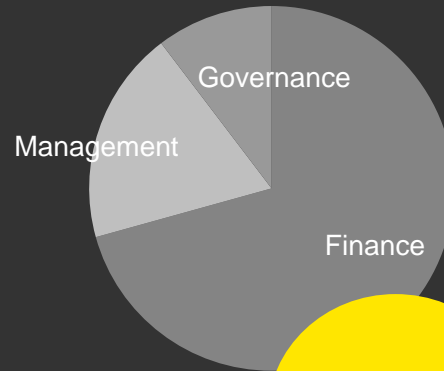
Integrated/
Strategic
reporting

Sustainability reporting and materiality as evolved as a result of stakeholder expectations and practice

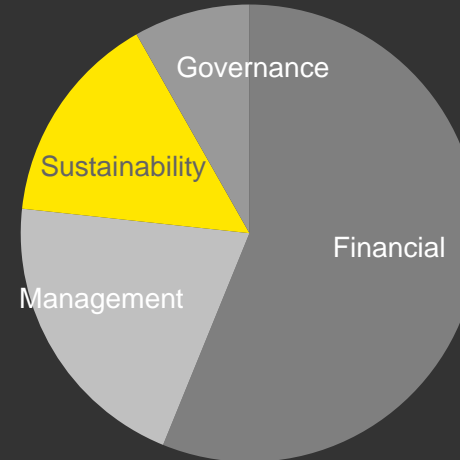
1990



2000



2010



2020

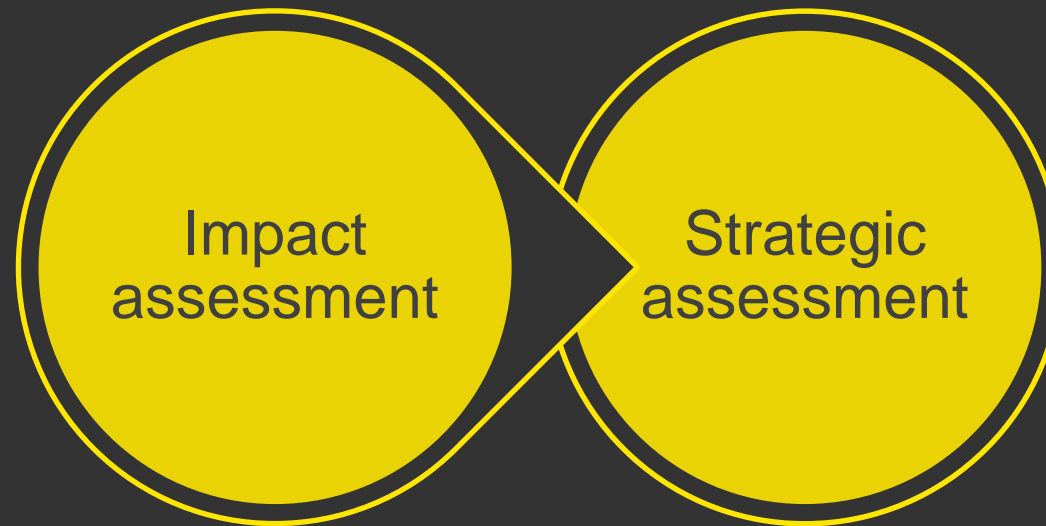


Two key perspectives to identify material topics; impacts and strategic relevance

Expectations from civil society and regulators:

- ▶ Global Reporting Initiative (GRI)
- ▶ UN Global Compact (UNGC)
- ▶ EU Transparency directive
- ▶ Gender pay gap reporting (UK)

= Transparency of impacts



Investor focus:

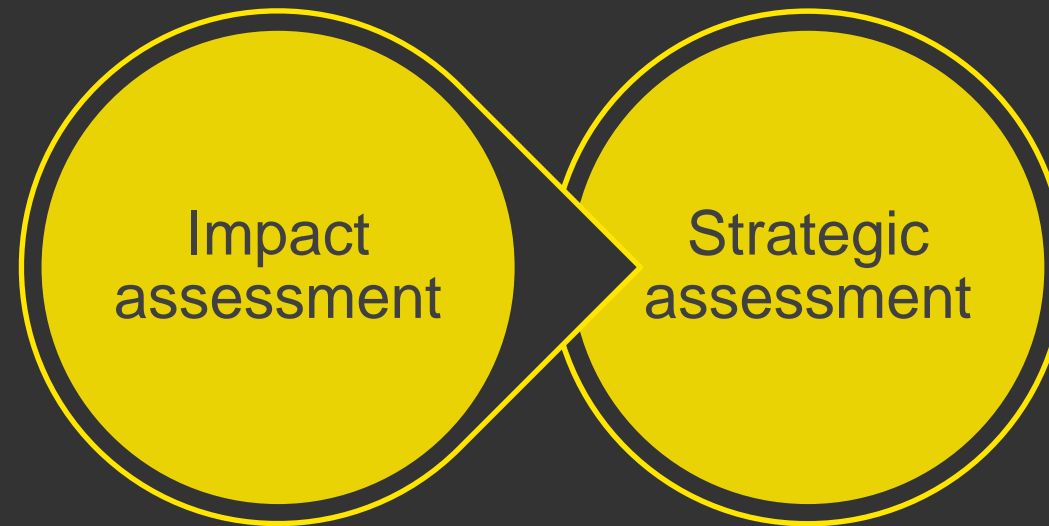
- ▶ Integrated reporting
- ▶ Strategic reporting (UK)
- ▶ Task Force on Climate related Financial Disclosures (TCFD)
- ▶ Sustainability Accounting Standards Board (SASB)
- ▶ CDP
- ▶ (GRI)

= Clarity of strategic relevance

Two key perspectives to identify material topics; impacts and strategic relevance

Fact-based assessment of the most important impacts:

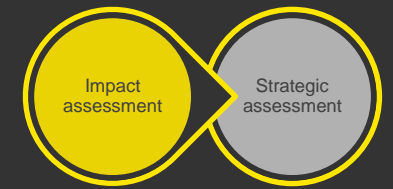
- ▶ Value chain impact assessment
- ▶ Contribution to «global goals» e.g. SDGs, Paris agreement (GRI)
- ▶ Relation to «natural resources» e.g. planetary boundaries (GRI)



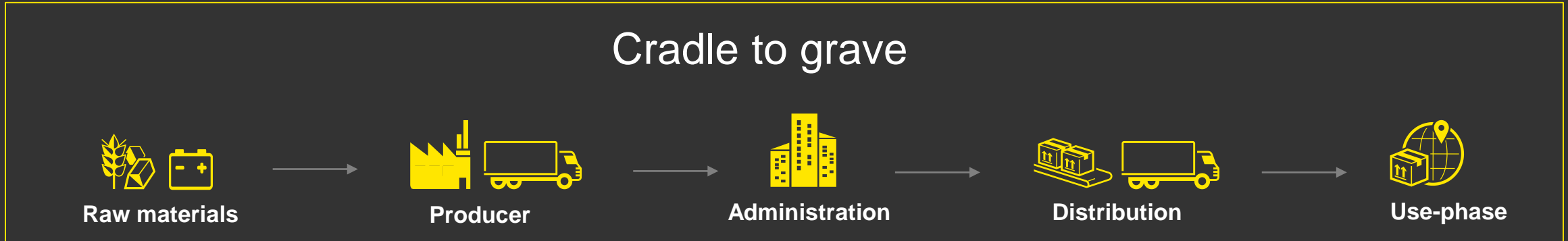
Strategic exercise taking a long term and holistic perspective of value creation:

- ▶ Stakeholder expectations and regulations
- ▶ Competitive analysis
- ▶ Market and technology
- ▶ Inputs/capitals and value drivers

The first step of a materiality assessment is a value chain assessment



Cradle to grave



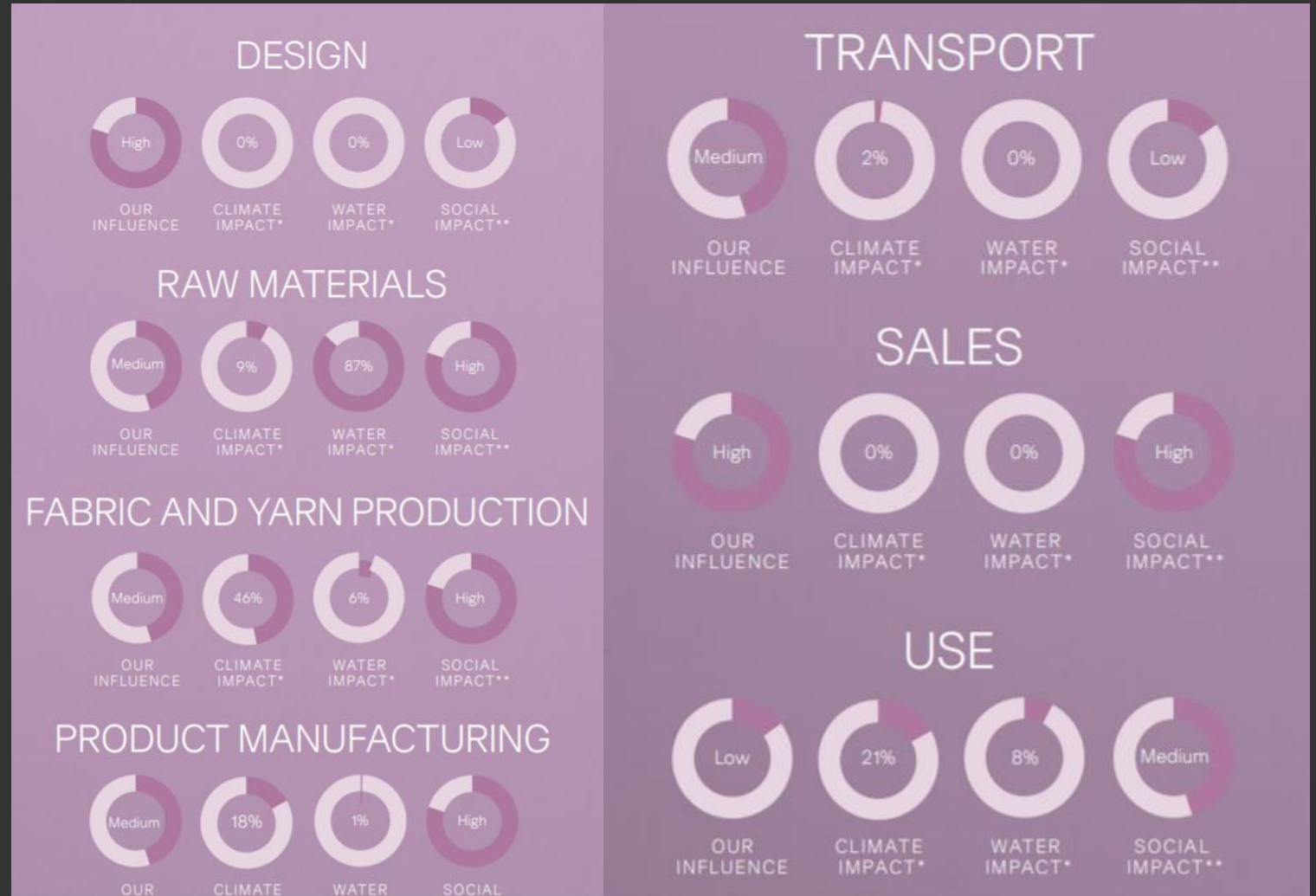
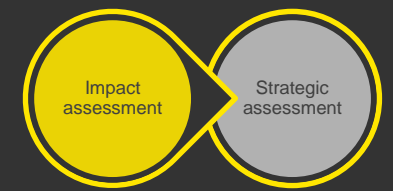
Economic
Environmental
Social



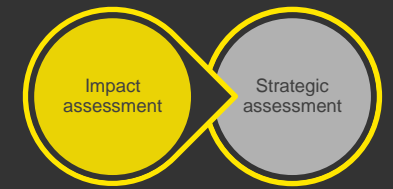
Positive impacts

Negative impacts

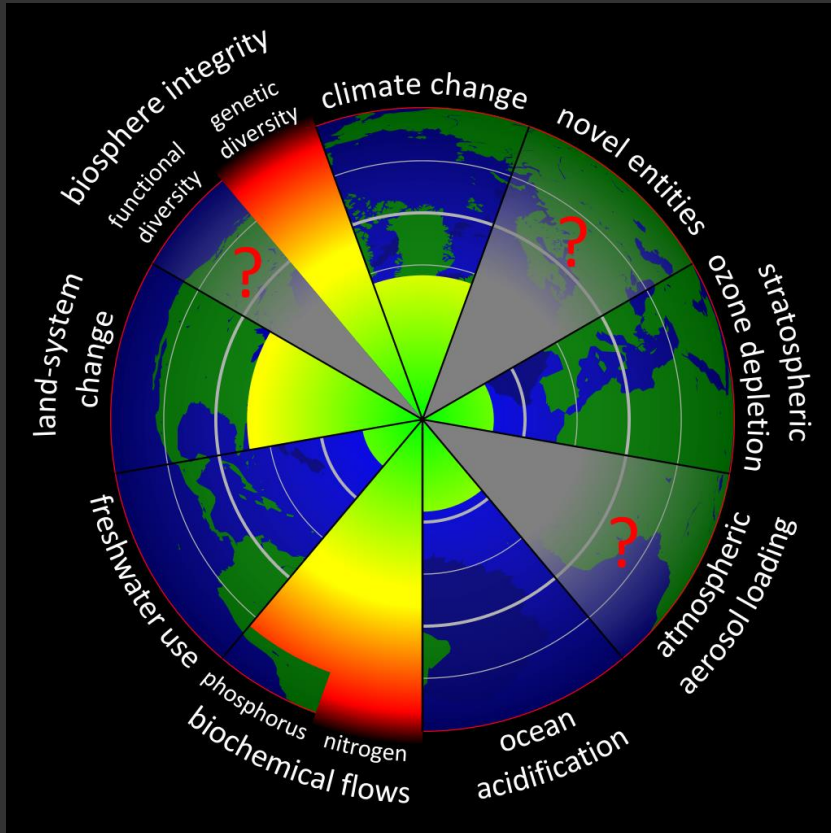
By quantifying the impacts it is possible to compare impacts through the value chain



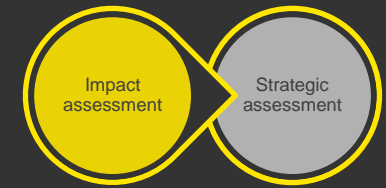
GRI specifically refers to planetary boundaries and sustainable development goals



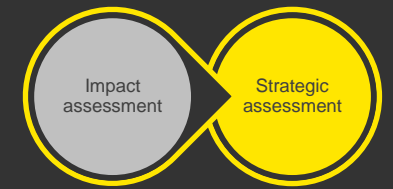
GRI Standards §1.2: “The report shall present the reporting organization’s performance in the wider context of sustainability”



Posten has an impact assessment which serves as the basis of the strategic report



Impact assessment is the basis of the strategic assessment



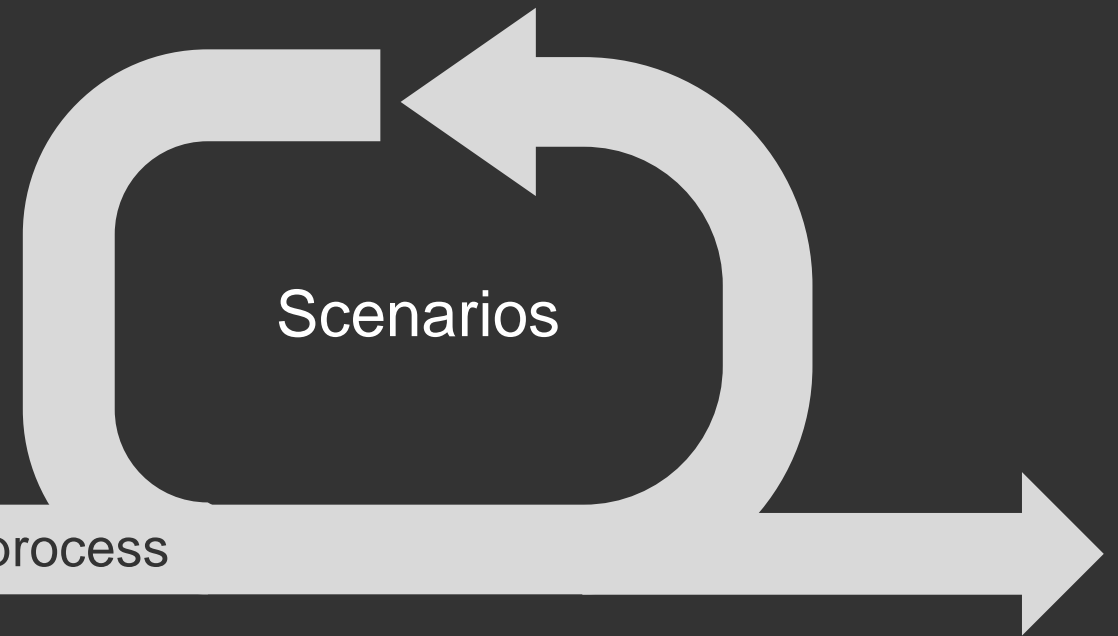
1 Stakeholders expectations and regulations

2 Competitors and heroes

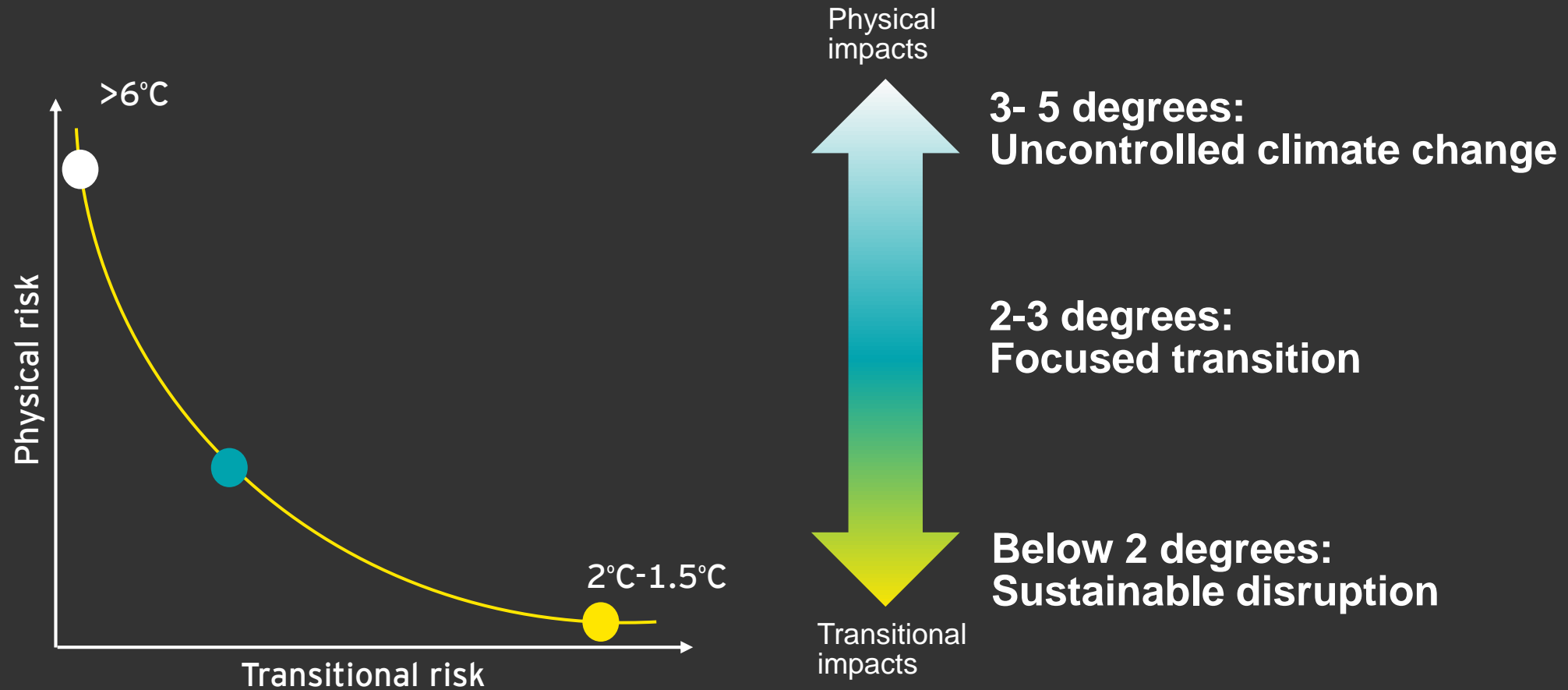
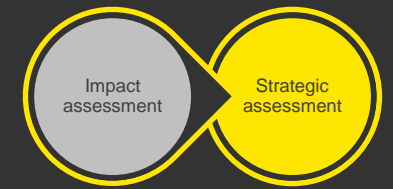
3 Market and technology



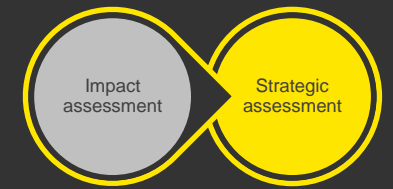
The strategic assessment is an iterative process



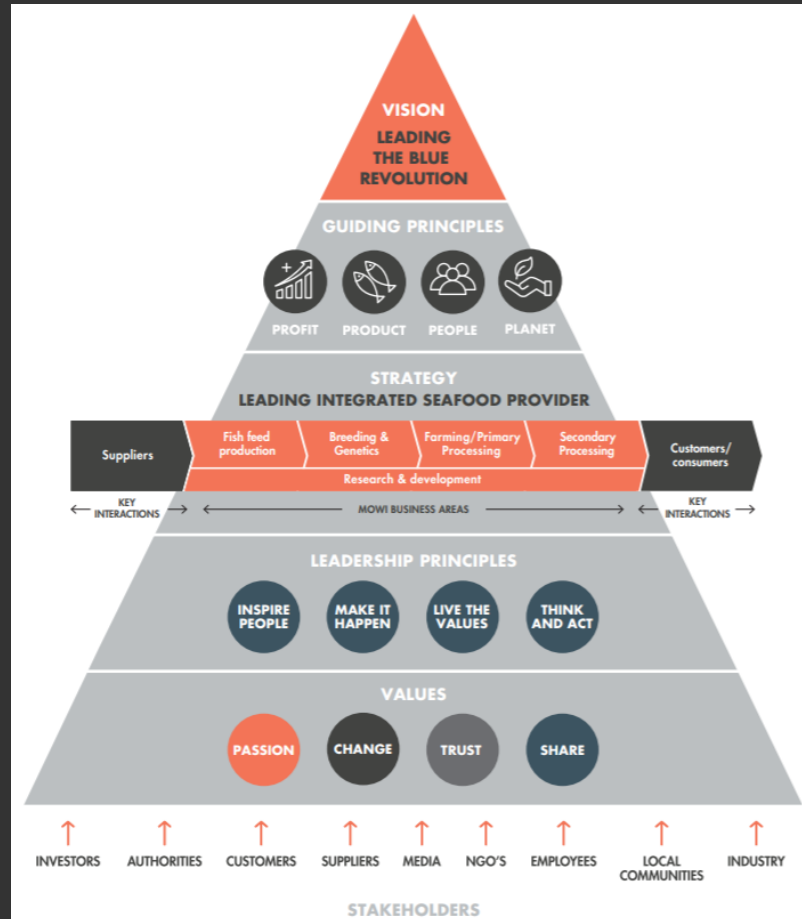
Climate risk is an example of strategic thinking



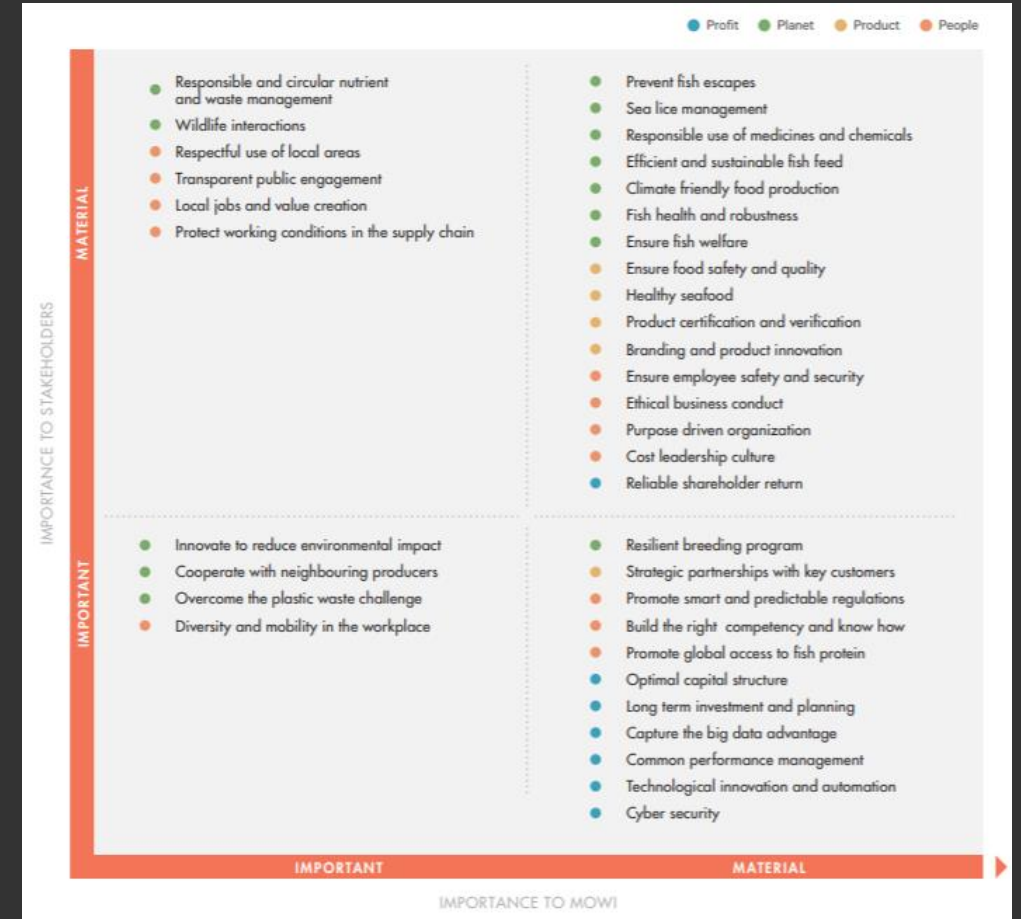
MOWI connects its impacts to its strategy



MOWI strategy



Assessment of material value drivers



How the materiality assessment is presented may vary, but the important part is that it includes both components

