Examples of Corporate Reporting Practices

Linking the Companies’ Prioritized SDGs to Their Materiality Assessment

About This Series

Integrating the SDGs into Corporate Reporting: A Practical Guide — developed by the United Nations Global Compact, GRI and partners — outlines how businesses can measure and disclose their contribution to and impact on the Sustainable Development Goals (SDGs) through a three-step approach and in alignment with recognized principles and reporting standards. The examples featured in this series help businesses and interested stakeholders identify select current corporate SDG reporting practices. The examples focus on one or a few elements of the broader corporate reporting process and steps outlined in the Practical Guide, which should be consulted for best practices on SDG reporting. The inclusion of company names in this series of examples is intended strictly for information and learning purposes and does not constitute an endorsement of the individual companies by the UN Global Compact or GRI.

This paper showcases the way in which Eastman Chemical and Natura &Co disclose how the identification of SDG priorities have been connected to their materiality process.

See also box 3 of the Practical Guide on “How these steps relate to the GRI standards (1/2)” for further information on how to report on this area.

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Eastman Chemical Company Integrates the SDGs into Its Materiality Matrix

The 2018 Eastman Chemical Company report discloses the company’s materiality assessment, addressing the material topics the company and its stakeholders have identified. Using an infographic, refer to Figure 1, Eastman Chemical Company displays the topics which are prioritized according to “Focus for Stakeholders” and “Focus for Eastman” along a materiality matrix. The top right-hand corner of the matrix indicates the material issue’s importance to the company and its stakeholders; the closer to the corner an issue is, the greater importance. For example, “Climate Change” is identified as a greater priority by both the company and stakeholders than “Biodiversity.” Each material topic identified is then linked to the relevant SDG. Using the material topic “Financial Return” as an example, Eastman Chemical Company links the topic to Goal 8 on Decent Work and Economic Growth. When the topic has an impact on more than one SDG, the company interlinks multiple SDGs which correspond with the material topic. For example, for the topic “Population Growth/Aging,” the company links it to Goal 3 on Good Health and Well-being, Goal 8 on Decent Work and Economic Growth, Goal 10 on Reduced Inequalities and Goal 11 on Sustainable Cities and Communities. The company displays a “Matrix key” alongside the graph to differentiate each material topic into either “Environment,” “Social” or “Governance” issues.
FIGURE 1: INFOGRAPHIC FROM EASTMAN CHEMICAL COMPANY’S REPORT DISCLOSING ITS MATERIALITY ASSESSMENT

Stakeholder priority assessment (continued)

Matrix Key
- Environmental
- Social
- Governance

Focus for Stakeholders
Monitor ➔ Manage ➔ Drive

EXAMPLE 2

COMPANY: Natura &Co
COUNTRY: Brazil
SECTOR: Household and personal products

YEAR OF REPORT: 2018

LINK TO REPORT

Natura &Co Discloses Its Material Topics and Links Them with the SDGs

The report displays a materiality table, which uses the GRI standards to outline Natura &Co’s economic, environmental and social performance in different areas. Figure 2 illustrates a snapshot of this table, disclosing six material topics the company has identified. Under “Topic,” the company discloses the material topic it has identified in its materiality assessment, such as “Diversity and Equality” or “Climate Change.” The table includes a detailed description for each material topic.

Natura uses the materiality table to link each material topic with its business operations, activities, services and products under “Where it occurs GRI 103-1.” These include both the positive contribution and the potential negative impacts Natura &Co’s activities have towards the topic. The table links the materiality topic to the relevant SDG under “Correlation with the SDGs.” Using the topic “Water” as an example, Natura &Co links this material topic to Goal 6 on Clean Water and Sanitation. Where the topic corresponds with more than one SDG, the SDGs are interlinked. For example, for the topic “Diversity and Equality,” the company links Goal 5 on Gender Equality, Goal 8 on Decent Work and Economic Growth and Goal 10 on Reduced Inequalities.
### FIGURE 2: TABLE FROM NATURA &CO’S REPORT DISCLOSING ITS MATERIAL TOPICS AND THEIR CORRELATION WITH THE SDGS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
<th>Where it occurs GRI 103-1</th>
<th>Related aspects and indicators</th>
<th>Correlation with the SDGs</th>
</tr>
</thead>
</table>
| Water                                      | Relative reduction in consumption and pollution of water throughout the value chain and neutralization of water impact. | Water sources and environment  
Supplier communities  
Operational units  
Society in general  
Consumers (use and post-consumer disposal) | Water  
Effluents and waste  
GRI 303-1, 303-2, 303-3, 306-1 and 306-5 | SDG 6: Clean water and sanitation |
| Diversity and equality                     | Progress in promoting equality in the work environment, in particular concerning gender and women’s participation in leadership | Employees | Diversity and equality of opportunities  
GRI 405-1, 405-2 | SDG 5: Gender equality  
SDG 8: Decent work and economic growth  
SDG 10: Reduction in inequalities |
| Education for the development of co-workers and consultants | Development of the consultant network and co-workers, including measures to promote improvements in public education. | Natura Beauty Consultants  
Employees  
Instituto Natura  
Society in general | Indirect economic impacts  
Training and education  
GRI 203-1, 203-2, 404-1 and 404-3 | SDG 4: Quality education  
SDG 1: Eradication of poverty  
SDG 5: Gender equality  
SDG 8: Decent work and economic growth  
SDG 10: Reduction in inequalities |
| Generation of work and income              | Support for the development of Natura consultants and supplier communities | Natura Beauty Consultants  
Supplier communities | Indirect economic impacts  
GRI 203-1, 203-2 | |
| Climate change                             | Reduction of greenhouse gas emissions throughout the value chain and neutralization by means of projects that incorporate social benefits. | Suppliers  
Fueling logistics operators  
Operational units  
Environment | Economic performance  
Emissions  
GRI 201-2, 305-1, 305-2, 305-3, 305-4, 305-5 and 305-6 | SDG 13: Combating climate change |
| Waste                                      | Development of packaging that has a lower environmental impact and promotes conscious consumption. | Product conception  
Operational units (zero defects)  
Freight haulage operators  
Recyclable material cooperatives  
Consumers (post-consumer disposal)  
Environment | Materials  
Effluents and waste  
Products and services  
GRI 301-2, 306-2 and 301-3 | SDG 12: Responsible consumption and production |