Define report content: Materiality Analysis

Webinar 4 of the Sustainability Reporting Process Series

19 September 2019
How to use WebEx
Speakers

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Host

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Program Development, GRI
Speaker

Natali Archibee
Sustainability Manager
The Mosaic Company
Speaker

Francesca Maritati
Corporate Social Responsibility Officer
European Investment Bank
Speaker
Sustainability Reporting Process Webinars

16 April 2019  Webinar 1: Overall Reporting Process
28 May 2019  Webinar 2: Reporting Project Management
17 July 2019  Webinar 3: Define Report Content: Stakeholder Engagement

19 September 2019  Webinar 4: Define Report Content: Materiality Analysis

17 October 2019  Webinar 5: Data Collection
19 November 2019  Webinar 6: Content Development
17 December 2019  Webinar 7: Communications
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| Conducting materiality analysis in practice | Natali Archibee  
The Mosaic Company          | 20 min   |
|                                          | Francesca Maritati  
The European Investment Bank |         |
| Q&A and concluding remarks               | Milda Malinauskiene, GRI                      | 15 min   |
Define report content: Materiality Analysis
DISCLAIMER: The process described here refers to the most common activities for reporting purposes, based on reporters’ experience. It is not part of the GRI Sustainability Reporting Standards (GRI Standards), therefore it should be considered as a suggestion and not as a requirement to produce a report in line with the GRI Standards.
Materiality and report content

Using the GRI Standards for sustainability reporting

Using the GRI Standards for sustainability reporting

- **Starting point**
  - GRI 101

- **Choose** an option for reporting in accordance with the Standards
  - Section 3, GRI 101

- **Report contextual information** about your organization and its reporting practices, using GRI 102
  - GRI 102

- **Report the management approach** for every material topic identified, using GRI 103
  - GRI 103

- **Comply** with all reporting requirements for a selected number of disclosures, as per Table 1 in GRI 101

- **Comply** with all reporting requirements in GRI 103, for each material topic

- **For each topic Standard**, comply with all reporting requirements in the “Management approach disclosures” section, and all reporting requirements for at least one topic-specific disclosure

- **For each topic Standard**, comply with all reporting requirements for all topic-specific disclosures

- **Sustainability report**
Defining materiality

Materiality principle

The report shall cover topics that:

• reflect the reporting organization’s significant economic, environmental, and social impacts;

OR

• substantively influence the assessments and decisions of stakeholders.
Materiality and impacts
GRI Standards

‘Impact’ refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution to sustainable development.

- Positive, Negative
- Actual, Potential
- Direct, Indirect
- Short term, Long term
- Intended, Unintended

ECONOMIC, SOCIAL AND/OR ENVIRONMENTAL IMPACTS
Sustainability Reporting Process

Define report content: Materiality Analysis

- Benchmarking and gap analysis
- Designing the materiality analysis
- Analysis of the value chain
- Identification of the initial list of topics
- Execution of the materiality analysis (including topic prioritization and defining threshold)
- Identification of the material topics’ boundary
- Materiality validation
- Selection of ‘in-accordance’ option and defining the set of disclosures for each material topic

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Define report content: materiality analysis
Benchmarking and gap analysis

What tasks could be considered?

- Assess current best practices (e.g., impacts and material topics, how other reporters are disclosing their materiality analysis)
- Identify gaps and best practices and establish what is needed to close the gaps

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Define report content: materiality analysis

Designing the materiality analysis

What tasks could be considered?

- Define how the materiality analysis will be implemented and how often it will be updated

- Establish who will be involved (internally and externally) and what the outcome will be (consider the possibility of external support)

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Define report content: materiality analysis
Analysis of the value chain

What tasks could be considered?

• Define the value chain of the company (the full range of an organization’s upstream and downstream activities, which encompass the full life cycle of a product or service, from its conception to its end use)

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Define report content: materiality analysis
Identification of the initial list of topics

What tasks could be considered?

- Identify an initial list of topics related to the organization’s potential impacts

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Define report content: materiality analysis

Execution of the materiality analysis (including topic prioritization and defining threshold)

What tasks could be considered?

- Impact assessment (review the initial list of potential impacts, assess and prioritize them)
- Assess topics that substantively influence the assessments and decisions of stakeholders
- Set threshold and prioritize topics
- Consider creating materiality matrix (optional)

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Define report content: materiality analysis

Identification of the material topics' boundary

What tasks could be considered?

For every material topic, the reporting organization shall report the related boundary, meaning:

• Where the impacts occur
• Organization’s involvement with the impacts

The topic boundary is based on international instruments such as the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for MNEs

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Define report content: materiality analysis

Materiality validation

What tasks could be considered?

• Review the analysis and ensure that the Reporting Principles for defining report content have been applied correctly
• Final validation (e.g. C-suite approval)

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Define report content: materiality analysis
Selection of the ‘in accordance’ option and defining the set of disclosures for each material topic

What tasks could be considered?

- Choose the ‘in accordance’ option (Core or Comprehensive) or GRI-referenced option
- Define the set of disclosures for each material topic based on the selected ‘in accordance’ option

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How can GRI support your reporting process?
GRI’s Report Services

Materiality Disclosures Service
Improves comparability as well as enhances navigability in your report for the core of a sustainability report - the materiality disclosures.

Disclosure Review Service for draft and published reports
Helps improve the quality of the current and future reports, with a focus on:
- Stakeholder Engagement and materiality
- Management approach

Review Service on published reports
Provides insights to reporters on the application of reporting principles and management approach for their next reporting cycles.

For more information contact us at ReportServices@globalreporting.org
How can GRI support your reporting process?

Process Support Services

Kick-off Service
GRI’s Kick-off service helps organizations understand main concepts from GRI reporting, such as, the principle-based approach, disclosures on stakeholder engagement, and focus on materiality, and translate them into an action plan for their reporting process.

Tailored support
GRI offers tailored support through workshops on topics that the reporting organizations need help with. These topics can range from introduction to the GRI Standards, the Sustainable Development Goals, Stakeholder Engagement, Materiality, etc.

For more information contact us at ReportServices@globalreporting.org.
Publications
Relevant GRI publications

- [SMESustyReporting](http://bit.ly/SMESustyReporting)
Materiality Analysis in Practice
About The Mosaic Company

Our Mission
We help the world grow the food it needs.

Our Work
We are the world's leading integrated producer and marketer of concentrated phosphate and potash.

(NYSE: MOS)
Who We Are

100 YEARS
HISTORY
phosphate mining in U.S.

50 YEARS
HISTORY
potash mining in Canada

26.6 MILLION
TONNES
of operational capacity

$9.6B
FY2018 sales

>12,000
EMPLOYEES
in operations and joint ventures (JVs) in:
United States, Canada, Brazil, Paraguay, China, India, Australia, Peru (JV), Saudi Arabia (JV)

customers in approximately 40 COUNTRIES
Meeting Rising Food Demand with Crop Nutrients

Crop nutrient demand expected to rise as the population grows. Mosaic delivers innovative fertilizers to help farmers maximize yields.

70%

AGRICULTURAL PRODUCTION NEEDS TO INCREASE 70% BY 2050

LAND EXPANSION will not fulfill crop production needs

90% OF SUPPLY will have to come from land already in production
Reporting background

Materiality = Significance

GRI G3
GRI G3.1
GRI G4
GRI Standards, SASB
Defining What Matters

Which topics meet a threshold of importance to be worth: 1) real estate in our report; 2) strategy bandwidth?

Stakeholder identification and engagement -> Analysis of issues -> Analysis and ranking of impacts -> Validation -> Refresh
Results

De-emphasized
- Artisan mining
- Customer privacy
- Packaging
- Imported/exported waste

Highlighted
- Water and Nutrient Stewardship
- Community impact
- Anti-corruption
- R&D
Sustainability at Mosaic

- Food
- Environment
- People
- Community
- Company
### Takeaways

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<td>Stakeholder participation</td>
<td>Hire the right partner</td>
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<td>Potential contention</td>
<td>Right-size the exercise</td>
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<td>Survey burden</td>
<td>Refresh regularly</td>
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<td>Prioritizing issues</td>
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  - The 2014 Materiality Assessment
  - The 2018 Materiality Assessment
  - Challenges & lessons learnt
The EIB Group

- The European Union's bank
- Borrower, lender and adviser
- Key areas: climate and environment, infrastructure, innovation & skills, SMEs

- Specialist provider of risk finance to benefit SMEs
- Focus on Europe
- Key areas: entrepreneurship, growth, innovation, research and development, and employment
EIB Group’s Sustainability Report

SUSTAINABILITY REPORT

GRI DISCLOSURES

EIB Group 2018
Sustainability Reporting Disclosures
In accordance with the GRI Standards
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▪ Background
  ▪ The 2014 Materiality Assessment
  ▪ The 2018 Materiality Assessment
  ▪ Challenges & lessons learnt
2014 Materiality

- Topics identification
- Internal interviews
- External stakeholders’ survey
- Outcome
Results 2014
Contents

- Background
  - The 2014 Materiality Assessment
    - The 2018 Materiality Assessment
  - Challenges & lessons learnt
2018 Materiality

- Topics identification
- Workshop with internal stakeholders
- Online survey to gather external stakeholders’ perspective
- Analysis of results
Results 2018
Contents

- Background
- The 2014 Materiality Assessment
- The 2018 Materiality Assessment
- Challenges & lessons learnt
Challenges and lessons learnt

- Great opportunity to engage with stakeholders: good planning helps
- Breaking down the results by stakeholder type provides further insights
- The impact assessment can prove challenging
- How to best integrate the results of the assessment?
Thank you
Conclusion and upcoming sessions
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STRENGTHENING SUPPLY CHAIN REPORTING
BUSINESS LEADERSHIP FORUM

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