**Introduction to Materiality Assessment and Sustainability Reporting Project
for the
Schulich SUST 6450 MBA Course "Sustainability Reporting & Disclosure"**

This group project is a major component of the Schulich MBA course "Sustainability Reporting & Disclosure" taught by Charles H. Cho (e-mail: ccho@schulich.yorku.ca) . Each group needs to work with a partner organization to conduct a materiality assessment on-site via rigorous stakeholder engagement and provide reporting recommendations.

Materiality Assessment as a strategic business tool
Sustainability reporting is an important part of designing a sustainability strategy. Reporting does not have to be for large enterprises only. It can contribute to a more responsible, transparent and competitive business environment for small to medium-sized enterprises. It can help with investor confidence, RFPs, risk management, brand reputation and serve as a communication and accountability tool for your internal and external stakeholders.

The reporting environment can seem intimidating, with many standards and technical processes. Which is why our Schulich students are engaging in this project to help organizations like yours to understand your reporting priorities, giving you a springboard to continue this work in the future.

The first part of sustainability reporting involves developing a '**materiality assessment**'.

Materiality is the principle of defining the social and environmental topics **that matter most** to your business and your **stakeholders**.

A materiality assessment should be used as a **strategic business tool**, with implications *beyond* corporate responsibility or sustainability reporting. Organizations can get most benefit from their materiality process by using it as an opportunity to apply a sustainability lens to business risks, opportunities, trendspotting and enterprise risk management processes – all at the *present* time but also for, and in, the *future* (horizon of several years). Rather than creating a separate, isolated process, leading companies **embed** sustainability thinking within existing processes.

A broad and inclusive materiality process, including **stakeholder engagement**, can deliver benefits such as:

- **Ensuring** business strategy takes into account significant social and environmental topics, and the management of sustainability issues is embedded in wider business processes.
- **Identifying** trends on the horizon, such as water scarcity or changing weather patterns, that could significantly impact the company's ability to create value in the long-term.
- **Prioritizing** your resources for the sustainability issues that matter most to the business and stakeholders, so you can focus time and money on the most important topics, and on collecting relevant data.
- **Highlighting** areas where we need to manage and monitor risks that are important but not currently addressed.
- **Identifying** the areas of interest to the most important stakeholders, enabling you to report concise Information that gives a meaningful picture of progress to those who need it.
- **Helping** to identify where the company is creating, or reducing, value for society.
- **Completing** an industry and competitive analysis of the reporting efforts currently in place.

- **Identifying** the reporting standards that your organization should consider and their implications.
- A practical 'how to' **guide** to sustainability reporting for your organization.

What we would expect from you:
- Access, with your permission, to various stakeholders of the organizations (mainly employees with at least one at the senior management level in each relevant department/unit) via meetings and interviews.
- Availability of a total of **15 hours of your time, to be spread over 5 weeks** – from February xx to March xx, with a possible light initial contact in January (when the course starts.
- Attend the presentation of the final deliverable (see below) at Schulich on [end of March or early April].

What students will likely (should) ask/want to know (*note that these are example questions and students will be required to come up **with their own approach***)

Priority Sustainability Issues - Considering your area of expertise at xxx, what are the most important sustainability issues for the success of the company (in the short term, 1-2 years)? Why are these issues important to business success? (consider environmental, social, and economic aspects of sustainability).

Relationship between Issues - Sustainability is about the integrated view of environmental, social, and economic drivers of business success. How do the issues you have identified relate to sustainability drivers in each of these categories? How do the issues relate to each other?

Emerging Issues - What sustainability issues do you think will emerge, or grow in significance, as important risks or opportunities for the company over the next 3-5 years? (Consider trends in the industry, economy, government policies, society as a whole, etc.)

Voluntary Sustainability Reporting-Sustainability reporting is an important platform for communicating to internal and external stakeholders on sustainability. What is important to include in a public sustainability report regarding the issues you have identified?
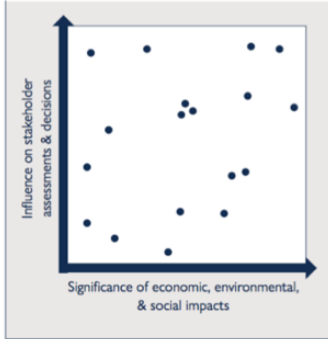
What you can expect from students and what are the benefits

A **written report and a presentation** providing the materiality assessment of your organization, including a matrix and practical **recommendations** on potential mitigating actions and/or solutions to the issues deemed most material, as well as on your sustainability reporting plans, process and/or strategy.
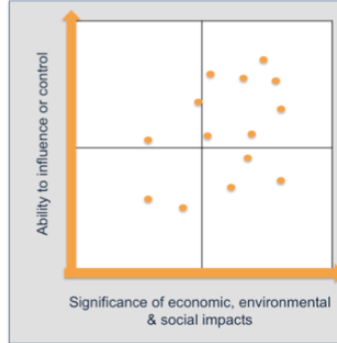
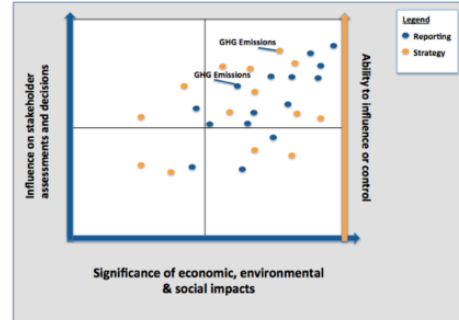*See short visual examples on the next page*

Output Examples

Visual prioritization of topics for Reporting

Influence on stakeholder assessments & decisions

Significance of economic, environmental, & social impacts

Visual prioritization of topics for Strategy

Ability to influence or control

Significance of economic, environmental & social impacts

Visual prioritization of topics for Reporting and Strategy

GHG Emissions

GHG Emissions

Legend
- Reporting
- Strategy

Influence on stakeholder assessments and decisions

Ability to influence or control

Significance of economic, environmental & social impacts

2022 Materiality matrix

Very high

- ● Economic dimension
- ● Environmental dimension
- ● Social dimension

Importance to stakeholders

High

Moderate

Packaging and waste management

Climate change

Economic impact

Corporate governance

Product quality

Human rights, diversity and inclusion

Employee wellbeing and engagement

Sustainable sourcing

Corporate citizenship

Nutrition

Water stewardship

Biodiversity

Responsible marketing

Food loss and waste

Moderate   High   Very high

Impact of the issue on environment and society