

Materiality & Issue Prioritization

WHAT IS A MATERIALITY ASSESSMENT?

A materiality assessment is a way to identify and prioritize the issues that matter most to your business and stakeholders.

SUSTAINABILITY ISSUES ARE EXPANDING, AND REQUIRE PRIORITIZATION

The universe of potential “material” issues is growing as new stakeholder campaigns, public policy debates, standards, regulations, and global events demand the attention of companies worldwide. Stakeholders are expecting more corporate **action** on the most demanding problems and more **access** and transparency into what’s behind your sustainability focus.

Materiality Assessments Provide a Tool for Prioritizing. A materiality assessment helps a company make sense of the sustainability landscape and build a powerful mandate for focusing and acting on those issues that are highest priority for the business. The benefits to carrying out a materiality or issue assessment include:

- Focusing efforts to better allocate limited resources
- Integrating sustainability issues into the core business strategy
- Satisfying stakeholder & investor demands
- Anticipating emerging issues
- Meeting sustainability reporting expectations
- Strengthening sustainability communications
- Providing a basis for development of performance measures

OUR PROCESS AND OFFERINGS

Though we customize by company and objective, the standard materiality assessment process includes the following steps:



Explore the Issues and Landscape

- Issues Identification
- Evaluate Business Impacts & Stakeholder Interests
- Targeted Leadership and Internal & External Interviews
- Business Model Analysis & Strategy Review
- Contextual Research of Media, NGOs, Regulatory Activity and Peers/Industry



Map Issues to Value Chain and Assess Risks/Opportunities

- Issues Clustering
- Value Chain Analysis for the Business
- Assess Risks & Opportunities
- Determine Interconnectedness & Patterns



Prioritize Issues for Strategy & Communication Focus

- Refine Issues List
- Determine Short List of Strategic Issues Based on Key Business and Stakeholder Criteria



Facilitate Integration

- Share Results and Insights through Cross-Functional Engagement
- Determine Communications Plan
- Set Ambitions & Goals for Priority Issue Areas

WE HELP COMPANIES PRIORITIZE AND TRACK ISSUES

SustainAbility’s materiality assessments are informed by more than 25 years of experience helping companies to develop sustainability strategies that align with their core businesses. Our approach includes several lessons:

- **Embrace the complexity and interconnections of issues:** We see value in understanding issues as an interconnected system, rather than separating them and seeing them in isolation.
- **No two companies are alike:** While there are respected methodologies that we draw on (e.g., GRI G4, SASB), each company has a unique culture, history, vocabulary, and governance structure, and is operating in a unique context.
- **Integration is key:** Materiality must be integrated into the core business strategy. Information about key issues must be integrated with the rest of the business, either through existing mechanisms (e.g. risk management) or through new thinking.

SCOPE OF SERVICES

Our materiality services offer a range of outputs catered to your needs, from light touch analysis to a full intensive materiality assessment.

FULL MATERIALITY ASSESSMENT, STAKEHOLDER REVIEW & STRATEGIC PRIORITIZATION

Provides robust analysis of the business case for acting on issues. Highlights the areas that are most important to act on, provides detailed issue analysis and stakeholder insights, and provides a sound basis for resource prioritization, strategic planning and goal & ambitions setting.

LIGHT-TOUCH MATERIAL ISSUES REFRESH

Useful as part of a strategy review to confirm areas of focus without the full stakeholder consultation process. Provides a basis for decision-making on reporting content and/or annual strategic planning efforts.

SPECIFIC ISSUES DEEP-DIVES (AD-HOC)

Provides strategic intelligence on particular issues to support development of strategies, key performance indicators, and internal engagement.

EXPERIENCE & SELECT CLIENTS

Since 1987, SustainAbility has been guiding companies to set goals that position them for leadership and creating a more sustainable economy. With offices in two continents, extensive experience in diverse sectors and access to a vast on-demand network of leading sustainability experts, we bring a global and unique perspective. We use a flexible materiality approach that can be tailored to meet your needs, no matter where you are on your sustainability journey.



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