Our speakers

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Agenda

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Have you ever conducted a materiality assessment?

01
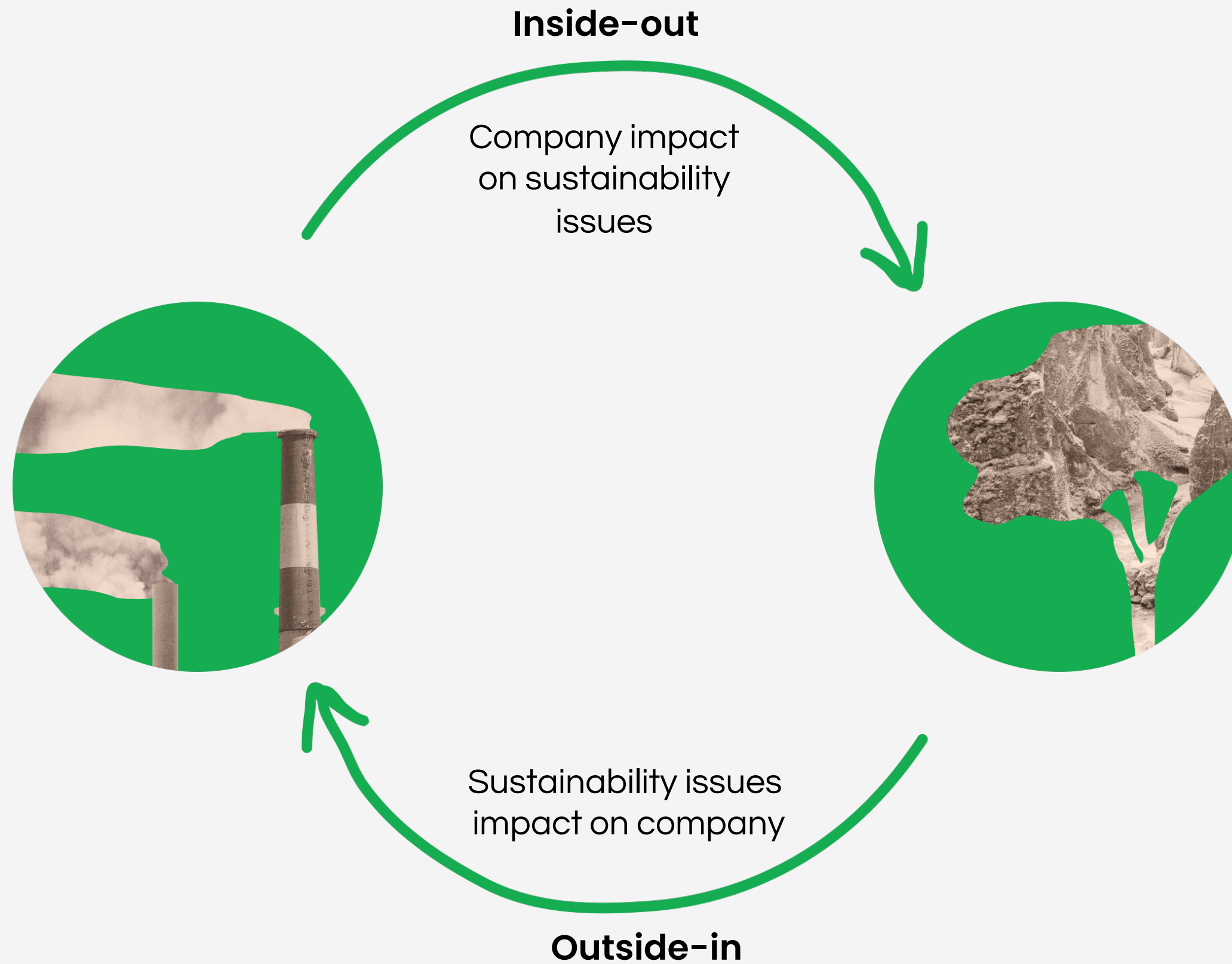
What is materiality?

"

Material topics are the most important. They are where great **risks** and **opportunities** exist.

This makes them crucial for decision-making and strategy development.

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What is double materiality?

Inside-out

Company impact on sustainability issues

Sustainability issues impact on company

Outside-in

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Why double-materiality

Compliance

Strategy
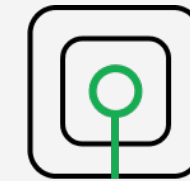
Impacts

Collaboration
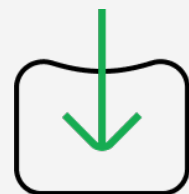
Assessment

Validation

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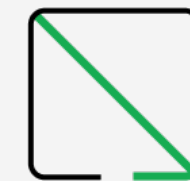
The upcoming CSRD

Non-financial disclosure requirements increase compared to 5 years ago.

x20

G250 companies that reported on sustainability as of 2020.

96%

Companies in Europe that will be required to report according to the new CSRD.

+50.000

Corporate Sustainability Reporting Directive

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The scope of the CSRD

Corporate
Sustainability
Reporting
Directive

EU listed companies or large EU company (or subsidiary).

Large companies meet at least 2 out of the 3 criteria:

✓ **€40M+** Revenues

✓ **€20M+** Balance Sheet

✓ **250+** FTEs

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02

Practical examples

Seafood Company & Overfishing

Traditional Materiality

Double Materiality
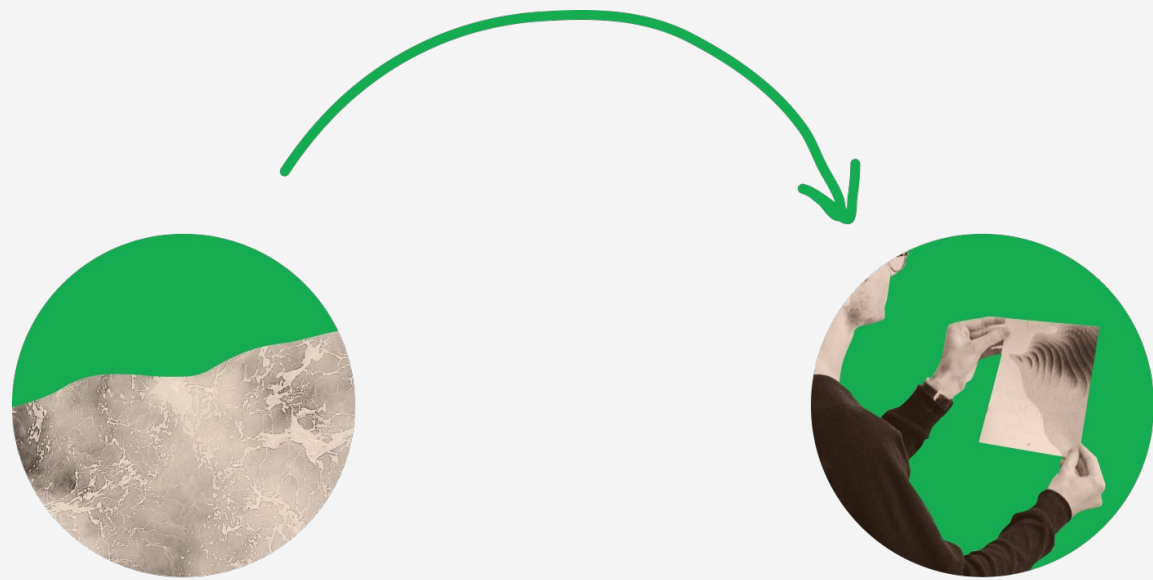
Financial Perspective
Fish stock decrease
and affects the
company's profitability
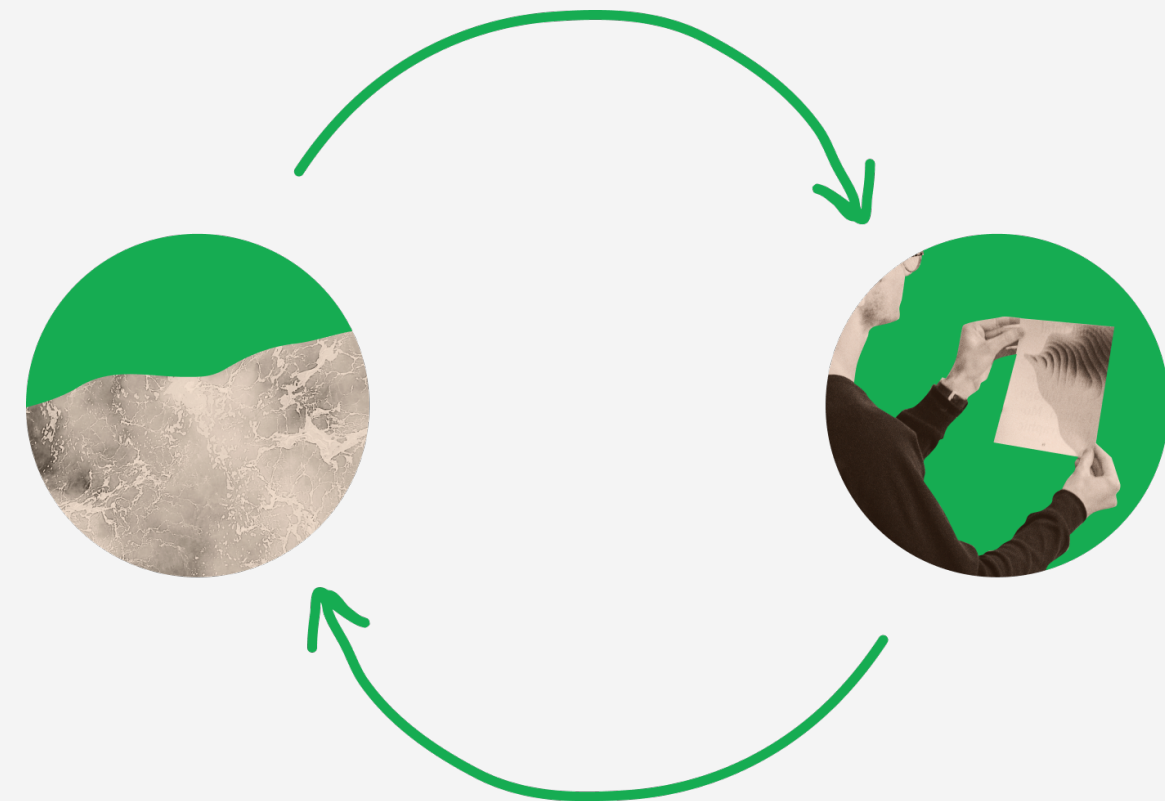
Outside in
Fish stock decrease
and affects the
company's profitability

Inside out
Company activities
threaten fish stocks,
harming biodiversity

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A dissatisfied & unproductive workforce

Traditional Materiality

Double Materiality
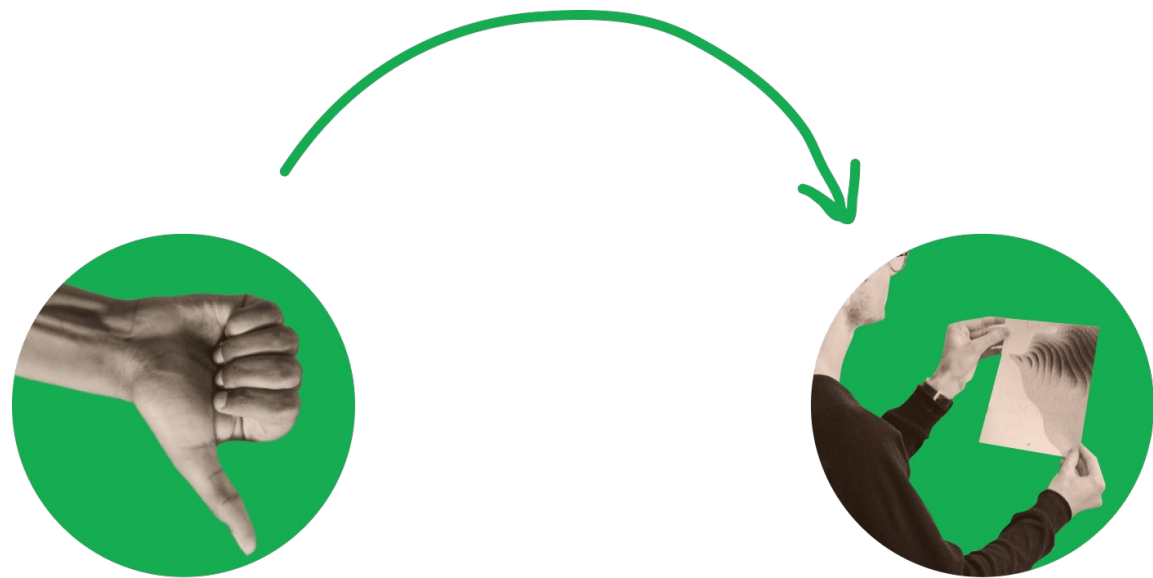
Financial Perspective
Unproductive employees affect the company's revenue

Outside in
Unproductive employees affect the company's revenue

Inside out
Company's governance affects employee's satisfaction and productivity

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03

What topics to include

CSRD topics list

Sector-Agnostic Standards

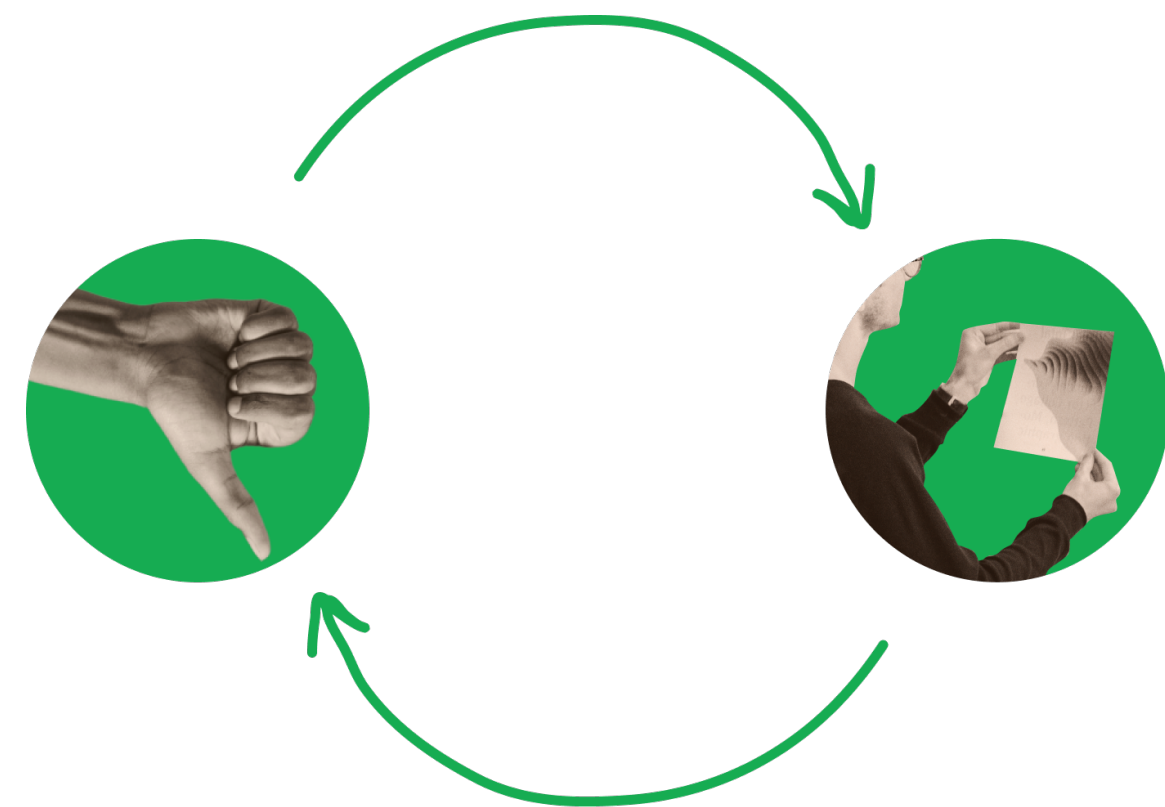| Cross-cutting Standards	Environment	Social	Governance
ESRS 1 General Principles	ESRS E1 Climate Change	ESRS S1 Own workforce	ESRS G1 Governance, Risk Management and Internal Control
ESRS 2 General, strategy, governance and materiality assessment disclosure requirements	ESRS E2 Pollution	ESRS S2 Workers in the value chain	ESRS G2 Business Conduct
	ESRS E3 Water & Marine Resources	ESRS S3 Affected communities	
	ESRS E4 Biodiversity & Ecosystems	ESRS S4 Consumers and end-users	
	ESRS E5 Resource use and circular economy		

Sector-Specific Standards (in development)

SME-Proportionate Standards (in development)

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EcoVadis sustainability pillars

Environment

Operations
- Energy consumption & GHGs
- Water
- Biodiversity
- Local & accidental pollution
- Materials, chemicals & waste

Products
- Product use
- Product end-of-life
- Customer health & safety
- Environmental services & advocavy

Labour & human rights

Human resources
- Employee health & safety
- Working conditions
- Social dialogue
- Career management & training

Human rights
- Child labour, forced labour & human trafficking
- Diversity, discrimination & harassment
- External stakeholder human rights

Ethics

Corruption
- Anticompetitive practices
- Responsible information management

Sustainable procurement
- Supplier environmental practices
- Supplier social practices

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Generic topics list

Environment

Operations
✓ Energy, GHGs & Climate Change
✓ Local Pollution
✓ Water Use & Discharge
✓ Biodiversity
✓ Materials
✓ Waste
✓ Chemicals
✓ Supplier Environmental Practices

Products
✓ Product use
✓ Product end-of-life & Circularity
✓ Environmental services & Advocacy

Social

Human resources
✓ Employment
✓ Employee Health & Safety
✓ Working Conditions
✓ Career Management & Training

Human rights
✓ Freedom of Association and Collective Bargaining
✓ Diversity, Equity & Inclusion
✓ Child, Forced or Compulsory Labour
✓ Customer Health & Safety
✓ Community Involvement
✓ Supplier Social Practices

Governance

Corruption
✓ Anti-corruption
✓ Anti-competitive Behaviour
✓ Ethical Business Conduct
Responsible Information Management

CSRD

Global Reporting Initiative

EFRAG

ecovadis

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GRI vs CSRD

Rebuttable Presumption

Reporting entities are free to decide which material topics to disclose.

Reporting entities need to disclose all material topics, unless valid justification is given for the missing disclosure.

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How to conduct it

The steps of the materiality assessment

01 **Mapping**
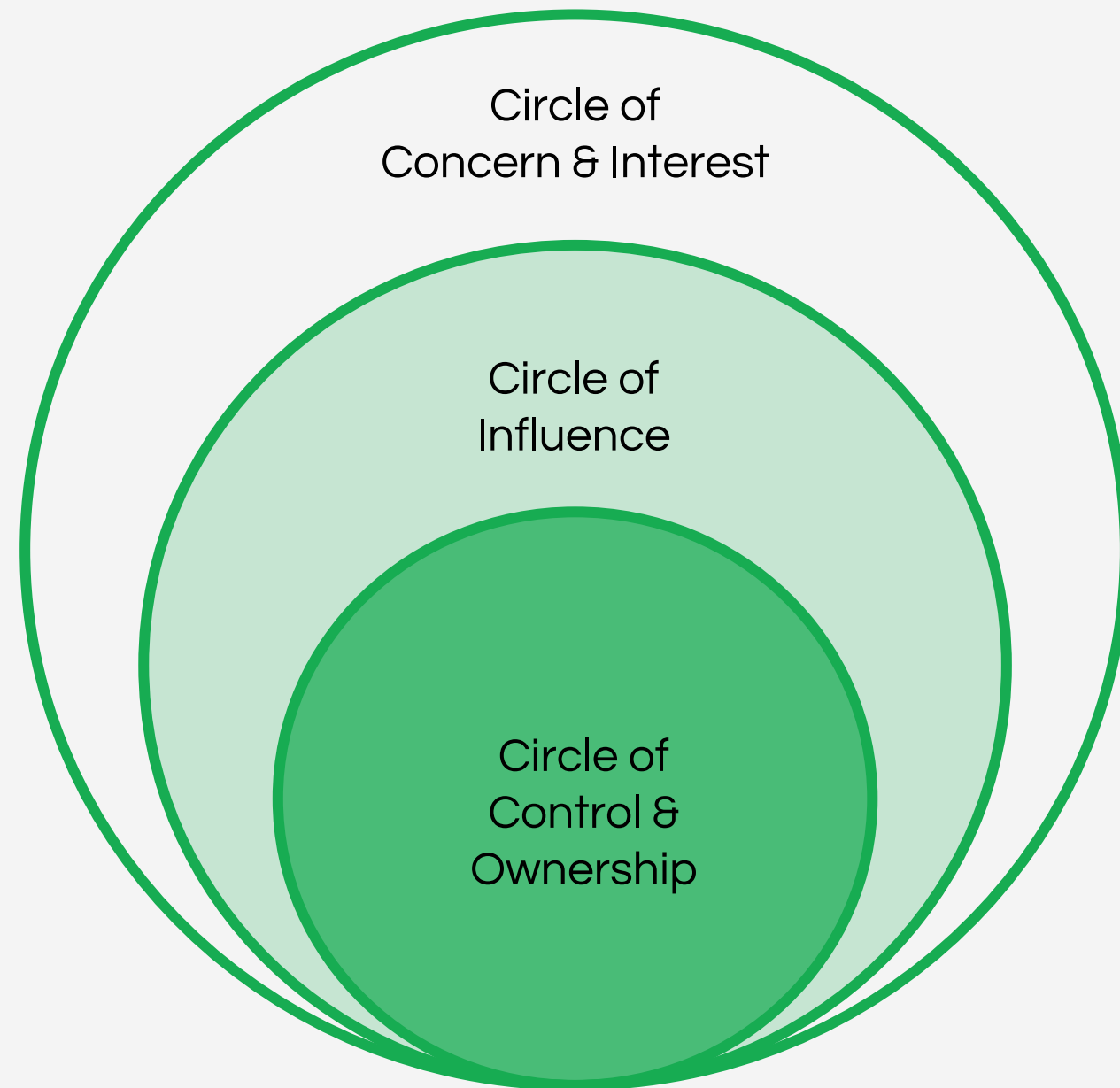
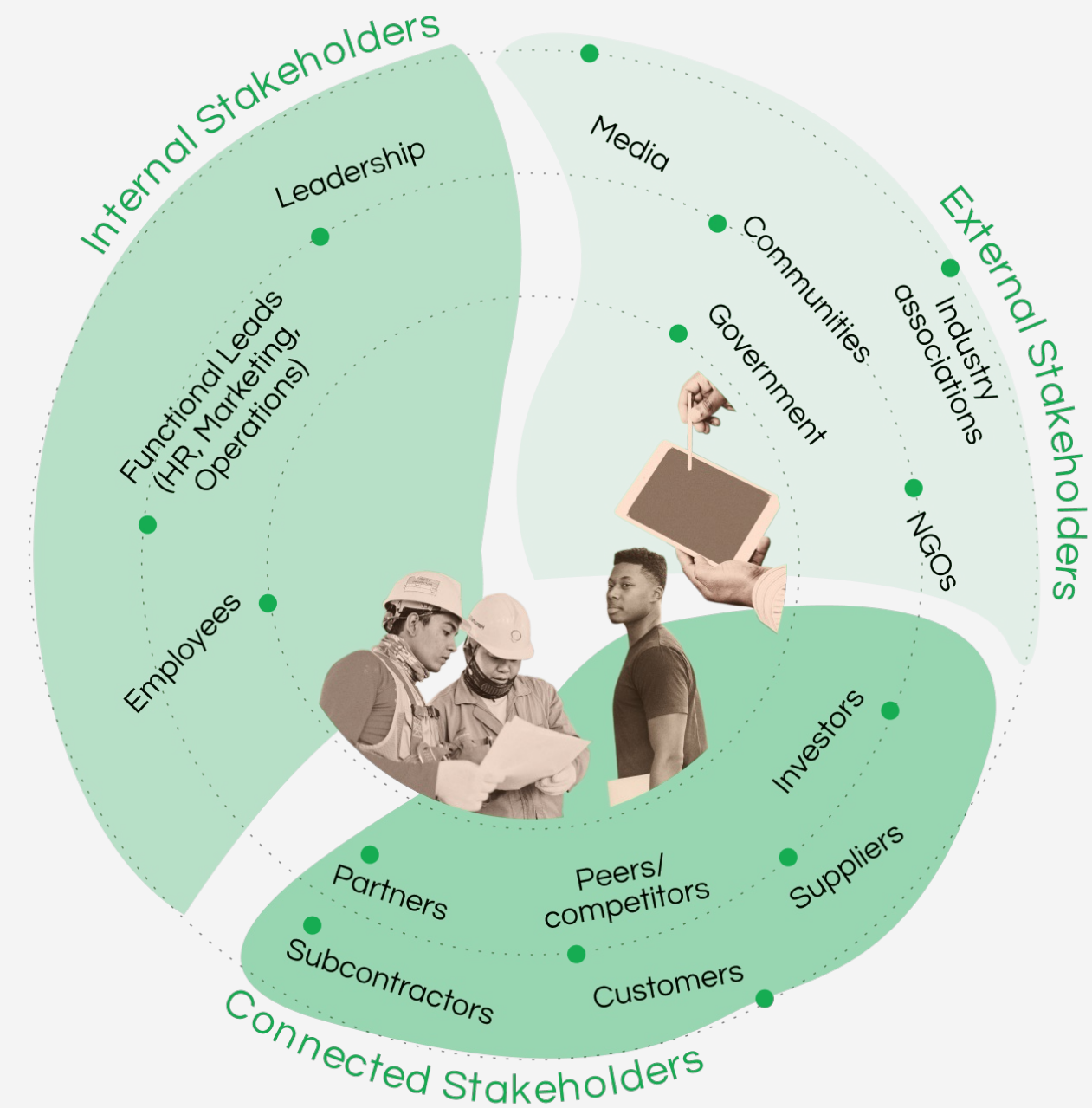02 **Gathering**

04 **Synthetising**

03 **Analysing**

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What do you find most challenging when conducting a materiality assessment?

Who's voices to include?

Social system

Circle of
Concern & Interest

Circle of
Influence

Circle of
Control &
Ownership

Stakeholder groups

Internal Stakeholders

External Stakeholders

Connected Stakeholders

Leadership

Media

Communities

Government

Industry associations

Functional Leads
(HR, Marketing,
Operations)

NGOs

Employees

Investors

Suppliers

Partners

Peers/
competitors

Subcontractors

Customers

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Who's voices to include?

Industry value chain stages

| Sourcing | Manufacturing | Distribution | Retail | User | End-of-Life |

Company value chain stages

| Design | Procurement | Operations | Marketing & Sales | Transport | Maintenance |

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How much should each voice weigh?

Influence on company re. pillar / topic (high → low)
Influenced by company re. pillar / topic (low → high)

Matrix values:
	low				high
high	2	3	4	5	5
	1	3	4	5	5
	1	2	4	4	4
	1	2	2	3	3
low	1	1	1	1	2
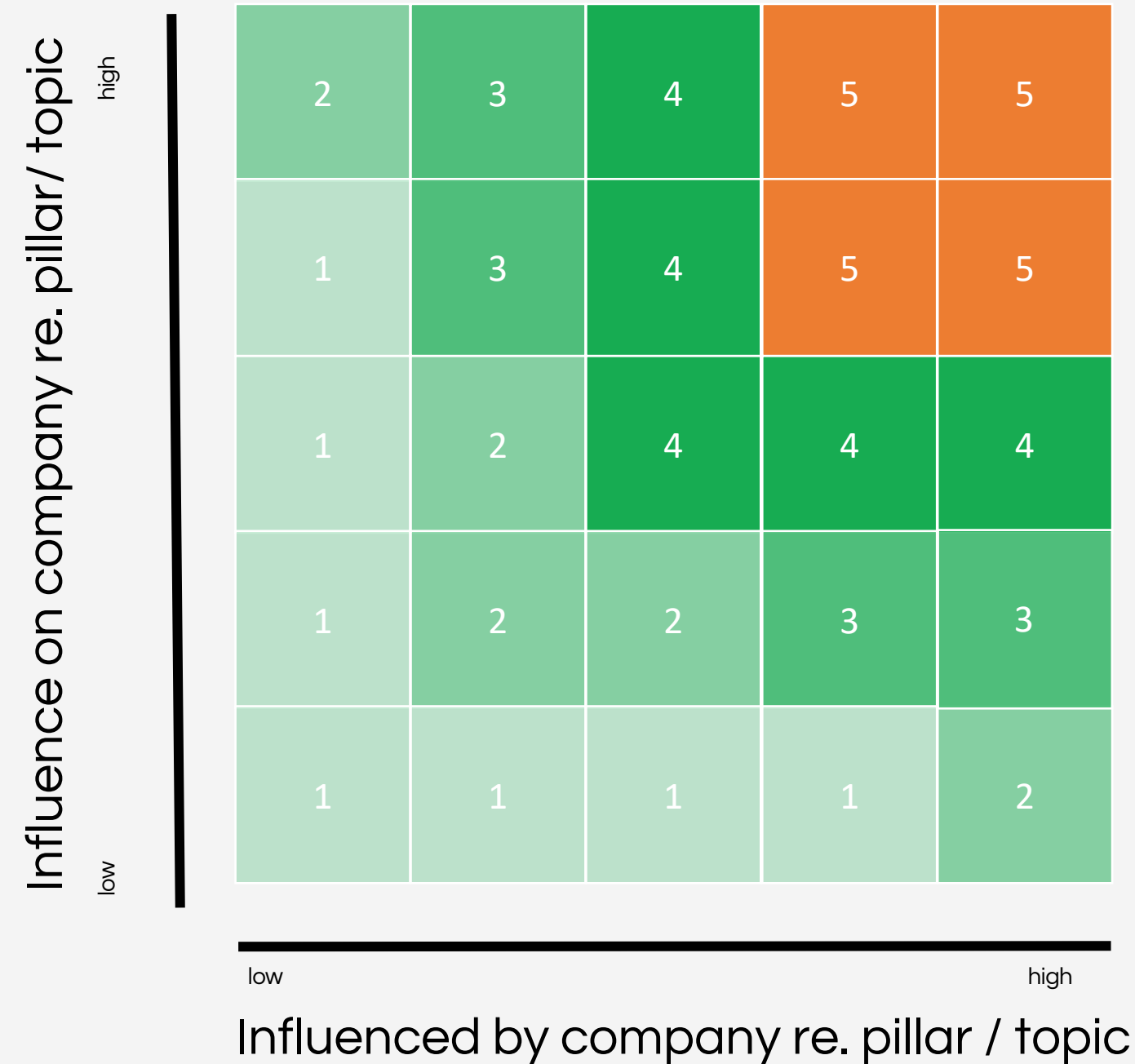
01 List all stakeholders

02 Per pillar or topic, position in matrix

03 Per pillar or topic, determine score 1-5

04 Calculate total topics X potential score

05 Calculate % weight of stakeholder per topic

Time horizons
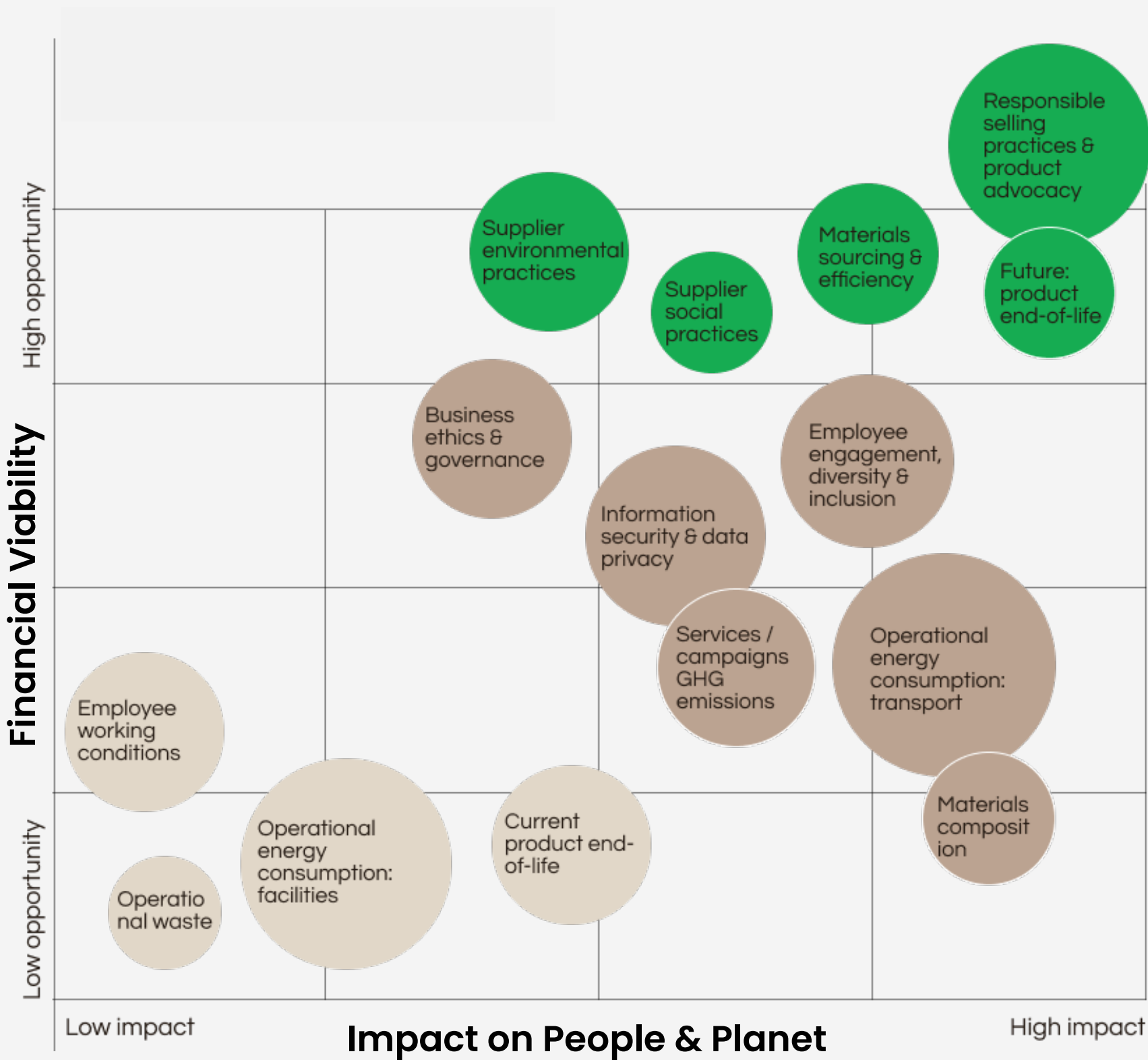
Short-time | 0 – 1 year

Medium-time | 2 – 5 years

Long-time | 5+ years

How to get to the results

Stakeholder weight per pillar **X** Survey per stakeholder group / topic **=** Final score per topic

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Materiality matrix

Financial Viability

High opportunity

Low opportunity

Responsible selling practices & product advocacy

Supplier environmental practices

Supplier social practices

Materials sourcing & efficiency

Future: product end-of-life

Business ethics & governance

Employee engagement, diversity & inclusion

Information security & data privacy

Services / campaigns GHG emissions

Operational energy consumption: transport

Employee working conditions

Operational energy consumption: facilities

Current product end-of-life

Materials composition

Operational waste

Low impact

High impact

Impact on People & Planet

✓ Reporting

✓ Strategy Development

✓ Goal-setting

✓ Stakeholder Engagement

✓ Focus Investment & Action

✓ Sustainability Management System
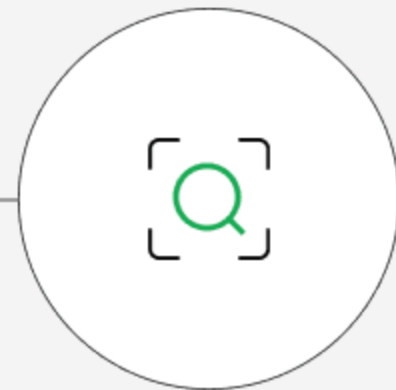
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Key takeaways

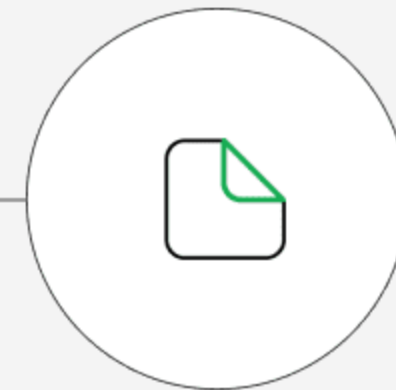**Consider both financial and impact materiality**
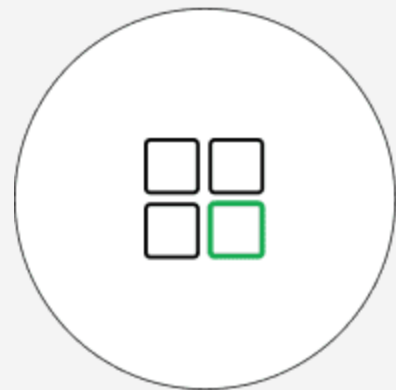
Double Materiality is the backbone of the CSRD

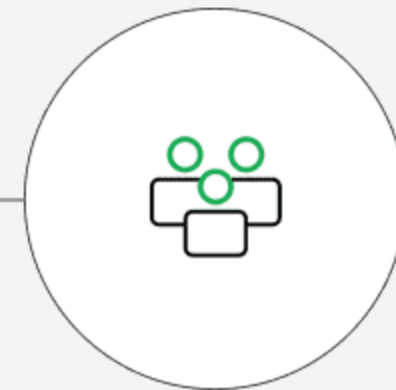**Identify, prioritize, and validate material issues**

Start sooner rather than later

Materiality is not a tick-the-box exercise

Stakeholder engagement is crucial

How we can support you

✓ **Materiality assessment**
✓ **Sustainability report writing**
✓ **Sustainability goal-setting**
✓ **SMS implementation**

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Q&A

Contact

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Sustainability in motion