



# Materiality and beyond

*Unlocking Strategic Value and Impact*

A GlobeScan webinar – 3<sup>rd</sup> March 2021

# Today's Agenda



1. Welcome and Panellist Introduction
2. Context and Key Considerations
3. Materiality Experience at 3M, Adobe, and Danone
4. Panellist Discussion and Q&A

# Today's panel



**Gayle Schueller,**  
Vice President and  
Chief Sustainability Officer  
**3M**



**Céline Barral,**  
*One Planet. One Health* Integration  
and B Corp Director  
**Danone**



**Stephanie Dolmat,**  
ESG Reporting and  
Communications Lead  
**Adobe**



**Moderator - James Morris,** Director, GlobeScan

# Materiality, Now: 5 Drivers

1. Companies today operate in a VUCA (volatile, uncertain, complex, and ambiguous) world making it harder to monitor and prioritize disparate issues
2. Rise of stakeholder capitalism: expanded scope of risks and opportunities in how companies interact with, and serve the interests of, a wide variety of stakeholders
3. ESG revolution: Continuing rise of investor interest and expectations in ESG issues
4. Growing expectations and activism: a more aware consumer/customer and employees urging corporate to act, react and respond to global crises
5. Acceleration of transparency and standards, including evolving perspectives on materiality assessments via different standards and approaches



# Materiality: Underdelivering

For some companies, materiality may not be delivering on strategic opportunities.

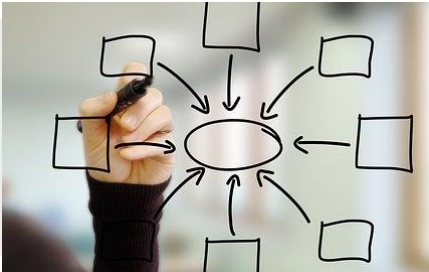
Our engagements with companies, including in a collaborative study we conducted called “The Future of Materiality”, uncovered some key challenges.



- Run materiality assessments only for the sake of disclosure efforts, leaving value on the table
- Not involving views of external and internal stakeholders while framing and prioritizing the issues
- Lack of integration of insights from current global environment - changing consumer expectations and other macro trends
- Negligible integration between sustainability strategy and overall strategy of the organization
- Limiting the identification of issue to those lagging issues identified by peers in the sector, thereby losing the edge to future-proof
- Limiting the assessment of issues to a short time-scale (the next 12-months)

# Three Pathways to Greater Impact

To help our clients try to obtain as much value from their materiality assessments as possible, GlobeScan has identified three guiding principles we feel are important when considering a materiality assessment.



## Integration



Realize multiple uses and create productive linkages with other related processes within the company

## Inclusion



Take a comprehensive and robust approach, including insights from a range of internal and external stakeholders

## Implementation



Ensure that materiality provides the foundation for delivering on the company's strategy

# #1. Integration



Realize multiple uses and create productive linkages with other related processes within the company

1. Ensure the materiality assessment is aligned to or complementary with related processes in other functions
2. Understand where the output of the assessment can have utility beyond reporting
3. Integrate relevant data streams from other parts of the business

## #2. Inclusion



Take a comprehensive and robust approach, including insights from a range of internal and external stakeholders

1. Comprehensive and robust: Inclusion of financial and non-financial perspectives, wide range of stakeholder views, real-time AI data
2. Identify stakeholders and data inputs that will help to understand both current and future trends
3. Balance between rigorous quantifiable data and understanding the complexity of stakeholder perspectives



# #3. Implementation

Implementation



Ensuring that materiality provides the foundation for delivering on the company's strategy

1. Ensure the assessment is utilized to inform, challenge, and adjust the company's strategy
2. Understand the relationship between material issues to reveal clusters, dependencies, and identify strategic priorities
3. Ensure insights from the assessment are accessible to multiple audiences internally





GlobeScan is an insights and strategy consultancy, focused on helping our clients build long-term trusting relationships with their stakeholders. Offering a suite of specialist research and advisory services, we partner with business, NGOs and governmental organizations to meet strategic objectives across reputation, sustainability and purpose.

Established in 1987, GlobeScan has offices in Cape Town, Hong Kong, London, Paris, San Francisco, São Paulo and Toronto, and is a participant of the UN Global Compact and a Certified B Corporation.

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