Louvain School of Management

The SDG at the service of the materiality assessment

An exploratory study

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The integration of the SDG into the materiality assessment

Daytime schedule

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Executive Summary

This master's thesis is an exploratory study around the notions of materiality and the UN's Sustainable Development Goals. It aims to explore the effects of integrating the SDG into the materiality assessment process for companies, following the emergence of the concept of materiality and the new European directive on non-financial reporting (2021).
Based on qualitative data collected in semi-directive interviews and analysis of companies reports, this study raises the possibility of cooperation between these two concepts and advantages of integrating the SDG into materiality assessment.

The materiality assessment process is often complex for companies on several levels, both theoretically and practically. Integrating the SDG at the beginning of the process, on the one hand, provides structure and a universal framework for companies. As the SDG are seen as universally material issues, this list simplifies the screening process before consulting stakeholders. The integration at the end of the process, on the other hand, allows to establish a sustainable development strategy that gathers and motivates the company and its stakeholders by increasing the internal adhesion. The SDG, due to their notoriety and the communication made around them for the past six years, have a direct influence on the materiality assessment, whether implicitly or explicitly.

However, certain factors can accelerate or slow down the effects of this integration. These include the education around the SDG within the company, but also the contextualization of each objective according to the sector of activity and the company's reality.

Therefore, when a company decides to integrate the SDG into its materiality assessment, it is important not to do so only on the surface in order to avoid an immature use of this framework, which could lead to the effects being reversed.

In conclusion, the integration of SDG in the materiality analysis is interesting because it allows for several advantages. However, this framework should be used as a complement to the robust methodology of the materiality analysis and not instead of it.

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General Introduction

For several years, there has been an increase in the number of companies reporting on their extra-financial results and strategies. At first on a voluntary basis, then later to meet legal standards but also the expectations of investors and other stakeholders. Indeed, more and more stakeholders are demanding transparency from companies on their activities and initiatives. Non-financial reporting has become a well-known communication tool and is increasingly used by companies.

However, some questions remain, what to communicate about? What content should be prioritized in these reports? This is where the concept of materiality comes into play. Initially used in the financial field, it has now taken a prominent place in the extra-financial field. This concept, which still creates debate, is at the center of the new European directive of April 21, 2021. This new directive provides more clarity on materiality analysis and the use of the concept of dual materiality and encourages companies to undertake this process and specially to communicate on it. This new directive is aimed at a larger number of companies than the 2014 directive. Therefore, a large number of companies will have to tackle this sometimes-complex assessment.

In non-financial reports, we also notice the use of the SDGs for most large groups in order to target their CSR initiatives and communicate their strategy and policy. The SDGs were established in 2015 to promote sustainable development. These goals were designed and selected in consultation with governments, scientists, non-governmental organizations, and businesses. Indeed, companies have a role to play in the achievement of these goals for 2030.

However, integrating the 17 Sustainable Development Goals into a strategy is a real challenge and not the optimal decision to make. Therefore, it is necessary to prioritize the relevant, material objectives.

We therefore find a possible link with materiality, we know that for a company, it is better to prioritize the SDGs on which it wants to have a contribution. But can this prioritization be linked to materiality assessment? These two notions are central to this thesis.

The purpose of this exploratory thesis is therefore to answer the research question**: How can integrating the SDGs into materiality analysis help companies?**

In order to answer this question in a meaningful way, we must understand the concept of materiality and the process of its measurement. We will therefore first explore this concept in order to identify the challenges and difficulties it may entail. Once we have a clear understanding of the concept and its specificities, we can analyze whether there is a link between the SDG framework and materiality assessment.

For that, a first part will be devoted to the literary analysis in order to understand perfectly the two central notions of this thesis and all the characteristics and themes that are around. Then, in the second part of this dissertation, you will find a qualitative analysis in order to bring elements of answer to our research question. The qualitative analysis was carried out through interviews with experts, researchers and professionals. Furthermore, in order to illustrate what was said in the interviews and to enrich the research, an analysis of BEL20 company reports was carried out.

At the end of this exploratory thesis, you will find the conclusions of the research as well as some managerial proposals.

PART I - Literature Review

The objective of this first part is to present the key concepts of this thesis as well as to introduce the latest academic findings related to these notions. The following pages are structured in three sections. The first section contextualizes our research question from a current and legal point of view. Then, we will look at the key concept of materiality and its assessment. And finally, the third chapter is composed by a focus on the sustainable development goals of the United Nations.

1. Non-financial reporting

Nowadays investors, partners, customers and more broadly society are requesting more transparency around the non-financial performance of organizations in order to evaluate the ability of the organization to create long-term value (KPMG,2017) (Nelson, 2018) (WBCSD, 2021). In addition, a survey of 30 000 consumers found that more than 50% of the participants are willing to pay more for products and services provided by socially and environmentally responsible organizations (Nielson,2014). The non-financial reporting is a milestone and is now well implemented in company communication in order to communicate about their activities, the implemented environmental and social initiatives, their governance and their contribution to a more sustainable development.

1.1. The emergence of the sustainable development

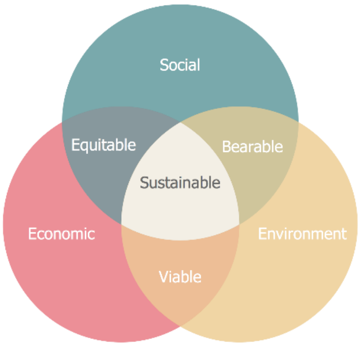
In 1972, The Club of Rome published its report “The limits to growth”. The same year, the United Nations conference on the human environment, which takes place in Stockholm, gathered the industrialized and developing countries in order to determine the rights of all the human to a healthy and productive environment. This conference was the first time that attention was drawn to the needs to preserve natural habitats and to produce sustained improvement for the living conditions of all. These two events are seen as the foundation of the international policy that would further be known as “sustainable development” and inspire other organizations and events. The recognition of the link between human and nature led to the creation of the United Nations environment program (UNEP) on the 5th of June 1972. The conference also allows the term "sustainable" to take off and provides a condensed resume of it.

The concept of sustainable development goes hand in hand with sustainability. Both terms come from an older forestry term "sustained yield" which was used to describe a sense of balance between resource consumption and reproduction in the forestry sector since the 12th century (Worldenergy, 2014). But in 1987 the term sustainable becomes more popular thanks to the Brundtland report's publication "Our Common Future". This report was an answer from the World Commission on Environment and Development (WCED) to the request of the secretary-general of the UN made in 1983 to re-examine critical environmental and development problems around the world. The Brundtland report established suggestions for sustainable development on a global level and bring the concept of sustainability into the foreground on an international level. The report also gives the most frequently cited definition of sustainability known as: *"Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own"* (WCED, 1987, pp 16). More deeply, it attempts to highlight the interconnections between social equity, economic growth and environmental problems which are basically the three pillars of sustainable development and developed policy solutions including these three areas.

In 1992, the United Nations Conference on Environment and Development (UNCED) named Earth Summit was held in Rio De Janeiro and aimed to reconcile economic development with the protection of the environment. With 117 heads of states and representatives of 178 nations, the conference fulfilled its missions by means of treaties and documents where nations committed themselves to continue their economic growth in a way that would protect the environment. One of the most known outlines of this conference is the Agenda 21 that highlights global to clean up the environment and build a more tolerable future.

As mentioned in the Brundtland reports, the sustainable development meets current needs without compromising the new generations to respond to theirs. In 1996, René Passet revealed in his book "*L'économie et le vivant"* that the problems our society faces are multidimensional and systemic. As the sustainable development aims to tackle the problems of our society, its definition is also multinational and is composed by 3 dimensions: the social, environmental and economic ones? We call them the three P (people, planet, profit) to make it easier. We can also add to these three pillars, a key factor for the successful implementation and realization of the actions in each dimension, the governance.

***Figure n°1** – Venn Diagram of sustainability*[1]



This multidimensional definition can be illustrated in many ways. One of them is a Venn diagram even though this representation is discussed on several topics, it gives a clear illustration of the three dimensions presented before (Purvis, Mao & Robinson, 2019). By being in the middle of the three circles at the same time, sustainability is seen as equitable, bearable and viable.

1.2. ESG report

Companies understood the need of a more sustainable development and start to communicate about their initiatives and activities related to sustainability through non-financial reporting. The ESG reports stand for environmental (E), social (S) and governance (G) report. It consists on a way for investors to evaluate companies in which they might want to invest and for companies to disclose information about the cited topics and to avoid miscommunication. Overall, the report covers all the topics that influences the economic, environmental and social life of a company or the stakeholders' behavior and assessment (Global Sustainability Standards Board, 2016). The term ESG has been first mentioned in 2006 in a report called "Who Cares Wins: connecting financial market to a changing world", a joint initiative of financial institutions. This report and the participating institutions come to the conclusion that in a competitive, globalized and interconnected world, the way ESG factors are handled by companies impact directly their overall management quality and can significantly increase

[1] https://www.conceptdraw.com/solution-park/diagram-venn Consulté le 01/05 /2021

shareholders' value while contributing to the sustainable development of the community (United Nations, 2004).

ESG reports are now becoming one of the best way to communicate about CSR initiatives and make the stakeholders aware of all the CSR efforts and strategies implemented by an organization (Hsu, Lee, & Chao, 2013; Morsing & Schultz, 2006) .Currently, ESG reporting is a big focus for business as a high score on ESG factors for investors a vision of a more sustainable and resilient business with better chance to survive and thrive (Garefalakis & Dimitras, 2020). The incentives for a company to report on non-financial information are multiples but the causes and benefits can be gathered in two categories: internal and external factors.

On the one hand, from an external perspective, companies want to meet requirements of their stakeholders and sometimes feel a pressure from them to report on their ESG activities (Marais, 2012; Sweeney & Coughan, 2008.). In addition to attracting the attention of the investors, it also has an impact on customers as the population becomes more and more sensible towards economic and social issues. This concern is observable into their purchase decision (Calabrese, Costa & Rosati, 2015). We can also find a positive correlation between the willingness of improving a company's reputation or image and the reporting of non-financial information (Sutantoputra, 2009; Hildebrand, 2011; James,2015). Therefore, in order to create a better relationship with its investors but also with its customers, employees and all concerned people, a company must know the expectations of its stakeholders and align their activities with them.

On the other hand, from an internal perspective, it has been proved that communication about CSR improve the financial performance by different factors: growth of share price, better liquidity or increase of goodwill (Lang & al.,2012; Dimson & al., 2012). and it allows a company to improve its risk management as it identifies more quickly a possible future risk which can be immediately handled and transformed into a business opportunity. Firms are not anymore only judged on their financial performance, but also on their management related to sustainable issues. ESG factors are part of a company's overall strategy.

1.3. Presentation of the different reference systems

In order to help organizations to disclose non-financial information in the best way possible, disclosure standards and frameworks have been created. They aim to facilitate the communication of comparable, consistent and reliable ESG information (GRI & SASB,2021). About 2000 voluntary reporting frameworks, methodologies or protocols exist around the world (WBCSD, 2021). We will see and develop five of them here below.

1.3.1. GRI

The Global reporting initiatives or GRI is an international independent standard organization. Founded in 1997, it aims to give companies a common language to report their impact and to take responsibilities for it. The proposed standards are part of a multi-stakeholders' process and are the most widely used in the world as it is used by more than 10.900 organizations (KPMG, 2017).

1.3.2. IIRC

The International Integrated Reporting Council (IIRC) is a global coalition of investors, companies, NGOs, representatives of the accounting profession and regulatory authorities. The focus of their standards is on the ability of a company to create value in the short, medium and long term through its strategy, organization, performance and governance. Founded in 2010, the IIRC launched its reporting framework, the integrated reporting (IR). The IR aims to help companies to reflect their performance through the support of financial governance, management commentary and sustainable reporting (Integrated Reporting,2021).

1.3.3. SASB

The Sustainability Accounting Standards Board (SASB) is a non-profit organization founded in 2010 developing independent sustainability standards. The standards focus on investors and on the financial impact of sustainability (SASB,2021). The standards provide standardized accounting metrics for measuring performance on an industry level. They are industry-specific and have sector-specific factors.

1.3.4. UN Global Compact

The United Nations Global Compact (UNGC) is an initiative launched by the United Nations in 2000, to encourage worldwide companies to adopt a socially responsible attitude. It is composed by ten principles derived from well-known documents as the Universal Declaration of Humans Rights, the Rio Declaration on Environment and Development, the United Nations Convention against Corruption and the international organization’s Declaration on Fundamental Principles and Rights at Work. The ten principles are gathered in four categories: human rights, labor, environment and anti-corruption (UNGC,2021).

1.3.5. ISO 26000

ISO 26000 is a norm developed by the organism ISO, an independent, international and non-governmental organization officially born in 1947 with the purpose to create international standardization. The norm ISO 26000 offers guidance to companies regardless their size or location on three areas: human rights, environment and ethic. This norm has a worldwide reputation and also allows to evaluate the engagement of an organization on sustainable development (ISO, 2010).

1.3.6. A common reporting framework

Up to now, a common framework and standard does not exist for all the organizations. However, in 2020, the Global Reporting Initiative (GRI), the SASB, the IIRC, the Climate Disclosure Standards Board (CDSB) and the Carbon Disclosure Project (CDP), five leading frameworks and standards-setting organizations, announced a shared vision for a comprehensive corporate integrating reporting system including financial accounting and sustainability reports. A first example to illustrate this intention to standardize the standards is the creation by the GRI and SASB standards of “A practical guide to sustainability reporting using GRI and SASB standards.” The aim of this guide is to demonstrate the complementary of both standards (GRI & SASB, 2021). As all these organizations have different focus, the company should use the ones that fit the most its needs. Another initiative of standardization has been launched by the World Economic Forum (WEF) in collaboration with the Big four, the Bank of America, the International Business Council (IBC) and CEO’s. Together, they released a set of universal ESG metrics and disclosures aiming to help companies to demonstrate long-term value creation.

In recent years, we have seen more and more collaborations between the different reporting frameworks. This trend was born out of the discontent of the users of ESG disclosure recognized by the voluntary standards setters (WBCSD, 2021).

1.4. Legal Context

What does the law say about the disclosure on this information? Is it mandatory for a company to release a non-financial-report? The last years have been marked by an active development of regulatory disclosure tools and directives concerning the non-financial reporting by the authorities (Plastun & Al., 2020). Governments have a key role to play in improving environmental and societal practice of business. Moreover, as the corporate social responsibilities (CSR) has become a well-established concept used by more and more entities, a legal basis needs to be established to avoid an unfair and deceptive exploitation of the concept. Moreover, according to the European council of the Lisbon summit in 2000, CSR will be determinant to become the most dynamic and competitive knowledge-based economy capable of having a sustainable growth while creating more and better job with a social cohesion (Eurofound, 2003). Having a legal disclosure about CSR and ESG report became therefore a necessity and a focus for the authorities translated in several agreement. It began with the European Union's Lisbon Strategy and the Gothenburg Sustainability Strategy voted in 2001 (Camilleri, 2015).

So far, common standards do not exist for non-financial reporting as seen above. However, the European Union aims to facilitate and to encourage the sustainable investments by implementing new regulations to standardize the ESG reporting and to give more transparency to investors and society (Cfr. Appendix 1.1).

1.4.1. The non-Financial Reporting Directive – 2014

In October 2014, the European Commission has adopted a directive in order to help all the stakeholders to evaluate the non-financial performance of companies and to encourage them to have a more sustainable approach for business. In 2014, a directive has been voted by the European commission concerning large-public interests' companies with more than 500 employees, listed companies, banks, insurances companies and other companies designated by national governments as public-interest companies. The Directive 2014/95/EU also called the non-financial reporting directive (NFRD) asks to these cited companies to publish information about the policies they implement about:

- environmental protection
- social responsibilities and treatment of employees
- respects for human rights
- anti-corruption and bribery
- diversity on company boards.

This directive improved the reinforcement of human right obligations for entities with more than 500 employees and encourage them to use relevant KPI on environmental matters. However, it does not give clear directives for SME as it mainly focuses on larger businesses. The NFRD gives some flexibility to companies on how to report information. Indeed, companies can still use international, European or even national guidelines as the Global Reporting Initiatives, the UN Global Compact, the ISO 26000 or even the OECD Guidelines for Multinational Enterprises. In addition, the European commission published in 2017 guidelines on how to disclose the required information. The EU completed these guidelines in 2019 with a focus on the environmental aspect in order to increase their commitments to the Paris Agreement on climate change targets and the EU's participation to the United Nations (UNs) 2030 Sustainable Development Goals.

1.4.2. The Corporate Sustainable Reporting Directive - 2021

More recently, on the 21st of April 2021, the European Commission adopted a new directive, the corporate sustainability reporting directive (CSRD) to amend the NFRD and to increase sustainable activities and investments across EU. The CSRD completes the previous directive by introducing more details about the non-financial information that should be reported and also by including more entities as the new directive refers to around 49 000 companies instead of 11 500 for the NFRD (KPMG,2021). Moreover, the EU demonstrates a clear willingness to standardize the standards and ask companies to report according to mandatory EU sustainability reporting standards that will be developed by the European Financial Reporting Advisory Group (EFRAG) and approved by the 31 October 2022. The change would already affect the 2023 reporting period, but the reporting obligation will come into consideration for reports that will be published on or after January the 1st, 2024 (PWC,2021). Another big change with this directive is the requirement of an audit for the sustainability part of reports to increase the reliability of sustainability reporting in general.

1.5. Conclusion

We see through this chapter that the public sector has a huge role to play in the sustainable development and in all the topics linked. Taking part of the era of sustainable development is also advantageous for companies and organizations as it creates new opportunities, improves the risks management, etc. Moreover, investors are more and more concerned about companies in which they invest. It is now significant to communicate not only about the financial results but also on the sustainable initiatives and actions led by a company. We saw that many frameworks and standards exist to report this information. However, companies are often lost between all these standards and do not know which one they should use. Therefore, there is a real will to standardize all these frameworks to give more transparency and clarity to stakeholders. The European Union responded to this will by voting a new directive to guide organizations in this process. But one question remains: should a company report on all the topics or should it prioritize information? The CSRD, namely, encourages the use of the concept of materiality to answer to this question. The materiality and its assessment are the topics of our following chapter.

2. Materiality

Peter Bakker, WBCSD's president and CEO explain in the podcast series 'treasury & turbulence' that it exists more than 4000 ESG key performance indicators (Euromoney, 2020). It is therefore impossible for a company to take them all into account in their reports and to take action on these 4000 indicators. Prioritizing is consequently imperative. But how do you prioritize the information that is relevant to the business itself? This concept is described by the materiality and materiality analysis of a business.

In this chapter we will explain this term which may seem complex and has created a lot of debate in the academic world but also in the different reporting frameworks and standards.

2.1. Accounting Materiality - Origins

The concept of materiality and material information come from the accounting and auditing glossary (Jones & al. 2015). According to Holmes (1972), the term and concept of material information comes from the English common law and have been cited in various cases of the 19th century. The British Companies Act defined materiality as "every contract or fact is material which would influence the judgement of a prudent investor in determining whether or debenture offered by the prospectus" (Chewning & al., 2002). Later, the term arrived in the United States where the courts also defined the term in various cases as in Escott et al. v. BarChris construction corporation et al. (1968), Mitchell v. Texas Gulf Sulphur Co. (1971) and TSC Industries. V. Northway Inc. (1976). The Supreme court defined the term as:

"Something is material is there is substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available" (Dennis, 1984, p.382).

As a result of these cases, the accounting standards setters have been interested in this term. The Securities and exchange commission (SEC) and the Financial Accounting Standards Boards (FASB) both defined the term revealing an orientation towards the financial statement user.

*"The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement" (*FASB, 1980, p.10).

However, the threshold between an immaterial and a material information remained vague and it led to materiality decisions made in multiple ways. Therefore, the term needed to be defined in a quantitative way. The FASB concluded that materiality is a relative concept rather than a matter of absolute size and released quantitative accounting and disclosure guidelines as a materiality threshold (Chewning &al., 2002).

However, these guidelines translated very specific situations and accounting professionals still considered materiality of an information to be a matter of professional judgement. Many studies and research have been made in order to precise the threshold between an immaterial and a material information. Holstrum and Messier (1982) identified the most important factor used in a materiality judgement would be the effect an information has on income. They estimate the threshold to be between 5 and 10 % of income from continuous operations. While Leslie (1985) developed other criteria after interviewing accountants in the United States and Canada. Warren and Elliott (1986) highlights that the threshold should be a continuous measure. And Chewnings, Pany and Wheeler (1989) claims that the threshold differs from each sector and industries.

All these studies demonstrate the importance of qualitative factors in the process of determining the threshold of material information. Indeed, auditors must weigh and collect the qualitative and quantitative characteristics of each information provided before compare them.

Today, the term materiality is still used in accounting and auditing but not only. This term has followed the evolution around non-financial reporting and is also applicable in this area.

2.2. Materiality in the non-financial report

As seen in our first chapter, the legal context and stakeholders' expectations encourage organization to communicate more and more about social and environmental consequences of their activities and their engagement in the sustainable development. However, it exists various subjects related to sustainable development and all these topics are very broad. It is therefore important to be able to communicate on relevant topics related to the company. By keeping this in mind, concept of materiality has made its entry into non-financial reporting. The concept of materiality in the non-financial reporting is important for organizations as it aids them in aligning their strategies linked to sustainability with their management and it provides the foundations for prioritizing content when reporting on non-financial performance (Taubken & Feld, 2018).

Moreover, this concept is increasingly present in the reporting framework such as in the Global Reporting initiatives' G4 guidelines as seen above, the sustainability accounting standards board (SASB) or even in the International Integrated reporting framework.

In addition, knowing which topics is material or not also helps a firm to put more credibility and effectiveness into their reporting as it narrows the amount of data to collect by focusing on what really matters for them (Calabrese & ad.,2016). In non-financial information reports, we still find a lack of clear regulatory indications regarding their content. It is thus necessary for companies to have a principle that guides organizations in identifying relevant topics and the level of development of this latest in their report. (Torelli, Balluchi & Furlotti, 2019).

The importance of materiality is not only related to the reporting but it can also be useful into the management of a company. As Stefanie Remmer and Dirk Ulrich Gilbert (2019) explain in their chapter in "Rethinking the strategic management", materiality plays a huge role into the strategic management and more specifically into the strategic control phase as it draws attention to potential unrecognized but critical issues. Managers should use it as a filter for narrowing the most relevant issues for strategic decisions according to their perspective and their environment.

To summarize, materiality helps companies to identify and prioritize issues that are relevant for stakeholders and for the business strategy in order to tackle them in the non-financial reporting.

2.2.1. Definition

Despite the importance of this concept, there is no universal consensus on its definition today. As seen above, this term has been borrowed from the financial sector where the SASB and the SEC define it. However, in the field of sustainability, a number of definitions of this term exist. In addition, definitions can diverge from a country to another or from one voluntary standards to another.

2.2.2. The Word that creates thousands of debates.

Even though each reporting frameworks stands for their own definition they all agree on one part of the definition which is:

"Material information is any information which is reasonably capable of impacting the conclusions stakeholders may draw when analyzing the related information" (CDP, GRI, IFRS, IIRC, ISO, & al. 2016, p.2).

Starting from this common point, some institutions only focus on the financial aspect and its consequences. The SASB puts the investors and shareholders at the center of their reflection. While the Integrated reporting (IR or IIRC) puts the concept of value creation in the center of its definition of the term (Guillot & Hales, 2021).

In recent years, many different definitions have emerged. Reporting frameworks have even revised their own definition, as it is the case with the GRI. In short, this term creates a lot of debates among experts. This does not help companies, which no longer know where to turn. Nowadays, the term materiality is used in a financial and non-financial perspective. As a result, it is complicated for institutions to find a common agreement on the definition.

In the following table, you will find a glance of the most-common different definitions of the term according to the organization as well as some comments on their specificities

Table n°1 *– Definition of materiality*

Organism	**Year**	**Definition**	**Comments**
ISO	2010	*An organization should review all the core subjects to identify which issues are relevant. The identification of relevant issues should be followed by an assessment of the significance of the organization's impacts. The significance of an impact should be considered with reference both to the stakeholders concerned and to the way in which the impact affects sustainable development*	Focus on sustainable perspective

IIRC	2015	a matter is material if it could substantively affect the organization's ability to create value in the short, medium and long term	Focus on value creation: the centra l question behind the definition is whether or not the information has a positive or negative effect on the company's ability to create value
GRI	2016	topic that reflects a reporting organization's significant economic, environmental, and social impacts; *or that substantively influences the assessments and decisions of stakeholders.*	Most used – Composed by 2 dimensions
SASB	2017	Material issues are those that either individually or in aggregate, are important to the fair representation of an entity's financial condition and operational performance … necessary for a reasonable investor to make informed investment decisions.	Definition base on the US. Securities laws -focus on shareholders: support the companies in publishing information with key relevance for investors.
European Commission	2019	issues or information that are material to environmental and social objectives can have financial consequences **over time**	Principle of double-materiality.
IFRS	2020	*Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.*	New definition – Focus on the generality of the term - ensure that the definition of material is consistent across all IFRS Standards.
GRI	2020	Material topics are topics that reflect the organization's most significant impacts on the economy, environment, *and people, including impacts on human rights***.**	One-way impact

2.2.3. Defining materiality according to the Main reporting frameworks

For the GRI, SASB and the IR, the materiality became a main principle or even a founding principle (Tennaxia, 2018). Each of these frameworks adapt its definition according to the objectives they answer.

Materiality is one out of the four guiding principles of the GRI standards. The standards determine the materiality according two dimensions: the importance of the economic, social and environmental impact of the organization, and their influence on the evaluation of the stakeholders. While the definition of materiality in the IR is focus on the creation of value. According to the IR, an item is material if it significantly influences investors' evaluation on the ability of the enterprise to create short-, medium- and long-term value. Unlike the GRI standards, we do not find here the stakeholder's dimensions.

The American reporting standard, SASB, uses the definition set by the supreme court cited earlier in this paper. However Douglas Y.Park, the legal director of SASB, raises concerns about the proposed definition of materiality and the confusion surrounding this term due to the divergent use of the concept depending on the support used by the company for its CSR communication. (Tennaxia, 2018).

Table n°2- *Comparison of the materiality according the most used frameworks*[2]

Framework	**GRI**	**IIRC**	**SASB**
Subject	Non-financial	Financial and Non-financial	Non-financial
Definition of materiality	Proprietary	Proprietary	U.S. Supreme Court
Stakeholders	All	Investors	Investors
Type of publication	Voluntary report	Voluntary report	Mandatory filing
Affected decision	Wide range of decisions	Investor's decisions	Investor's decisions

[2] Inspired by the report "*Does using the term "Materiality" in your CRS report create a risk?", SASB, 2015. Pp.8.* Retrieved from https://fsa.sasb.org/wp-content/uploads/2015/03/Risks-of-using-materiality-in-a-CSR-report-6-30-2015-FINAL.pdf

2.2.4. moving towards a consensual standardization

It is clear that each organization describes materiality according to its own vision and objectives. However, today, even if investors remain a priority stakeholder, we cannot ignore the others by focusing only on the financial aspect of the company. Tennaxia, a consulting firm in extra-financial management, suggested in 2018 a consensus definition in its "livre blanc". The objective of this definition is to be compatible with all reporting frameworks and to be used in mandatory reports, but also for voluntary CSR reports. The proposition of definition is as follow:

« Materiality covers all the economic, environmental, social and societal aspects that are likely to have an impact on the company's strategy, business model and sustainable performance, and to have a substantial impact on its stakeholders, first and foremost investors, and on their assessment of the company » (Tennaxia, 2018, p.11) (Translated Version).

The European Union also wishes to standardize this definition, notably by including the notion of double materiality and by completing it in the CSRD.

2.2.5. Double Materiality

In 2019, the European commission updated the non-financial reporting directive (NFRD) voted adopted in 2014 by integrating the concept of double-materiality. This new concept is composed by two perspectives. The first one concerns the potential impacts of ESG-related risks and opportunities on the "performance, development and position of the company" which is translated by the financial materiality, and the second perspective refers to the impact a company has externally. This latter perspective is called as the environmental and social materiality (Datamaran, 2021). While international standards favor a definition that mainly covers the environmental and social impacts on the company, the European legislation prefers to complete this definition by adding the opposite perspective, i.e., the impact of the company on society and its environment (EY, 2020).

Afterwards, this term has been adopted by the GRI standards that share the vision of this definition (Adams & al., 2021). This new definition enhances the stakeholder engagement in the practical application of the term as it requires a direct and wider commitment to gain a better understanding of what is material in complex organizations (Puroila & Mäkelä, 2019).

***Figure n°2** – Double materiality illustration*[3]

2.3. Materiality assessment

In order to identify material topics, companies process a materiality assessment. The materiality assessment is the tool to evaluate the materiality of a company as explained above. According to KPMG (2014, p.4), *"Materiality assessment is the process of identifying, refining and assessing numerous potential environmental, social and governance issues that could affect a business, and/or its stakeholders."* This assessment has to be conceptualized. It is not about comparing sustainability topics and ranking the data, but rather evaluating whether information is material or not in a specific time, perspective and context (Remmer & Gilbert, 2019).

This assessment plays a role in the strategic management, as this tool can be used to prioritize and identify potential issues leading to a risk or an opportunity for the firm. Just like the concept of materiality, it does not exist one methodology for its assessment. Each reporting frameworks suggests their own tools and each consultancy or other agencies put forwards their own methodology as the best one however we can still find similarities in each methods proposed.

[3] https://eurlex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:52019XC0620(01)&from=EN

First and foremost, as claimed by Tennaxia in 2018, it is imperative to have a rigorous methodology answering the purpose of the assessment. The purpose of such assessment is multiple. First, it determines the content of the integrated or sustainability reports. This objective is the most stated in a majority of integrated report (WBCSD,2021). Second, it also allows to evaluate the current strategy of a company or to develop a new strategy for the next years by determining the relevancy of a specific topic according to stakeholder's perspective and evaluating the impact the company's activities have on this topic (Taubken & Feld, 2018). The interpretation of the results and sometimes the methodology will differ depending on the purpose chosen (WBCSD,2021).

2.3.1. Materiality assessment in the reporting frameworks landscape

The reporting's frameworks and standards do not give one methodology to follow but they do suggest guidelines and tools to help companies in this task. The most popular tool is the materiality matrix presented into the GRI guidelines 4 and reviewed in the GRI standards. This matrix represents the two perspectives of the materiality concept presented by the GRI and allows to visualize and prioritize the different topics according to these two perspectives. The X-axes show the significant impacts on the economy, the environment, and society of the selected topics, and the Y-axes show the evaluation of the same topic from the stakeholders' perspective.

The IIRC places less emphasis on stakeholder perspectives, but prioritizes a methodology based on the relevance and importance of the positive or negative effects related to the issues to determine whether they are material or not. This evaluation is based on the time frame of the effect or on which area (internal or external) it will be of importance for example.

The last but not least tool that I will present here is the SASB materiality map. As seen earlier SASB is industry-specific and develop tools and guidelines sector-specific-oriented. This characteristic of the framework is therefore reflected in its tools to guide companies in their materiality analysis. The SASB materiality map is a table presenting 26 sustainability issues grouped into 5 dimensions that are likely to influence the operational or financial performance of an organization within a specific industry or sector (SASB, 2018). For example, the relevance of business ethics or water and wastewater management for the consumer goods industry or more precisely e-commerce is assessed according to SASB. Mainly focus on the investors' perspective, the process proposed by SASB aims to bring a standardization for companies and relieves them of assessing materiality by themselves.

2.3.2. A multi-phase methodology

The various consulting firms and experts agree that the methodology is composed of several steps. The number of steps differs from one method to another but there are similarities in each of them.

2.3.2.1. Identifying and preselection of topics

First of all, it is necessary to identify and predefine potential issues. It can be seen as a brainstorming phase. The objective is to generate potential material topics. In their research in collaboration with the WBCSD, Garst, Beanland and Tahtinen identify potential issues on this phase where companies should pay attention. The decision in the selection of topics can play a huge role for the next steps (WBCSD, 2021). Therefore, topics should not overlap each other as 'climate change' and 'greenhouse gas emissions' or be vague to avoid confusion for the ranking phase or interpretations.

The order of next steps is not the same for each organization. However, in most cases it remains present in one way or another.

2.3.2.2. Stakeholders' perspectives

It is well understood that the opinion of stakeholders is a primary criterion for defining the materiality of a subject. The importance of stakeholders can be found in the GRI texts, but it is important to note that respecting the interests of stakeholders is also one of the seven principles of the ISO 26000 standard. Therefore, it is important to identify the right stakeholders or at least the people to interview in these groups and collect their opinions on the importance of the predefined issues (KPMG, 2014). One of the points of attention during this phase is the selection of stakeholders and, above all, the selection bias. Even if it is difficult to determine the magnitude of the impact of this bias, it is still present in this process. In order to minimize this bias, it is advisable to detail the selection method (Heckman, 2005).

Some methodologies consult their stakeholders twice. First in the data and information collection phase, and a second time at the end of the process to gather feedback and refine the analysis. Consequently, another debate has arisen in the literature on the prioritization of stakeholders and the weight of their opinions (WBCSD,2021).

2.3.2.3. Evaluation and prioritization

Finally, in order to determine the materiality of one issue in relation to another and to prioritize, it is necessary to be able to compare issues on the basis of quantified criteria. Most organizations use the materiality matrix developed by the GRI standards to do this. Each issue is evaluated for each perspective. Then, all the relevant issues are placed on the materiality matrix. Once all issues are placed on the matrix, companies then select the most relevant issues in the upper right corner of their matrix.

Although this matrix is used by a majority of organizations, it is still open to improvement. (Taubken & Feld, 2018). GRI has already reviewed and clarified its use in order to avoid misinterpretations of the matrix's axes (GRI,2016). Indeed, the X axis, which normally translates the impact of the business on society and its environment, was misinterpreted and used as the impact on the business as we can see in the 2017 BMW report for instance (BMW Group 2017, p. 12).

The WBCSD developed two others drawbacks of this matrix in its report 'the reality of materiality' released on 2021. The first one is the focus on topics that score high in both axes despite the problems in the upper left or lower right corner indicating a high importance for one of the two perspectives. The latter also deserves to be studied and perhaps prioritized. The second disadvantage of this matrix is that it provides an oversimplified view of stakeholder opinions or impacts on the society without considering the diversity of viewpoints or of impacts.

Materiality analysis is therefore a complex process that calls for a great deal of attention because it requires making many small decisions that will impact the final results. For this reason, there are many challenges and difficulties related to materiality assessment in the literature.

2.4. Challenge of the assessment

Even though reporting organizations give a high importance into the concept of materiality and its assessment. The process faces some challenges due to the lack of clarity and misinterpretation around the notion and the process to evaluate it. In this section, the aim is to identify these challenges.

2.4.1. From the theory to the practice

There is a gap between the theory and the practice due to a lack of clarity regarding the assessment process but also due to the abstract of the term which caused plenty of interpretations (Edgley, 2014; Guillot & Hales, 2021). As we can see the definition of materiality differs from one organization to another. This lack of clarity complicates the assessment as companies do not really know what to measure exactly and how deeply to develop each thematic into their reports. Jilde Garst, Karen Maas and Jeroen Suijs (2021) highlight after reviewing 477 reports that most of the times, companies use the term materiality as a combination of two perspectives, as called ‘double materiality’. This specific use of this definition show that companies recognize differences between the organizational and the collective interests. However, the number of various definition and the purpose behind each definition is not always clear for professionals which often lead to interpretations (WBCSD,2021). Another factor to take into account when doing an assessment in practice is its purpose. Indeed, this latter aspect is often considered as a goal to fulfill, requiring a high amount of energy. While it should rather be seen as a high potential to identify opportunity. As Todd Corts (2015) explains in his article “Vanishing materiality in sustainability reporting”, materiality assessment has, more often than not, become a complete throwaway exercise in order to achieve a rubber stamp of approval from one of the various reporting guidelines or to demonstrate a form of commitment. This thought is shared by Taubken and Feld (2018, p.90) who wrote in their publication: “*the true intend of a materiality assessment is not currently reflected by standard practice”*. Finally, a report of KPMG (2014) showed that the process of defining material topics can be substantially improved, better aligned with the companies ‘core business and better reported into the non-financial report. We can conclude that it exists a gap between the theory and the practice.

2.4.2. From outside in approach to Inside out approach

As we saw with the SASB materiality map, many companies operate an outside-in approach of the assessment. In others words, they evaluate the impact of the environment or of social issues (“the outside”) that can have on the companies, and more precisely on the decision of the investors ("the inside"). While the GRI's methods aims at giving an inside-out approach with the evaluation made on the x-axes, companies still misinterpreted the tool and transform it with an outside-in view. Indeed, the x-axes is seen as the evaluation of the influence an issue could have **on** a business instead of considering the impact **of** the business on the issues. Aware of this misinterpretation, the GRI standard made some clarification on their matrix back in 2016 in order to avoid this confusion (GRI standards, 2016).

This outside-in approach is more seen as a risk-management tool than a materiality assessment. GRI clarifies into its guidelines that the effects on companies are not the key concerns when we speak about materiality. Therefore, companies should adopt an inside-out approach and consider directly the impact of their activities on a specific topic. These impacts can be positive or negative, short-term or long-term, planned or unplanned. (WBCSD, 2017). The objective is to have a global view of the impact that a company creates in its environment by taking into consideration all the topics and not only those which have a direct impact on the company.

2.4.3. From isolated to inclusive process

The third challenge is about how the process is considered into the company. Materiality assessment is often seen as an isolated process. However, it should be seen as a strategic business tool with wider implications than just sustainability reporting. The benefits of an inclusive materiality process are diverse. First, it allows the company to ensure that its business strategy takes into account the importance of environmental and social topics. Moreover, this process highlights numerous data to consider for a better risk-management and organization as it identifies not only the trends that could have a significant impact on a long-term period, but also where the company is creating or reducing value for society; and internally, what are the areas where a company need to focus in order to keep creating value and prioritizing resources (Remmer & Gilbert, 2019; WBCSD, 2021).

The materiality assessment highlights insights that are too valuable to only stay in the sustainable department. KPMG (2018) advices to begin the process by involving managers from different department to transfer them the ownership of the term and make sure they understand all processes in a way that they can use the data afterwards.

2.4.4. From a mono stakeholder to a multistakeholder process

One serious problem with CSR reporting is the lack of a completeness analysis of the stakeholder perspective (Calabrese & al. ,2015). Indeed, a well-planned materiality assessment should detect the dear interests and issues of the company stakeholders and those with a significant impact on the company from an internal and external view. It is thus important to adopt this analysis through the stakeholder lens. Freeman (1984) explains in his “stakeholder theory” the importance of understanding properly the stakeholders’ expectations and needs in order to have a better management and strategy. In fact, stakeholders can react positively or negatively to the non-financial reporting according to the match between the content of a sustainability report and their value and expectations (Searcy & Buslovich, 2014). Considering that, organizations need to identify and analyze the different groups of stakeholders as there is a difference between what is material for management and for stakeholders. However, today, one practical to identify all the stakeholders of a company and their level of impact does not exist. And the selection of the relevant stakeholders to interview remains a subjective process in which selection biases are present as presented before. It is therefore, essential to have a principle that guides corporations in identifying which stakeholders are relevant to interview and how to communicate with them. Jilde Garst, Karen Maas and Jeroen Suijs (2021) present in their working paper a classification of company’ stakeholders according to their interest on the company and if they are directly related to it or not. All groups are not specifically included in the materiality assessment as gathering stakeholders ‘opinion is a time-consuming and money-consuming phase. A recent study (Stocker, Arruda, Mascena & Boaventura, 2020) shows that, although introducing stakeholders into strategic actions and decisions, it leads to better CSR reporting and feedback. Nevertheless, few companies do so. In fact, the latter prefer to move towards a less complex consultation of their stakeholders.

Moreover, once the relevant stakeholders have been selected, the question of communication with them remains. How to ensure that they understand the issues of the analysis. How to make sure that the different people interviewed know how to answer and have sufficient knowledge to carry out a relevant analysis (Tennaxia, 2018).

In addition, the stakeholder engagement is positively correlated with the level of implementation of the materiality principle. Torelli, Balluchi & Furlotti, (2019) show in their study that involving their stakeholders actively and widely into the process of materiality analysis, increases the quality of the materiality analysis and help company to produce a more relevant report that meet the requirement of the different stakeholders.

2.4.5. Defining the scope of the project

In order to avoid any ambiguity and uncertainty in a project, it is crucial to define the scope of this project upstream. A poor project scope definition can negatively affect time, quality and cost of a project and is one of the biggest contributions to project failure (Dekkers & Forselius,2007; Bjarnason & al., 2012). Therefore, defining the scope of a materiality assessment is a step that should not be neglected. We already point out the usefulness to clearly define the purpose of this assessment before diving into it as the interpretation of the result will differs according to this decision (WBCSD,2021; KPMG, 2014). But the purpose is not the only thing to define before doing the assessment. The timeframe is an important variable to take into account. An exhaustive assessment requests time, resources and a budget to be complete and well-made. The organization also should define the organizational scope of the material topics. Indeed, for multinational of big enterprises, the list of topics will differ from a geographical zone to another or from a product to another. Should enterprises make a different materiality assessment for each product or for each geographical zone or should they prioritize a global view? All these decisions made beforehand will have an impact on the outcomes of the materiality assessment and its success.

2.5. Conclusion

In this chapter we have been able to develop the concept of materiality in depth and better understand the importance of defining material information for organizations in their non-financial reporting. It has been shown that the concept of materiality and its assessment leaves room for interpretation and many questions when put them into practice such as the selection of stakeholders to be interviewed, how they are to be interviewed, on what definition the evaluation is based, etc. There is certainly a desire for standardization due to the large number of definitions and methodologies that exist to help companies in this process and to create a common basis, a common language in order to help the different stakeholders to compare companies. Organizations therefore have choices to make in this process which are specifically related to their reality. And these choices will have a direct impact on the disclosure on information in the non-financial report and all related factors.

3. The Sustainable Development Goals

Nowadays, we see an increasing use of what we call the sustainable development goals into the ESG reports. This global tool is seen as a revolution in the sustainable development and is seen as a help to identify priorities for organizations directly related to societal issues. This chapter will give more explanation on these objectives and the role companies have. But also, the advantages the use of the SDGs gives to companies.

3.1. The SDG's: The emergence of the sustainable development goals

After a first trial, with the Millennium Development Goals (MDG) launched in 2000, the United Nations saw huge progresses in fighting extreme poverty and hunger in the world, but also in preventing disease and expanding primary education to all. However, the organization wanted to go further as the job remains unfinished and new challenges were identified (United Nations, 2015). Moreover, there was a will to include, this time, not only technical experts, but also civil society organizations, citizens, scientists, academics and the private sector into the process of elaborating the new goals (Thomson, 2015). In July 2014, the UN general assembly open working group proposed a document containing the future 17 sustainable development goals (SDGs) that were generally-agreed by 193 heads of state and other leaders in September 2015. This declaration titled "Transforming our world" does not only include objectives, but it goes deeper with 169 targets and around 230 indicators distributed between each goal. These 17 new SDGs interconnects with each other and are unique as it is about issues that affect us all. In addition, these new objectives highlight the 3 dimensions of the sustainable development (Boidin, 2015).

To sum up, the main objective of the SDGs is to stimulate actions in areas of critical importance for humanity as the 5 p: the planet, the people, the prosperity, the peace, and finally partnerships. And ensure that by 2030 all people enjoy peace and prosperity (United Nations development program, 2015).

In the creation of the 2030 agenda for sustainable development, criticisms of the MDGs have been taken into account in order to make the process and outcomes more relevant. (UNDP,2015). Therefore, the SDGs are intended to be broader and more all-encompassing by tackling a whole range of societal issues, from eradicating the poverty to climate change (Thomson,2015). These issues were identified in consultation with around 5 million people from across 88 countries who could share their vision for the world in 2030. This consultation process has been described by Ban Ki-moon as "the most transparent and inclusive process in UN history" (UN, 2013).

***Figure n°3** – The 17 Sustainable development goals*[4]

3.1.1. Universality of the SDGs

The development of the SDG brought huge improvements. First, these objectives give a common worldwide reference, not only for the members of the United Nations, but also for all those interested in sustainable development: businesses, governments, civil society, etc. as the SDGs ask the contribution of everyone. The SDG have the characteristic of being universal in the sense that they translate a common and universally shared global vision of an equitable, just and safe world for all human beings to thrive by 2030 (Stakeholder forum,2015).

[4] https://www.un.org/development/desa/disabilities/about-us/sustainable-development-goals-sdgs-and-disability.html

The scope of the SDGs and the use of the indicators is universal and applicable for all the countries and organizations willing to participate to it (PWC, 2015). However, it is relevant to say that the SDGs have been established by nations. Therefore, governments and other stakeholders are still responsible to translate the objectives and targets into initiatives, politics and action plans to suits the best the reality and capacity of each country in order to bring their specific contribution. The SDGs constitutes a common language, and therefore encourage and simplify partnerships between all the actors concerned about sustainable development (Long, 2015). and also allow the comparison and monitoring of efforts and initiatives undertaken by different organizations on the subject of sustainable development.

3.1.2. An engagement measurement tool

The 17 SDGs are each complemented by targets, 169 in total, and each target has specific indicators to measure progress. These targets and indicators mean that the SDGs can be used as a universal tool to measure the commitment of countries, organizations and others to the 2030 Agenda. Indeed, you cannot manage what you cannot measure. This is why, in order to have more impact, the SDGs are meant to be quantifiable.

Governments can therefore adapt their measures and monitor their progress. There are different trackers to follow this progress. The Sustainable development report, previously called “SDG Index and Dashboard”, or the project launched by the Global Change data Lab, the “SDG tracker”, collect the different data for each target and indicator by country in order to evaluate the progress made or simply to compare the different countries between them on the basis of the SDGs (Sustainable development reports, 2021; Global change data Lab, 2021).

In the European Union, Eurostat releases each year a publication monitoring report and progress made in an EU context. The most recent report, for 2021, shows that the European Union is making overall progress in all the SDGs, with a significant improvement in Objective 16: peace and personal security, access to justice and trust institutions. However, the initiatives and especially the postponement of the latter is greatly impacted by the Covid-19 pandemic that we are currently going through (Eurostat,2021).

As far as the private sector is concerned, the United Nations Global Sustainability Index Institute is in charge of the ranking. Launched in 2017, this index ranks the world's largest companies based on their SDG-related initiatives and progress. Today, via the UNGSII

SCR500 report, the organization conducts this ranking among the 500 largest companies (UNGSII,2017).

3.1.3. The contribution of the private sector

Although the biggest contribution to achieve the SDG at a national level requires action lead by governments, the goals will not be achieved without meaningful action of the private sector. Businesses are expected to play a big role in achieving the sustainable development goals which makes one of the biggest differences with their predecessors the Millennium Development Goals (MDG). And apparently companies have accepted this duty, as according to the WBCSD study ran in 2018, only 12% of the interviewed companies have no concrete engagement with SDG yet. Which means that for the others they already integrated the SDGs into their activities or at least plan to do so (WBCSD ,2018). As Ban Ki-moon, the United Nations secretary-general until 2017 said: "*Business is a vital partner in achieving the Sustainable Development Goals. Companies can contribute through their core activities, and we ask companies everywhere to assess their impact, set ambitious goals and communicate transparently about the results".* The 193 decisions-makers of the report "Transforming our world" also agreed on the importance of the participation of the private sector to this new agenda by incorporating an article in their declaration saying: *"Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro enterprises to cooperatives to multinationals. We call on all businesses to apply their creativity and innovation to solving sustainable development challenge" (Article 67)*.

Incorporating the sustainable development goals into the business strategy and activities of a company is not a constraint anymore and can bring opportunities. SDGs can be used as an important road map for future policy direction. As even though SDG are not legally binding, most government use these guidelines for their policy. Therefore, companies working with SDG and which are able to well communicate about it are more likely to have an advantage for the future and to differentiate themselves from the competitors (WBCSD, 2016; PWC, 2016).

Moreover, companies have everything to gain by investing in SDGs as these objectives support a more stable society and define the agenda for the development of our societies which is a pillar for companies to build their success (GRI, UNGC & GRI, 2016). *"It is not possible to have a strong, functioning business in a world of increasing inequality, poverty* *and climate change" (Paul Polman, CEO of Unilever in 2018).* It is a way to connect global strategies with the goals and activities of a company. The company is therefore a vital stakeholder, given its responsibility to society and its ability to innovate and reach a large audience (Oxfam,2017).

3.2. SDG and Business' Strategy

However, there are other benefits to integrating the SDGs into corporate strategy and communication. And these benefits play a crucial role in motivating companies to participate in this movement. Among the many benefits, 5 main ones stand out.

1- *Identify new opportunities*: As the SDG's are a focus for many people, it gathers an important investment flow and gives the opportunity to companies to deliver innovative solutions to tackle these highlighted challenges. In addition, as these objectives reflect what will be needed in the coming years while being supported by society, it can be a starting point to have a projection of the ideal future and thus to analyze potential opportunities and risks. The integration of the SDGs can prove to be a real competitive advantage (GRI, UNGC & GRI, 2016).

2- *Increasing the value of corporate sustainable responsibilities*. We already know the commercial and financial interest of a company with a good sustainable strategy (Beurden & Gossling, 2008; Bosworth & Bruce, 2011). However, the SDGs give a stronger economic incentive for companies to use their resources efficiently and find better alternatives. 74% of companies surveyed in the 2018 WBCSD study found that one of the most important benefits of engaging with SDG agenda is the opportunity to better focus sustainability strategies.

3- *Strengthening stakeholder relationships.* As the SDG have been created in consultation with various stakeholders, these objectives reflect their expectations. Therefore, aligning companies' priorities with SDG lead to a better match between companies and their stakeholders. Global research realized by PWC (2015), shows that engaging with the SDGS allow companies to better meet consumer expectations. According to the study, 78% of customers are more likely to purchase goods and services of companies that had signed up to the SDGs commitment. Indeed, organizations committed to the Agenda 2030 will be likely to reduce reputational and other business risks and improve trust among stakeholders (GRI, UNGC & GRI, 2016). Moreover, integrating the SDGs also plays an advantage in attracting new talents. Young graduates are nowadays more and more aware of the global issues at stake and this criterion enters in their choice of job (Klimkiewicz & Oltra, 2017).

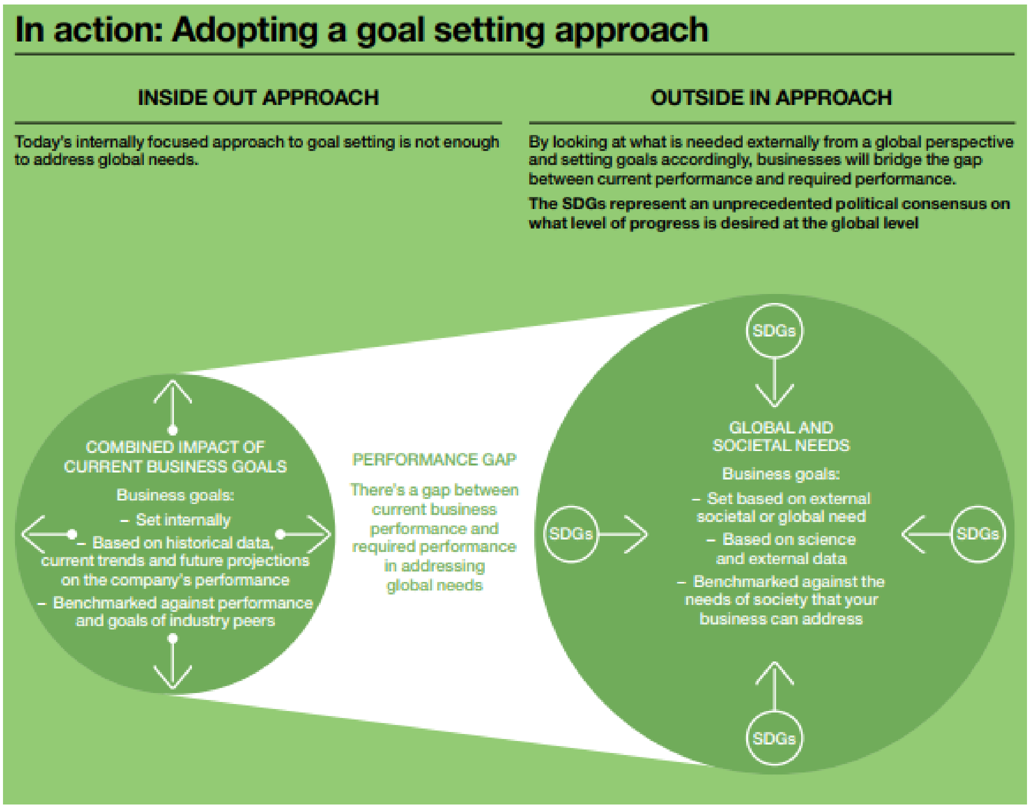
4- *Stabilizing societies and markets.* Besides the micro advantages the SDG can provide to a company, we can also analyze the macro advantages. It is more difficult, if not impossible, for business to succeed in societies that fail. As the SDGs are universal, most governments use it as a base for their politics. For a company, working with them allow them to anticipate future politics and move along with the authorities towards a common goal.

5- *Standardization.* We already seen that having a common framework and clear guidelines is a necessity for companies in their non-financial reporting or simply in their activities (EFRAG, 2021). The SDGs give to businesses the opportunity to have a common language and a shared purpose.

3.2.1. Adopting an outside-in approach

Before the adoption of the SDGs, most ESG reports took an inside-out approach. That is, they analyzed strategies and activities internally, and based on this analysis, companies set targets. However, these targets were much less ambitious and universal than what the SDGs want, as they are based on internal company data, trends and projections (GRI, UNCG & WBCSD, 2016). Therefore, by integrating the SDGs into these reports, companies need to make a shift from an "inside-out" to an "outside-in" approach. These sustainable development objectives then become the starting point for companies to think about their decisions and enable them to have a more global view of the issues surrounding them (TheShift & al. 2017).

***Figure n° 4** – Inside out and Outside-in approach*[5]



3.2.2. Integration of SDG – SDG Compass

In practice, how could SDGs be use and integrated by businesses? To date, there is no consensus between the different parties on the proper use of SDGs. This is why sharing good practices is essential in order to move forward in this field. There are several initiatives encouraging companies to share good practices and explain their motivation behind (UN,2021). The reporting authorities also look at this issue. Indeed, The Global Reporting Initiative, the United Nations global compact and the world business council for sustainable development worked together to analyze this question and give guidelines to businesses. They created the SDG compass. The aim is to explain how the SDGs influence your business and offer to companies the knowledge in order to include sustainability into their strategy by guiding them to align their strategies. It also has an objective to measure and manage the contribution of each company to the Agenda 2030 (GRI, UNCG & WBCSD, 2016).

In order to meet its objective, the guide gives a whole methodology to help companies to work with these SDGs. The methodology is composed by 5 phases in order to maximize

[5] SDG compass guide, 2015. Consulted on the 23rd of May 2021

company's contributions and outputs. The guide has been thought with the hypothesis that all companies respect the relevant legislation and international minimum standards. The report focuses mainly on multinationals although, it encourages the small and medium enterprises to use it as a source of inspiration. As seen on the image below, this process is cyclic which means that it is not something enterprise do once. It is a process that needs to be updated and rethought regularly in order to best respond to change.

***Figure n°5** – SDG compass methodology* [6]

3.3. Materiality and the SDGs

Although there is no explicit link between the SDGs and the materiality analysis process, the concept of materiality remains central to the private sector's contribution to and engagement with the 2030 Agenda (Calace, 2019). In addition, target 12.6 of the SDGs: "Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle" is directly linked with the concept of materiality. Moreover, the United Nations Conference on Trade and Development states that: "the guidance on core indicators reflects the emerging consensus surrounding the

[6] https://sdgcompass.org/ consulted on the 23rd of May.

materiality of sustainability information in the context of climate-related risks and, more broadly, the Sustainable Development Goals" (UNCTAD, 2018).

More and more links are found between these two concepts, whether it is consulting firms that propose crossed methodologies for their materiality analyses such as Simply Sustainable, Gesi (2016) or Ksapa (2021). This emergence of a link between the two notions can also be observed in company reports. For example, Nestle in 2020, after having conducted its materiality analysis, has linked the various topics defined as material with the SDGs.

Figure n°6 *– Materiality and SDGs, Nestle*, 2020 [7]

Materiality and the Sustainable Development Goals

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Individuals and families																	
Food & Nutrition Security	●	●	●		●					●			●	●	●		●
Over- & Under-Nutrition		●	●		●					●		●					●
Responsible Marketing and Influence			●	●								●	●				●
Food & Product safety			●														●
Communities																	
Animal Welfare			●														●
Rural Development & Poverty Alleviation	●	●		●	●	●		●	●	●						●	●
Responsible Sourcing and Traceability												●		●	●		●
Women's Empowerment	●	●	●		●			●		●							●
Business Ethics								●								●	●
Human Rights	●				●			●		●						●	●
Fair Employment and Youth Employability	●			●	●			●		●						●	●
Employee Safety, Health & Wellness			●			●		●									●
Planet																	
Water Stewardship						●						●		●			●
Water, Sanitation & Hygiene	●	●	●			●								●			●
Natural Resource Stewardship		●				●						●	●	●	●		●
Climate Change		●				●	●		●			●	●		●		●
Resource Efficiency, (Food) Waste & the Circular Economy		●					●		●		●	●	●	●	●		●

[7] https://www.nestle.com/sites/default/files/2020-03/creating-shared-value-materiality-sdgs.pdf consulted on the 12 july 2021

3.4. Use of SDGs for Belgian companies - SDG Barometer

A study, conducted by 3 Belgian academic authorities, was conducted on the landscape of Belgian companies regarding the inclusion of SDGs in their strategies, operations and reporting. The SDG barometer (2018) reveals that SDG awareness in on the rise in Belgium. The main motivations for companies to use the SDGs is correlated with the global challenges the SDGs presents and the observation of the decrease in the availability of natural resources. But the use of the SDGs is also linked with the companies' reputation and the potential new market opportunities (Moratis, Candido, Swaen & Van liedekerke, 2018).

In this report, we also find the willingness of companies not to use all 17 SDGs but to prioritize them, i.e. to carry out a materiality assessment on the SDGs in particular.

3.5. Conclusion

To conclude this chapter, the SDGs, along with their predecessors the MDGs, are the first global institutional attempts to quantify Sustainable Development and to measure progress. The SDGs are now emerging as a new universal language that can be used by both the public and the private sectors. Today's companies have interest in integrating the SDGs into their non-financial strategy and reporting.

However, integrating the SDGs requires real in-depth work; a real understanding of the scope of the SDGs, an analysis of the impact of each link in the value chain, taking into account the expectations of stakeholders, as well as the choice of relevant targets and indicators to measure progress. Since all of these steps are very similar to those in the materiality analysis, we wonder whether these two concepts could be intertwined and, above all, how companies use them in practice.

4. General conclusion of the literature review

At the end of this literary review, we have a better understanding of the two concepts discussed in this thesis, namely materiality and its analysis, as well as the Sustainable Development Goals of the UN. We also are more comfortable with the legal framework and context around these concepts and their use in practice. However, as we have seen, the latter reveals certain challenges and difficulties for professionals.

The use and presence of materiality and the SDGs into the non-financial reporting will increase more and more in the coming years, encouraged by the new European directive for materiality and the approaching deadline of the 2030 Agenda for the SDGs. Many organizations are already using the SDGs and materiality analysis together to prioritize their future actions and establish strategies for the coming years. Prioritizing and communicating on these material issues has become a major challenge for organizations in the field of non-financial reporting.

This is why it is interesting today to look at the question in order to better understand the link that these two notions can have and if they really have one. The second chapter has allowed us to theoretically identify the difficulties related to materiality analysis. Therefore, in order to better understand this practice in the field, we wanted to interview professionals to confront the difficulties identified in theory and practice. Given the exploratory nature of this dissertation, our intention is not to give precise statements, but to raise tracks to be explored and managerial proposals on the following topic: **SDGs at the service of materiality assessment** according to the different opinions collected during the practical part of this work.

PART II – Field Research

This second part of my thesis presents the outcomes of my field research. This part is structured in the following way. First, the methodology is explained and detailed with more precision on the data collection process. Then, we will approach the various links proposed during the research in order to be able to emit by proposals and hypotheses connecting our two concepts. The methodology outlined below, aims to answer the following research question**: How can integrating the SDGs into materiality analysis help companies?**

5. Methodology

This section outlines the research methodology. The research strategy will be shortly introduced before justifying my choice of field and samples. This section concludes with an explanation of the interview guides used and the analysis method.

5.1. Type of research strategy

To answer my research question, I have adopted an exploratory research strategy (Gavard-Perret & al., 2008). The goal was to identify all the potential links between materiality assessment and the use of SDG in non-financial reports. To perform this exploratory research, I based myself on the collection of qualitative data. The data collected in this research are primary and secondary. First, interviews were conducted, as explained later in this section, in order to collect data and to better understand the application and use of the concepts in the real world by both professionals and experts. Secondly, an analysis of the non-financial reports of the BEL20 companies was realized. This analysis allows us to illustrate the propositions expressed during the interviews as well as to better understand the current framework around materiality analysis and the SDGs.

This qualitative approach has enabled me to get deeper insights regarding the opinions and the use of these two notions by experts and professionals. The choice of this approach was also made in order to be able to understand all the dimensions of the problem and then to put forward hypotheses and different managerial proposals. The objective of this thesis is not to measure a phenomenon, but to extract interesting information to clarify a situation considered complex.

It is important to keep in mind that when using a qualitative methodology, the interpretation of the researcher can influence the results (Gavard-Perret & al., 2008).

5.2. Field selection

The environment chosen for this study is Western Europe and more precisely the Benelux and France. Because of the multitude of reporting frameworks, it seemed more coherent to interview companies or people having a link with this area. Moreover, my research is motivated by the new European CSRD law (Cfr. Appendix 1.1). With this choice, I hope to obtain rich information that will allow me to answer my research question with relevance.

5.3. Sample selection

First, regarding our sample of interviewees, I wanted to target three categories of people. First of all, I wanted to target PhD students or researchers on the topics discussed in order to understand the issues the notions may have as well as to know their opinions on the links that materiality analysis and SDGs may have. These interviews also allowed me to know the latest research published in order to update some of the data of my academic research. The second category is made up of experts from various consulting firms specialized in materiality analysis. And finally, the third category is composed of business professionals who use the outcomes following the materiality assessment. It is therefore important for them to have a good materiality assessment done beforehand in order to be able to use the results in the best possible way. My final sample is composed of 8 informants.

Table n°3 *- People contacted for semi-structured interviews*

Name	Position	Company/ institution
Marion Keroulin	Senior consultant	Utopies
Bertrand Desmier	Expert CSR & consultant	Tennaxia
Valérie Lizen	Project manager	Smart 2 Circle
Anna Van den bergh	Director sustainability	Ageas
Ilse Moens	Independent consultant	PMC/ Ageas
Christophe Delfeld	Head of CSR department	GRTgaz
Jilde Garst	Researcher	Erasmus Economic School
Jan Beyne	Phd Student	University of Antwerp

As far as secondary data collection is concerned, I chose to analyze the reports of the companies that make up the BEL20 index of the Brussels stock exchange. Since materiality assessment is often a time-consuming and costly process, it is more common to see large companies doing it than SMEs. As the BEL20 is composed of multinationals or larges companies only, this first criterion is respected. Secondly, since these companies are listed on the stock exchange, they are obliged to publish their annual reports. This makes the data easily accessible. Moreover, it is important for these companies to communicate on their actions and activities to their stakeholders and especially to their investors who demand transparency.

Table n°4 *- List of reports analyzed*

Enterprise	Report's name	Year
Ackermans & Van Haaren	*Sustainability report (ESG)*	2020
Aedificia	*Housing with care, 2020 sustainability report*	2020
Ageas	*Staying connected, business report*	2020
Anheuser-Bush Inbev	*Bringing people together for a better world*	2020
Aperam	*Sustainable report 2020, sustainable by design, made for life*	2020
Argenx	*Annual report 2020*	2020
Cofinimmo	*2020 universal registration document*	2020
Colruyt	*Sustainability report 2017-2018*	2018
	Annual report 2019/20 with sustainability report	2020
Elia Group	*Accelerating to a net-zero society*	2020

Galapagos	*CSR report- Dream big*	2018
	CSR Report – improving lives	2020
GBL	*2020 the year of ESG investing*	2020
KBC Group	*2020 sustainability report*	2020
Melexis	*Annual Report 2020*	2020
Proximus	*Rapport Annuel intégré 2020*	2020
Sofina	*Rapport annuel*	2020
Solvay	*2020 annual report, essential and stronger*	2020
Telenet	*Sustainability report 2020 – Ready for tomorrow*	2020
UCB	*Integrated annual report 2019*	2019
	Rapport annuel intégré 2020, s'adapter pour mieux soigner	2020
Umicore	*Rising to the challenge*	2020
WDP	*ESG-report 2020*	2020

5.4. Data collection and analysis method

To collect the qualitative data, I used individual interview and more specifically the semi-structured. This specific interview mode allows for flexibility in the interview while maintaining a wealth of data collected. Moreover, it favors the analysis strategies that we will use in the future (Gavard-Perret & al., 2008). In order to carry out these interviews, it was first necessary to create an interview guide including introductory sentences in order to introduce the subject to our interlocutor but also to explain the process to be undertaken and to ask for authorization to use the data. The interview guide is also composed of questions focused on the research and of follow-up sentences in order to get the information in depth before concluding by thanking and asking for recommendations and feedback on the interview (Cfr. Appendix 4). This last step allowed me to evolve my interview guide as I conducted the various interviews.

In order to analyze the collected information, I used the methodology suggested by Miles & Huberman (2003). I first de-structured my data using coding before reconstructing it to highlight new elements, contradictions, similarities or repetitions. This allowed me to highlight if the SDGs and the materiality analysis are complementary and the advantages and inconvenient of both topics with a practical lens.

To complete this primary data, I analyzed secondary data. Therefore, I focused, as mentioned before, on BEL20 companies. In order to have the most recent data, I have prioritized the last published reports, therefore from the year 2020 for the most part. However, since a materiality analysis is not necessarily performed on an annual basis, I completed the collection with the reports of the years where a materiality analysis was performed.

Finally, to analyze this data, I first performed a floating reading of all the reports to highlight the first relevant codes in this analysis. I completed the highlighted codes with the outcomes of the different interviews conducted in order to illustrate the themes addressed and analyze the different proposals in the field. Then, in order to be able to compare the different reports as well as their approach to materiality and related concepts, I built a table gathering different key criteria. This table allows me to have a more visual approach.

***Table n°5 -** Comparative table BEL20*[8]

Company	Analysed document	e of a definitio	ion of the	ability strateg	nability strateg	of stakeholders	materiality matrix	materiality map	topics linked with SDG	the SDG in the
Anheuser-bush inbev		Yes +	No	Yes	Yes	External	Yes	No	Yes - After	No
KBC Group	Sustainability report 2020	Yes -	Yes	Yes		External & internal	Yes	Yes	Yes - After	Yes
UCB	Integrated report 2020 & 2(	Yes (2019)	Yes	Yes	No	External& internl	Yes	No	No	No
Groupe Bruxelles Lambert	Sustainability report 2020	No	No	No	No	No	No	Yes	No	No
Argenx S.E.	Annual Report 2019	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sofina Sa.	Annual report 2020	N/A	N/A	No	No	N/A	No	No	N/A	N/A
Umicore	Integrated report 2020	Yes	Yes	Yes	No	External & internal	Yes	No	Yes - After (illustra	No
Solvay S.A	Integrated report 2020	Yes	Yes	Yes	Yes	Indirectly	No	Yes	Yes	No
Ageas	Annual Report 2020	Yes	Yes	Yes	Yes	External & internal	Yes	No	Yes	Yes
Colruyt	Annual Report 2019-2020 (	No	No	No	Yes	Yes	No	No	Yes	Yes
Elia Group	Annual Report 2020	No	No	Yes	No	No	Yes	No	Yes	No
Warehouses de pauw	ESG report 2020 & 2018	No	Yes (2018)	Yes	No	No	Yes	No	No	No
Proximus S.A	Integrated report 2020	Yes	Yes	Yes	No	Internal	Yes	No	No	No
Ackermans & Van haaren	Sustainability report 2020	Yes	Yes	Yes	Yes *	Yes*	Yes	No	Yes*	Yes*
Aedificia	Sustainability report 2020	Yes	Yes (2018)	Yes	Yes	Yes	Yes	No	Yes- After	No
Galapagos	CSR report 2020 &2018	No	Yes (2018)	Yes	Yes	External & internal	No	No	Yes	No
Cofinimmo	2020 universal registratior	No	No	Yes	Yes	External & internal	Yes	No	no	no
Melexis N.V	Annual Report 2020	No	Yes	Yes	Yes	Internal	No	No	Yes	Yes
Aperam S.A	Sustainability report 2020	No	Yes	Yes	No	External & internal	Yes	No	No	No
Telenet group holding	Sustainability report 2020	Yes	No	Yes	No	External & internal	Yes	No	Yes	No

[8] Table available in larger format in the appendices

6. Finding on the process of materiality assessment

In this part, I will present the findings made towards the qualitative research. We will first see the elements related to the concept of materiality and its assessment only. The interviewees described the materiality assessment as a complex and robust process and time consuming.

"It's also that a lot of organizations that we are working with see it as a very time consuming" (Jan Beyne)

It necessitates **knowledge and expertise** and therefore, it is most of the times outsourced or companies at least are helped by a consultant expert in this field. We ask our different contact person to explain why it is important to do such a complex process and what are their incentives?

6.1. Objectives and incentives

According to our respondents, the objectives of a materiality assessment are multiple. Before explaining them, I would focus on **the importance of determining the objective** of this assessment upfront. Many respondents have addressed this subject during the interview. And They highlight that the objectives-setting phase will guide the whole process and the outcomes of the assessment. Therefore, a real reflection is needed at the beginning to give more meaning to the process and be sure the results meet the expectations.

"And that's something you really, and I think it was well done by Ageas, thinking ahead of what you'll do with the results. The biggest challenge is thinking through all the way but really upfront." (Ilse Moens, Ageas / PWC)

"If the objective of a materiality analysis is to challenge the company's CSR policy in order to revitalize it, we could say that the use of the 17 SDGs could be sufficient. Now, if we are in the logic of responding to the European regulations, currently in force in the 27 European countries, then it is not quite enough." (Valérie Lizen, Smart 2 circle)

Companies tend to realize a materiality **assessment to define the content of their non-financial reporting**. In this case, the assessment is made in a reporting frame and aims to respond to the legal requirement and stakeholders' expectations. The assessment is made to be in conformity. This objective is difficult to observe in the reports of the BEL20 companies as it is not clearly stated. However, in view of the new European directive, this incentive will become an obligation for the companies listed as the CSRD requires a materiality assessment in the future non-financial reporting.

"In terms of regulatory compliance, this analysis is the response to the translation of the European directive, so my first response is to be compliant." (Bertrand Desmier, Tennaxia)

"The main reason is the context. There is both a regulatory dimension [...]." (Christophe Delfeld, GRTgaz)

The materiality assessment is also seen as **an input for a sustainability strategy**. By knowing what is most important to their stakeholders, companies are able to focus their resources and their strategies on key issues. This also allows companies to position themselves and to prioritize the material issues. And contrary to the risks mapping, the materiality assessment takes into account the stakeholders 'opinions and therefore, offer an external perspective. We can see that a materiality assessment is often made before elaborating a strategy. It is the case in our interviewees for Ageas and GRTgaz. But if we take a look at the BEL20 companies, we can conclude that 16 companies out of the 20 use the outcomes of their materiality to establish their strategy. (Cfr. Appendix 3.)

"The strength of materiality analysis is the consultation of these stakeholders. This is the opposite of risk mapping. Materiality analysis is less navel-gazing than risk analysis." (Christophe Delfeld)

"There is direct link between the outcomes of the materiality analysis and our new strategy, Impact 24" (Anne Van den Bergh, Ageas)

"It all ends up with how to set priorities." (Jilde Garst, Erasmus Economic School)

Materiality assessment also plays a role in giving **credibility** to corporate reports and strategies. In view of the complexity associated with this analysis and the robust methodology, it seems to have less risks to be accused of SDG washing or greenwashing. In addition, it generates trust both internally and externally.

"I think that if the materiality analysis has been done correctly, that is to say with an external partner, with all the processes and not by rushing the thing, it is already something strong, solid. So after making the link with the SDGs, if there is a link that is visible.... There's no risk." (Valérie Lizen)

"The methodology is robust enough to have given confidence both internally and externally." (Christophe Delfeld)

The interviewees also mentioned the objective of **going further in their CSR** and respond to the ‘essence of sustainability’ by identify how companies are relevant for the society. It is an opportunity to highlight important subject and information that companies are not use to receive and to analyze. It is an invitation to question beyond the external or legal pressure. By being the input of most of sustainable strategies or even general strategies, the materiality assessment and its outcomes need to be actionable, trigger and inspire people for actions. As one of the interviewee said, “*the materiality assessment is only the tip of the iceberg and we need to go further and use this information wisely*” (Christophe Delfeld).

“It is of course interesting to produce this report with the right methodology, but this report is in fact an incentive, a locomotive to question ourselves and go further in our CSR approaches." (Christophe Delfled)

“But there's another good reason behind it which is how we're going to implement the strategy, and not just the sustainability strategy but the integral strategy. How to be relevant in society." (Ilse Moens)

6.2. Methodology

As already mentioned, several time, a strong methodology is needed to initiate the process. And after analyzing the interviews, it seems clear that the preparation is a key step I did not mention in my theoretical part. This preparation consists, not only, on identifying the objective of this assessment but requires also a whole information research. There are many things to consider and research before embarking on a project to ensure a robust methodology later on. First of all, the **sector** of a company has to be taken into account. The SASB materiality map can help companies for this specific orientation.

“A service activity does not face climate change in the same way as an industrial activity." (Bertrand Desmier)

Then, it is important to have the **basis knowledge**. It means to consider what research say on the topic, and if there are new findings related to avoid a decorrelation between theory and practice. In addition to research, it is interesting to consult the different reporting framework to see if new reflections have been made on the subject allowing a better assessment. And when this whole upstream preparation is made, then we can start the process and establish a short-list of potential issues.

*“*So, *to me, a company, if they've done it on their own or with their consulting firm, if they haven't done that work [preparation phase] up front, I think we're already going to be dealing with a materiality analysis that is going to have holes in it." (Bertrand Desmier)*

With regards to **the screening of potential issues**, several methodologies and tools are emerging from the interviews realized. The preselection can be made with the help of the international’s framework as the GRI to give a transversal approach, common to all companies, or the SASB materiality map for a sectorial approach, for instance. In the BEL20 reports, we see that, although the SASB framework is very specific to the United States, 3 companies use the materiality map to pre-select or prioritize their issues. These are *KBC* Group, Groupe Bruxelles Lambert and Solvay. (Cfr. Appendix 2 & 3.)

Companies and experts also integrate the SDGs at this phase It helps them to frame their issues and narrows the numbers of potential issues. The integration of the SDGs into this phase will be further developed in the next section dedicated to the integration of the SDGs into the process.

The preselection phase is realized differently when the company performs this materiality assessment for the first time, as it was the case for Ageas, or if it already did once and update it or renew it. In the latter case, the company or consulting firm can start from the existing list by updating it or by enriching it.

“When it is a renewal, we always have a list to start with and we will update it with new themes.” (Marion Keroulin)

As Christophe Delfeld said in his interview, the strength of the materiality assessment is the **consultation of the internal and external stakeholders**. It is therefore not surprising that this consultation is considered a key step in this process by all the person interviewed but also the phase where most of the difficulties appears as we will explain in the section of the difficulties.

The third step of the process describe in our theoretical part was **the evaluation and the prioritization**. Most of the time it is a materiality matrix which is used to compare the importance of each topic according to the two perspectives, internal and external. In the BEL20 Reports, 13 companies use this tool to prioritize their topics and select them wisely. (cfr. Table 5)

To go further with the **materiality matrix**, Bertrand Desmier from Tennaxia explain explains that in addition to the two dimensions already present in the matrix, it is interesting to add two additional dimensions: the level of performance of the company on each issue, which can be represented with a color code or a dot size, and the time dimension. By considering the time dimension, the company analyzes if the issue is going to stagnate, grow or decline.

"3-4 years ago, you didn't find data security in the matrices. Today it's systematic, as is the attraction and retention of talent." (Bertrand Desmier)

To conclude this section on methodology, it is important to note that materiality analysis is a **dynamic process** and therefore needs to be updated. It does not necessitate a yearly update because a company needs to take the time to operate and to implement the results. The time frame that comes up several times in the interviews is 3 years.

"I think the materiality analysis, you do not need to repeat it too much because you also need time as a company to implement. On the other hand, I do believe that you need some pulse checks or deep dive on specific topics" (Anne Van den bergh)

"For me it's logic to do that in the same way you do your strategic update. Because that make sense to align your thinking about strategic analysis, what do you need to take and at the time of your normal strategy, because otherwise, your 2 strategies do not seem to be connected" (Ilse Moens)

The same timeframe is found in the BEL20 companies. Colruyt, for example, performed its first materiality assessment during the 2017-2018 financial year. And their new analysis for the fiscal year 2020-2021 will be published at the end of July 2021, 3 years later.

In a similar way, we find the Warehouse de Pauw group, Aedificia and Galapago, all three have performed their materiality assessment in 2018 and should therefore renew it at the end of this year. 4

6.3. Challenges and difficulties

Interviewees agree that it is a challenge to move from theory to practice. You need to be well prepared. Often companies surround themselves with experts and or call upon consulting firms in order to benefit from an already well-established methodology.

"I think the difficulties/challenges are the ones you will find in the literature, it's the methodology, defining the target, defining the questionnaire, defining the methodology. There are quite a few steps to study before you can really start." (Anne Van den Bergh)

A challenge emerges on **the selection of potential issues**. Indeed, there is a multitude of different ESG topics. And these topics can be broad and cover others. It is therefore important to be careful in the selection of topics in order not to repeat oneself or to target the wrong indicator for a given problem.

"I think the most important one is to make a distinction between… I was thinking there are so many topics, there are so broad, yet a lot of topics are interrelated. If you just look at one of them, you can look at climate change. But you can talk about the use of fuel or you can ask your question on CO2 reductions or CO2 measurement." (Ilse Moens)

However, both consulting firms and professionals confirm that the biggest challenges arise in the stakeholder consultation stage. Although this part is the essence of the materiality analysis, it involves a lot of subjectivity and decisions that directly impact the results. First of all, there is **the selection of the stakeholders**. The selection must be not only relevant but also representative. And this first part already contains a lot of questions that the professionals will have to answer. How many stakeholders should be interviewed? Who among these institutions should be contacted?

"I saw a lot of companies saying in their reports, we interviewed 50 people. And we speak about a huge multinational. How this is representative of the whole stakeholder's population?" (Jilde Garst)

"Stakeholders are such a big notion; we have such a big number of stakeholders. So how do you get a representative sample of that." (Ilse Moens)

As Jilde Garst mentions, this process is directly impacted by **selection biases**. According to her and her study for the WBCSD, there are the first tiers stakeholders and the second tiers stakeholders. The first tier is composed by the stakeholders that are close to the firm or that have a direct interest for the firm or its financial performance. These people, as employees, investors, customers or suppliers, have an interest in the survival of the firm. Companies tend to ask this group of stakeholders. However, their judgement is affected as they are directly related to the company and its survival. Therefore, a lot of companies intend to interview the second tier that gathers governments, NGO's or stakeholders 'groups that are further away from the firms.

"There is a lot of bias in this. Yeah, I would say biases, selection biases. Because answers will always depend on who you ask." (Jilde Garst)

In this process, a particular difficulty appears for **the multinationals**. How ensure to have a balanced analysis between the different locations? Ageas has been confronted with this problem. And that's why they not only performed a materiality analysis at the level of Ageas International, but also completed this first materiality matrix with an assessment per countries to see differences between countries and stay relevant locally.

"It is important here to consider to include a representative panel of the different entities around the world. And to make sure that the results are balance. Be sure that the people of Asia or of Belgium are not under represented or overrepresented." (Ilse Moens)

Moreover, **time** is needed to ensure that the right process is made in identifying the relevant stakeholders and the relevant person inside this stakeholder's group. More than 2 months is needed to have an exhaustive assessment according to the consultant of Tennaxia as he explains in his interview with an example of a customer of an automotive group. (Cfr. Appendix 5.2)

The selection must also be made to ensure that the interviewees will be able to **answer the questions in a relevant manner**. Especially for internal stakeholders. It is certainly interesting to interview employees, but it is important to make sure that these employees are aware of the company's policies and strategic reality.

"If we are dealing with operators, these subjects may be a little too high-profile because they are not part of their daily lives [...] I would ask that we interview the representatives of the companies' unions. Because they are in permanent contact with the company's management. So, they know the subjects and they carry the opinion of the employees with an appreciation of the strategic reality of the company." (Bertrand Desmier)

Respondents also noted the difficulty in **measuring and evaluating** these specific topics. Because it is complicated to compare apples and pears. So, you have to be able to compare the different issues. However, a common denominator does not exist between these different issues, unlike the financial materiality. A scale needs to be built to make a ranking.

"If you want to measure it indirectly, you need to have very clear questions. And you need to one way or another to quantify it." (Jilde Garst)

Weighting can also be applied when assessing the importance of each issue. This weighting can be related to the sector but also to the scale of the company or to the stakeholders directly interviewed. In this case, this weighting must be clearly explained in order to interpret the results in the best possible way.

“I come back to my example of climate change. Perhaps the weighting for a highly polluting industrial company should not be the same as for a service company that is not. [...].” (Bertrand Desmier)

Since the materiality analysis process is a cascading process, i.e., the results of the previous phase are used to carry out the next step, a poor selection of stakeholders, an inadequate assessment, or an irrelevant questionnaire will directly impact **the realization of the materiality matrix.** Indeed, if the stakeholders interviewed are not at all educated on the sustainability subject, then their judgment will be influenced by the press and their environment. This is why a good dialogue with a relevant stakeholder is a key factor for the success of the materiality assessment.

*“*For *the realization of the matrix, we often find ourselves in ratings or qualifications that are a little subjective, and that are directly related to this first step of stakeholder consultation. [...] This is the case in France, where we talk more about the environment than about social or societal issues. And so, when it comes to making this matrix and weighting the different issues a little bit, we can get some somewhat surprising results." (Marion Keroulin)*

6.4. Conclusion

To conclude this section, we note that a clear and precise methodology is crucial to perform a meaningful materiality analysis. The major steps mentioned in the literature review are also found in the methodologies explained by our person interviewed. However, they complement it with an important upstream preparation step and a closing step in order to analyze and use the results obtained, such as for establishing a CSR strategy. The purpose of the materiality analysis must also be determined before embarking on the process as it directly impacts all the steps.

Regarding difficulties and challenges, it is no surprising that the biggest difficulties are related to the essence of the materiality assessment process, the stakeholder consultation. This includes the selection of stakeholders and their relevance, but also the communication with these stakeholders and a more practical difficulty related to the organization and availability of people to contact.

As far as BEL20 companies are concerned, most of them already perform a materiality analysis, giving them a head start for the application of the new European CSRD standard. However, each company performs this analysis with different methodologies or different reference systems and communicates on it in different ways.

7. Findings on the integration of the SDGs into the materiality assessment

Now that we have highlighted the results specific to materiality assessment, we turn our attention to the SDGs and their integration into the materiality assessment process.

7.1. What the SDGs represent

Throughout the various interviews, several words came up to describe **what the SDGs represented**. These words are international benchmark, common language and framework. If we look at the first two words first, we can see that the SDGs are known by everyone. Experts see them as a common tool worldwide. They represent an awareness of the biggest societal issues using the same language for everyone.

"I think it's interesting because it's very global, it's international and it's kind of the Esperanto of sustainable development." (Bertrand Desmier)

Then, we notice that the word framework also stands out a lot. It is a global framework, developed by a multitude of different stakeholders, easy to understand, which offer a structure. Moreover, since it was presented 6 years ago, this framework is accompanied by several tools such as the SDG compass, trackers or the mapping of SDGs according to a sector. It is a comprehensive framework that is also supported by politicians and governments.

"In business it gives a framework and at the same time it's not technical concepts. So generally, it speaks to everyone." (Valérie Lizen)

« They were definitely developed in collaboration with all type of stakeholders. It does cross also geographical border." (Jilde Garst)

7.2. Integration at the pre-selection phase

In terms of the reports analyzed by the BEL20 companies, we can say that at least 5 companies use the SDGs in order to make a first selection of the societal issues they will analyze later. Among these companies we find KBC, Colruyt, Ackermans Van Haaren[9], Ageas and Melexis.

Colruyt describes, in its 2020 report, that **the SDGs are a common basis** for tackling many societal issues and see them as a framework for impact assessment and reporting.

From the Ageas side, the sustainability team uses the **SDGs as a back stone** for passing from an inspirational and mobilization period to a much more organized process.

"I think the first step Ageas did and this also similar to what happens in the materiality analysis, is to look at out of the 17 goals, which are the ones on which Ageas can have the most impact. […] that we can leverage our strength. So, we select out of the 17, 10 that are more in line with our activities. Which is the same for the materiality, you select out of all the topics in the world the ones on which we can have the more impact." (Anne Van den Bergh)

Now if we look at another company, outside the BEL20 this time, GRT gaz, we also notice that the **impact analysis** carried out on the SDG's is directly used as input for the materiality assessment. The integration of the SDGs was initially motivated by **the personal conviction of the director of the CSR department**, but this exercise of identification and screening of the issues with regard to the SDGs also allowed the materiality matrix and the entire process in general to evolve. The work of identifying potential issues and criteria does not end with their selection. In addition to selecting targets, GRT gaz has been looking for evidence to understand and actually measure how to contribute to each impact.

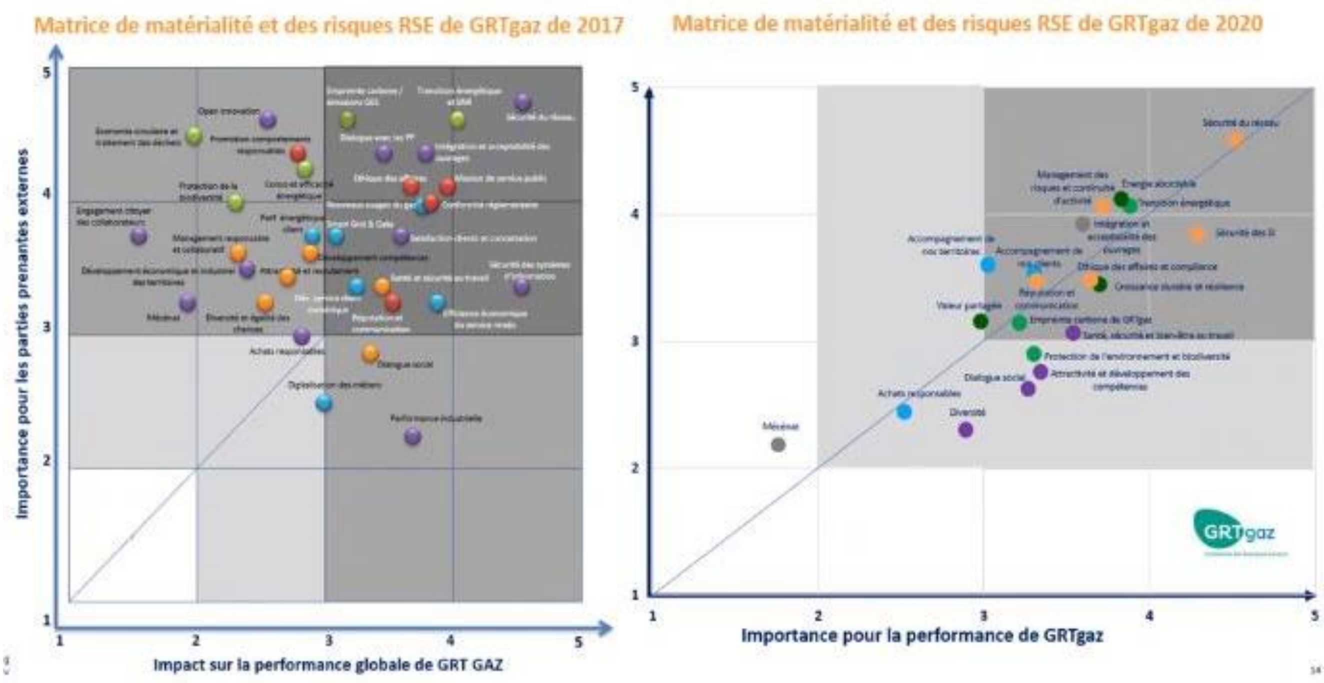
"We had pre-identified 3 SDGs that are really at the heart of our business, which are almost in fact the corporate purpose of our company today [...]. With all that, that's the starting point and so that's an input to the materiality analysis." (Christophe Delfeld)

During the interview with GRTgaz's CSR manager, we were able to **compare the materiality assessments made** by the group in 2017 and 2020 respectively. It is important to note that the analysis of the impact of the SDGs and the prioritization of these was done in 2019 and was therefore not taken into account for the assessment made in 2017. We see that in the materiality assessment done in 2017, the one on the left, there are many more issues and they are more scattered. Whereas in the 2020 analysis, the issues follow the diagonal. This shows a better convergence of stakeholders and the company. Christophe Delfeld explains that the analysis done with the SDGs beforehand has a direct impact on this evolution, although it is not the only factor to take into account. Indeed, before submitting the list of issues, the

[9] For some subsidiaries only

company has operated a double filter. The SDGs prioritization but also a first selection was made with the CSR department. According to him, the work done with the SDGs has increased **the maturity of the company on the subject of sustainable development**, which has refined their materiality assessment.

Figure n°7 *– Materiality matrix GRT gaz (2017 -2020)*



"That's one of the main evolutions. More relevance, more convergence between the internal and external vision. And then strictness. We can see that CSR is becoming more important for many stakeholders and as a result, they are less complacent, more severe." (Christophe Delfeld)

This growth in maturity and better knowledge of the issues in today's world has therefore brought **more relevancy** to the group's materiality analysis.

Let us now analyze the experts' views on the use of the SDGs in the pre-selection phase. According to Jilde Garst, many reports **use the SDGs as inputs** for materiality analysis. Some of the reasons for this choice were explained by Valérie Lizen, it is indeed a time saver and allows companies to have a first reference framework already established to start this process, which simplifies this first step. However, one must be careful not to rely solely on the SDGs because, as we will see, they are not entirely complete and most of the time require adaptation in order to use them in the business world.

"The SDGs can also be used at the beginning of the materiality analysis, when you have to define the criteria. It's a first reference framework that you can use if you really don't take the time to define a very big list, you could take the 17 SDG already and their target to submit to the stakeholders. So, it could already simplify at that level." (Valérie Lizen)

"What we see happening currently in the reporting now is that they are use one as inputs to the materiality assessment so as I said they are seen as representative for the societal need and they are seen as inputs." (Jilde Garst)

For Marion Keroulin, senior consultant at Utopies, when she conducts a materiality analysis, the SDGs are not explicitly integrated into the process. However, these objectives remain known to the consultants and influence their judgment. They therefore **implicitly take them into account** when making the list of potential material issues. They have indeed an influence on the experts and professionals of the sector who are well aware of these objectives in view of the communication around them and their notoriety and reputation.

"I think that a detailed knowledge of the SDGs encourages us to propose issues that would be more relevant or focused on the positive impact of a company. So, I would say that even if we don't consider them systematically, as a consultant, we know them and we are necessarily influenced when we make the list of issues before the consultation of internal and external stakeholders." (Marion Keroulin)

7.3. Integration at the stakeholders' consultation phase

One of the main difficulties exposed during our literature review and confirmed during the interviews was the **consultation with stakeholders and the dialogue** with them. Therefore, I wanted to know the opinions of the people interviewed on the use of the SDGs when consulting with their stakeholders in order to explore whether or not there is a positive correlation between the two notions. Several interesting points came out of this discussion. First, some confirmed that the use of the SDGs helps in terms of **illustration, presentation and preparation,** given the global and common nature of the SDGs. However, it is important to be aware of the stakeholder questioned and to judge whether the use of the SDGs in this specific case will be useful. Indeed, for the GRT gaz company, a distinction must be made between internal and external stakeholders. The use of the SDGs must not appear technocratic to the people contacted and seen as *“another consultancy concept”*. If respondents are not educated about the SDGs, then the term may seem distant to them and they may not feel concerned about it. Before using the SDGs, it is therefore necessary to ensure that the people contacted are familiar with this reference framework. Marion Keroulin also mentioned this limit, explaining that everything depends on the awareness of the stakeholders beforehand.

“There are some who are completely unaware of the SDGs, and when we talk to them about it, they tend to find the term very conceptual, and therefore not necessarily close to the reality on the ground." (Marion Keroulin)

“Now, we are an industrial company. We have workers, technicians and all that for them, it's still abstract and very far from their daily concerns. So, we're finally careful internally not to appear too technocratic, too distant." (Christophe Delfeld)

Others explain that to say they do not use them would be wrong. However, they do not quote them explicitly. **The integration of the SDGs is done implicitly**, as stated earlier for the realization of the shortlist. That is, the word SDG is not mentioned, but the companies refer to societal issues. Therefore, the SDGs are directly implied. From the stakeholder's point of view, if they are educated about the SDGs then they will directly link the term societal issues with the SDGs. This is the case for Ageas, as its external consultant explains.

“So, if you ask me, did we formally use the word SDG to engage to the stakeholders, the answer is no, but if you ask ‘did you use the sdgs to engage the stakeholders, I also say yes. But we did it a suptile way and not referred to the SDGs.” (Ilse Moens)

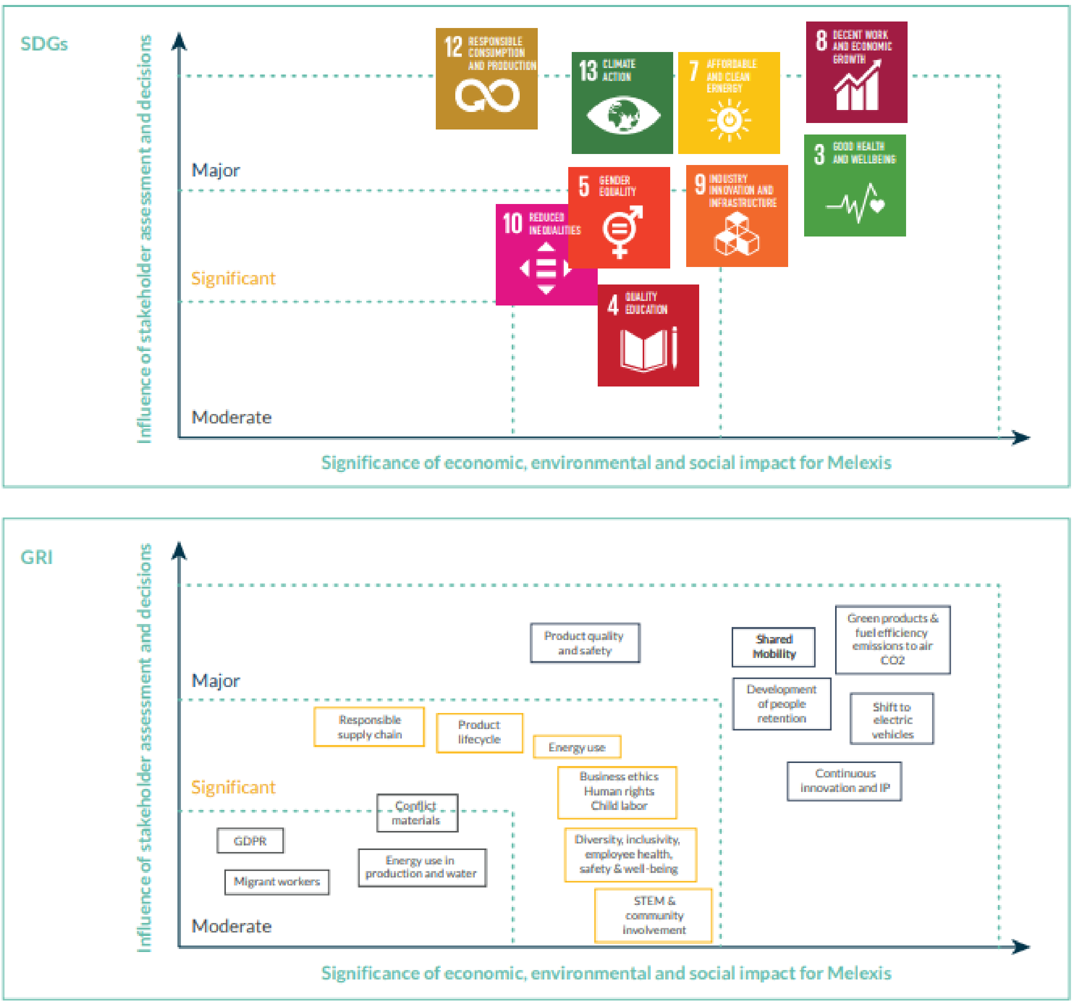
And lastly, to conclude this topic, it is important to note that the SDGs were defined in consultation with several stakeholders. There is therefore already a **consensus on the importance** of the subjects that make them up. Taking into account the SDGs is also already taking into account the opinion of stakeholders.

“So, the advantage of the SDGs is that they have been defined by "the world", so there is already a consensus among global stakeholders that these are important things.” (Valérie Lizen)

7.4. Integration in the materiality matrix

The SDGs can also be integrated into a materiality matrix, as Bertand Desmier tells us. They are already implicitly present in this matrix when the pre-selection of issues has been carried out with the SDGs. However, some integrate them explicitly. If we take the example of Melexis, a BEL20 company, we can see that it bases its materiality analysis on two frames of reference, namely the SDGs and the GRI initiatives. They have therefore produced two materiality matrices, one for each international benchmark. This analysis allowed them to better identify the SDGs on which they have a significant impact and launch targeted initiatives.

***Figure n°8** – Materiality matrixes Melexis, 2020.* [10]



10 https://www.melexis.com/en/investors/news-and-results/financial-reports/annual-report-detail

7.5. Integration at the end of the materiality assessment

The SDGs can also be used at **the end** of the materiality analysis process. Whether it is to implement a CSR strategy or simply to communicate the results and simplify them. Let's take a look at the BEL20 companies. We can see that twelve out of twenty companies link their materiality analysis results with the SDGs before implementing their CSR strategy. It is also interesting to note that the five companies that used the SDGs as a reference for the pre-selection of issues are among the twelve that link the SDGs to their material issues. Among these companies, we find Ageas, which, as its CSR department manager told us, has a new CSR strategy based on two concepts, the materiality analysis and the SDGs. According to her, these two notions are complementary.

“But I find that there are two great sources for building a sustainability strategy: the materiality analysis and the SDGs. I consider these two sources to be rich sources on which companies can build a sustainability strategy.” (Anne Van den Bergh)

According to our interviewed experts, an integration of the SDGs at the end of the process is advantageous for several reasons. First, they allow **simplifying** the results for communication purposes. Indeed, the SDGs are accessible to all and we see more and more marketing campaigns or political initiatives around them. Therefore, they are more and more in the minds of people. According to Christophe Delfeld, this communication is mainly intended for **external use**. Moreover, according to Marion Keroulin, the integration of the SDGs also allows **to increase mobilization and adherence around a CSR policy** developed following the materiality analysis. They are therefore very useful during the realization of the roadmap and the strategy which is often the step that follows the materiality analysis.

“Clearly for me, the SDGs popularize in a rather clear way the societal and environmental stakes and therefore can trigger a certain form of mobilization or adhesion. Especially internally. Employees who were not necessarily aware of the materiality exercise, within the framework of the consultation, could become aware of a certain number of issues if there was a link made with the SDGs." (Marion Keroulin)

7.6. Limitation in the integration of the SDGs

During the various interviews, we also identified limitations to integrating the SDGs into the materiality process that should not be overlooked. First of all, it is important to **contextualize** the SDGs within the company. Indeed, as explained earlier, the company's sector is a factor to take into account in the materiality analysis. Therefore, if we integrate the SDGs into this process, it is important to translate them into the context of the company. The SDG13, for instance. The climate change for an industrial company will not be treated the same way as a service company for instance. The SDGs have to be translated and adapted to the company sector of activities. It is also important to educate employees about the SDGs, as their sensitivity to this issue also depends on their education on this subject. Indeed, to implement a CSR strategy by integrating the SDGs but not doing anything about it beforehand is a bit contradictory and the return on investment will be less. As Ageas confided to us, within the company, the SDGs are everywhere, there is a culture of awareness internally, but they are also visually present on a giant wall, for example.

A second limitation is found in **the wording of the SDGs** themselves. Indeed, as confirmed by several of our speakers, the global and common character of the SDGs also entails a drawback. It is sometimes complicated for companies to translate an SDG or a target to their core business and the translation can be seen as a waste of time.

"We did not start with 169 targets. Because the exercise is a bit complicated. And even in their formulation. Sometimes we had to ask ourselves the question several times. The drafting of the SDGs is not made for companies." (Christophe Delfeld)

Regarding their formulation and content, our speakers also explain that they cannot afford to use only the SDGs because they do not include all the issues specific to companies such as digitalization or digital security. They are therefore considered **incomplete** to cover all ESG topics. As Bertrand Desmier tells us, it is a good tool to use in addition to materiality analysis, not instead of it.

"They are not complete. There are also issues that are not in there the whole digital security, privacy, that all topics that are not covered by the SDGs. I think, there is actually a lack as the animal welfare too. So they are not complete but at least they are reaching, they are close to that." (Jilde Garst)

"It will give us a complementary reading. It's not instead of, but in addition to." (Bertrand Desmier)

Third, there are limitations related to **SDG washing**. Indeed, the use of the SDGs is often not very mature in non-financial reporting. It is therefore important to avoid using them just as an illustration if there has not been a real impact analysis beforehand or a will to contribute to the 2030 Agenda. However, as mentioned earlier, the materiality analysis methodology is robust enough to limit the risk of greenwashing.

"Some companies will choose to put in the top right corner of their reports the pictogram of the SDG that they think is related to the theme of the report. I call it ODD washing." (Marion Keroulin)

7.7. Conclusion

In conclusion, the SDGs are thus generally seen as a common language and framework for sustainable development. For the past 6 years, they have acquired a certain notoriety and reputation that should no longer be questioned. From our interviews, we can definitely say that they have a place in the materiality assessment. This place can be at different times, but the two most opportune times are at the beginning and at the end of the process. At the beginning of the process, they help structure the process and provide a reference point for selecting potential materiality issues, while at the end of the process, they help create better buy-in, understanding and communication of the results when establishing a CSR strategy or communicating the results. We note that these objectives are also present during the consultation of stakeholders but implicitly.

Finally, we must of course take into account the limitations mentioned above in our research. These limitations include contextualization and SDGs washing, but also the formulation and the missing themes in the SDGs.

In general, they are therefore seen as complements to the materiality analysis but cannot replace this complete process.

8. General Conclusion

8.1. Summary of the exploratory research

At the end of this exploratory analysis, we are now able to answer our main research question: **How can integrating the SDGs into materiality analysis help companies?** We also go further by analyzing different moment of integration, namely: at the beginning, during the stakeholders ‘consultation and at the end.

First of all, the interviews conducted brought several elements to the surface. First, they allowed us to **better understand the process of materiality assessment in the field** in order to compare it with the theory. We note that although the theory is well developed on this subject, there is a lack of clarity in the practice that companies fill in according to their interpretations. This is particularly true from the point of view of the methodology to be adopted. There is no single methodology. Each company carries out this process according to its own understanding and desire, even if the main steps remain common, as we have seen throughout this study. The distorsion between theory and practice had already been discussed during the literature review of our research and it is confirmed with the conduct of the interviews.

In the literature review, we also discussed **the difficulty of the multi-stakeholder nature** of materiality analysis. This difficulty is very real, as all the people contacted mentioned it as a difficulty related to the process, whether it be the selection of relevant stakeholders or the communication with them and the weighting of their answers.

Then, thanks to **an analysis of the reports of the companies making up the BEL20 index**, we were able to illustrate as well as complete the interviews conducted. This analysis allows us to have a more global view of the materiality assessment. But also, to compare different methodologies and interpretation of results. Indeed, in most of the reports analyzed, the materiality assessment is used as an input for the establishment of the CSR strategy or the global strategy of the company. This allows us to put the materiality assessment into context and to better interpret the answers given during our interviews as well as to compare and analyze the different materiality matrices produced by these companies.

A better understanding of the process from an expert and professional perspective was necessary before we could answer our research question in order to be relevant in our study and in the interviews conducted. We were therefore able to discover **the importance of defining the scope and objective of the materiality assessment** at the very beginning in order to guide the process from the start to the end, but also the importance of having a clear methodology. As far as stakeholders are concerned, all decisions made by the company will have an impact on the final results. Therefore, it is important to take the time to map the stakeholders, prioritize them, and select a representative sample for each stakeholder group that will be able to answer the questions asked in a meaningful way.

Regarding **the integration of the SDGs** in this process, we conclude that their use seems **complementary** to the materiality assessment. They cannot replace it, but they provide a framework, an international reference, common to all, during the materiality assessment. However, this integration has some limitations that we must be aware of. First of all, not all issues specific to companies are included in the SDGs. Furthermore, it is important to adapt and contextualize the SDGs to the company and its sector. And finally, the impact of the integration of the SDGs depends greatly on the education done within the company. It is therefore important for the company to make its stakeholders aware of this new framework without appearing too technocratic or conceptual.

We analyzed **three moments** for the integration of the SDGs in the materiality analysis: during the pre-selection of issues, during the stakeholder consultation and at the end, to analyze the results obtained. It seems more common to integrate them at the beginning of the process as well as at the end, even though the interviewees confirmed that the SDGs are present during the stakeholder consultation but implicitly. They are not directly quoted, but influence the decisions because of their reputation and notoriety.

An integration during the selection phase allows to open its angle of view on issues that a company might never have thought of. It gives a framework and structure to this phase. While an integration at the end allows to simplify the results to refine its communication but also to create more adhesion and mobilization around the identified issues. The analysis of the BEL reports also shows that when a company integrates the SDGs in the first phase, they are also included in the last phase and as pillars of their CSR strategy

Thanks to this exploratory analysis, we were able to answer our initial question. However, in order to complete this answer, it seems relevant to me to formulate managerial recommendations around the studied notions.

8.2. Managerial recommendations

These recommendations are intended for any organization wishing to integrate the SDGs into their materiality assessment at any stage of the process. They are based on the data collected during the various interviews conducted as part of this exploratory study, as well as all the theoretical elements revealed during the literature review. Five proposals could thus be formulated.

8.2.1. Contextualize the SDGs according to your company and your sector of activity

In order to be as precise and relevant as possible in its materiality assessment, it is important to take into account the company's sector in order to identify the issues specific to that sector. But also, to contextualize the defined issue. The same is true for the SDGs. Indeed, a service company will not be confronted in the same way to climate issues as a mining company. It is therefore necessary to place the framework that the SDGs offer in the context of the company so that the selection is relevant. There are tools to better understand the SDGs prioritized in each sector such as the study conducted by the Governance and Accountability Institute Inc: "Sector Study on Sustainability Materiality of the SDG Targets & GRI Indicators: what matters to your sector - All Sector Overview" (2018). Contextualizing the SDGs during the materiality assessment makes it possible to take ownership of the issue and respond to it with initiatives specific to the company, while avoiding doing CSR "off the ground".

8.2.2. Prioritize the SDGs and link them to the core business

The 17 issues that make up the SDGs are all equally important. There is no ranking within the SDGs. However, addressing all 17 objectives would be counterproductive according our interviewees. Therefore, we return to the essence of the materiality process which is to prioritize the SDGs. A first prioritization can be done by taking into account the context or international benchmarks as the GRI, the UN Global Compact or other. There is also the possibility of conducting an **impact analysis** in order to understand the impact that a company has for each issue. This impact can be positive or negative. Even if a negative impact will never or very rarely be mentioned in non-financial reports, it should not be neglected.

If we look at the spirit of the SDGs, there is a responsibility on the part of companies to take part in the 2030 Agenda, it is a call for them to participate. So, they also have a responsibility not to hold back the efforts of others.

How can we optimize this contribution by avoiding acting only on the surface? The selected SDGs must be linked to the company's core business and have a meaning within the company to avoid making this contribution artificial. It is good to have philanthropic gestures as well, but this should not justify the prioritization of one SDG over another. This is why it is important to conduct an impact analysis in order to be able to position a company and its activities in relation to these 17 issues and tackle the most relevant of them for each.

This will also allow a better distribution of efforts on the different targets and goals.

8.2.3. Integrating the SDGs into corporate life

The isolated action of integrating the SDGs into the materiality analysis will have much less impact than if this action is accompanied by other initiatives around the SDGs within the company. Indeed, we have seen during this exploratory study that people's reaction to the use of the SDG depends on their awareness and education on the subject. It is therefore important to make these objectives come alive within the company in order to increase the support and mobilization of the different stakeholders around the company, such as employees, customers, suppliers or investors.

It is also important to avoid an immature or artificial use of the SDG. Indeed, using the SDG only at the end of the process of the materiality assessment to illustrate the results or to communicate outside the company can lead to accusations of SDG Washing. The benefits of integration will then be diminished. In order to avoid these accusations, it is therefore important to communicate about the integration of the SDG within the company and specially to carry out concrete actions around these objectives.

During our interviews, we saw various ways of bringing this framework to life within a company, whether it be during workshops, daily actions or even visually in the decoration of the office.

8.2.4. Provide clarity on the methodology used

During the analysis of the company reports, I noticed that the methodology used for the materiality analysis was rarely mentioned. Since there is no common methodology for all organizations, I believe it is important to explain the chosen methodology in order to bring more transparency to the reader. The methodology impacts the analysis directly. It is therefore important to provide more clarity on this subject. The same is true for the integration of the SDGs. Certainly, we have seen that many companies use this framework in their non-financial reports, but how do they really integrate them into the process?

This lack of information complicates the analysis of the reports. Moreover, we have seen that stakeholders are looking for more transparency from companies. A more detailed but clear communication would increase transparency and understanding of the process around the establishment of the CSR strategy.

8.2.5. Cooperation between CSR and finance departments

And, last but not least, our interviews revealed a discrepancy between risk analysis, which is often the responsibility of financial teams, and materiality analysis, which is mainly conducted by CSR teams. Unlike risk analysis, materiality analysis allows for a less navel-gazing point of view, the external point of view, that of the stakeholders. For the time being, we still see very few CFOs taking an interest in the SDGs and materiality analysis as a whole. Yet this process also allows for the identification of potential risks and opportunities, as noted in our literature review.

A better collaboration between these two departments would be interesting to analyze during the whole process to not only make the materiality analysis more inclusive in the company but also to enrich the financial analysis with risks that are outside the financial world but have a future impact on the finances and sustainability of a company. As seen in the literature review, one of the challenges of materiality assessment is to make the process more inclusive. Therefore, our speakers talked about the still very weak cooperation between the finance and CSR departments. But I think it would also be interesting to extend this cooperation to all departments of a company in order to include everyone in the process and thus increase the adherence to the program and strategies put in place as a result of the materiality assessment.

8.3. Limitations of the study

Our study has limitations. The first relates to the company documents analyzed. Indeed, I focused on the published reports of the companies, whether they are annual reports, CSR reports or integrated reports. I did not take into account the information relayed on the companies' own websites or press releases. In addition, it appears that many companies have completed their materiality analysis in 2017 or 2018 and are currently in the process of doing a new one. (Colruyt or Proximus for example) However their reports are not yet published. Therefore, I prefer to focus on the steps already taken in the past.

Secondly, the subject of materiality is at the moment at the center of many studies and analyses since the release of the new European law. So, there are new reports and studies coming out every week. For organizational reasons, I have chosen to stop my literary review at the beginning of July while keeping up with the latest trends.

Concerning the interviews, there is a subjective criterion to take into account. Indeed, the analyzed data come from 8 speakers. It is possible that not all points of view are represented and that the data can be enriched by other speakers.

Finally, it is clear that all aspects of integrating the SDGs into the materiality analysis are not mentioned in this study. This would require expanding our research horizon, which could be the subject of additional research studies.

8.4. Prospects for new research

Now that we know more about the two concepts discussed and the link they may have, it would be interesting to go further. In particular, through a quantitative analysis on the subject or to specify the study according to a sector or a geographical area.

During the study, two topics for future research were discussed. The first one concerns SMEs. Belgium being a nest of SMEs, it is interesting to see how these companies approach the subject of materiality and its evaluation. In February 2021, there are more than 1 million SMEs in Belgium, 1 009 0.18 to be precise (SPF économie, 2021). Many small and mediums companies have not yet done anything in terms of sustainable development or sometimes small initiatives, or strategy related to the subject but there is a lack of framework and structure. The materiality assessment is a tool that structures this approach and could help SMEs in this process.

"Sometimes they [the SMES] have a strategy or a vision on sustainability, but it's not that they are always that structured and materiality assessment can help with that." (Jan Beyne)

"Materiality assessment is something that structures the CSR approach." (Valérie Lizen)

However, this process is cumbersome and cannot be done quickly. It requires, as seen before, a certain budget, time and knowledge. This is why the "Smart 2 circle" consulting firm establishes sustainable development strategies using the UN's Sustainable Development Goals. This allows for a lighter and faster process. This process cannot replace a materiality analysis, But, it offers a nice alternative for SMEs. This process includes a carbon footprint evaluation as well as an analysis of positive and negative impacts on each SDGs in order to situate the company. Afterwards, the consultants conduct workshops with employees to identify important and relevant issues that need to be tackle by the company. This list of issues is either based on the SDGs or linked to the SDGs afterwards. Finally, based on the different documents generated and the company's desire, we identify the company's major sustainability issues. This is normally the goal of a materiality analysis.

"This is normally the purpose of materiality analysis, which is what we arrive at as a result. We generally use the SDGs to do this. First, because it is something that is understood by everyone, everyone is involved. Secondly, because it provides an external reference for the company. So, it brings a little bit more credibility than if the company was doing its issues using nothing, just telling me I'm taking this or that." (Valérie Lizen)

It would therefore be interesting to test whether the use of the SDGs could encourage them to carry out this process and to highlight the specific advantages for SMEs according to their own reality as a lot of them will be affected by the CRSD.

A second line of research was the difference in the use and perception of the SDGs in non-financial reports depending on the culture. Indeed, one of our interviewees (Marion) has worked in Mexico and explained that the perception and the use of the SDGs were different between Mexico and France. Is it link to a cultural perspective or to the communication made around the SDGs? The perception of SDGs according to different cultures is for me an area of future research that I think could be interesting to explore. Given that the SDGs are meant to be global and universal. The notion of cultural difference cannot be avoided.

And finally, the integration of the SDGs has been studied in this brief as a whole. But as we know, the SDGs also represent units of measurement. This is one of their objectives, to quantify progress in each goal and target via indicators. As we have seen, the evaluation of potentially material issues remains a challenge for organizations. Would integrating the SDGs into the materiality assessment allow for a better assessment or quantification of the issues? To answer this question, it would be necessary to see what is currently being done in this field but also to test this research question in the field.

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PART IV- APPENDIX

Appendix 1 - Additional insight to the literature review

1. MDG's The millennium Development Goals

In September 2000, the United Nations organized a General Assembly in New York where the Millennium Declaration was adopted. It is in this context that 187 member states commit themselves and adopt the Millennium Development Goals. These eight goals, broken down into 21 targets and 48 indicators, have as their main goal the eradication of extreme poverty. They focus on developing countries. Even if the MDGs have allowed considerable progress in several areas, the results remain mixed because they have identified new problems. Moreover, given the magnitude of the problems raised, the United Nations is quickly realizing that to achieve the goals set, they will need the private sector. It is after this observation that the Agenda 2030, better known as the Sustainable Development Goals, was born.

***Figure n°9** – Millenium Development Goals* [11]

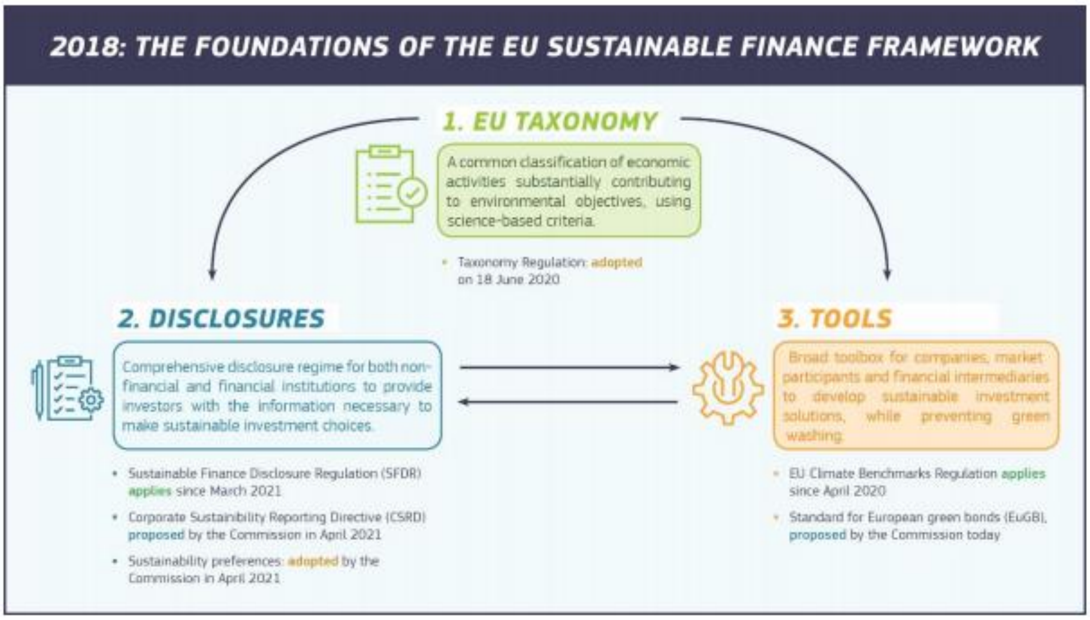
[11] https://www.globalcitizen.org/en/content/millennium-development-goals-the-final-report/

2. Additional insight on the CSRD

There is a real will on the part of the European Commission to adopt a strategy for financing the transition to a sustainable economy. In a report published on July 6, 2021, the European Commission explains the different points behind this strategy and the motivations behind the new directive adopted, the CRSD (European Commission, 2021). In the introduction to this report, the motivations for improving the transition to a more sustainable economy are discussed. In particular, it states that climate change and environmental degradation are now global issues impacting the world economy across all countries. The COVID19 pandemic and its consequences are also cited. For the commission, the European Union's strategy for a better transition to a sustainable economy and finance will play a key role in supporting the recovery of our economy.

There are 3 main blocks in this strategy: 1) a classification system, sustainable activities, or 'taxonomies', 2) a disclosure framework for non-financial and financial companies and 3) investments tools. The two directives discussed in this brief are part of the second block, encouraging companies to be more transparent in their activities and include more sustainable initiatives in their operations.

***Figure n°10** – Foundation of the EU Sustainable Finance Framework* [12]



[12] https://eur-lex.europa.eu/resource.html?uri=cellar:9f5e7e95-df06-11eb-895a-01aa75ed71a1.0001.02/DOC_1&format=PDF

***Table n°6** – EU Strategy for financing the transition to a sustainable economy* [13]

EU sustainability disclosure regime for financial and non-financial companies			
Instrument	Corporate Sustainability Reporting Directive (CSRD) proposal[13]	Sustainable Finance Disclosure Regulation (SFDR)[14]	Taxonomy Regulation[15]
Scope	All EU large companies and all listed companies (except listed micro enterprises)	Financial market participants offering investment products, and financial advisers	Financial market participants; all companies subject to CSRD[16]
Disclosure	Report on the basis of formal reporting standards and subject to external audit	Entity and product level disclosure on sustainability risks and principal adverse impacts	Turnover, capital and operating expenditures in the reporting year from products or activities associated with Taxonomy
Status	Under negotiation; expected to apply from 2023	Applies from 10 March 2021	Applies from January 2022

Appendix 2 - Analysis of the BEL20 reports

1. Report: Ackermans Van Haaren: sustainability Report

General information: AvH uses the internationally recognised 'Sustainable Development Goals' (SDGs) reference model of the United Nations for its sustainability reporting. By doing this, AvH wants to contribute to a number of objectives that must be addressed as priorities worldwide

A conscious choice has been made to work on the most important SDGs, where AvH or the company concerned can make a difference, and which are also material to AvH or its participations. The SDGs are also linked to the GRI methodology.

Definition	AvH considers an element to be material if (i) it can have a material positive or negative impact on the shareholders' equity or recurring net profit of the group over a horizon of 5 to 10 years, and (ii) if a shareholder or stakeholder expects from AvH that management pays a lot of attention to it
Methodology	Not explained
Materiality Matrix	See section 1.1
Stakeholders	N/A
Integration SDGs	The aim of the materiality matrix is to identify topics that directly contribute to

[13] https://eur-lex.europa.eu/resource.html?uri=cellar:9f5e7e95-df06-11eb-895a-01aa75ed71a1.0001.02/DOC_1&format=PDF

	the Agenda 2030 (DEME) The participations are also asked to link their own materiality analysis to SDGs

1.1. Materiality matrix – Ackermans & Van Haaren (2020) (investment perspective)

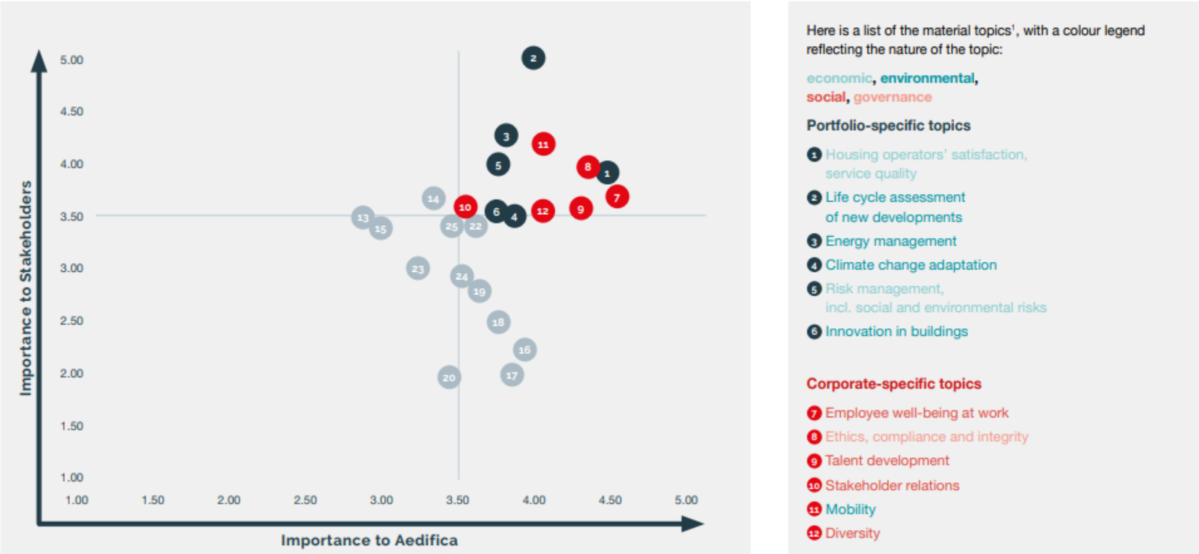
1.2. Materiality Matrix – Ackermans & Van Haaren (2020) (Subsidiaries – DEME perspective)

2. Report: Aedifica Sustainable Report

General information: Aedifica applies the SDGs as an overarching framework to shape its sustainability strategy. We have selected seven SDGs on which to focus our efforts

Definition	/
Methodology	Made in 2019 and no update or report on the report 2020 Materiality matrix that led to an action plan.
Materiality Matrix	Division between corporate specific and portfolio specific topics.
Stakeholders	
Integration SDGs	Illustration des norme GRI + alignement of the material topics with the selected SDGs to shape the sustainability framework.

2.1. Materiality Matrix – Aedificia (2020)



3. Report: Ageas Annual Report – Insurance sector

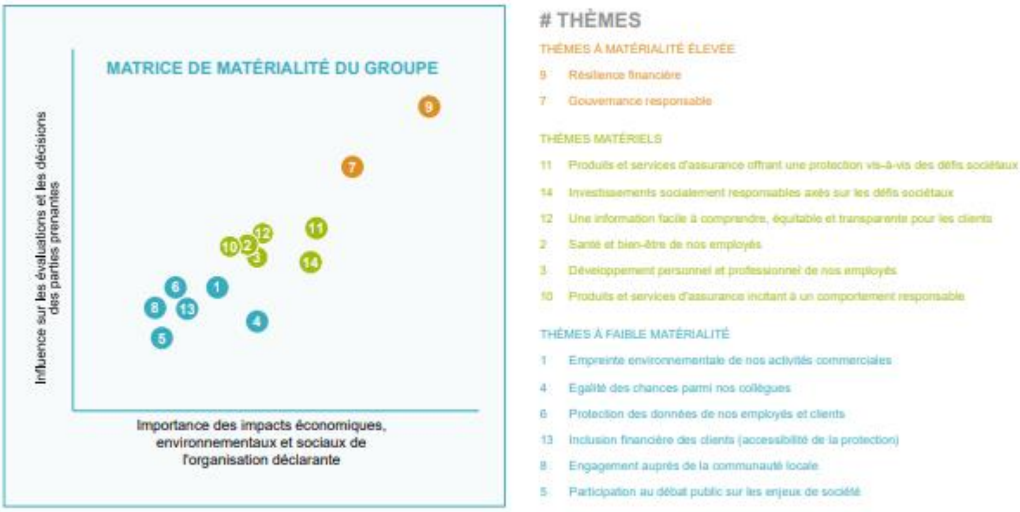
General information: First materiality assessment made in 2020. The aim was to ask stakeholders which ESG factors might impact their lives and business the most and where they consider Ageas to have the most impact on today.

Definition	Double-materiality concept
Methodology	1) Preselection of material topics based on internal and publics documents with the participation of all operational organization of Ageas in order to have an exhaustive list. 2) stakeholders' consultation * Implication of different people intern of the company during the whole process* 3) Analysis of all inputs + materiality matrix & validation of the administrative board
Materiality Matrix	
Stakeholders	employees, investors, society, and business partners Selection made according the impact Ageas has on them a then classify into several categories (Customers has not been taken into account directly)
Integration SDGs	SDG + Materiality assessment → Strategic plans

	Connection between materials topics and the SDGs
Outcomes of the materiality assessment	Better assess what we can do to keep creating real added value for our stakeholders. Establishing priorities and provide core inputs for our strategic plans Help increase **transparency** and focus on the group's sustainability initiatives, one of our strategic ambitions.

"While the assessment provides a good platform and an important point of reference for accountability, it is no one-off process. We will constantly question ourselves, formally track the impact we are making, and look for ways to continuously refine and improve our approach ensuring we focus on where Ageas can make the biggest difference for all stakeholders." Franck Vandenborre

3.1. Materiality matrix – Ageas (2020)



3.2. Link between material topics and SDG's – Ageas (2020)

Thèmes / sujets matériels		Capitaux du RI	ODD
9	Résilience financière	Financier	
7	Gouvernance responsable	Intellectuel, Humain, Social et relationnel	
11	Produits et services d'assurance offrant une protection vis-à-vis des défis sociétaux	Social et relationnel, Intellectuel	
14	Investissements socialement responsables axés sur les défis sociétaux	Financier, Intellectuel, Social et relationnel	
12	Une information facile à comprendre, équitable et transparente pour les clients	Social et relationnel, Intellectuel	
2	Santé et bien-être de nos employés	Humain	
3	Développement personnel et professionnel de nos employés	Humain	
10	Produits et services d'assurance incitant à un comportement responsable	Social et relationnel, Intellectuel	

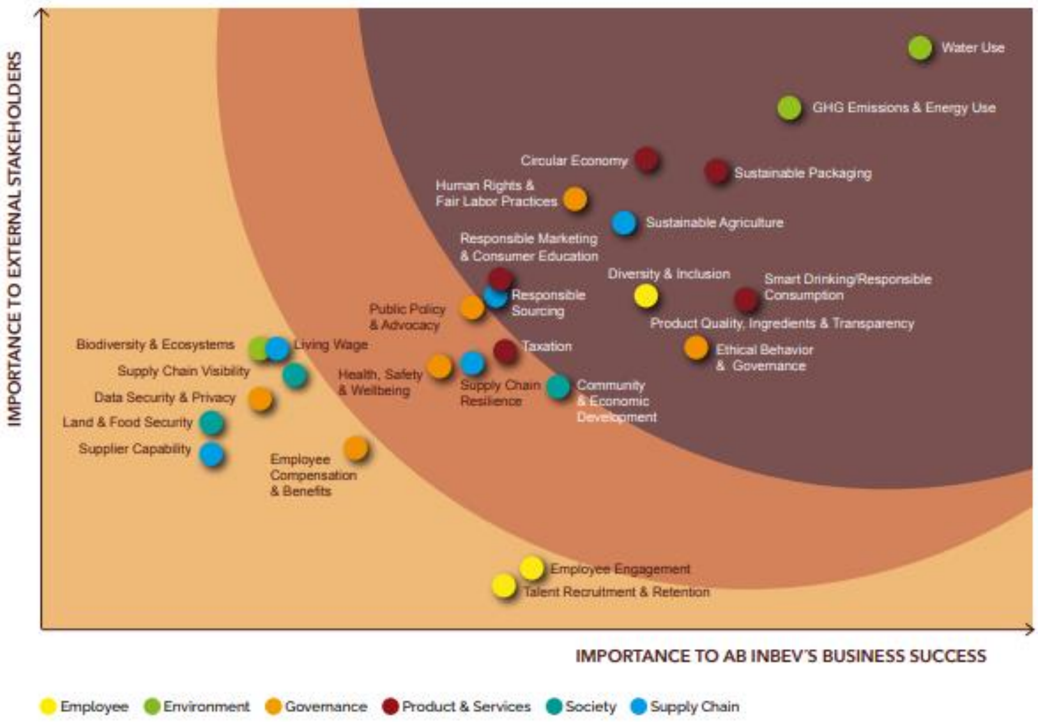
4. Report: Anheuser-Bush Inbev: ESG reports

General information:

- Member of the UN Global Compact
- Issues are not seen as isolated but they are interconnected.

Definition	Material information: key issues that are of most importance to our stakeholders and our company.
Methodology	Not mentioned
Materiality Matrix	Divison of topics according its category (colors 'scale) x axes: Importance to AB inbev's business success.
Stakeholders	civil society/non-governmental organizations (NGOs), customers (retailers) and consumers, regulators, business partners, suppliers and investors
Integration SDGs	Each material topics retained is linked with the SDGs concerned – 2025 sustainability goals.
Guide	GRI &SASB

4.1. Materiality Matrix AB inbev (2020)



4.2. Sustainability Strategy – AB inbev (2020)

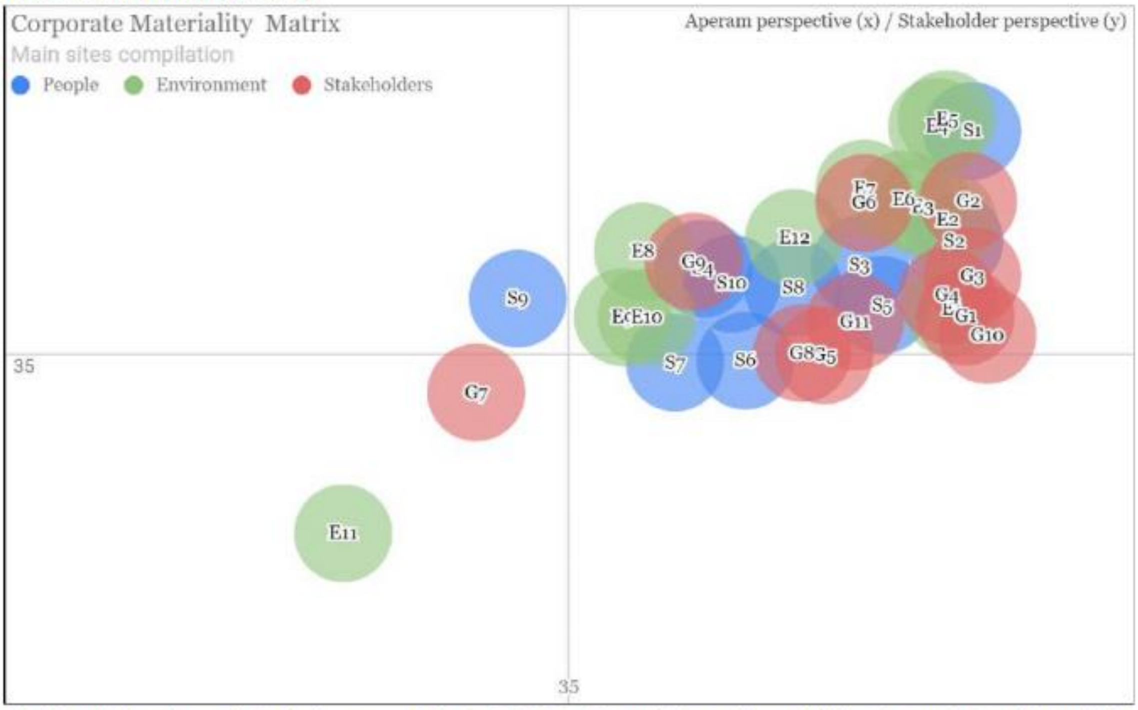
5. Report: Aperam sustainability Report

Definition	Not mentioned
Methodology	Based on the GRI reporting principles for defining report content
Materiality Matrix	
Stakeholders	
Integration SDGs	Not mentioned in the report

5.1. Materiality Matrix – Aperam

The Report Materiality Process at Aperam

2020 Group Materiality matrix



The Material topics are listed below as per their priority level, a priority ranking which has been defined by multiplying the notes given from Aperam sites perspective and the notes given from the stakeholder perspective (this year, assessment made by the site managers according to their exchanges with local different stakeholders during the year 2020):

S01 Occupational Health & Safety
E05 Industrial security & Pollution Prevention
E04 Air & Dust Emissions
G02 Legal & Fiscal Compliance
E03 Waste/Recycling
E02 Energy footprint
E06 Water Management
E07 Climate Change, CO2 & severe weather
S02 Employee Engagement
G06 Fair Business Practices
G03 Customer Satisfaction
G04 Competition & free trade
S03 Social Dialogue
E01 Raw Material Consumption
G01 Cost Leadership & Efficiency
E12 Environmental Awareness
G10 Innovation and product differentiation
S05 Competencies & Employability
S08 Diversity & Equal Opportunity
G11 Digitalization, Data Privacy and cyber-criminality
S10 Responsible Variabilization
G09 Responsible Purchasing
S04 Community Engagement
E08 Noise and smells
G05 Cash, Debt & Financing
G08 Market Dynamics and new consumption patterns
S06 Employer Branding
E10 Biodiversity
E09 Transport impact
S07 New work patterns & Work/Life Balance
S09 Philanthropy & Social Impact Investing
G07 Urban Integration & circulation
E11 Dismantling

6. Report: Argenx

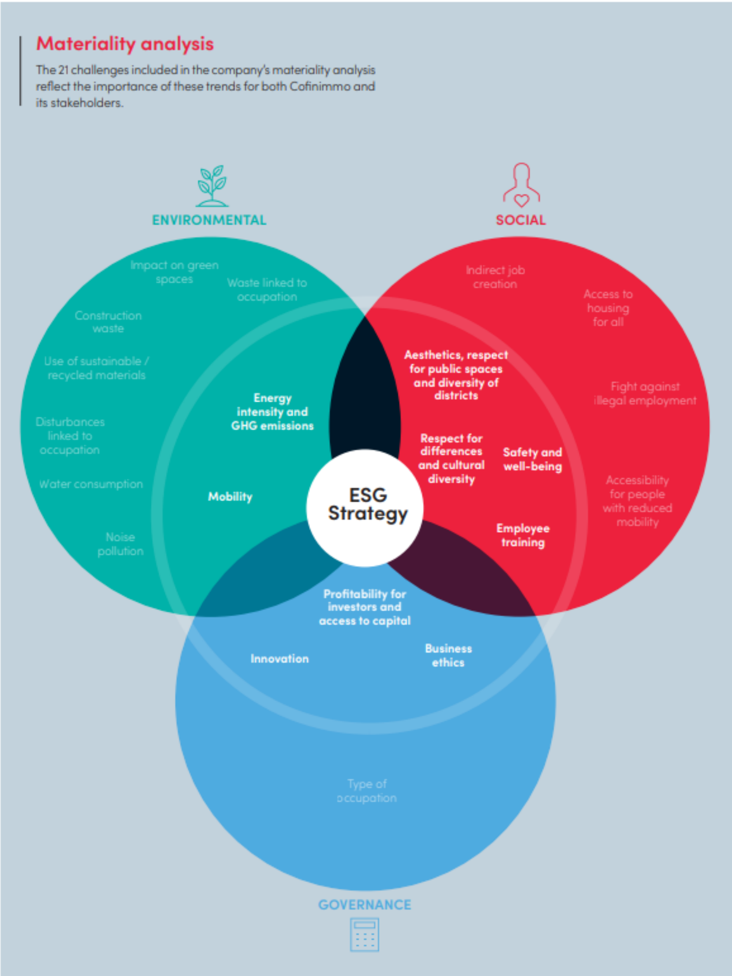
General information: No information on a materiality assessment published

Definition	/
Methodology	/
Materiality Matrix	/
Stakeholders	/
Integration SDGs	/

7. Report: Cofinimmo Annual Report

Definition	Not mentioned
Methodology	First made in 2014
Materiality Matrix	Long term impact
Stakeholders	
Integration SDGs	Link between the material aspects to the SDGs to standardize the data collection

7.1. Materiality illustration - Cofinimmo



7.2. SDGs Analysis & Prioritization

17 UN goals to transform our world

The UN sustainable development goals are intended to provide incentives for all countries – poor, rich and with middle income – to take action to promote prosperity while protecting the planet. They recognise that poverty can only be eradicated if it is coupled with strategies to increase economic growth and address a range of social needs, including education, health, social protection and employment opportunities, while combatting climate change and protecting the environment.

	SDG	Topics	Pages
3	Good health and well-being	• Gradually decontaminate buildings still containing traces of asbestos. • Promote solidarity in order to maximise its social impact.	120-123
4	Quality education	• Develop the necessary framework for employee development.	115
6	Clean water and sanitation	• Improve collection of water consumption data.	312-313
7	Affordable and clean energy	• Increase production of renewable energy. • Improve the portfolio's energy performance with a building renovation programme.	107-109
8	Decent work and economic growth	• Mobilise employees. • Develop a financial strategy that is consistent with ESG objectives.	125-135
9	Industry, innovation and infrastructure	• Develop a culture of innovation within the company.	136-137
10	Reduced inequalities	• Ensure sufficient diversity at the different levels of the company's hierarchy. • Audit and research potential improvements related to the accessibility of buildings to people with reduced mobility (PRM).	113-114
11	Sustainable cities and communities	• Improve the aesthetics and public space when redeveloping existing buildings. • Receive BREEAM and BREEAM In-Use certifications. • Inform clients about the accessibility of buildings using alternative transport modes to the car. • Promote the use of alternative transport modes to the car by improving facilities. • Increase the rate of use of car parks by sharing them or through a conversion into car parks for semi-public or public use. • Implement a mobility plan. • Ensure biodiversity.	110-111 118-119
12	Responsible consumption and production	• Partially recycle materials during renovation projects. • Receive electronic invoices from suppliers and send invoices to clients in digital format. • Improve waste sorting in multi-tenant offices by raising awareness among occupants.	322-323
13	Measures relating to the fight against climate change	• Reduce the energy intensity of buildings by 30 % to reach the level of 130 kWh/m^2 by 2030. • Annual assessment of the head office's carbon footprint.	107-109
16	Peace, justice and strong institutions	• Maximise the transparency of the company's non-financial information. • ISO 14001 certification for the Environmental Management System.	319
17	Partnerships for the implementation of goals	• Annually review the materiality matrix for the company's sustainability topics. • Promote the collaboration agreement signed by Cofinimmo and the tenant in order to actively promote sustainability and encourage all parties to reduce the environmental impact of leased property: sharing of consumption data, initiatives to reduce consumption, better waste sorting, etc. • Include a separate clause in contracts and calls for tenders regarding the adoption of sustainability practices by subcontractors as a selection criterion.	96-105

8. Report: Colruyt Annual Report 19/20

General information: SDG for Colruyt:

- A common language to use with external stakeholders. They create a common basis for tackling many social challenges.
- A tool for internal awareness-raising and strategy-setting. Both at group level and for our individual operating units
- A framework for impact assessment and reporting.

12 programs strategy – Sustainability strategy based in the SDGs

Definition	
Methodology	
Materiality Matrix	Not available in the report
Stakeholders	N/A – sustainable partnerships
Integration SDGs	Selection of material SDGs (3-7-8-12-13-16-17)

8.1. Sustainable strategy based on the SDGs and materiality assessment

9. Report: Elia Annual Report

General information:

- Materiality assessment not realized or at least not published.

Definition	/
Methodology	/
Materiality Matrix	/
Stakeholders	/
Integration SDGs	/

10. Report: Galapagos Annual Report

General information: “These material aspects help us to identify and prioritize the sustainability issues that matter most to our business in terms of growth, risk and goals, and to our stakeholders, including patients, investors, analysts, employees, and suppliers. The four material aspects have remained the four pillars that define our CSR strategy and action plans in 2020 and ensure that we report on the most interesting and relevant matters. We also regularly re-evaluate the reporting aspects for materiality to ensure they continue to be current and complete”

Definition	
Methodology	Made in 2018
Materiality Matrix	
Stakeholders	
Integration SDGs	Link between the material aspects to the SDGs to standardize the data collection

11. Report: GBL sustainability report- Investment

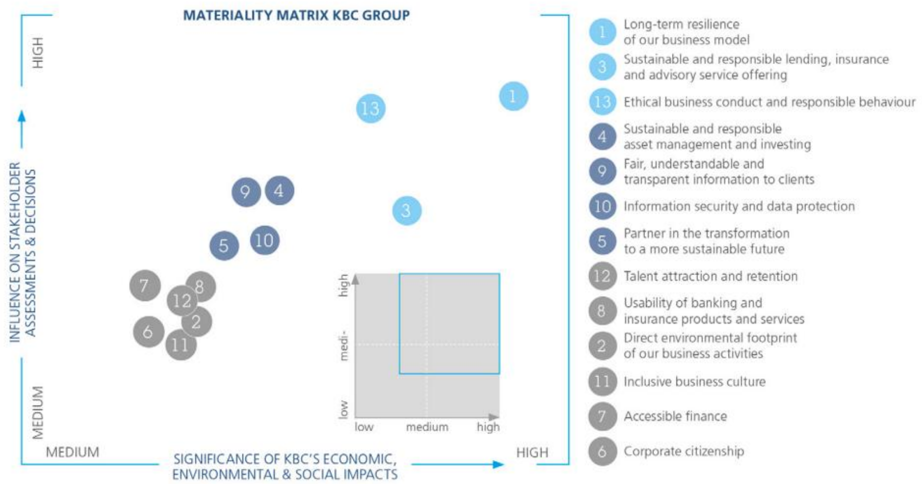
Definition	
Methodology	Pre-investment phase ESG risk identification & Post-investment ESG integration Specificities : GBL as a company and GBL as an investors. + use of the materiality map of SASB
Materiality Matrix	No materiality matrix
Stakeholders	Identified based in their impact in relation to the group’s activities + ongoing dialogue and interactions
Integration SDGs	No SDGs except for one organization of the group (Pernod Ricard
Guide	UNGC &GRI &SASB

12. Analysis rapport 6: KBC

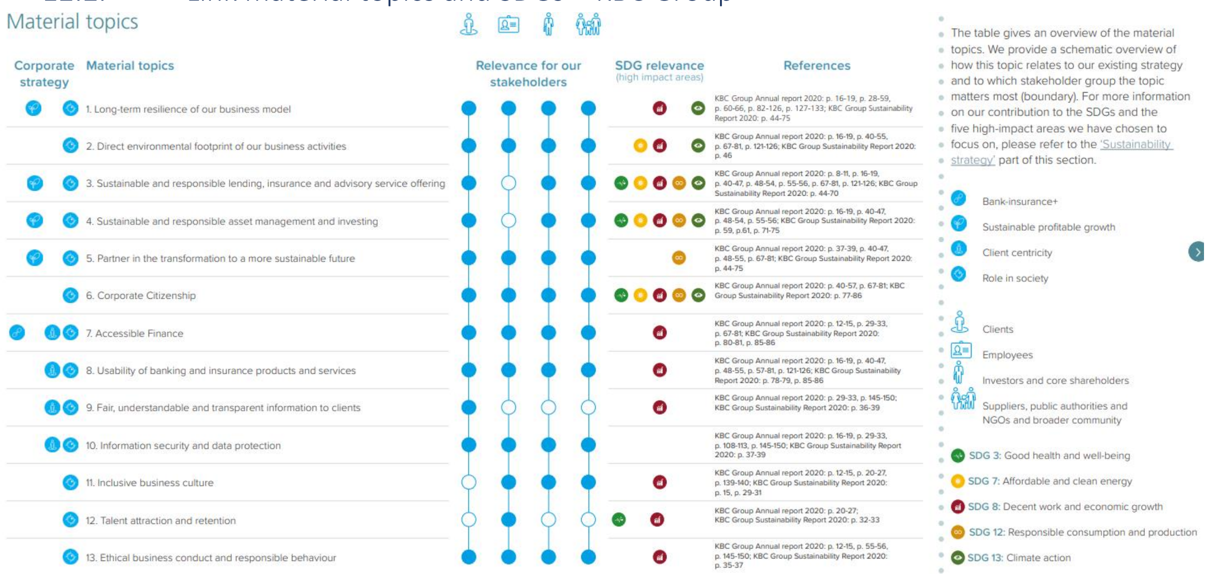
Definition	Materiality concept completed by the maturity concept
Methodology	Helped by a third part (every 2 years) 1) Stakeholder mapping + assessment on their relative interest in and influence on KBC 2)creation of a list of topics based on several resources internal and internationally recognized 3) online survey + in-depths interview → Consultation of external stakeholders and senior management across 6 countries 4) materiality matrix + comparison with 2018 results 5)Maturity: how quickly the topics need to be addressed in our strategy.

Materiality Matrix	
Stakeholders	
Integration SDGs	Yes, in the creation of the list on potential topics. + Link of the material topics with the SDGs for more transparency

12.1. Materiality matrix – KBC Group



12.2. Link material topics and SDGs – KBC Group



Material topics

Corporate strategy	Material topics	Relevance for our stakeholders	SDG relevance (high impact areas)	References
	1. Long-term resilience of our business model			KBC Group Annual report 2020: p. 16-19, p. 28-59, p. 60-66, p. 82-126, p. 127-133; KBC Group Sustainability Report 2020: p. 44-75
	2. Direct environmental footprint of our business activities			KBC Group Annual report 2020: p. 16-19, p. 40-55, p. 67-81, p. 121-126; KBC Group Sustainability Report 2020: p. 46
	3. Sustainable and responsible lending, insurance and advisory service offering			KBC Group Annual report 2020: p. 8-11, p. 16-19, p. 40-47, p. 48-54, p. 55-56, p. 67-81, p. 121-126; KBC Group Sustainability Report 2020: p. 44-70
	4. Sustainable and responsible asset management and investing			KBC Group Annual report 2020: p. 16-19, p. 40-47, p. 48-54, p. 55-56; KBC Group Sustainability Report 2020: p. 59, p.61, p. 71-75
	5. Partner in the transformation to a more sustainable future			KBC Group Annual report 2020: p. 37-39, p. 40-47, p. 48-55, p. 67-81; KBC Group Sustainability Report 2020: p. 44-75
	6. Corporate Citizenship			KBC Group Annual report 2020: p. 40-57, p. 67-81; KBC Group Sustainability Report 2020: p. 77-86
	7. Accessible Finance			KBC Group Annual report 2020: p. 12-15, p. 29-33, p. 67-81; KBC Group Sustainability Report 2020: p. 80-81, p. 85-86
	8. Usability of banking and insurance products and services			KBC Group Annual report 2020: p. 16-19, p. 40-47, p. 48-55, p. 57-81, p. 121-126; KBC Group Sustainability Report 2020: p. 78-79, p. 85-86
	9. Fair, understandable and transparent information to clients			KBC Group Annual report 2020: p. 29-33, p. 145-150; KBC Group Sustainability Report 2020: p. 36-39
	10. Information security and data protection			KBC Group Annual report 2020: p. 16-19, p. 29-33, p. 108-113, p. 145-150; KBC Group Sustainability Report 2020: p. 37-39
	11. Inclusive business culture			KBC Group Annual report 2020: p. 12-15, p. 20-27, p. 139-140; KBC Group Sustainability Report 2020: p. 15, p. 29-31
	12. Talent attraction and retention			KBC Group Annual report 2020: p. 20-27; KBC Group Sustainability Report 2020: p. 32-33
	13. Ethical business conduct and responsible behaviour			KBC Group Annual report 2020: p. 12-15, p. 55-56, p. 145-150; KBC Group Sustainability Report 2020: p. 35-37

The table gives an overview of the material topics. We provide a schematic overview of how this topic relates to our existing strategy and to which stakeholder group the topic matters most (boundary). For more information on our contribution to the SDGs and the five high-impact areas we have chosen to focus on, please refer to the 'Sustainability strategy' part of this section.

Bank-insurance+
Sustainable profitable growth
Client centricity
Role in society

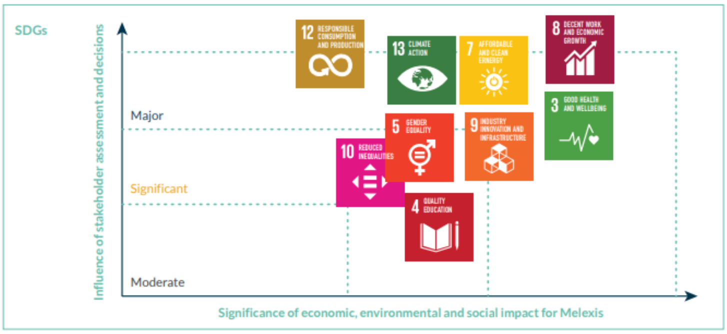
Clients
Employees
Investors and core shareholders
Suppliers, public authorities and NGOs and broader community

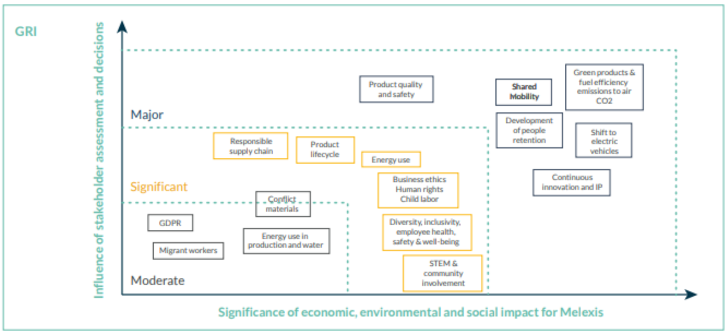
SDG 3: Good health and well-being
SDG 7: Affordable and clean energy
SDG 8: Decent work and economic growth
SDG 12: Responsible consumption and production
SDG 13: Climate action

13. Report: Melexis Annual Report

Definition	
Methodology	Materiality workshop including all the internal stakeholders to define the SDGs that are material
Materiality Matrix	
Stakeholders	
Integration SDGs	Materiality matrix made by the SDG's and materiality assessment based on SDGs

13.1. Materiality matrixes Melexis Group





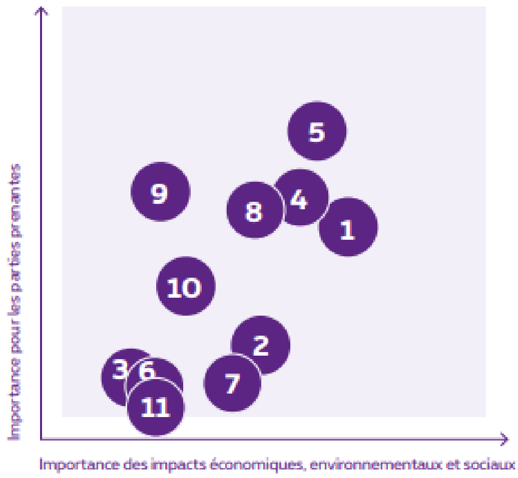
14. Report: Proximus Annual Report 2020

Definition	
Methodology	Made in 2018 1) external analysis starting from the question of sustainability in Proximus and in the sector + enquête de reputation + short list made following the consultation of the internal stakeholders 2) internal workshops in order to identify relevant external stakeholders and relevant topics pre selectionned 3), materiality matrix integrated combined the external analysis and internal outcomes of the workshops 4) put in practice + update
Materiality Matrix	The combination of the axes determines de level of impact Proximus has on the society
Stakeholders	les clients résidentiels et Corporate, les collaborateurs, les investisseurs, les partenaires, les instances publiques et réglementaires, la presse, les communautés de start-ups et les leaders d'opinion
Integration SDGs	Selection of 7 SDGs but no direct link with Materiality assessment (basis of the strategy)

14.1. Materiality matrix – Proximus

Matrice de matérialité[1] 2020

1 La matrice de droite représente le quadrant supérieur droit de la matrice de matérialité globale et montre les enjeux qui sont les plus importants pour nos parties prenantes et l'impact que Proximus peut avoir.



15. Report: Sofina Annual Report

General information : Materiality assessment not mentioned in the annual report

16. Report: Solvay Annual Report

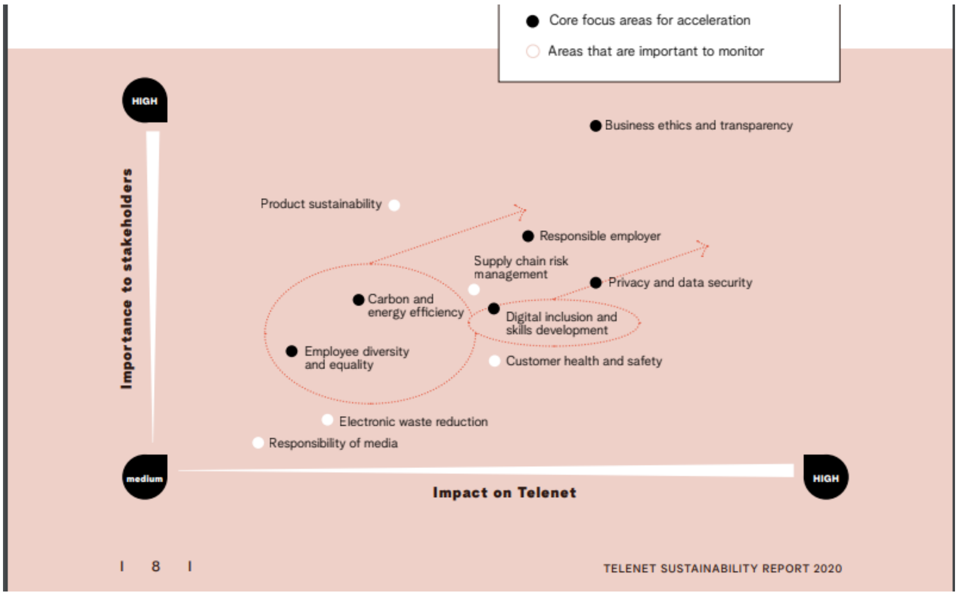
Definition	This approach identifies economic, environmental, and social aspects on which Solvay has the most impact, positive or negative. + glossary
Methodology	Based on GRI and SASB 1) Identification of aspects (SASB materiality maps) 2) Prioritization of aspects (SASB materiality map prioritization criteria) 3) Validation 4) Review 5) Stakeholders inclusiveness and sustainability context 6) Report
Materiality Matrix	/
Stakeholders	
Integration SDGs	Seen as the official agenda for the planet stakeholder group → "Solvay ONE planet sustainability ambition" + connection between material topics and SDG

17. Report: Telenet sustainability Report

Definition	
Methodology	
Materiality Matrix	
Stakeholders	
Integration SDGs	Link after the analysis

"Therefore, we have made the conscious decision to focus our efforts on the most relevant issues: the materialities"

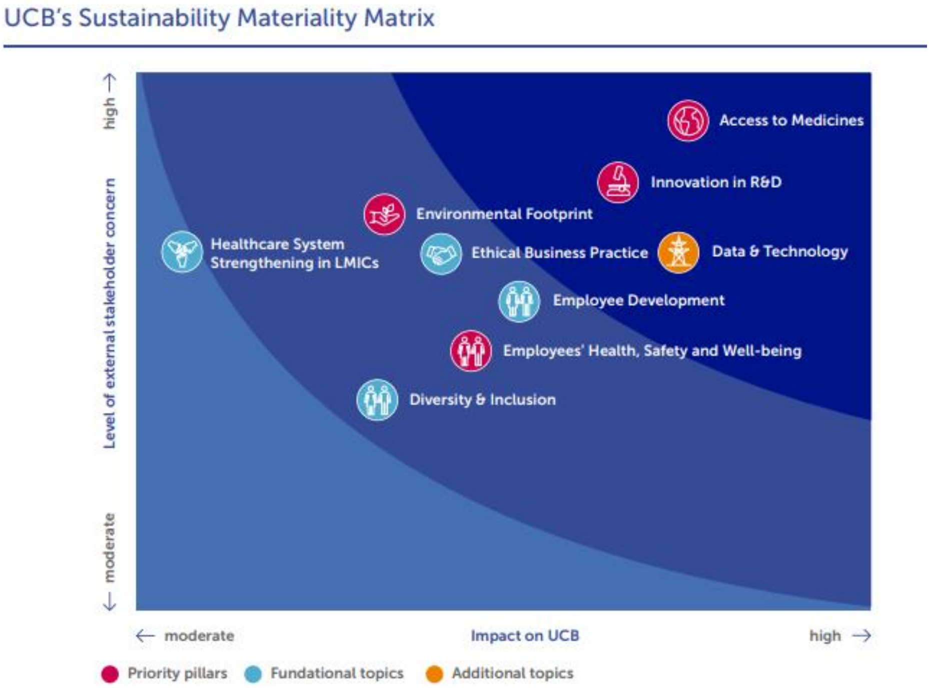
17.1. Materiality matrix – Telenet



18. Analysis rapport 9: UCB Annual Report

Definition	
Methodology	Made in 2019 and no update or report on the report 2020
Materiality Matrix	
Stakeholders	
Integration SDGs	Illustration des norme GRI

18.1. Materiality Matrix – UCB



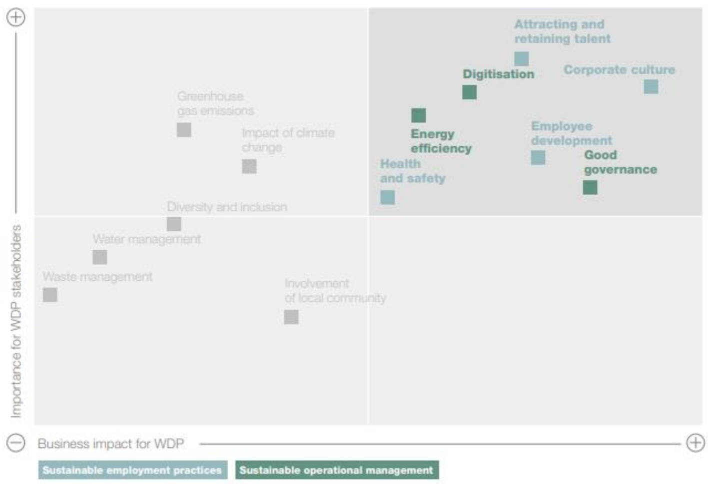
19. Report: Umicore integrated report

Definition	areas with the potential to turn sustainability into a greater competitive edge
Methodology	1) material issues screening phase at peer companies, customers and international business groups. 2)draft materiality matrix 3) restricting the list to 25 potential material topics clustered into 5 categories 4) testing phase of the material topics thanks to a online survey sent to stakeholders → Ranking 5) on basis of the analysis defining the scope of the objectives of the new strategy 6) validation
Materiality Matrix	
Stakeholders	Online survey sent to them
Integration SDGs	Not mentioned into the report

20. Report: Wdp ESG Report

Definition	
Methodology	Made in 2018
Materiality Matrix	Created using the SDGs as a guide + reporting frameworks → Creation of the WDP ESG framework: outlines 7 focus themes which is the basis for the multi-year ESG roadmap
Stakeholders	
Integration SDGs	Material topics directly related to the SDGs except for 2 (Corporate culture and digitalization

20.1. Materiality Matrix – Wdp



Appendix 3 - Comparative table

Company	Analysed document	Presence of a definition	Explanation methodology	Sustainability strategy based on Materiality analysis	Sustainability strategy based on SDG	Clarification of stakeholders	Use of materiality matrix	Use of SASB materiality map	Material topics linked with SDG	Use of the SDG in the preselection phase
Anheuser-bush inbev		Yes +	No	Yes	Yes	External	Yes	No	Yes - After	No
KBC Group	Sustainability report 2020	Yes -	Yes	Yes		External & internal	Yes	Yes	Yes - After	Yes
UCB	Integrated report 2020 & 2019	Yes (2019)	Yes	Yes	No	External& internal	Yes	No	No	No
Groupe Bruxelles Lambert	Sustainability report 2020	No	No	No	No	No	No	Yes	No	No
Argenx S.E.	Annual Report 2019	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sofina Sa.	Annual report 2020	N/A	N/A	No	No	N/A	No	No	N/A	N/A
Umicore	Integrated report 2020	Yes	Yes	Yes	No	External & internal	Yes	No	Yes - After (illustration)	No
Solvay S.A	Integrated report 2020	Yes	Yes	Yes	Yes	Indirectly	No	Yes	Yes	No
Ageas	Annual Report 2020	Yes	Yes	Yes	Yes	External &	Yes	No	Yes	Yes

						internal				
Colruyt	Annual Report 2019-2020 &2017-2018	No	No	No	Yes	Yes	No	No	Yes	Yes
Elia Group	Annual Report 2020	No	No	Yes	No	No	Yes	No	Yes	No
Warehouses de pauw	ESG report 2020 & 2018	No	Yes (2018)	Yes	No	No	Yes	No	No	No
Proximus S.A	Integrated report 2020	Yes	Yes	Yes	No	Internal	Yes	No	No	No
Ackermans & Van haaren	Sustainability report 2020	Yes	Yes	Yes	Yes *	Yes*	Yes	No	Yes*	Yes*
Aedificia	Sustainability report 2020	Yes	Yes (2018)	Yes	Yes	Yes	Yes	No	Yes- After	No
Galapagos	CSR report 2020 &2018	No	Yes (2018)	Yes	Yes	External & internal	No	No	Yes	No
Cofinimmo	2020 universal registration document	No	No	Yes	Yes	External & internal	Yes	No	no	no
Melexis N.V	Annual Report 2020	No	Yes	Yes	Yes	Internal	No	No	Yes	Yes
Aperam S.A	Sustainability report 2020	No	Yes	Yes	No	External & internal	Yes	No	No	No
Telenet group holding	Sustainability report 2020	Yes	No	Yes	No	External & internal	Yes	No	Yes	No

Appendix 4 - Interview guide

1. Interview guide - English

1) Practical question: Do you agree that I record the interview, transcribe it and quote your name in my work?

The objective of this paper is twofold. First, it aims to better understand the concept of materiality for companies and to identify the challenges that it can cause. The second part is to understand and analyze whether and how the use of SDGs in this process can be beneficial.

The interview, in this sense, aims to complement my literature review by collecting qualitative data from experts and professionals who are confronted with these two concepts in their professional lives.

Introduction of the interviewer:

- Can you introduce yourself in 2 min and what is your role in the company?

- How long have you been with the company?

The concept of materiality:

- Are you familiar with the concept of materiality on a scale of 1 to 5 (1 = I don't understand the concept at all to 5 = I understand it perfectly) and how would you define it?
- Why is materiality assessment so important to your company? or to your clients (if working for a consulting firm)
- How does your company perform this materiality analysis?
- As we can see, each organization has its own definition, what are the stakes of this difference of definition in practice?
- What are the main challenges and difficulties you encounter during this process; do you have any examples?

- Do you pre-screen the issues before surveying your stakeholders, and if so how?
- How do you collect the opinions of your different stakeholders?

<u>The Sustainable Development Goals</u>

- Are you familiar with the UN's Sustainable Development Goals? What do they represent from your perspective and from your company's perspective?
- What have they brought to the business world?
- Do you use the SDGs in your non-financial reporting? If yes, how? If not, why not?
- What are the benefits of using these goals in your non-financial reporting?
- What are the drivers for the use of SDGs in materiality analysis for companies, what would be their motivation?

Explanation of the issue: Pressure is increasing for companies to consider the concept of materiality and double materiality. The new European directive adopted on April 21, 2021, the CSRD requires that all companies concerned include this concept in their non-financial reports and explain the process used in the selection of material information. However, there is no consensus on materiality and its analysis. Therefore, this work seeks to provide answers to the challenges related to materiality analysis through the SDGs in order to provide proposals and recommendations to companies.

<u>Links between the concepts</u>

- Do you include SDGs in your materiality analysis? If so, when and why?
- In your opinion, can the use of the UN Sustainable Development Goals in the materiality analysis improve stakeholder consultation? (How and why)
- In your opinion, would the use of the UN Sustainable Development Goals in the materiality analysis allow for a more inclusive approach to the process? (How and why)
- What are the inputs for your sustainable strategy?

<u>Additional and Closing Questions:</u>

- Is there anything else you would like to add to this interview that is relevant to my research?

- Recommendations on the interview?

- Do you know of any contacts that could help me with this research?

+ Thank you

2. Guide d'entretien Français :

1) Question pratiques : Etes-vous d'accord que j'enregistre l'entretien, le retranscrive et que je cite votre nome dans mon travail ?

L'objectif de ce mémoire est double. Tout d'abord il vise à mieux comprendre le concept de matérialité pour les entreprises et d'identifier les challenges que celui-ci peut causer. La seconde partie est de comprendre et d'analyser si l'utilisation des SDG dans ce processus peut être bénéfique et comment.
L'entretien, dans ce sens, a pour objectif de compléter ma revue littéraire en collectant des données qualitatives d'experts et de professionnels qui sont confronter à ces deux concepts dans leurs vie professionnels.

Présentation de l'interlocuteur :

- Pouvez-vous vous présenter en 2 min et quel est votre rôle dans l'entreprise ?
- Depuis combien de temps exercer vous dans cette entreprise.

Le concept de matérialité :

- Etes-vous familier avec le concept de matérialité sur une échelle allant de 1 à 5 (1 = je ne comprends pas du tout cette notion à 5 = je comprends parfaitement la notion) et comment le définiriez-vous ?
- On le voit, chaque organisation à sa propre définition, quels sont les enjeux de cette différence de définition en pratique ?
- Pourquoi L'analyse de Matérialité est-elle si importante pour votre entreprise ? ou pour vos clients (si l'intervenants travaillent pour un cabinet de conseil)
- Comment votre entreprise effectue cette analyse de matérialité ?
- Quels sont les principaux challenges et difficulté que vous rencontrez lors de ce processus, avez-vous des exemples ?

- Réalisez-vous une présélection des enjeux avant de sonder vos parties prenantes, si oui comment ?
- (Comment faites-vous pour récolter les opinions de vos différents partie prenantes ?)

<u>Les objectifs de développement durables</u>

- Connaissez-vous les objectifs de développement durables de l'ONU ? Que représente-t-ils selon votre perspective et selon la perspective de votre entreprise.
- Qu'ont-ils apporté de nouveau au sein du monde professionnels ?
- Utilisez-vous les SDGs dans votre rapport non-financier ? Si oui, comment ? Si non, pourquoi ?
- Quels sont les bénéfices à utiliser ces objectifs dans vos rapports non-financiers ?
- Quels sont les déterminants à l'utilisation des SDG's dans l'analyse de la matérialité pour les entreprises, Quelle serait leur motivation

---

Explication de la problématique : La pression augmente pour les entreprises autour du concept de matérialité et de double matérialité. La nouvelle directive européenne adoptée le 21 avril 2021, la CSRD requiert à l'avenir que toutes les entreprises concernées incluent ce concept dans leur rapport non-financier et explique le processus utilisé dans la sélection des informations matérielles. Cependant il n'existe pas de consensus autour de la matérialité et de son analyse. C'est pourquoi via ce travail on cherche à apporter des réponses aux challenge liés à l'analyse de matérialité par le biais des SDGs afin d'apporter des propositions et recommandations aux entreprises.

<u>Liens entre les notions</u>

- Est-ce que vous inclure les SDGs dans votre analyse de matérialité ? Si oui, à quel moment ? et pourquoi ?
- Selon vous, l'utilisation des objectifs de développement durable de l'ONU dans l'analyse de matérialité peut améliorer la consultation des parties prenantes ? (Comment et pourquoi)
- Selon vous, l'utilisation des objectifs de développement durable de l'ONU dans l'analyse de matérialité permettrait une approche plus inclusive du processus ?

(Comment et pourquoi)

- Quels sont les inputs de votre sustainable stratégie ?

Questions Complémentaires et de clôture :

- Souhaitez-vous ajouter quelque chose de plus à cet entretien qui est pertinent pour ma recherche ?
- Quelles recommandations donneriez-vous à une entreprise souhaitant inclure les SDGs dans leurs analyses de matérialité ?
- Connaissez-vous des entreprises qui ont inclus les SDG’s dans leurs analyses de matérialité ?
- Recommandations sur l’interview ?
- Connaissez-vous des contacts qui pourraient m’aider dans cette recherche ?

+ Remerciement

Appendix 5 – Interview Transcription

1. Marion Keroulin- Cabinet de conseil Utopies

[Contextualization]

Ce que je vous propose pour commencer c'est de vous présenter en 2 min et expliquer ce que fait votre entreprise plus votre rôle au sein d'utopies.

Je m'appelle Marion Keroulin, je suis consultante sénior chez Utopies, je suis arrver ici en 2019 et avant ça j'ai fait 6 ans de conseil dont 5 au Mexique dans différent cabinet de consulting, dont le plus connu est Ernst & Young et toujours dans le domaine de la RSE. Donc j'ai été amenée à faire des analyses de matérialité, du dialogue avec les parties prenantes dans le cadre de cette analyse, ou en dehors, beaucoup de reporting extra financiers, des analyses de la contribution au ODD, et chez Utopies, je suis dans le pôle conso responsable durable et stratégie reporting RSE qui a un macro-pole qui rassemble une vingtaine de consultants. Utopies c'est je crois le pionnier en termes de cabinet de RSE en France. Je crois que le premier rapport rédigé était en 1994. […]

C'est super intéressant en tout cas ! Si maintenant on plonge directement dans le concept de matérialité, donc il y aura deux grandes parties, puis un croisement des deux. Donc lorsque vous avez entrepris des analyses de matérialité, quels étaient les plus gros challenges auxquels vous avez fait face ?

Je pense qu'il y a deux types de matérialité et c'est lié à deux besoins fondamentaux des clients. En général, et c'est encore plus vrai en France, l'analyse de matérialité elle se fait dans un reporting et quand fait une analyse dans le cadre d'un reporting, c'est vraiment au sens européen du terme pour savoir quel contenu on va mettre dans son rapport en fonction des attentes des parties prenantes et du business model de la stratégie de développement de l'entreprise. Donc on essaye de mettre un regard sur les deux axes de la matrice de matérialité les sujets qui seraient clefs d'aborder dans ce rapport. Et après, il y a un deuxième type d'analyse de matérialité au sens des besoins client. Et là c'est un client qui souhaite définir sa stratégie RSE et qui pour la définir et savoir sur quel engagement ou sur quel pilier se positionner, va réaliser l'analyse de matérialité. Et je dirai que c'est un petit peu plus le cas aujourd'hui. Des clients qui utilisent cet outil, soit pour actualiser leurs stratégies RSE, soit pour les renforcer, soit pour initier une démarche.

Et les principales difficultés, je pense que c’est le dialogue avec les parties prenantes. Déjà, le premier obstacle, c’est qu’elles n’ont pas bien été identifier. Et ensuite elles n’ont pas été priorisées. Donc on peut avoir des parties prenantes très génériques avec des grands groupes tel que les fournisseurs, les collaborateurs. Mais derrière il n’y a pas forcément de sous-catégories et au moment de la consultation, le besoin très pragmatique c’est de pouvoir les contacter, donc soit on sait où ils se trouve et on peut aller sur le terrain, soit on a besoin d’un CRM ou d’une mailing list. Et on se retrouve souvent avec des corrélations entre ces grandes catégories de parties prenante et le besoin pragmatique du questionnaire pour pouvoir les consulter. Donc ça c’est une des premiers choses qui coince souvent, du fait qu’on n’obtiendra pas une vraie perspective des parties prenantes. Il y a des moyens détournés pour l’obtenir avec des recherches internes, ou des enquêtes clients déjà réalisées au préalable, qui font déjà ressortir des enjeux clefs.

C’est un peu la même chose pour les agences de performance extra-financières, quand on veut savoir quelles est un petit peu leurs perspectives, on retrouve les enjeux qui leurs sont chers dans les questionnaires. Donc c’est des façons de consultation indirecte mais qui permettent de ne pas avoir une vision unilatérale qui serait celle de l’entreprise qui choisit sur quels enjeux elle veut communiquer dans le cadre de son reporting ou dans quels enjeux elle veut s’engager pour une stratégie.

Les parties prenantes c’est souvent un critère qui revient dans les différentes interviews que j’ai pu faire

Je pense en tant que consultant et même en tant que client, quand on réalise l’exercice, il y a une vraie complexité sur ce point qui n’est souvent pas envisagée, et donc qui coince un petit peu.

Et après je dirais que pour la réalisation de la matrice, on se retrouve souvent dans des notations ou des qualifications un petit peu subjective, et qui sont directement en lien avec cette première étape de consultation des parties prenantes. Ça va vraiment être la qualité des personnes consultées, soit on est très au courant que ce sont des personnes qui ne sont pas du tout sensibilisées et donc qui vont désigner ou signaler des enjeux qui sont très présent dans la press. Et qui ne sont peut-être pas en lien avec les impacts de l’entreprise. On peut donc se retrouver avec une surreprésentation. C’est le cas en France quand on commence à consulter, de l’environnement par rapport aux enjeux sociaux ou sociétaux. Et donc au moment de réaliser cette matrice et de pondérer un peu les différents enjeux, on peut avoir des résultats un peu surprenants. Ça ne veut pas dire que les thématiques environnementales ne sont pas importantes, mais quand on est une entreprise de service par exemple, on a peut-être moins d'impact sur ce volet-là qu'une entreprise d'extraction de minerai

Oui effectivement, tout à fait. Et justement la consultation des parties prenantes, j'imagine qu'il y a une présélection des enjeux qui est fait en amont comment est-ce que vous opérer cette présélection ?

Alors, c'est plutôt le consultant qui propose et présélectionne des enjeux, surtout quand c'est un premier exercice, quand c'est un renouvellement, on a toujours une liste pour partir et qu'on va mettre à jour en l'enrichissant avec des nouveaux thématiques. Mais sinon on utilise les outils des référentiels internationaux, dont notamment SASB qui est un très bon point de départ pour avoir une approche sectorielle. Notamment avec la materiality matrix qui est en ligne sur leur site et qui permet d'avoir un premier regard sur des enjeux clef d'un secteur. LA GRI qui permet d'être assez exhaustif et d'identifier les thématiques qui sont assez transversale à l'ensemble des entreprises. Ce qui permet de ne pas oublier des sujets. Plus récemment, on utilisait pas mal Robecco SAM qui est devenu SAM et racheté par Standard and poor qui est un year book dans lequel il signale des thématiques sur les 3 volets environnement, sociaux et économiques par secteur, des thématiques qui seraient clefs. Et ils offrent une pondération qui serait celle de leu questionnaire. C'est une première base, et puis des analyses que j'ai pu mener, on faisait une analyse des documents en interne de l'entreprise, donc typiquement, on va demander les enquêtes dont je parlais il y a quelques instants pour essayer de voir s'il y a quelques thématiques qui ressortent, les principales politiques ou la stratégie RSE si elle existe et aussi des informations sur le business modèle, s'il y a une explication, ça nous permet aussi de voir le type d'impact sur les différents volets.

Donc vous n'utilisez pas du tout les ODD à ce stade-là ?

Non, c'est très rare. Les ODD ils arrivent plutôt dans un volet : repartir des résultats d'une analyse de matérialité pour confirmer ou développer une stratégie RSE.

Donc c'est plus alors de la communication, et pouvoir illustrer et rendre ça accessible à tout le monde ? En aucun cas ils ne sont inclus dans le processus même d'analyse ?

Alors pas tout à fait, ils ne sont pas inclus dans le processus de base, au même titre que GRI, SASB, etc. Par contre, ils ne sont pas forcément utilisés dans une démarche de communication. C'est-à-dire que, en tout cas moi dans l'utilisation que j'ai, une fois qu'on a fait l'analyse de matérialité, on avait identifié leurs enjeux, on avait la volonté de définir une feuille de route RSE et c'est à ce moment-là qu'on mobilisait à la fois les réglementations nationales, les ODD, pour appuyer sur les impacts, souvent positifs. On choisissait vraiment les ODD qui étaient reliés au cœur de métier. Donc pour donner un exemple concret, on avait une entreprise latino-américaine qui s'appelle Groupe Autoplaste donc qui fait des solutions d'eau, donc c'est en fait des citernes, de la captation pluviale, de la filtration d'eau, … Et on a choisit forcément l'ODD numéro 6 qui se concentre sur l'accès à l'eau et à l'hygiène. Et c'est donc à ce moment-là qu'on connecte directement l'entreprise avec les ODD. Mais pas dans le cadre d'une analyse de matérialité. L'analyse elle a fait émerger des sujets comme l'accès à l'eau et aux solutions d'hygiène, elle a fait remonter des besoins de cultures et écogestes pour essayer de préserver la ressource en eau mais en tant que tel, les ODD n'ont pas été considérés au départ.

Et il n'y a pas spécialement une volonté à inclure les ODD dans cette matrice, et dans cette analyse de matérialité pour le moment ?

Moi je pense que je ne l'ai pas perçu comme ça encore, même si ça devenait un sujet qui intéresse les entreprises à Mexico en 2019. Et quand je suis arrivée en France, j'ai vu une vraie différence de culture sur les ODD qui étaient celle de la communication. Et on utilise plutôt les ODD dans nos rapports en utilisant les pictogrammes, qui reflètent notre feuille de route, et qui donc pour moi était une utilisation presque beaucoup moins mature que celle que j'avais pu voir à Mexico.

Parce que du coup au Mexique, la communication est différente dans quel sens ?

Pour l'exercice dont je parlais, c'était vraiment une analyse de la contribution aux cibles de l'ODD numéro 6 et 9. Identifier quel était leur rapport depuis leurs activités

Donc c'est plus ce que l'entreprise apporte à l'objectif et pas ce que le petit pictogramme peut apporter au rapport.

Oui, c'est bien résumé

C'est intéressant de voir cette différence de culture. Est-ce qu'auprès d'Utopies, les ODD sont utiliser ne serait-ce que dans les rapports non financiers ?

Chez Utopies, on a des clients qui nous demandent d'inclure dans leurs rapports effectivement les ODD. C'est souvent assez artificiel, dans le sens où ils n'ont pas spécialement fait un diagnostic de leur impact pour voir en quoi ils contribuent ou ils freinent les ODD. C'est plutôt une corrélation logique, en regardant les thématiques qui sont les leurs. Donc ça va être s'ils ont des mesures liées à la contribution de neutralité carbone ou sur l'efficacité énergétique de leur bâtiment, on va aller sélectionner l'ODD numéro 7. On va aller regarder s'il y a des cibles qui nous permettent d'aller à un niveau de graduation plus précis en disant « Bon cette mesures-là est liée à la cible numéro 3 » Mais donc oui on va voir apparaitre dans le rapport une partie qui va être soit dédiée aux ODD et avec un ou deux indicateurs clés. Notamment le rapports de centery beverages food friends (Orangina, Schweppes,…)

[…]

Et sinon on a des entreprises qui vont choisir de mettre en haut à droite de leurs rapports le pictogramme de l'ODD qui leur parait liés à la thématique traitée dans la page du rapport.

Mais ça reste assez abstrait, illustratif

Moi j'appelle ça de l'ODD washing

Comment les entreprises peuvent éviter ça justement, est ce que c'est par le biais d'une analyse d'impacts et soigner la communication autour ?

Moi je repartirai de l'esprits des ODD qui est que les entreprises ont une responsabilité de contribuer à cette feuille de route à savoir l'Agenda 2030. Qu'il y a vraiment un appel à ce qu'elle participe. Donc bien sûr, il y a une responsabilité à ne pas freiner les efforts des autres. Mais il y a aussi une contribution à travers leurs corps de métiers. Donc une entreprise qui travaille peut-être sur la résilience des territoires, une entreprise qui va travailler sur l'agriculture régénératrice, sur l'éducation, … Elles vont avoir à travers leurs corps d'activité une contribution positive à un voir deux ODD et donc elles ont pour moi cet enjeu d'identifier comment elles contribuent et à quelle échelle. Et c'est là où elles pourraient faire cet exercice un peu d'analyse. Je pense qu'il est impossible de le faire sur les 17 ODD et surtout ce seraient contre-productifs. Il faut vraiment identifier quel est le cœur d'activité d'entreprise. Il ne faut pas qu'elle aille faire de la RSE hors-sol où des actes philanthropiques pour aller essayer d'aller contribuer de manière assez artificielle aux 17 ODD. Mais en tout cas en restant dans son cœur de métier et dans sa ligne qui est la sienne. Peut-être avoir un petit switch. Je pense à des nouvelles gammes de produits ou au développement d'une offre qui pourraient être un petit peu plus responsable. Et de se dire, voila la contribution, elle existe aujourd'hui mais demain, elle pourrait être encore plus claire dans le cadre de ce défi sociétal qu'on a qui pourrait être l'ODD n°5 sur la diversité.

Et juste une question très générale, pour vous qu'est ce que les ODD ont apportés au monde professionnel, qu'est-ce qu'il représente ?

Je dirai que c'est un très bon référentiel international dans le sens où ils sensibilisent avec un vocabulaire commun l'ensemble des parties prenantes publiques, privé, civile. Donc c'est un socle commun pour parler de société internationale

Maintenant, on va parler des liens entre les deux notions. Donc je sais que Utopies n'utilise pas les ODD dans la matérialité, mais du coup répondez selon votre propre avis et votre expérience. Selon votre opinion est-ce que l'utilisation des ODD dans l'analyse de matérialité peut avoir un impact positif ou négatif sur la consultation des parties prenantes.

Je pense qu'une connaissance fine des ODD, nous incitent à proposer des enjeux qui seraient plus pertinents ou axés sur la partie impact positif d'une entreprise. Et donc les encourager à faire évoluer leur business model. Donc je dirai que même si on ne les considère pas de manière systématique, en tant que consultant, on les connait et on est forcément influencer quand on fait la liste d'enjeu avant la consultation des parties prenantes internes et externes. On a des propositions qui sont assez alignées sur les ODD. Donc je dirai que finalement ils sont considérés dans l'analyse mais on ne se dit pas ‘ attention à ce moment-là, on revoit l'ensemble des 17 ODD ou des cibles.'

Ils interviennent implicitement mine de rien ?

Oui je pense qu'on pourrait dire ça

Et du coup autre question sur la même nomenclature, est ce que selon vous, l'utilisation des ODD dans une analyse de matérialité permettrait d'inclure plus de personnes dans le processus, donc motiver plus de personnes après, et à utiliser les résultats pour les mettre dans leurs stratégies ou leurs actions quotidienne ?

J'ai un peu de mal à faire le lien. Clairement pour moi, les ODD vulgarise de manière assez claire les enjeux sociétaux et environnementaux et donc peuvent d'déclencher une certaine forme de mobilisation ou d'adhésion. Notamment en interne. Les collaborateurs qui n'étaient pas forcément sensibilisés à l'exercice de matérialité, dans le cadre de la consultation, pourraient prendre conscience d'un certains nombres d'enjeux s'il y avait un lien qui était fait avec les ODD. Je pense que ça leur parle beaucoup plus. C'est maintenant des pictogrammes qu'on a vu circuler avec des campagnes d'affichages et autres. Donc je pense que ça pourrait mobiliser et créer de l'intérêt. Et après dans le développement de la feuille de route qui est peut-être l'étape après la matérialité, définitivement, je pense qu'il y a, à s'appuyer sur les ODD, il y aurait une facilité de générer de l'adhésion ou une démarche collective, collaborative avec des parties prenantes externes que ça soit coté consommateurs ou coté fournisseurs. Après il y a aussi la réalité du terrain, ça dépend de la sensibilisation des parties prenantes. Il y en a qui ne sont pas du tout au courant des ODD, et quand on leur en parle ils ont tendance à trouver ce terme très conceptuel, et donc pas forcément proche de la réalité du terrain et ils vont se dire, encore un nouvel outil de consultant qui fait joli mais n'apporte pas de solution

[…]

Ok, bah écoutez moi j'ai fait un peu le tour de mes questions, concrètement, maintenant je vais analyser tout ça. Maintenant juste pour terminer est-ce que vous aurez des informations à ajouter ou des recommandations ?

Je dirai que la matérialité c'est un sujet qui est très tendance en ce moment pas forcément sous le prisme que vous avez choisi avec les ODD. Je pense que ça créera une lumière différente. On est quand même dans un moment où coté reporting, on a des entités qui essaye de merger pour simplifier le panorama un peu complexe avec IIRC et SASB qui ont fusionné et la matérialité elle fait beaucoup parler d'elle dans la CSRD et notamment avec le rapport de l'EFRAG. […]

On observe avec ce concept de matérialité une décorrélation complète entre le monde d'analyse des risques qui est souvent dans la direction financière et le travail fait par les équipes RSE. C'est pour le moment encore 2 mondes qui se parlent très très peu et ça peut être handicapant, car je vois encore pour le moment très mal, des directeurs financiers aller regarder des ODD. Et avoir une approche de ce sujet à travers le prisme des ODD. Après je peux me tromper, mais je pense que sur les ODD il y a vraiment un enjeu qui est celui de sortir d'une communication assez fausse qui est pour moi une entreprise qui affirme contribuer aux ODD avec des actions microscopiques.

Effectivement, il y a encore de grands progrès à faire

Bon courage pour la rédaction, s'il y a moyens, j'aimerais bien recevoir votre mémoire à la fin de votre rédaction car le sujet m'intéresse.

Merci pour votre temps, aurevoir

Aurevoir.

2. Bertrand Desmier – Cabinet de Conseil Tennaxia

Julie Dolphijn : Tout d'abord merci de m'accorder votre temps pour cette interview. Est-ce que vous me donné votre accord afin d'enregistrer et retranscrire cette interview pour que je puisse l'utiliser dans ma recherche ?

Bertrand Desmier : Oui bien sur

Est-ce que vous pourriez vous présenter 2 min et de voir un peu le rôle que vous aviez auprès de Tennaxia ou durant votre carrière.

Avec plaisir. Bertrand Desmier, j'ai deux carrières professionnelles, la première dédiée à l'accompagnement du changement, à la communication d'entreprise dans les années 90 et puis par conviction, j'ai décidé au changement de siècle de suivre le cours du collège des hautes études de l'environnement et du développement durable pour pouvoir accompagner dès 2002 les premières entreprises françaises assujetti à la loi NRE. Puis ensuite, à partir de 2008, je me suis consacré à 100% au conseil en développement durable, on ne parlait pas encore de RSE. J'ai rejoint Tennaxia en 2012, où j'ai dirigé l'activité RSE. A la fois l'activité de conseil et de logiciel. Tennaxia en France est un acteur un peu particulier car il est à la fois sur le champ HSE et sur le champ de la RSE mais aussi particulier car il est éditeur de logiciel avec des solutions leaders sur le marché et cabinet de conseil. Ça veut donc dire que l'article 225 de la loi Gronel2 qui était en avance de phase par rapport à beaucoup de pays européen, on a vraiment été dessus. Tant au niveau du conseil que de la collecte des données. Et puis quand est arrivé la directive européenne de 2014 que l'on a transposé dans notre en droit en 2017, on a été un acteur qui a travaillé sur les 4 prérequis de la DPEF.

Sur l'analyse de matérialité, on a notamment rédigé un livre blanc qui a été réédité en 2018 téléchargeable directement sur le site de Tennaxia pour pouvoir étayer votre réflexion.

[…]

Je ne veux pas faire mon cocorico, mais on a été en France avec l'article 225 de la loi de Gronel2 des précurseurs pour mettre en œuvre un petit peu plus tôt que d'autre pays l'analyse de matérialité. Car pour beaucoup de pays elle était mise en œuvre via la GRI 4 puis GRI standards. Donc peut-être que finalement aujourd'hui CSRD européenne parle de double matérialité, ce n'est pas forcément pour les entreprises françaises et les cabinets de conseil une révolution. Ce n'est pas parce qu'en France, on a fait depuis assez longtemps des analyses de matérialité, qu'on les a bien faites et c'est ce que je souligne dans le poste que j'ai partagé hier en essayant d'être assez soft.

Et justement pour vous, quels sont les plus grosses erreurs que les entreprises aujourd'hui font dans cette analyse de matérialité ?

Il y en a plusieurs Julie. De mon point de vue, au niveau de la méthodologie, on ne peut pas faire une analyse de matérialité sans prendre en compte la sectorialité de l'entreprise. Je prends un exemple simple. Une activité de service n'est pas confrontée au changement climatique de la même façon qu'une activité industrielle. Sauf si l'activité de service, c'est le méga data center. Donc 1 la sectorialité.

2- Prendre en compte aussi tout ce que le champ de la recherche dit sur ces sujets. Parce que on peut noter assez souvent qu'il y a un déphasage entre ce que les chercheurs disent et ce que les praticiens mettent en œuvre.

Troisièmement, une fois que l'on a fait un benchmark, une fois que l'on a pris en compte ce que les chercheurs ont pu éventuellement dire, on doit prendre en compte aussi éventuellement ce que les référentiels disent. Je pense par exemple, même si c'est très spécifique aux Etats-Unis, il est très intéressant de voir ce que le référentiels SASB peut dire sur ces sujets. C'est important de voir s'il n'y a pas eu également des réflexions au niveau des fédérations professionnelles qui ont peut-être abordé les sujets en mettant un angle sectoriel spécifique.

Une fois qu'on a fait ce travail, on va devoir ensuite établir une liste de premières intentions, d'enjeux environnementaux sociaux et sociétaux potentiellement à risque mais aussi à opportunités. Il ne faut pas oublier les opportunités. On va donc faire une priorisation. Donc pour moi, une entreprise, si elle l'a fait toute seule ou avec son cabinet de conseil, si elle n'a pas fait ce travail en amont, je pense qu'on va déjà avoir affaire à une analyse de matérialité qui va avoir des trous dans la raquette.

Ensuite, une fois qu'on a fait ça, il va falloir faire évaluer par des parties prenantes internes et externes les enjeux. Donc, plusieurs problèmes, première problématique : l'évaluation. Comment évalue-t-on, comment note-t-on, Ce qu'on note, comment on effectue potentiellement des critérisation, des pondérations en fonction des thématiques. Je reviens à mon exemple de changement climatique. Peut-être que la pondération pour une entreprise industrielle très polluante, ne doit pas être la même que pour une entreprise de service qui ne l'est pas.

Ensuite, on va devoir interroger les parties prenantes. Et donc là, on doit interroger des parties prenantes pertinentes. Des parties prenantes pour moi, c'est celles qui sont en capacité de répondre et si elles ne le sont pas sur toutes les thématiques, ce qui peut très bien arriver, on n'en revient à la problématique de l'&valuation et de la pondérisation. Quelqu'un qui ne répond pas, c'est quelqu'un à qui on ne doit pas attribuer un 0. C'est en fin de compte du non disponible. Donc on doit sortir cette réponse pour ne pas venir modifier nos résultats.

Alors, le choix des parties prenantes : pour illustre mon propos, je vous prends un exemple réel mais je ne peux pas vous citer l'entreprise, il faudra me croire sur parole. Un de nos client équipé de notre solution logiciel nous demande de faire une analyse de matérialité. On était super content. Mais là malheureusement, il nous parle d'un délai incroyable. On était au mois d'aout et il voulait qu'on lui livre ça pour début octobre. Et moi je lui dis non, ce n'est pas possible. Parce que moi je sais ce que je peux faire au niveau de mon équipe. Je lui ai dit : « mon équipe je sais la mobiliser, en revanche ce que je ne peux pas vous garantir, c'est notre capacité, dans ce laps de temps très court, à interroger des parties prenantes. » Parce que peut être que les parties prenantes, surtout à la rentrée elles vont avoir d'autres chats à fouetter que de répondre à nos questions. Et je lui donne un exemple. « Par exemple PSA, la déléguée générale au développement durable étant une cliente, je suis sûr qu'elle va trouver dans son agenda un créneau pour nous recevoir. En revanche si vous me demandez d'interroger le directeur du développement durable de Renault, et bien je ne vous garanti rien du tout car ce n'est pas un client et qu'il n'a aucune raison de me faire une fleur ». Donc je lui dis que plutôt que de faire du mauvais travail, je préfère ne pas prendre la mission.

Un concurrent a pris la mission. Je dis volontairement concurrent car le travail réalisé a été bâclé. Sinon j'aurai dit confrère ou consœurs. Ils ont fait l'analyse de matérialité. Si vous voyiez les résultats de l'analyse de matérialité, vous seriez entrain de vous marrez. Ils ont bien interrogé quelque de chez Peugeot, mais tenez vous bien, ils ont interrogé la concession Peugeot de la grande ville française où l'entreprise se trouve. Qui est-ce qu'ils ont interrogé à la concession Peugeot ? Est-ce qu'ils ont interrogé le directeur général ? la jeune femme ou le jeune homme de l'accueil ? Une ou un commercial ? Vous voyez bien qu'avec cet exemple, je cherche à illustrer le fait que si c'est interroger des gens pour interroger des gens qui n'ont aucune idée des sujets sur lesquels ont les interroge, qui n'ont aucune hauteur, on aura donc une matrice de matérialité qui exprimera une analyse qui ne sera pas du tout robuste. Et ça bah il existe pleins d'exemples.

Oui effectivement, le choix des parties prenantes c'est un focus pour mon travail et ma recherche. Si on reste sur la matérialité pour le moment, question très générale, concrètement pourquoi est ce que cette analyse de matérialité est si important pour les entreprises.

Au niveau de la conformité règlementaire, cette analyse est la réponse à la traduction de la directive européenne auprès de la loi française. LA directive européenne, elle s'inscrit dans une logique de risque. Quand on fait des analyses de risques, ce sont des analyses que l'on fait en interne. On ne va jamais interroger des parties prenantes externes. Ce n'est pas dans les standards, dans les réflexions intellectuelles autour de ce sujet. Donc ma première réponses Julie, c'est pour être conforme.

La deuxième réponse, qui me semble bien plus pertinente, c'est de se dire qu'au-delà de la conformité, il y a effectivement les opportunités qui s'offre à l'entreprise d'obtenir sur des sujets très important, des informations qu'elles n'ont pas l'habitude d'avoir. Et je vais vous citer un exemple, mais là aussi je suis tenu à la confidentialité, on a fait une analyse de matérialité pour un groupe leader internationale 30 000 personnes. Et on présente au comité de pilotage notre analyse de matérialité et celui qui présidait ce comité de pilotage, lorsqu'il a vu nos résultats, il a dit : c'est tellement important, que ça il faut impérativement le présenter en comité exécutif. Et donc, il m'a demandé si j'étais disponible la semaine suivante. J'ai tout de suite fait en sorte d'être disponible parce que dans toute ma carrière, ça a été la seule et unique fois où on m'a demandé de venir expressément présenter les résultats d'une analyse de matérialité à un comité exécutif. Parce que de mon de point de vue, pour répondre à votre question, si une analyse de matérialité est conduite avec la méthodologie la plus rigoureuse et pertinente qui soit, cela peut apporter des éléments très éclairant pour une entreprise sur des sujets non financiers qui sont visés et qui sont tous corrélés à l'activité de l'entreprise et à sa durabilité. Et donc, on est sur un sujet qui n'est jamais traité quand on fait des études marketing où on est sur des études produit, ce n'est jamais traité quand on fait une étude sur l'image et la notoriété de l'entreprise. Parce qu'encore une fois quand les cabinets qui sont spécialisés dans ce genre de choses interviennent, ils n'interviennent pas sur les mêmes sujets qui nous intéressent.

Est-ce que c'est commun que l'analyse de matérialité soit faite par un sous-traitant ou du moins un organisme externe à l'entreprise ?

J'ai envie de vous dire heureusement pour les cabinets de conseil effectivement que c'est souvent sous-traité. Moi j'ai envie de dire que chez nos clients, c'est 80% qui font appel à des cabinets de conseil.

On parlait des erreurs principales que l'on pouvait trouver dans les analyses de matérialité, mais je voudrais vous demander les principales difficultés et challenges que vous rencontrez lorsque vous faites cette analyse ? Quels sont les points clefs, les tournants à ne pas rater ?

Pour moi, vraiment, toute la partie préparatoire elle est assez simple dans la mesure où l'on est sur un travail en chambre et de la documentation. La difficulté principale, parce que tout à l'heure je parlais des parties prenantes externes, mais il y a également les parties prenantes internes. Moi je ne propose pas systématiquement d'interroger les salariés. Parfois ça surprend. Alors ce n'est pas du tout une position élitiste, c'est simplement pour dire encore une fois, moi ça ne m'intéresse pas d'interroger la terre entière si les gens ne savent/connaissent pas les sujets. Donc si une entreprise me dit j'ai quand même envie que vous interrogiez les salariés, parce que quelque part, ça me permet d'avoir une sorte d'étude de d'engagement, de bilan social. OK, mais pour moi lorsque l'on fait une analyse de matérialité, en abscisse on a l'impact sur la performance de l'entreprise et en ordonné l'impact sur les parties prenantes externes, sur la société. Donc on est obligé d'interroger des gens qui sont capables d'apprécier les sujets, si j'interroge madame ou monsieur lambda d'une entreprise, malheureusement si on est sur des opérateurs, ce sont peut-être des sujets qui volent un peu trop haut car ce n'est pas dans leur quotidien. Si la prise en compte des avis des salariés m'importe, je vais le faire via les partenaires sociaux. Systématiquement, je demande à ce qu'on interroge les représentant des syndicats des entreprises. Car les représentants des syndicats ont des contacts permanent avec la direction de l'entreprise. Donc les sujets, ils les connaissent et donc portent l'avis des salariés avec une appréciation de la réalité stratégique de l'entreprise. La difficulté, la première ça va d'être potentiellement en interne de pouvoir trouver des bonnes personnes à interroger.

Quand on va interroger en interne pour essayer d'apprécier l'impact sur la performance d'entreprise, j'aime bien faire des interviews one to one avec direction générale de l'entreprise voire conseil d'administration, et puis après, on va être plutôt sur des focus groupe pour des groupes représentatifs de l'entreprise. Et là c'est un peu difficile, parce que pour moi un groupe représentatif de l'entreprise, il est représentatif en termes de fonction opérationnelles, d'âges, de sexes ou encore du nombre d'années d'expériences. Donc ça c'est une difficulté pour essayer d'avoir les focus groups les plus représentatif, homogène et pertinent.

Et puis la deuxième difficulté, ça va être concernant les parties prenantes externes, parce que si vous voulez, l'histoire de Peugeot, c'est une réalité de tous les jours. Pour moi, la bonne personne à interroger ce n'est pas le PDG, de toute façon jamais on l'aura. Donc c'est qui derrière ? On va dire que la déléguée générale au développement durable, c'est une bonne partie prenante à interroger. Mais peut-être qu'on pourrait dire qu'elle, elle est acquise à la cause du développement durable donc peut-être qu'il faut aussi pondérer son avis par quelqu'un d'un petit peu moins bercé dans le développement durable. Par exemple à la direction des achats. Donc il va falloir qu'on identifie les bonnes personnes, il faut qu'ensuite nos clients nous sponsors c'est-à-dire qu'ils préviennent leurs partenaires qu'ils vont être contactés de notre part. Et ça c'est parfois touchy. Parce que quand on a affaire à une entreprise internationale, on interroge des gens dans le monde entier. Donc maintenant via l'anglais c'est assez simple, de temps en temps, on le fait en espagnol ce qui est un peu plus compliqué. Mais par exemple au japon, au Brésil ou encore en Chine c'est encore très compliqué. Donc là on a encore des problématiques matérielles. Pour moi les difficultés reposent principalement là-dessus.

Donc si l'on résume, c'est principalement l'identification des parties prenantes.

Ouais

On va donc maintenant passer à la deuxième partie qui se concentre sur les objectifs de développement durable de l'ONU. Donc tout d'abord, est-ce que vous connaissez ces objectifs et qu'est-ce qu'ils représentent pour vous ?

Je les connais bien, j'en ai été un grand promoteur via LinkedIn notamment, via des articles que j'avais écrits, j'ai accompagné une entreprise française très présente en Afrique en leur proposant de structurer leur politique RSE en fonction des 17 objectifs de développement durables et des 169 cibles. J'ai pu voir notamment dans les benchmarks qu'on a pu faire pour des entreprises sur les analyses de matérialité des entreprises qui à l'instar de Rémy Cointreau, vous verrez des analyses de matérialité où ils ont corrélé finalement les enjeux aux objectifs de développement durables, et ça j'ai trouvé ça tout à fait intéressant.

Alors, pour moi les ODD peuvent effectivement tout à fait trouver leur place sur une matrice de matérialité on pourrait même estimer que finalement les 17 ODD pourraient from scratch être ceux qui vont structurer la matrice de matérialité. Alors je pense que c'est intéressant parce que c'est très global, c'est international et c'est un peu l'esperanto du développement durable. Donc c'est très intéressant. Maintenant, la petite difficulté, c'est qu'appliquer 100% les ODD ce serait faire fille de faite de la sectorialité qui pour moi est absolument nécessaire. Donc je n'ai pas envie de dire que les ODD peuvent se substituer aux enjeux, mais en revanche il me semble très intéressant de pouvoir les corréler aux enjeux identifiés. Maintenant, j'ai envie de dire tout va dépendre de l'objectif que l'on vise aussi.

Si on est dans une analyse de matérialité qui a pour objectif de venir challenger la politique RSE de l'entreprise pour la revitaliser, on pourrait dire finalement que l'usage des 17 ODD pourrait suffire. Maintenant, si on est dans la logique de répondre à la réglementation européenne actuellement en vigueur dans les 27 pays européens, lors ça ne fait pas tout à fait l'affaire, ce n'est pas suffisant.

Mais pour moi, ce qu'il représente pour moi, c'est un cadre. Quand une entreprise qui se déclare carbon neutre, les ODD permettent à ce que toutes les entreprises trouvent leur place, leur contribution dans cet agenda 2030. Il est illusoire en revanche selon moi de prendre les ODD comme étant des objectifs communs et de répondre aux 17 en même temps. Ce que j'ai pu constater au cours des 3 dernières années c'est que bon nombre d'entreprises ont révisé à la baisse le nombre d'objectifs auxquels elles entendaient répondre mais certainement avec plus d'acuité et plus de précision pour les objectifs gardés.

Mais du coup vous dans vos analyses de matérialité, vous n'utilisez pas les SDGs comme métrique ou comme langage ou autre ?

On les utilise parmi les enjeux si effectivement, les concurrents qu'on va benchmarker et l'entreprise ont déjà fait le travail et ont déjà priorisé leurs ODD. Ça va nous donner une lecture complémentaire. Ce n'est pas à la place de, mais en plus de.

Donc ce n'est pas quelque chose que vous utilisez dans votre communication notamment avec les parties prenantes pour avoir un langage commun ?

Ça peut l'être en termes d'illustration, de présentation ou de préparation. Mais on les utilise alors en amont. Les parties prenantes, il faut qu'elles sachent en amont sur quoi elles vont être interrogées, comment elles doivent noter. Donc par exemple une entreprise qui a identifié ses

ODD, qui les a corrélés ou pas avec ses enjeux de développement durable, c'est des éléments non pas de langage mais de contenu, que l'on va envoyer en amont aux parties prenantes de manière à ce qu'elles puissent mieux prendre connaissance, avec la prise en compte des ODD de l'entreprise, la politique RSE de l'entreprise afin de répondre de manière plus pertinente.

Et dès lors, plus vous taperez haut au niveau hiérarchique, plus ça devient compliqué parce que ces personnes ayant des agendas surbookés, faut leur donner du contenu mais pas trop, sinon ils n'ont pas le temps de le lire. Donc vous voyez ça fait partie des difficultés très opérationnelles.

Pour faire une bonne interview, c'est 1h30.

Maintenant, d'un point de vue personnel, est ce que l'utilisation des ODD dans l'analyse de la matérialité permettrait une approche plus inclusive de ce processus, donc permettrait de prendre en compte plus de gens dans cette matrice au niveau interne ?

Plus inclusive, certainement, Enfaite même pas, j'ai envie de dire non. Pourquoi ? Parce que derrière chacun des 17 objectifs, il a 169 cibles. Donc la compréhension en première intention d'un objectif tout le monde va le comprendre. Maintenant, si ça rend plus facile la compréhension des enjeux à analyser, ça ne m'avance quand même pas. Parce qi j'interroge des gens qui comprennent sur quoi on veut qu'il se positionne mais qui ne connaissent pas le contenu tel qu'il existe dans l'entreprise, tel qu'il existe au niveau du secteur d'activité, on n'a pas avancé. Si je prends le changement climatique, objectif numéro 13, c'est un objectif à 2030, cela permet de bien cadrer et comprendre. Pédagogiquement c'est bon. En revanche si la personne que j'interroge elle ne sait pas me répondre sur ce que veut dire le changement climatique pour l'entreprise tant en termes d'impact sur le changement climatique qu'inversement, je n'ai pas avancé. J'ai fait de la pédagogie, mais la personne ne peut pas me répondre car elle ne connait pas la problématique si ce n'est qu'elle va constater qu'il fait trop chaud au Canada ou aux Etats-Unis.

Autre question, est ce que l'utilisation des ODD dans l'analyse de matérialité faciliterait une approche « outside in » au lieu de « inside out » ?

Ouais, pour la facilité à la compréhension, le fait d'être dans un contexte de globalisation, international, de voir que ce n'est pas un sujet seul mais de prendre le sujet dans sa globalité. De ce point de vue là, ça peut aider.

A condition toujours que derrière l'enjeu, on explique l'ODD. L'ODD facilite à la compréhension et permet de contextualiser la problématique au niveau mondiale.

C'est plus un complément.

Donc, ça a un rôle de complément à cette analyse mais ça ne pourra pas remplacer toutes les analyses et méthodologie que les référentiels ont développées ?

Sous l'angle du reporting et de la directive européenne, et de la future réglementation, non. En revanche, en évitant de faire des doublons, comme je l'évoquais, pour venir challenger et revitaliser une politique RSE sans se préoccuper de la partie reporting, ce que l'on veut c'est vraiment travailler sur la politique RSE sans que cela soit de la cosmétique juste pour faire joli, alors c'est super intéressant de se dire que je vais prendre les ODD et les analyser dans une matrice pour revisiter ma politique RSE.

On arrive donc ici à la fin des questions purement théorique. Déjà un grand merci parce que toutes les informations que vous me transmettez me permettront d'enrichir ma recherche et mon travail. Est-ce que vous souhaiteriez ajouter quelque chose ?

Non, Après il y a quand même peut-être un élément important à prendre en compte : la représentation des matrices de matérialité. Elle se fait très souvent en 2 dimensions. Nous sur Tennaxia on a intégré 2 autres dimensions qui sont à mon sens très intéressantes. La troisième dimension, c'est le niveau de performance de l'entreprise sur chacun des enjeux ce qui nous rajoute une dimension avec une grosseur de point. Et la quatrième dimension qui est extrêmement importante à prendre en compte, c'est l'axe temporel. Est-ce que ce sont des enjeux qui sont appelé à stagner, se développer ou décroitre. Il y a 3-4 ans de cela vous ne trouviez pas dans les matrices la sécurité des données informatiques. Aujourd'hui c'est systématique, pareil pour l'attraction et la rétention des talents. Donc c'est super intéressant de trouver les bonnes parties prenantes afin d'anticiper tous ces changements. Moi enfaite et ce serait ma conclusion, les entreprises et ce depuis des dizaines d'années dépensent des dizaines, des centaines de milliers d'euros pour des analyse marketing destinées à vendre leurs produits. La même chose pour des analyses d'image. Le problème c'est que pour l RSE et le développement durable, même les grandes entreprises comme Solvay et autres multinationales, les directrices et directeur RSE ne disposent pas de budget conséquent. Ce qui fait qu'aujourd'hui les matrices de matérialité ne vont certainement pas assez loin faute de budget. S'il y avait des budgets plus importants, on pourrait pour le coup interroger plus de personnes, même s'il faut toujours privilégier le qualitatif au quantitatif.

Mais plutôt que d'interroger 2-3 clients, si on interroge les 30 clients principaux, les informations ne seront pas les mêmes. De mon point de vue, on doit mettre plus d'argent sur la table pour avoir des analyses de matérialité encore plus utile aux entreprises.

Selon vous il faudrait faire des analyses de matérialité chaque année par rapport à la dimension temporelle ?

Non, ma recommandation c'est tous les 3 ans, on refait l'analyse, et tous les ans, on fait un check rapide. Au minimum, une analyse documentaire.

Dernière question plus pour avancer dans ma recherche, est-ce que vous auriez des contacts à me conseiller pour ma partie qualitative : experts, professionnels ou entreprise ?

Ce que l'on peut faire car pour moi ce n'est pas tout à fait frais dans ma tête, vous m'envoyez un mail et je vous y réponds début de semaines avec des noms de personnes que vous pourrez interroger de ma part.

Merci cela m'aidera beaucoup. Sinon pour moi c'est tout, un grand merci pour votre temps.

Avec plaisir, faites attention car vous avez deux sujets dans votre mémoire donc il faut faire attention à comment le présenter parce que les ODD constitue un plus pour venir préciser ou contextualiser des choses mais encore une fois, la quasi-totalité des matrices de matérialité se font dans le cadre du reporting réglementaire.

Merci pour votre prise de contact, ça fait partie de ma volonté à me rendre utile et de transmettre.

3. Valérie Lizen – Cabinet Smart 2 Circle

Pour commencer, pourriez-vous vous présenter en quelques minutes et expliquer ce que fait "Smart to circle” ?

Je m'appelle Valérie Lizen, je suis chargée de projet à "Smart to circle" qui est un cabinet liégeois d'accompagnement d'entreprises pour leur transition durable et circulaire, donc très concrètement, on aide les entreprises à mesurer leur impact sur le climat grâce à des bilans carbone, donc ça c'est souvent la première étape et en partant de là on les aide à développer tout une stratégie "climat" et puis plus globale c'est à dire une stratégie durable et des politiques RSE

Comme vous le savez, j’ai deux notions centrales dans mon mémoire. D’une part l’analyse des matérialités et les SDG’s donc on va aller sur ces deux notions là. Donc si on commence par la matérialité, est ce que c’est un concept avec lequel vous êtes familier ou pas ?

Je connais ce concept car nous sommes certifiés « global reporting initiative » donc forcément c’est quelque chose qui est abordé dans le cadre du GRI et c’est un concept qui est fort utilisé dans la RSE donc je suis familière mais par contre on n’en a pas faite dans le cadre de l’entreprise pour les clients

Vous disiez que c’est quelque chose que vous n’opériez pas forcément pour les PME, que c’est plutôt un processus réservé aux grandes entreprises. Pourquoi les PME ne le font pas systématiquement ?

Je pense que la plupart des gros groupes ont déjà fait une analyse de matérialité parce que généralement ils sont obligés de faire du reporting déjà financier et la plupart se dirigent vers le DRI et le DRI demande souvent la matérialité, donc c’est quelque chose qui est déjà pratiqué par les gros groupes donc voilà. Pourquoi est-ce que les PME ne le font pas, je pense que c’est parce que… bon déjà beaucoup de PME n’ont rien commencé en termes de développement durable… elles n’ont encore rien fait de structurer. Parfois c’est des petites initiatives comme ça dans le cadre d'économies. C'est-à-dire qu'on va par exemple on va essayer de s'intéresser à essayer de dépenser moins en énergie. Parfois ce sont des petites initiatives du genre les déchets ect mais ce n'est pas structuré. L'analyse de la matérialité … l'évaluation de la matérialité c'est quelque chose qui structure justement la démarche RSE donc souvent elles en sont pas encore à cette étape la en plus c'est à mon avis un processus qui est fort lourd pour les petites structures parce que ça prend longtemps, il faut quand même des connaissances techniques, ça se fait pas en 2 semaines et c'est aussi quelque chose qui parait lourd par rapport à l'avantage qu'on en retire donc je veux dire ce ne sera pas la priorité.

Smart to circle semble plus à l'aise avec tout ce qui est développement durable ou en tout cas avec les SDG's donc qu'est-ce que les SDG's représentent pour vous personnellement ou via la lentille de votre emploi, dans votre vie professionnelle ?

Je trouve que c'est pas mal d'avoir un cadre global, mondial, qui est facile à comprendre. Ça fait déjà un moment qu'il est la donc il est assorti de pleins d'outils c'est assez complet. Ce n'est pas trop complexe je trouve. Même pour des gens novices, c'est facile de rentrer dans le concept. En entreprise ça donne un cadre et en même temps ce n'est pas des concepts techniques. Donc généralement ça parle à tout le monde. Ce qui est bien c'est que c'est fort poussé par les politiques maintenant. Je le vois dans les rapports rse, les derniers rapports rse il n'y avait pas encore tous des références au SDG's maintenant ils y sont à chaque fois. Ça permet de facilement structurer une politique RSE et moi ce que j'aime bien personnellement c'est que c'est mondial, c'est international, c'est une boussole tout le monde à la même et il n'y a « plus qu'à quoi… » ça simplifie les choses.

Et vous auprès de votre entreprise, comment vous utiliser les SDG's dans les rapports non-financiers ? ou pour établir des stratégies RSE

Alors généralement chez nous, les sdg's arrivent à l'étape du développement de la stratégie durable donc après avoir déjà fait des étapes comme le bilan carbone, après avoir définis des objectifs de réduction, des actions de réductions ect… Souvent aussi on propose des ateliers avec le personnel pour essayer de générer plein d'idées pour rendre la société plus durable donc quand on a fait tout ce travail-là et quand on a une masse d'infos, de bonnes idées, de données ; généralement on switche sur les SDG'S, on fait une analyse d'impact avec l'entreprise. Donc soit on la réalise nous-même directement au cabinet après avoir fait tout le processus du bilan carbone parce que du coup après on connait bien la société et son contexte puisqu'on l'a analysée pour le bilan carbone. Donc il est possible pour nous de pouvoir faire cette analyse d'impact et puis de la confronter à la réalité de l'entreprise en parlant avec le dirigeant. Donc si évidemment on n'a pas fait l'analyse du bilan carbone avant généralement on le fait avec le dirigeant directement parce qu'on est moins familier avec l'entreprise. Donc l'analyse d'impact finalement c'est simplement, on prend les 17 odd et on regarde à chaque fois c'est quoi les impacts négatifs et positifs, actuels ou potentiels. Et on fait une synthèse. Et sur base de cela et des envies de l'entreprise et des employés généralement on utilise ça comme base pour définir les grands enjeux de durabilité important pour l'entreprise. C'est normalement le but de l'analyse de matérialité c'est à ça qu'on arrive comme résultat. Généralement nous on utilise les ODD pour faire ça. De un, parce que c'est quelque chose qui est compris par tout le monde, tout le monde est partis prenant, ça va être utilisé de plus en plus. De deux parce que ça met un référentiel externe à l'entreprise. Donc ça amène une crédibilité un peu plus élevée que si l'entreprise faisait ses enjeux en n'utilisant rien, juste ne se disant moi je prends ça ou ça. Et on pourrait se dire, peut-être qu'elle a pris les enjeux qui étaient les plus facile ou qui l'intéressaient le plus. Les odd si c'est mal fait, tu peux aussi choisir tes odd en fonction de ce que tu trouves cool et qui est facile sans faire tout le travail d'analyse. Quand on le fait ensemble nous, on cadre la chose. Ce n'est pas l'entreprise qui a choisi les choses toute seule, elle a une analyse elle sait ou sont ses impacts au regard des ODD, c'est ça qu'elle utilise pour faire ses enjeux et sa stratégie et donc c'est un peu le bénéfice de la matérialité qui est utilisé grâce aux ODD, ça va beaucoup plus vite je dirais et ça ne fait pas intervenir non plus toutes les parties prenantes. C'est quelque chose qu'on peut faire mais qu'on ne fait pas généralement parce que c'est des plus petites structures

Du coup ça simplifie quand même le processus au final, la finalité est similaire sauf que ça va moins en profondeur c'est ça ?

Oui je pense que l'analyse de matérialité, l'avantage c'est qu'on est vraiment obligé de cartographier toutes les parties prenantes et essayer de leur demander leur avis. Les odd peuvent servir aussi au début de l'analyse de matérialité tu dois définir les critères, tu dois demander l'avis des parties prenantes. C'est un premier référentiel que tu peux utiliser si vraiment tu ne prenais pas le temps de définir une super grande liste, tu pourrais prendre les 17 odd déjà et leur cible pour soumettre… donc ça pourrait déjà simplifier à ce niveau-là. Donc l'avantage des odd c'est que ça a été défini par « le monde » entre guillemets, donc du coup, comment dire, il y a déjà un consensus au niveau des parties prenantes mondiales que ce sont des choses importantes. Donc on intègre un peu les parties prenantes grâce au développement des ODD maintenant pour aller un step plus loin et que ça ressemble vraiment fort à l'analyse de matérialité, il faudrait quand même passer par ce processus de cartographier les parties prenantes et alors leur demander leur avis et alors hiérarchiser tout ça grâce au retour des parties prenantes ça c'est quelque chose qui peut être fait aussi mais alors on va le faire dans un deuxième temps, voir un troisième temps quand on veut aller plus loin, s'améliorer, communiquer mais pas au tout début c'est trop lourd.

Et du coup par rapport aux parties prenantes, est ce que les ODD dans le cadre d'une analyse de matérialité ça peut aider sur la communication avec ses parties prenantes. Donc pas forcément les pré-selectionnés ou autres mais communiquer avec eux selon vous ?

Communiquer avec eux je ne vois pas exactement dans quelle mesure ça pourrait aider à la communication. Je pense que ce qui est compliqué avec les parties prenantes dans l'analyse de matérialité, c'est une fois que tu as la cartographie c'est d'isoler un échantillon représentatif. Donc de bien choisir à qui tu demandes, pas dans un but que ce soit intéressant pour l'entreprise mais dans un but que ce soit représentatif et puis après simplement c'est pouvoir faire un job de rentrer en contact avec ses parties prenants, de faire en sorte qu'elles collaborent avec toi. Ce n'est pas toujours facile, tout le monde n'a pas beaucoup de temps. Il faut répondre sérieusement au questionnaire, le questionnaire est quand même long généralement et donc ça typiquement si jamais on doit faire des analyses de matérialité, c'est une étape que nous on sous-traiterait en fait. Et c'est ça qui est compliqué, c'est ça qui est lourd. Maintenant je ne vois pas bien en quoi les odd pourraient faciliter la communication. Je pense que c'est pas au niveau de l'analyse de matérialité mais au niveau d'après quand tu fais du reporting, quand tu parles de ce que tu fais et que tu donnes des résultats, la utiliser le prisme des odd ça peut être bien, parce que ça va peut-être simplifier des résultats que tu vas obtenir avec l'analyse de matérialité et c'est un langage commun donc cette étape après de communication, la peut-être oui mais quand tu le fais, à part les utiliser comme critère je ne vois pas bien en quoi ça apporte quelque chose.

Et le fait de les utiliser à la fin du processus donc pour illustrer les enjeux matériels et essayer de les relier à des sdg's, est ce que ce n'est pas dangereux pour l'entreprise qui pourrait être accusée de sdg washing ?

Je pense que si l'analyse de matérialité a été faite correctement, c'est-à-dire avec un partenaire externe, avec tous les processus et pas en bâclant la chose, c'est déjà quelque chose de costaud, de solide. Donc après faire le lien avec les sdg's, s'il y a un lien qui est visible…. Il n'y a pas de risque. Parce qu'en fait l'analyse de matérialité en elle-même est quelque chose de solide quand c'est bien fait. Apres simplement dire cet enjeux-là, il correspond à tel odd et on rassemble peut-être différents enjeux, différents critères qui ont été mis en avant dans l'analyse de matérialité, sous le prisme d'un odd. Pour moi cela simplifie et c'est pas du tout risqué. Le travail en amont a été fait correctement.

Une autre question, est ce que selon vous l'utilisation des odd dans l'analyse des matérialités pourrait faciliter une approche qui est plutôt « outside-in », plutôt que « in- outside » donc prendre l'extérieur et voir par rapport à la stratégie business, plutôt que stratégie business et voir l'impact que ça a sur l'extérieur ?

Je trouve quand dans les odd, les deux approches se croisent. Pour les entreprises typiquement, il y a une méthode qui a été développée par l'onu pour pouvoir prendre en compte les odd. Le sdg compass et certes les odd c'est global, c'est un plan pour le monde, pour tous les humains, tous les pays, toutes les régions. Mais quand tu fais le processus d'essayer de te positionner et d'intégrer les odd, tu as une approche ou tu te regardes le nombril. Tu commences par une analyse d'impact, là tu regardes ta société très concrètement. Qu'est-ce qu'elle fait et quelles sont les conséquences de ce qu'elle fait. Donc la première étape, ce sera toujours avec l'entreprise au centre parce que tu démarres de ça et tu regardes ce qui a un impact négatif au regard des odd mais aussi, toutes les opportunités de contribuer à un monde meilleur, c'est-à-dire de contribuer aux odd. Mais donc oui, pour une entreprise la première étape ce sera toujours, de se regarder le nombril je dirais, c'est important. Donc au final, je ne sais pas si on va avoir une vision qui est tellement « de l'extérieur- vers l'intérieur », c'est plutôt de « l'intérieur vers l'extérieur » avec l'avantage des odd qui sont un plan global et mondial, donc une vision très élargie de challenger l'entreprise sur les sujets qui sont très loin de son business. Donc par exemple, une entreprise basique, la biodiversité ce n'est pas dans ses priorités, ce n'est pas une question qu'elle se pose généralement et le fait d'utiliser les odds, elle va se poser et s'intéresser au sujet. A ce niveau-là ça élargit la vue et l'analyse

L'intégration, c'est ce qui se regroupe dans la plupart de mes interviews, l'intégration des odd pourrait plutôt se faire soit au début dans tout ce qui est pré-sélection de problèmes et de topics pour avoir une vue globale et se challenger sur ces questions et justement à la fin du processus pour illustrer le tout et pour avoir des liens par rapport à ça. Dans un esprit de transparence et de communication.

Pour moi, si tu l'intègres les ODD dans la matérialité au niveau de la définition des critères, donc tout au début. Mais aussi pour rentrer doucement dans le sujet, puisque c'est un sujet compliqué, et d'avoir une vue large mais en même temps cadrée c'est bien pour une entreprise et surtout pour une entreprise qui ne s'est jamais posé la question. Après effectivement c'est plutôt d'un point de vue communication, quand tout a été fait et c'est communication de la stratégie, communication des actions, du reporting et du marketing et en remplacement aussi de tout le processus.

Oui donc si on veut quelque chose de plus léger, on peut mettre le focus là-dessus.

Parfait, je n'ai plus de questions. Vous êtes dans un cluster différent donc cela me permet d'avoir une autre vision, c'est intéressant. Un grand merci

4. Anne Van den Bergh & Ilse Moens – CSR departement Ageas

Est-ce que vous m'autorisez à enregistrer cet interview de manière à ce que je puisse le retranscrire ?

Oui, de prime à bord, ça ne pose pas de problèmes si après on peut voir vérifier comment vous allez lire ce qu'on partagera, voir si on est complétement d'accord ou non.

[…]

Pour commencer, je vous propose de vous présenter toutes les deux afin de mieux se situer également.

Anne :

J'ai rejoint l'équipe sustainability fin de l'année passée, au mois de septembre. Ce qui a permis de créer vraiment une équipe. Car avant il y avait Franck Vandenborre qui avait hérité d'un titre pour mettre en place une vraie stratégie sustainability. Moi-même, j'ai une longue histoire dans le secteur financier. A la fois bancaire qu'Assurance. J'ai occupé beaucoup de métier différents, commerciale, gestion de projets, … Mais pour Ageas, ça fait 10 ans que je travaille chez Ageas. J'ai été responsable au sein continent Europe. Ageas a 4 segments de business : Europe, Asie, la Belgique et UK. Et je faisais partie de l'équipe managériale continental Europe où j'étais responsable pour business développement dont l'évaluation des dossiers de M&A. Et puis, quand on a acheté Axa au Portugal, 'étais sur place pour conclure l'achat puis je suis restée 5 ans sur place dans la direction d'Ageas Portugal. Et don là j'ai aussi occupé plusieurs métiers. La ligne rouge reste les trajets de transformation qui me permettent aussi de relever ce défi. Parce que transformer une entreprise en une entreprise qui a vraiment la durabilité dans son corps est une grande transformation. Et je sens que ça permet de 'connecting the dots' au long de toute ma carrière.

Ilse

And I'll presenting in English just to make it quicker because this is not the most important part of this interview. I used to work for PWC for 20 years background of financial auditors, Last 10 years of my careers at PWC moved towards sustainability verifications and then advise strategically and then I am an independent consultant on sustainability in general. And I'm passionate about your two topics.

J'ai donc vu que vous aviez effectué votre première analyse de matérialité auprès de Ageas dans votre rapport annuel de 2020. Quelles étaient les motivations pour réaliser cette analyse. Pourquoi maintenant ?

Ilse :

Il y a plusieurs raisons je pense. Donc la première, et plus importante est de savoir quels sont les aspects les plus importants pour les parties prenantes, de vraiment connaitre ses aspects là et de ne pas penser qu'on les connait de ne pas faire des assemptions. Il s'agit vraiment d'écouter et de bien comprendre ce que les parties prenantes attendent de Ageas.

Et deuxièmement, c'est bien sûr comme input pour la stratégie, car Ageas a lancé une nouvelle stratégie. C'est donc important de les prendre ensemble.

Et troisième raison, mais c'est la moins importante, c'est que on voit que toutes les autres entreprises qui sont matures, le font. Mais c'est la raison la moins importante. Ce n'est pas parce que les autres le font, que l'on doit le faire. Mais il y a une autre bonne raison derrière qui est de comment on va implémenter la stratégie, et pas seulement la stratégie de sustainability mais la stratégie intégrale. Comment être relevant dans la société.

Anne :

I would like to add, that for me it's going to the essence of sustainability. Sustainability is having a multi-stakeholders strategy approach, serving interest of all your stakeholders. So it seems to me the basis to ask those stakeholders the most material and relevant for them. For me it's the b-a-ba d'une stratégie de sustainability. Si on n'a pas ça on ne peut se revendiquer comme multi stakeholders.

Après moi,ma lecture, on est encore relativement néophyte. Mais je trouve qu'il y a deux grandes sources pour se faire une stratégie de sustainability : c'est the materiality analysis and the SDG's.

Je considère que ces deux sources sont des sources riches sur lesquelles les entreprises peuvent établir une stratégie de sustainability.

Et du coup, durant le processus avez-vous rencontrer des challenges ou difficultés en tout genre ? Quels étaient les tournants à ne pas manquer

Anne :

Je pense que les difficultés/ les défis sont ceux que vous allez trouver dans la littérature comme Sustain'analyze et d'autre consultant vont vous dire. C'est la méthodologie, définir la cible, définir le questionnaire, définir la méthodologie. Il y a quand même pas mal d'étapes à bien étudier avant de vraiment pouvoir si mettre

Ilse:

Sustainability is so big, so how do you come to a manageable questionnaire? That's already a choice you have to do because you can raise different questions. Then stakeholders are such a big notion, we have such a big number of stakeholders. So how do you get a representative sample of that.

Anne:

We did it last year and it was the confinement period, so we had all the difficulties related to the covid. So, we have made the choice not to go directly to our customers but to assume that our distributors, our sellers pouvaient representer nos clients. Donc on fait certains choix.

Par après, on fait le choix de combiner la méthodologie de questionnaire avec une méthodologie d'interview. Mais je pense que ça ce sont des défis classiques que chaque entreprise doit répondre. Pour Ageas appart le choix que nous avons fait de ne pas interroger directement nos clients, je ne pense pas qu'on ait rencontrer de problème propre à Ageas. Je ne sais pas si on a eu d'autres problèmes ?

Ilse

No, I don’t think so. I think the most important one is to make a distinction between… I was thinking there are so many topics, there are so broad, yet a lot of topics are interrelated. If you just look at one of them, you can look at climate change. But you can talk about the use of fuel or you can ask your question on CO2 reductions or CO2 measurement. And if you look for example at this example of what we are producing and what we are consuming as fuel, automatically their links to your ‘CO2 meeting’ and that automatically contribute to climate change. So that’s one line. But you’re not gonna ask the 3 teams. You need to make a choice. What is the level? You don’t want to repeat this topic again. You don’t want to include necessarily CO2 emissions into details. On the other hand, you do want to have stand is environmental important or not. And What kind of environmental aspect is important? So, you really need to think through those interconnected teams and still make it specific for you to make align your strategy after that. Because you need to be able and I think this is very important, the results should help you to act upon it. They need to be actionable.

Anne:

When you see now, there is direct link between the outcomes of the materiality analysis and our new strategy which is called Impact 24. You can connect all the material topics with action and they are very explicitly addressed in our strategy. So, it was sure an important source as we could use it and we could leverage because in the preparation they find to flight level to be actionable. We have different business, so it’s complicated.

Ilse:

And I really like the way you seeing, you need to balance and find the right fight level, especially the first time you do it. But that first time, you need to make as actionable as possible but on the other it doesn’t have to be a to-do list. But it should also trigger and inspire people. Here, to really say ‘yeah let’s do that, we are understanding what you expect from us!’ And that’s something you really, and I think it was well done by Ageas, thinking ahead of what you’ll do with the results. The biggest challenge is ticking through all the way but really upfront. Have a result where you can do something and really inspire people. And people should be able to recognize themselves in the outcome as well.

That’s why the representative scope or stakeholders are important. And you were talking about the different kind of stakeholders, but I think it is important here to consider to include a representative panel of the different entities around the world. And to make sure that the results are balance. Be sure that the people of Asia or of Belgium are not under represented or overrepresented. And That's why a materiality matrix was not only made the Ageas level, but it was also made per country, and you see differences between countries, even though the most relevant topics were quite the same around the globe

According to you what the SDGs have brought to the business world? What do they represent?

I think the first step Ageas did and this also similar to what happens in the materiality analysis, is to look at out of the 17 goals, which are the ones on which Ageas can have the most impact. Because all of them are of course really important, but which are the ones for the ones that we can make a change, that we can leverage our strength. So, we select out of the 17 10 that are more in line with our activities. Which is the same for the materiality, you select out of all the topics in the world the ones on which we can have the more impact.

And did you select them before doing the materiality analysis?

Ilse:

Yes, before, because it was selected as part of the previous strategic analysis: connect 21. Actually, it was at that moment that they were selected. So, they were already existing but they were challenged. Not during the materiality exercise. But they were challenged during the new strategic exercise.

Anne:

In fact, what happens for Ageas, just to give you some brief context, Ageas, given its past, Ageas were born with a very heavy legacy. Investors, never thought Ageas would have a future. So, Ageas, longer than other companies, had to focus on one of the stakeholders, namely the invertors. So, the shareholder's perspective was probably for Ageas longer strong focus than for others. But with connect 21, our 3-year focus strategy that we start in 2018, Ageas felt we were strong enough, considered as a phoenix that rose out of the ashes of fortis. We are strong companies, well capitalized. We definitely put a stick in the ground, past is the past we are looking to the future and connect 21 was officially the first moment that we officially said we are there for all our stakeholders and we make a pledge for all of them. And in making off this strategy, SDG were endorsed, and it is at that moment Franck together met Ilse, start building the foundation of what we have now today in impact 24. We have a full fletch connect sustainability strategy. But in connect 21 we started to build it and perhaps you could say with a little delay, I'm always impress when I see colleagues who said, 'well we start 10 years ago. And it' s our fifth climate report'. I'm like wohoh, but I hope given our DNA and our background, we are moving pretty fast. So, to close the chapter, we first endorsed SDG within connect 21 and start building that strategy and the foundation of what we have today and the next step was doing a materiality analysis which was the logic. Now to answer your questions, what did the sdg bring? Well, the SDG brought first of all, an inspirational framework. So, in connect 21, it was not a compulsory strategy, it was an invitation to the entire business to endorse the SDGs and to make them an inspirational framework when developing value proposition and services and they were. Because we start on plotting in the SDGs the 3 dimensions on what we are doing internally already for instance, reducing inequalities, what are we doing to include communities in our society, and where are we doing in our product and services. So, we had 3 levels, we plotted all the initiative that were already present or developed in the Ageas world. And that were supporting and impacting positively the SDGs. And it created like, it's a good inspiration. Now today we moved to a stage where things are more structured, formalized. Now we have a strong target. 25% of the premium gross profit have to be, have to come from services that we qualified as SDGs. So, we are passing from a inspiration and a mobilization period to something much more organized. And the SDGs were the first phase and are now our back stone.

And practically, did you use the SDGs during the materiality assessment? During the communication with the stakeholders for instance?

Ilse:

We use it well at the beginning and at the end, to make sure that. It was not directly part of the materiality analysis although, one of the questions you don't see in the annual report yet, was, so we add one questioning there by asking for instance if we are looking to the societal challenges, and then you automatically link it with SDGs as those are the world's society challenges, and then we ask what is your top 3 of which societal challenge is the most important for you, which one we should address first, and then we spoke about mobility, health, … So, if you ask me, did we formally use the word SDG to engage to the stakeholders, the answer is no, but if you ask ‘did you use the sdgs to engage the stakeholders, I also say yes. But we did it a subtile way and not referred to the SDGs.

And so, in an informal way, it is included, but you don’t see the result of that because we kept it internally as it is part of our strategic exercise as a preparation and input for our strategic exercises.

Anne:

And we also mapped them, right?

Ilse:

Yes of course, but that’s for the beginning and the end of the analysis. But in the communication, itself, we did use it in the questionnaire. But not by using the terminology of the SDGs Because them you assume a certain level of understanding of knowledge of your stakeholders, which is not always nice to get if you are a stakeholder. You want to understand the questions without doing any research.

Anne:

Perhaps also good to know that when Ageas endorse the SDGs and select 10 of them, we also translate them into our world with our network in our businesses. We did that analysis of the extensive qualifications of the SDGs and then translated as what do it really means for an insurance business.

[…]

I promise to take 30 minutes and not more, because I guess you have some big schedule or you are busy. So first of all, thank you for your time, just a last broad question, did you have anything to add that could help me in my research?

Ilse:

For me it’s logic to do that in the same way you do your strategic update. Because that make sense to align your thinking about strategic analysis, what do you need to take and at the time your normal strategy, because otherwise, your 2 strategies do not seem to be connected. And I think it is essential that there is only one strategy. It is not a sustainability strategy and company strategy, no no! We have the Ageas strategy. In that way, it makes sense to do it at the same frequency that you do your discussions with your strategic cycle. And in the case of Ageas, that we have all the 3 years, right? It does not mean that intermediately you do not connect to your stakeholders because then you know materiality analysis does give you a broad spectrum of challenges you have to look at. But if you go into details, it does give more in depth inside of what stakeholders want. Because you are not gonna discuss all topics with all stakeholders. You will discuss with your European council the employee related topics. So, take a deep dive in the intermediary years. And then you can go again the 3 years cycle, let's look our impact on the world and how to update it and intermediary you go in-depth with your stakeholders.

Anne:

So we do not need to discuss it but I fully agree with Ilse. I think the materiality analysis, you do not need to repeat it too much because you also need time as a company to implement. On the other hand, I do believe that you need some pulse checks or deep dive on specific topics with specific topics that make sense. And that we still have to take care of.

Advise to you: we are discussing with a company that our advice with artificial intelligence and they would like to use their engine of translating data into creating a more agile way of doing materiality analysis and simplify the first step of collecting and selecting relevant topics which is the most complicated. And they say they out of their data base, they could immediately say, today, in this specific sector, worldwide, this are the teams, and specific for Europe this is what's happening. This new evolution could be something that could be interesting to study and make research on it.

Well thank you for your time.

5. Christophe Delfeld – Head of CSR GRTgaz

présentation + introduction

Petite question pratique, est ce que vous m'autoriser à enregistrer cet entretien afin que je puisse le retranscrire dans mon rapport ?

Allez-y, c'est bon pour moi

Si c'est bon pour vous, on peut commencer, je vous propose de commencer par vous présenter ainsi que d'explique un peu votre rôle au sein de GRT gaz

Donc Christophe Delfled, je suis salarié de l'entreprise GRT gaz qui est une filiale du groupe Engie. Groupe Engie qui est également présent en Belgique si je ne dis pas de bêtise. Et au sein de cette entreprise, je suis directeur RSE et parties prenantes. Donc ça englobe toutes les parties prenantes, j'y suis depuis 2018 avec un passé d'une bonne dizaine d'année dans la stratégie, collectivité territoriale, affaire publique et RSE et puis auparavant, une bonne quinzaine d'années dans le marketing et dans la vente pour tout vous dire. En 2 mots peut-être quand même sur GRT gaz, l'acteur et ce que j'y fait, GRT c'est l'équivalent de fluxys en Belgique. C'est le gestionnaire de transport de gaz. Donc c'est une entreprise de service publique. Notre objet, il est défini par la loi. Et notre métier c'est d'assurer l'approvisionnement en gaz sur le territoire français. Donc ça c'est la mission de départ. Donc on gère des actifs industriels, des pipelines, il y a plus ou moins 32 000 km de pipeline en France, et puis, il y a des stations de compression pour pousser le gaz. Donc notre objet social initial, c'est un objet public, mais vous allez voir que les choses sont en train d'évoluer. Et donc moi là-dedans, en tant que responsable RSE, donc je suis arrivé en 2018, un moment particulièrement intéressant car c'est à ce moment que la RSE à commencer à prendre son envol au sein de l'entreprise. Ma première démarche fut celle de l'analyse de matérialité d'ailleurs. Et puis surtout depuis, on a profité de la loi PAS qui permet de se doter d'une raison d'être dans nos statuts, et donc on a modifié nos statuts justement pour transformer l'objet social très technique en un objet qui finalement devient connecté aux grand enjeux sociétaux et environnementaux, notamment pour que ça prenne en compte les objectifs de développement durable. Donc on a modifié nos statuts récemment et suite à cela, j'ai eu le plaisir l'année dernière de piloter un nouveau projet stratégique de l'entreprise en élaborant un nouveau plan stratégique d'entreprise avec une politique RSE qui accompagne tout ça pour les années allant de 2021 à 2024.

Ok, super, et donc ça fait 3 ans que vous êtes chez GRT gaz ?

Ça fait 3 ans oui, tout à fait.

Ok, parfait, maintenant je vous propose de plonger dans le concept, qui est celui de la matérialité. Si j'ai bien compris vous avez sous-traités l'analyse de matérialité au cabinet de conseil Tennaxia ?

Oui tout à fait, car pour mener une analyse de matérialité, il faut avoir une certaine connaissance, une certaine expertise. Il y a toute une dimension méthodologique, analytique. Donc effectivement jusqu'à présent on s'est appuyé sur le cabinet Tennaxia. Et c'est comme ça que j'ai connu Bertand Desmier de mon côté.

Et du coup pourquoi pour une entreprise comme la vôtre, c'était important de faire cette analyse-là ?

La principale raison, faut la relier au contexte. Il y a à la fois une dimension réglementaire, donc je pense que vous avez des règlementations similaires en Belgique, mais il est devenu obligatoire depuis, je n'ai plus la date en tête mais peu importe, 2018 ou 2019, de produire en France une DPEF donc une déclaration extra financière donc là si vous connaissez, je ne rentre pas dans le détail. Mais qui nécessite une analyse de matérialité pour définir et prioriser les enjeux RSE les plus pertinents etc, et c'est là qu'intervient la méthodologie de l'analyse de matérialité. Mais au-delà de la dimension réglementaire, c'est plus aussi le souhait d'aller un cran plus loin dans la RSE. La RSE ce n'est pas un sujet nouveau pour nous, ça existait bien avant que j'arrive, mais j'allais vous dire comme beaucoup d'entreprise, c'était un ensemble d'obligations, ou un ensemble d'actions plutôt soit réglementaire soit volontaire. Alors étant donné qu'on est un industriel, on a quand même beaucoup de réglementation, que ça soit dans l'environnementale et dans tout un tas de domaine. Par contre, pression de nos parties prenantes, nous on a de la chance d'avoir des actionnaires plutôt de long terme donc qui sont à la fois les actionnaires du groupe Engie, derrière le groupe Engie vous avez entre autre mais pas seulement l'état Français, on a ce qu'on appelle la caisse des dépôts et consignations, qui est un peu une banque d'état et on a aussi CNP assurance qui est une compagnie d'assurance qui investit mais qui est aussi en arrière-plan avec des fond publics. Donc on est avec des investisseurs publiques de long terme qui nous incitent et nous accompagne pour aller plus loin dans nos démarches RSE. Donc j'allais dire, c'est à la fois une pression externe et une question de conformité. Mais j'allais vous dire, le plus important pour nous, c'est qu'on s'est vite rendu compte que c'était la partie émergée de l'iceberg. C'est bien sur intéressant de produire ce rapport avec la bonne méthodologie, mais ce rapport est en fait une incitation, une locomotive pour nous questionner et aller plus loin dans nos démarches RSE. A la rigueur, c'était peut-être ça le plus important, c'est que c'est une incitation au questionnement et derrière à la transformation.

Et du coup, auprès de GRT gaz, qu'est-ce que cette analyse a donné, est-ce que par rapport à cette analyse, vous avez construit une stratégie autour ?

Alors la première analyse que l'on a réalisée qui a démarré fin 2017- 2018, elle était vraiment aussi là pour se mettre en conformité. Elle est arrivée à un moment où on avait déjà une politique RSE qui avait été définie dans un précédent projet d'entreprise qui couvrait la période 2016-2020. Don elle est arrivée en plein milieu. Donc on a fait coexister, en parallèle cette politique RSE qui comprenait une série d'engagement dans le domaine environnemental, social, sociétal, etc. On n'a pas voulu bouleverser tous nos indicateurs donc on est allé au bout de cette politique RSE. Mais par contre on a bien fait vivre cette analyse de matérialité en parallèle et on est venu compléter sur des enjeux qui avait déjà été identifier par ailleurs on est venu compléter notre politique RSE en reportant un certain nombre d'éléments sur lesquels on faisait des choses en lien avec cette première matrice de matérialité. Ce qui est important d'avoir en tête, et ça c'est l'expérience qui nous l'a montré en 2020, c'est que finalement il faut un bon alignement des planètes, des plannings. Et donc là en 2020, on a sauté sur l'opportunité du nouveau cycle qu'on allait ouvrir -2021-2024- pour mener en parallèle l'analyse de matérialité, une nouvelle politique de RSE et un nouveau projet d'entreprise. Le tout basé sur cette fameuse raison d'être qui nous donne cette boussole de long terme. Et donc là on peut retrouver cette cascade qui part de l'analyse de matérialité, qui se traduit dans une politique RSE. Donc elle est vraiment à l'origine de notre politique de 2020.

Et est-ce que vous voyez une amélioration entre les deux politiques, entre la première et la seconde qui est elle basée sur l'analyse en question ?

Je vais vous montrer, ça va être plus simple. J'ai vu que vous vouliez faire le lien avec les ODD justement, on pourra y revenir après car on a effectivement fait ce travail d'identification des ODD pertinents. Mais du coup pour en revenir, Bertrand vous a surement expliqué sa méthodologie, on est parti de la documentation interne, de référentiel.

Par contre du coup je vois que vous utilisez les ODD au début déjà, c'est bien ça ?

Oui tout à fait, alors pourquoi ? C'est vraiment une conviction que j'avis de mon coté car personnellement, j'essaie de participer activement à la RSE en France. Et on voit bien à la fois dans le monde de la RSE et dans le monde de la Finance que les ODD, depuis quelques années, deviennent un référentiel universel. Du coup on a fait un travail avec Tennaxia notamment en 2019 sur ce sujet-là. Et on a fait un exercice d'identification, une espèce de screening de nos enjeux au regard des ODD. Et dans ce travail, on a passé en revue les ODD et les 169 cibles afin de se poser la question en quoi certains étaient ou pas pertinents. Car il est vrai que la formulation de base des ODD c'est d'avantage tourné pour les 2tats et autre. Mais en tirant un peu sur la ficelle et en faisant des interprétations, il y a quand même moyen d'identifier des cibles applicables aux entreprises. Et c'est comme ça que nous avons pu identifier des ODD cœur de métier donc la 7 par exemple. On est transporteur de gaz donc on a un lien direct avec l'ODD 7. Qui est de continuer et permettre l'accès à une énergie propre. Notre métier c'est de faire en sorte que l'énergie arrive chez nos clients à un coût abordable. La lutte contre le changement climatique, on a cette particularité de transporter du gaz qui est un produit fossile. Donc ce qui est terrible dans notre métier, c'est qu'on transporte des millions de tonnes de CO_2 ce qui représente à peu près un quart du bilan carbone de la France, les quantités de gaz qu'on transporte. Il faut donc verdire ce gaz […] Il y a aussi les infrastructures via l'ODD 9. Et finalement, il y a un dernier ODD qu'on considère comme important dans notre métier, c'est l'ODD 17. Qui a une place un petit peu à part. C'est plus un moyen pour arriver à atteindre les différents objectifs. Car on est petits au final, donc on n'y arrivera pas tout seul. Et donc le rôle qu'on se donne, c'est de travailler le plus possible avec la filière en amont, avec les clients, les collectivités locales, … afin de faire en sorte que tout se réalise. Donc on est parti de ça et puis on a identifié des ODD qui sont peut-être plus classiques pour les entreprises, des sujets plus sociaux comme la réduction des inégalités.

Et puis le travail qu'on a fait, c'est que sur chacune des cibles, on a été chercher des éléments de preuves. Ce n'est pas juste cocher le truc. C'est concrètement, en quoi j'ai réellement une contribution à telle et telle cible. Et comme vous pouvez le voir, on en a fait un petit paquet avec Tennaxia pour étayer tout ça. Donc effectivement, quand on a refait notre analyse de matérialité. On avait pré-identifier 3 ODD qui sont vraiment au cœur de notre entreprise, qui sont presque enfaite l'objet social de notre entreprise aujourd'hui. Notre objet social, reste un objet social technique, mais à coté de ça on est venu rajouter une raison d'être, une phrase dans les statuts de l'entreprise. « Ensemble, rendre possible un avenir énergétique sur, abordable. » Dans cette phrase on retrouve l'ODD 9-7-13 et 17. Avec tout ça, ça c'est le point de départ et c'est donc un input de l'analyse de matérialité. Donc une fois que vous faites ça, je vous passe la méthodologie, finalement vous identifier, avant de passer tout ça à la moulinette, des enjeux qui vont se connecter à ces grands objectifs de développement durable. Donc on retrouve des enjeux reliés à l'empreinte environnementale, là c'est ce qu'on vient de voir ensemble, c'est notre propre empreinte carbone. Transition énergétique, c'est l'histoire du gaz vert. Et de toute façon, je disparaitrais si je ne fais pas ça. Et alors ce n'est pas uniquement le carbone, c'est aussi 32 000km de canalisation, il faut imaginer que sur ces 32 000 km fois 10 à 20 mètres de large, vous pouvez plus faire pousser d'arbres. Donc il y a également ce sujet-là qui est important. Il y a aussi la transition juste qui a émergé. Qui vient aussi de l'idée qu'il faut que l'énergie soit abordable. L'ODD numéro 17, on pourrait se contenter de notre métier technique de service publique, mais on va au-delà, on essaye de travailler avec nos clients par exemple sur en quoi le gaz est une solution pour demain.

Avec les ODD dont on parlait tout à l'heure lié à l'égalité des sexes, ici, on va retrouver tout le bloc politique social, le sujet des compétences, la santé sécurité, le bien-être au travail où vous pouvez faire des liens directs avec les objectifs de développement durables. Le sujet de la diversité au sens large, des sujets d'éthiques, …

Et à partir de là on a appliqué scrupuleusement la méthodologie de Tennaxia. On a eu des focus en interne avec des administrateurs, des membres du comex, des experts internes (10), un échantillon représentatif des collaborateurs, et puis des administrateurs salariés. On a aussi été cherché les représentants des syndicats pour qu'ils puissent donner leurs avis.

Et puis on a été vers l'externe, ça c'est la deuxième partie. Donc pour nous, ce qui est important c'est les autorités de contrôle, donc l'administration, la commission de la régularisation de l'énergie, la DGEC, les clients, le conseil des parties prenantes aussi des ONG et des associations et également le monde académique. Et tout ça a amener à une analyse de matérialité où vous retrouvez à la fois des enjeux un peu socles, historique pour l'entreprise, la sécurité du réseaux, santé sécurité des personnes, des systèmes de l'information, la cybersécurité, … Tous les points verts sont les grands enjeux liés à notre raison d'être, la transition énergétique, croissance durable, … Les points bleus, les parties prenantes, et puis les points violets qui regroupent un peu plus le social. Tout ça, ce qui était intéressant c'était de comparer nos 2 analyses de matérialités.

A Gauche (en 2017), vous voyez qu'il y a beaucoup plus d'enjeux et surtout qu'ils sont plus éparpillés. On avait un regard plus hétérogène entre la vision interne et la vision externe. Et on voit la maturité qui a grandit entre les deux exercices car on voit qu'il y a un bon alignement le long de la diagonale, qui montre une bonne convergence de vue entre les parties prenantes qu'on a interrogé et l'interne.

Et est-ce que selon vous le fait d'avoir présélectionné les sujets au préalable, ça a joué sur ces résultats ?

Oui aussi, alors, je mentirai en disant le contraire. J'allais vous dire c'est notre propre maturité. Mais pour la petite histoire, il y a eu deux filtres. Il y a eu en amont on est partis d'une liste, il y en avait 35. On a d'abord discuté avec les experts en interne et le comité RSE. Et on a fait cette première sélection. On est passé à une vingtaine d'enjeu. Par contre on a à chaque fois laissé au partie prenantes de rajouter un enjeu via le questionnaire de Tennaxia disant « est-ce qu'il vous semble qu'un enjeu est manquant ? » Et a priori on a plutôt bien couvert. Mais par contre c'est important de si on ferme un peu la liste, laisser la liberté au parties prenantes de rajouter un sujet qui leurs semble intéressant. Alors on a donc les risques bruts et les risques net. Et ce qui a changé c'est la sévérisassions de la notation de la performance. Que ce soit à l'interne ou à l'externe, finalement, les notations sur la maitrises changent. Donc il y avait des critères pour apporter ces notations. Et dans l'évolution des deux matrices, ce qu'on a vu, c'est tout simplement expliqué par l'avancement de l'urgence climatique, et finalement les enjeux qui sont considérés comme maitrisés ou pas loin de l'être ce sont les enjeux historiques. Vous voyez les enjeux de sécurité par exemple. Mais par contre l’urgence climatique est un enjeu tellement croissant que ce soit nous en interne ou en externe, on se dit qu’il va falloir accélérer parce que l’empreinte carbone ça s’améliore mais il va falloir aller plus loin et alors je ne vous parle pas de la transition énergétique. Il y a que 1% de gaz renouvelables, il va falloir sérieusement augmenter les investissements pour faire augmenter tout ça.

Donc ça fait partie des principales évolutions. Plus de pertinence, plus de convergence entre la vision interne et la vision externe. Et puis sévérisassions. On voit que la RSE Prends de l’importances pour beaucoup de partie prenante et du coup les regards ils sont moins complaisant, il est plus sévère.

Et justement par rapport avec la communication avec vos parties prenantes, lorsque vous présentez ces enjeux, vous les reliez à chaque fois aux ODD ou alors c’est uniquement pour la présélection ?

Non, non. Alors si on se dit les choses sincèrement, il faut faire la distinction entre l’interne et l’externe. A l’interne, le sujet des ODD, ça intéresse, sans être caricaturales, le Comex, et encore. Ça intéresse tous les gens qui ont une fibre RSE. Tout ceux qui ont la fibre ou par intérêt personnel. Maintenant, on est une entreprise industrielle. On a des ouvriers, des techniciens et tout ça pour eux, c’est quand même abstrait et très lointain de leurs préoccupations du quotidien. Donc on fait attention finalement en interne a ne pas trop paraitre technocratique, trop lointain. Voilà si on commence à expliquer au technicien qui fait de la maintenance que ce qu’il est en train de faire, c’est bon pour l’ODD numéro x, ça ne va pas lui parler. Donc à l’interne on l’évoque, on a des articles, on a de la communication interne, on fait de la culturation. Mais on ne peut pas dire que ça nourrit le quotidien. Par contre pour l’externe, oui c’est important. C’est important pour nos actionnaires. Et du coup la politique RSE, comme je disais, on est parti de notre raison d’être, on a fait une analyse de matérialité, et puis à partir des 20 enjeux que vous avez vus, on a construit la nouvelle politique de RSE. Et là ce que vous voyez, c’est la nouvelle, bon elle n’est pas tout à fait finie mais elle sera publique, hein. Donc ça c’est l’engagement qu’on va prendre vis-à-vis de nos actionnaires pour la période 2021-2024. Par contre et pour l’interne et pour l’externe, on est parti de nos 20 enjeux qui ont été retenu et on a essayé de faire quelque chose de plus simple et quelque chose d’un peu plus communiquant aussi. Tout simplement pour susciter de l’adhésion.

Donc on retrouve, 3 grand axes. Un premier où vous retrouvez nos 4 ODD cœur de métier ceux qui sont dans notre raison d’être qui consiste à dire que notre enjeu principal est d’agir pour la neutralité carbone. Il faut qu’elle soit abordable et là vous retrouvez des engagements directement liés aux ODD. Un gros bloc parties prenantes, parce qu’on n’y arrivera pas tout seul, c’est ce que je vous disais, donc on va avoir besoin de nos salariés, nos clients, les territoires, donc là vous retrouvez les ODD sur l’égalité des sexes, et puis notre métier d’industriels, et on retrouve un socle ou chez nous il y a la santé, la sécurité, l’éthique, et puis l’environnement. Et vous voyez on fait le lien avec chaque ODD mais on va plus loin car derrière chaque engagement, vous allez retrouver des objectifs et des KPI. On fait donc le lien avec le projet d’entreprise qu’on a appelé Cap24. Donc c’est aussi pour dire que cet objectifs RSE, il est au centre du projet d’entreprise. Donc il y aura une animation managériale forte pour atteindre cet objectif. Tout ça pour dire qu’on a essayé d’aller au bout de la cascade donc de la raison d’être jusqu’à la politique RSE avec des indicateurs. Et chaque indicateur sera demain une preuve. Derrière chaque engagement, vous retrouverez un pilote qui proposes des initiatives et s’assurent qu’on avance sur ce sujet.

Et du coup au final toute cette politique RSE a été basée sur l’analyse de matérialité faite en amont ?

Oui, c’est elle qui a apporté, qui a permis de débroussailler et de faire la priorisation initiale. On est vraiment parti de ça, qu’importe l’analyse de matérialité pour construire la politique. Donc oui aujourd’hui d’un point de vue méthodologique, est ce qu’on pourrait faire…C’est vraiment un outil puissant. Y compris d’ailleurs parce que finalement, la méthodologie est quand même assez robuste, mais globalement la méthodologie est assez robuste pour avoir donné confiance tant en interne qu’à l’externe, conseil d’administration, … Et du coup, ça facilite les choses. Il y a une certaine logique. On met les choses dans un entonnoir et il y a une logique d’ensemble qui fait qu’u moment de la validation tout se passe bien, et on ne discute pas pendant des heures. Ça apporte du rationnel.

Et finalement juste des petites questions par rapport aux liens entre les deux notions, est ce que selon vous, les ODD dans le processus de matérialité permet une amélioration des consultations des partie prenantes ?

A titre personnel, je le vois. Alors je reviens sur ce que je vous disais tout à l’heure. Pour l’interne hormis le comex et quelques acteurs, tout ça est un peu loin mais c’est surtout par rapport à l’externe. Et c’est un peu ça la force des ODD aussi c’est de devenir un référentiel universel et si demain tout le monde utilise ce référentiel, alors on aura un langage commun. On va pouvoir rattacher nos politiques RSE à ce langage commun et du coup le monde financiers, les associés, le monde associatifs et les ONG, on aura ce langage commun. Et c'est pour ça qu'il faut qu'elle trouve leur place.

[…]

Encore une fois, nous c'est plus pour nos parties prenantes qu'on a ressenti le besoin d'aller sur les ODD que pour l'interne et ensuite effectivement, j'ai le sentiment qu'on couvre toute notre politiques RSE avec les ODD.

[…]

On s'est plutôt poser la question de quels sont nos enjeux et puis après on les connecte. On n'est pas partis des 169 cibles. Car l'exercice est un peu compliqué. Et même dans leur formulation. Il fallait parfois se poser plusieurs fois la question. LA rédaction des ODD n'est pas faite pour les entreprises. Donc là on retrouve une première limite. Des formulations plus orientés entreprises, pourquoi pas.

Et autre question, est ce que selon vous, les ODD dans une analyse de matérialité permettent d'inclure plus de personnes dans le processus ? de rendre ce processus plus inclusif.

Je vois moins spontanément le lien entre les ODD et le fait d'associer plus de partie prenante. Si ce n'est que c'est déjà dans la philosophie même des ODD. Que de finalement suggérer que on arrivera à tout ça dans des logiques collaboratives. La force de l'analyse de matérialité c'est la consultation de ces parties prenantes. A l'inverse de la cartographie des risques. L'analyse de matérialité est moins nombriliste par rapport à une analyse des risques. Là on prend en compte l'importance vu de la partie prenante. C'est là où les entreprises auraient tord de s'en priver. Et c'est là que je défends ce processus parce que ça apporte un regard complémentaire. C'est celui de la perception externe de ces enjeux. Dans ce sens-là, oui.

On arrive à la fin de cette interview, Merci déjà pour votre temps, vous avez aborder tous les sujets que je voulais aborder tout en apportant des données nouvelles.

Je trouve ça toujours intéressant de savoir un peu ce qui se passe à gauche et à droite, donc n'hésitez pas à me partager votre mémoire si vous en avez l'autorisation par après

Okay, pas de soucis, encore un grand merci.

6. Jilde Garst – Researcher at Erasmus Economic school

Julie Dolphijn: Thank you for the time given for my research and my master thesis. First of all, a very practical question, are you okay with the fact that this interview will be recorder and transcript?

Jilde Garst: Yes of course

Thank you, let's now go into the interview. Could you present yourself and explain what your research is about?

Yes, sure. My name is Jilde Garst. I'm a researcher for the Erasmus School of Economics in Rotterdam, Netherlands. I'm in a post doc' currently we're working on a project starting out was related to the SDGs but we move and more into the direction of materiality. And I have a background in corporate sustainability and corporate social responsibility and used to work more on innovation and now moved into the reporting area. So, looking at how firms report on their corporate sustainability and materiality is, of course, a very important decision.

Well, perfect. Because in your cursus you gather the two concepts of my research. So, the SDGs and the materiality. So maybe first of all, I will present myself. Maybe. I'm Julie Dolphijn and I'm in my last year of master's degree as the Louvain School of management and to be graduated, I'm writing my master thesis on the materiality analysis and how the SDGs could be used in this process so, completely integrated in this process, or should they be a help for company, how company are using it in practice? And so that's the global topic of my research.

Okay.

So, if we go deeper into the question, maybe Let's go into the general one. How would you describe the materiality according to you?

Which definition do you want? So, for my research, I digged into the definition. So of course, we know materiality. It's more commonly known in the financial reporting. Right. So, there it stems, in general, in selecting the topics that are important for a firm to record on. So, when the information is material, that means that it's important for the firm to report on it. That's the original definition. Now, that related mostly to financial information and is also used I think for bio-accountancy to see whether a difference between or not a certain amount is material to report on or it's a material difference from reality or something like that. But in my research, I actually look more at the materiality of ESG information. So, we all know that ESG information is often non-financial information, although it can have a financial effect, which we'll talk about a bit later. And so ESG information is very wide. I know from the fact that the World Business Council actually for the sustainable development, looks up how many indicators there are for ESG information, and that's over 1 400. In that case, you can't expect firms to report about 1 400 of these indicators so they need to make a selection. And the selection starts actually on a topic level. So materiality in that sense, comes in saying, well, when is it important for a firm to report on an ESG or sustainability topic or sustainability issue? And they're rolling that issue. And that's why if it's material, they should report on it, and you can look at it from different perspectives. So, there's three common perspectives used in practice. One is overlapping with the other two, but there's two main ones, which is a topic is material when it impacts the firms financial performance, either short term or long term.

And so an ESG topic, if it causes a risk, or is it an opportunity for a firm to expand its market or to go, then it becomes material. That's the financial perspective or the business case perspective, as we call it in our article in our research. So it contributes to the business case, or it's a risk to the business case. The other perspective is the societal impact perspective, and that it's actually phrase, and that's something also related to the GRI definition and the definition of the materiality in the non- financial directive

And that is about the impact the firm has on society. So if the topic represents a significant part of the firm's impact on society, it is material to the firm to report about it. So I have to say inside out perspective, the other ones was outside-in perspective. The third perspective, as we call it, is more the user or stakeholder perspective. So the reader, if you come from and that comes more from the reporting side. So you report for a certain audience, and then audience make decisions based on what you report as a firm.

So if the audience thinks this information is important for the decision making, it is material. What we argue in our articles is that this is actually a derivative from the other two perspectives, because either the stakeholder audience is interested in the financial perspective. So in the business case, then their opinion will be formed by that perspective, or the stakeholder is interested in the societal impact of the firm, which then will take the societal perspective. So the stakeholder perspective, although I used a lot in practice, you see them also used in the matrix, the material, the matrix.

When you come to think about it, it actually a derivative from the other two perspectives and actually makes it. But when we call maybe a bit more intimate, it makes it fuzzier, what we're talking about, which is not good, not good for materiality, I would say.

Okay, well, perfect. Thanks for this good/ broad definition.

I have presented this now at five different conferences, so it's like, all up in my head. We just finished the the world business council document, of course. So that also helps. Yeah.

That's how I found you to be honest. Okay. So you have seen and used all the definition of this concept, but in practice, what all these different definition made for the company? Like, what are the consequences of all these differences? And what is the most difficult callenge for company related to the various number of definitions?

It does not make it easier for firms to report what we see in practice. So we've analyzed over around 500 reports, which over 470 from the top of mind contain the materiality assessment. What we saw is that firms are mainly, of course, the main top definition uses the financial perspective of the definition. The reason for that is because it's very much related to the other assessments. So, there's two reasons. I think we think it's two reasons for that. First of all, it's very much related to their traditional way of thinking of the firm, meaning that it is very much related to their other assessments that do the risk assessment their business case, their strategy, …

Most of the firms are still driven by this need to survive as a firm and therefore financial performance. So it's close to their business. So that's why they use that more prominently. The stakeholders perspective is used as well very much. And that has to do with the fact that we think that has to do with effects that GRI actually promotes it in their standards until this year or so, they came just came out with a new draft document stating something else, but in the previous years, it was also in their standard. So far, it's always been incorporated let’s say, you have to ask your stakeholders. You have to with the stakeholder perspective of materiality. The other reason, by the way, sorry. There was two reasons for financial perspective. The other reason is that festers ask for it. So the SASB uses it. A lot of the other ESG scales rating standards use the financial perspective. Even I think, sustainable now just transfer to using a risk perspective. So there's a lot of Yeah, there's a lot of use of that.

So it's actually the main standard. The societal impact perspective. However, I wouldn't say it's new, but it's very, very little used. And there's multiple reasons for that, too. It is actually, if we look back to the GRI standards, it’s been mention as a perspective materiality since 2006, so it’s not new cause GRI doe refer to it. But there is only one or no one that mention that, before the non-financial directive. So the NFRD also takes up this double materiality to combine the financial perspective and the societal one.

The problem with that social impact perspective what I talk about is how they analyze materiality? It’s very difficult to measure. There is no common method to measure it, there is no standards to measure it, and it is also very …So, for the financial perspective it is very easy because you have money, you have a monetary value even though it is not always easy to calculate at, at least you have a common nominator. For the societal impact, there is no such things as a common nominator for society impact. So, how do you compare the impacts on a rain forest on one hectare of rain forest to the impact it might have on a human life? You can't really compare these things, there is no common measure to compare them. And this makes it very difficult to measure the actual society for impact perspective. What you don't see is therefore that they take derivative to direct measure so, they survey, they ask their stakeholders, what do you think, and then the stakeholder's perspective came back in of course. And this is also the reason why it is so popular.

They do media analysis to find what's happening in the world, what's the media are reporting about and if the media are reporting about, it must be interesting, relevant which we all know there is some lie too. So, there is a lot of difficulties in that aspect. Even when you measure all these perspectives, how do you combine them? That's something about we write in the article and it says if you combine them, you could get some interesting inside but when you analyze it, it does not have to score high in both axes, or just one? That's another questions to answers.

So the biggest difficulties, according to you, about the materiality analysis, is actually the measurement and comparison for companies. What would be another difficulty that this process could occurs for companies? For example, you spoke about stakeholders. Is it easy for companies to identify them and to exchange with them about these topics?

So if you want to do it indirectly, if you want to measure it indirectly, you need to have very clear questions. And you need to one way or another to quantify it. And we know from survey that it is not easy to develop such scale on this topic. So you have a lot of companies that Likely scale going from 1 to 10 or 5. Saying how important do you think it is, there is others that do a ranking.

However, what you've said "identify who's gonna answer you?" Whose opinion is actually valuable or relevant to answer your questions, that a whole different topic. Because what you see, there is a lot of bias in this. Yeah, I would say biases, selection biases. Because answers will always depend on who you ask. Some companies are tending to ask their first tiers stakeholders. So the stakeholders that are close to the firm or that have an interest for the firm or the firm's financial performance. These are employees, suppliers, investors, customers of course. So you selecting those people and you get also the firm perspective if you go closer to the company. These people have an interest in the survival of the firm. However, they might not have an overside of how the firm impacts the whole society. So, a lot of firms intend to interview second tiers stakeholders, Ngo's, governments, stakeholders' groups that are further away from the firm and do not have directly financial impact or financial interest in the firm. How to select? and even within that, even when you select groups, who in those groups are representative of that groups? Who would you be able to question and who would be able to answer, willing to answer you? A lot of this surveys cause companies to them a lot. I get them as well. They suffer from sample size. So if you only interview 15 people, how representative are they? I saw a lot of companies saying in their reports, we interviewed 50 people. And we speak about a huge multinational. How this is representative of the whole stakeholder's population? Even if you only select the first tiers stakeholders. So this is not an easy process, you need to make a lot of decisions and these methodological definitions influence the outcomes. And all these small decisions you make will determined finally your outcomes.

Yes, materiality is definitely a complex and discussed topics

Yes, and this is the practicality, the practical case. We have a whole, I mean another abstract world discussion on dynamic materiality and it's a fascinating topic, definitely but it all ends up with how to set priorities. How the forms set priorities.

Yeah, I prefer to focus my research on the practical use of this term, it is easier to imagine.

That's why we also focus in our article on this practical step because it all comes down to this practical steps. And eventually, like it with this higher question.

Just for you to know, your article will be very useful for my master thesis.

So now let's go on the second topics which is the SDGs. How familiar are you with the SDGs and what do they represent according to you?

Well, the SDGs in general, I was not involved in the discussion setting them up, definitely not, but I had colleagues working and setting them. I watch a bit from the side line that all discussion and that makes me happy because they were definitely developed in collaboration with all type of stakeholders. It does cross also geographical border. Some will say that they are too broads but there is always criticism. At least the goals are global, they do represent societal issues that are there in all countries and all countries contributes to it. And that's why make them very, very nice, a very well representation. They are not complete. There are also issues that are not in there the whole digital security, privacy, that all topics that are not covered by the SDGs I think, it is actually a lack as the animal welfare too. So there a not complete but at least they are reaching, they are close to that.

So, what do they represent? They represent the main societal challenges globally and firms see it that way as well. For them, it is also finally an agreement on what is actually, what are the challenges that needs to be tackle and therefore where we can play a part in. They don't see it as their responsibilities though, So it's not something they could control it too. But they see the general message from the SDGs for them, but for them it is mainly standards, categories that they could actually use to categorize our impact on the society. So, in that sense, they are important.

How practical they are for companies, that' a whole different question

A little question on the use of these SDG in practice thus, how these SDGS could be used in the non-financial reporting? We see that more and more company are using them and so just to see if it can be included in the materiality assessment or it should be only an illustration or whatever?

They can be used in different ways. What we see happening currently in the reporting now is that they are use one as inputs to the materiality assessment so as I said they are seen as representative for the societal need and they are see as inputs. The problem here is of course that the SDG are not ranked. You can't really set a priority based on that but at least they give direction on how to frame the problem, how to see them. The other way that they can be used, after that the materiality assessment is done, is as comparing the sdg's with the results and when we correlated our main material topics, we discover which sdg is important for us.

The 'ideal way', a lot of SDGs related organizations used SDGs or want to use it for companies through the 169 targets they put, would be used in the outcomes of the assessment and indicators similar to GRI or similar to other indicators. That translation is partly done, I think but not completely, and it is very difficult to do that. Because it comes back to what is to prioritize, the specific contribution of a firm to a global cause. So if you take the prevention for obesity for example, what is the contribution of each companies to this? And even for the more obvious companies, so the food companies, still there is a lot of discussion around how to quantify that, how to make targets out of that, how to make indicators out of that. If its not our responsibility.

In your article you reported a seven steps methodology for the materiality assessment. According to you in which steps could be use the SDG before, after or not at all?

So, it used, I would say, in the step “identifying the topics’ then off course it makes sense to introduce the SDG to that. When you have the results to link it. Linking the results to a strategy or to long term goals, then again yes it makes sense. However, the problem is that SDG in between, the SDG are very difficult to use first it call to our individual responsibilities. So what’s the firm responsivities? And the other element, is that it is not about a ranking. So it does not provide you a priority, it provides you with 17 priorities that are all on the same level and these are very broad like topic. And even if the topic is not mention, like the security, privacy or other. Still, you can question whether these topics are not important enough? or because other reasons? So it does not really provide you inputs on how to prioritize.

So now just some brief questions, - In your opinion, can the use of the UN Sustainable Development Goals in the materiality analysis improve stakeholder consultation? (How and why)

Yeah, it does in the fact that it creates a common language. So if you want to talk to stakeholders about sustainability issues, it is very easy now because you can just. refer to the goal you are talking about. So it provides a common language in that sense. It doesn’t open door though it is not because you’re talking about SDG that stakeholders will knocking at your door. But at least it provides a common language.

So it is more a help tool than a principle tool?

Yeah, I think so and since there are now marketing tools and greenwashing tools, I don’t think stakeholders will take you more seriously as a company if you use the SDGs. At least, when you open a conversation, it is easy for them to refer to it.

Second question, in your opinion, would the use of the UN Sustainable Development Goals in the materiality analysis allow for a more inclusive approach to the process?

(How and why)

That depends, whether the SDGs are already integrated. If the firm already has integrated the SDG and everyone know about that, they set for example targets or whatever, then it is easier, but again it is the translation that helps. The translation to why it is relevant.

For the materiality assessment more precisely, I don’t think so. The integration in the company is very much dependent on how it is actually marketed with in the firm and by who it is conducted. Of course you need to see the management, board of directors approved. But it is not the only things. If it is set in a firm as a reporting tool, then it will be only used as a reporting tool. So, if it set as a strategic tool, then you have more change to see as a strategic tool.

It comes back to the purpose, what is the purpose of the materiality and how it is set up in the firm, is it tick box to confirmed or not. Is it only for reporting, make sure that the content is our prioritize or is the firm seeing as something bigger than that? So it is more related to how the sdg’s are set inside the firm

Okay, for this complete solution. In your opinion, would the use of the UN Sustainable Development Goals in the materiality analysis facilitate an "outside in" approach to the process?

It does on certain aspect certainly, but it depends. So, if you take into account the SDG, it means that they are already looking beyond the traditional narrative risk and opportunities. Because SDG are not about risk and opportunities. It does not guarantee that though! So, for example in a lot of reports, there is this link which is made but this link is very superficial (the link materiality-SDG) as I said it is just an input and, in the end, when it’s coming to judging and prioritize, assessing the different topics and their priority. The financial perspective can still rule, because it is like “ok this is what society think is important, these 17 goals and that is what we think is important, so our opinions is more important” So to be very short, in the end if the firm is always only interested in their financial, the SDG will not provide any incentives to not do that.

For the theoretical question, I'm done so thank you very much for your time, if you have any recommendation for my work, I would be pleased to heard about it, or if you have anything to add, just feel free.

[…]

7. Jan Beyne – Phd Student

My master thesis director, told me that your thesis was kind of similar to my work, so at least you are working on it. So that's why I was contacting you. So first, can you please introduce yourself and explain briefly what you are working on?

Yeah. Yes, I am part of Management School. I'm working for the Sustainable Transformation Lab, and I'm also a PhD candidate in sustainability degression or can call it organizational sustainability in the SDGs. And in this sense, I also know Professor Valerie Swean. She's part of my doctoral Commission. And we are working together on several research project with the University of Antwerp, with other management school, and with UCLouvain. And my research project that I'm doing at the Management School and related to my doctoral research is how companies, how organizations are dealing with sustainability. How do they integrate it? How do they cope with materiality analysis? What is the challenge they have indeed, on materiality? What are the benefits but also the downsides of working with the sustainable development goals? How do companies report on sustainability and on the SDGs? What are the benefits of using the SGS or not? Et cetera. So that's very short intro.

Okay, perfect. Thanks. And it seems very interesting. So, you are kind of familiar with the materiality concept, like on a scale to one not familiar at all and five, I understand this perfectly. How familiar are you with the concept and how would you define it? I.

I am I think very familiar with the concept of materiality. And then the next question, how would you describe materiality? I would say when I also interviewed a lot of organizations and working with organizations to define materiality, the most of the time, the companies and organizations use the definition of materiality, and as I associate, is the material or the prior topics related to the stakeholders, the external stakeholders, as well as the topics that have an impact on the business, that are the material topics and, in that sense, working out the materiality assessment and the materiality matrix.

Okay. And according to your research, what were the main challenges and difficulties that company encounter during the process of the analysis, like, or if you have concrete example or whatever, what is it?

Okay, maybe the first thing we did together, as I mentioned, research on the SDG barometer. I don't know if, you know, the Barometer report, but also Valerie Lax, Mortis and I worked on this, and we also defined or we looked at how companies in Belgium do materiality assessment and in which way they are formatting it. So that would be interesting. Also for you to have a look at. Then, of course, when it comes to materiality we are experimenting with, Let's say, using the SGS also in materiality assessment. But maybe first I will answer your question. Your question was really on what are the main difficulties that companies see to execute a materiality assessment? Right?

Yes.

Yeah. I think most companies that are not doing materiality assessment right now is that it is not really asked for. So it's not a specific law that says you have to do a materiality assessment. It's also that a lot of organizations that we are working with see it as a very time consuming as if you want to do a good materiality assessment, you really need to start with the stakeholder mapping to reach out to stakeholders. Is it in a survey? Is it in stakeholder works better and that's time consuming. And also for some companies, it's the first time that they do it. And they are not always very comfortable in reaching out to stakeholders, as it might be that some company's organization are a bit afraid to reach out to stakeholders with their opinion on how they are doing business, etc. I would say legitimate reasons and also reasons of time consuming. And I think also, a lot of organizations are not really aware of the added value of a materiality assessment.

So they start with a lot of positivity and encouragement are sustainability strategy with sustainability goals, but they're working really internally on the sustainability goals and then their vision, but not entirely related to what the stakeholders think. And it's not that they don't want it, but it's their vision or the way of doing or designing a sustainability strategy. And when we arrive, for example, one management school or University or other partners and we say, like the first step to really reach out to your stakeholders is a very valuable step, then some organizations are indeed taking that step to do that.

Because if I understand this well, your article were quite I saw one of your articles that valid want share with me was a draft. It was about introducing the SDG into this materiality assessment. And so therefore, I wanted to know, according to you, what were the links between both and you talk about the fact that a lot of companies were not comfortable to reach out their stakeholders. Is it a link like, can the SDG help company with this factor? Precisely. And if yes, how and would it be as a recommendation for a company to do it?

The article that I'm writing is related to priority setting on SDGs and organizations. And actually we start by working out our researching how organizations if they are doing a Materiality assessment, Yes or no. And then if they are using the SDG materiality assessment, Yes or no. And actually we apply two examples, 1 on Janssens Belgium, Johnson and Johnson Belgium, and one in the province of Antwerp, where we apply a kind of what we call now in SDG materiality method. And with several steps from stakeholder mapping, stakeholder questioning to really looking at the stakeholder dialogue using the SDG, the involvement of managers, we come to what we don't call kind of an SDG materiality matrix. And we actually combined the material topics, the inside out topics, and the outside in topics which are the SDGs. And with this combination, we see the benefits with the two cases that I just mentioned. The benefits of this method is that companies not only look at inside our topics topics that they know about, but also are challenged of other topics. For example. Johnson and Johnson is working on several topics, such as talent development or access to health care or in the investment, public health, etc. When they look at the SDGs, they see new topics arise topics that are global challenges or are translated in global challenges, such as, for example, biodiversity SDG 15. So with bringing in the SDGs in a materiality assessment, we see that it broadens the mindset of the stakeholders of the company, the managers, as well as the external stakeholders. So that are what we see as one of the benefits of using SDG in a materiality assessment.

And according to you, would be, because like, so in my theoritical part, I saw that one of the biggest challenges and you tell it, was to collect and gather the opinion of all the stakeholders, like to know about it in order to make a materiality assessment. And I saw that the SDG was a kind of universal language because it gathers everyone around one

goal. And so, like my biggest proposition, but it's just from the moment personal. Like, I have to test it. But it was like if you introduce the SDG into the material analysis, it could help company to just gather the opinion and reach out all their stakeholders as it is kind of the same languages. And it could help. Is it according to you, something that it could be possible?

What do you mean with the same languages between stakeholders all over? Or like, if you do a materiality assessment in an organization which to speak the same language.

Like the SDG is common for the investor, for the society, for the customer, like for all the stakeholders. And so it would be like a common point for everyone.

That definitely seen as a big added value of you that organizations speak the same language with the SDGs also worldwide. So if you're working with a company that have multiple, Let's say, factories or organizations worldwide, then you can reach out to several stakeholders and then the SGS can help in it come a language. On the other hand, you see that various stakeholders have various interpretations of, for example, one SDG, when it comes to no poverty, one stakeholder can interpretate to one more related to, let say, Yeah, the real core topic of poverty and other stakeholders can see the topic of poverty, which is a very broad topic in another dimension.

So that then maybe the downside. How can you translate the SDGs into your own context? Because people do that. Otherwise, it's a bit too holistic. Let to say.

A more broaden question now, General question, like, what are the benefits for a company to use these SDGs into their non-financial report? So you already say that it allowed them to have a more broaden view. But is there other advantage for a company to use it? Yeah. The other well, I think.

And there I follow my colleague Professor Lax Moratis, materiality these days, when companies use materiality, it starts with a perspective from the organization itself. So, it gives priority or it sets priorities on sustainability issues that are relevant for the own organization. But actually, sustainability asks for a different way of thinking. What I mean with that is a materiality assessment should be a goal in itself. It should not be a sustainability asset. It should not be investment to create extra economic value. And that is correctly the reason that we need to think and see difference towards materiality to really look at the relevant sustainability priorities that are important for our society.

So not really related to a specific organization, but we need to think about materiality when it comes to this prior topics or metric. Material topic sustainability topics that are prior are important for our society and those sustainability topics. We cannot detect them by only thinking in the business-as-usual way. So that's why I believe in some of my colleagues as well. That the SDGs can be an added value.

And so they have to add up, like a more outside in approach to just like, the environment and everything outside. And right after with all your strategy according to this.

Yeah.

Okay. So actually, so my problematic of my research is that, as you maybe know or surely know, like, there is this new European directive that have been adopted on the 21 of April, and the new directive required that all the company include in their non financial report a materiality assessment. And in addition, they have to explain how they did it. So company would have more and more pressure to make this assessment as it would become requirement from the European Union. So here I have some general questions and you just have to answer according your own opinion. So, the first one, you already answer to it. So the second one would be like according to you, with the use of the UN sustainable development goal in the material analysis, allow for more inclusive approach to the process. It will help them if we help company to include more of their

people or more of their Department. And it won't only stay on the sustainability Department.

I believe. And also hope Yes.

Okay.

That I cannot answer. It will also depend on how an organization really sets up the materiality assessment and how deep are they going towards involving stakeholders and with stakeholders. I also mean internal stakeholders to design the materiality matrix.

Okay. So the key factor is definitely the stakeholder, right?

I think the more inclusive you are in detecting the stakeholders, the more interesting your materiality assessment will be also in line with the SDGs, of course. But Yes, SDGs can definitely help to make it more inclusive because you will talk about more than only environmental topics. You will also include the whole dimension of the people, the planet, the prosperity, the peace, and the partnership.

Okay, but according to you, it wouldn't be too negative to search too many stakeholders because, like, it's very time consuming, and it cost a lot. And so even for a company like having the stakeholder is good. But is there searching for too much stakeholders? Is it, like, a negative side of this research or not?

With involving many stakeholders? I really mean, the key stakeholders. And that's why a stakeholder mapping is very important. First exercise, I believe when we do the exercise, we use the framework of looking for legitimate, urgent stakeholders. So really detecting can also work with power and interest metrics to really define or map who are your stakeholders and in this stakeholder’s group who is interesting to have the opinion for a materiality assessment.

And of course, there you don't have to reach out to 100 or 500 stakeholders, but really detecting the relevant stakeholders for your materiality assessment.

Okay. And last question about the content, according to you, with the use of the UN sustainable development goals in the materiality analysis. **Facilitate an outside in approach instead of the typical inside out that company.**

Yes. Yeah. We did an assessment also for the Bel 20 companies.

Okay.

And we see that 90% was of these companies do a materiality assessment already or we see it on a website or in there reports, but only three of them really make strong use of the SDGs. The others are also reporting and communicating about the SDG, but it's not sure if they really we worked with these in materiality assessment. So, Yes, I truly believe that if organizations using a combination of the two; not only the outside in approach, but also the inside out approach can really benefit from it.

Fine. So now, a closing questions, So is there anything that we would add to this interview that could be relevant to my research? Like, I don't know, like something relevant that you saw during your research or something that I could even or whatever.

When I start. Also, when I'm doing research. Now, what I think is interesting is, the SDGs are now becoming more well known, but we see definitely in Belgium, we have a lot of SME at the small and medium enterprises, and when they are taking the first steps into sustainability, they are doing some actions on sustainability. Sometimes they have a strategy or a vision on sustainability, but it's not that they are always that structured and materiality assessment can help with that. But an interesting part of your research can be, how can we persuade or what are the factors that determine also to look at smaller and medium enterprises on materiality?

So that's something I didn't research yet. So how do they look at materiality assessment? Smaller medium enterprises? Another part is I looked at in as a barometer report as well. On are organizations using materiality Yes or no. And do they use the SDG? Yes or no? And now the next step is also, what are the ideal determinants when companies use the SDG in materiality assessments? And in my latest article, the one I think that was also shared by following to you is that I detected through interviews three main or overall determinants for adopting the SDG materiality assessments.

And the first one is external forces and that relates to other stakeholders are using the same language. So using the SDG as a reference, you can comply with, for example, customer expectations. So that's one second 1 is on organizational characteristics, which means that the attitude of a company's management towards the SDGs can be an influence on the adoption of the SDG materiality assessment. And third, the feature or the features of the SDGSs and the Agenda 2030 itself. It is a very powerful agenda. The respondents that I interviewed felt that the legitimacy of an Agenda 20 30 by the United Nations mattered a lot.

And I see it as really as a legitimate framework for sustainability in line with the Global Reporting Initiative, also to report on their sustainability issues, etc. So that's why the SDGs gain importance. So maybe if you could focus on your research on, first, smaller organizations, how they are dealing with sustainability materiality assessment. And Secondly, organizations are starting to use the SDGs in materiality assessment. But what are the specific determinants? Why do they do that? And I just had an overall snapshot and the three determine that I just said are just one thing. I'm sure that with further research we can find some more information about it.

And do you have some context of company that are using actually the SVD in their materiality assessment do like in their sustainability report? It's easy to find their materiality assessment, but it's more complicated to understand it.

Yeah. And are you searching for international companies or Belgium companies or like.

[…]

Yeah. The two companies that I put forward in my latest article are Johnson and Johnson Benedict. The Johnson Belgium. They are operating in Belgium and we are working with them and Materiality assistant. And the second one is the province of answer was doing something similar. I'm also thinking about an organization that I worked with, the Royal Belgium Football Association. So the RBA, when you look on their website on sustainability, you find also their latest report and materiality assessment with the SDG and E from the Bell 20 companies.

So the bigger ones that we researched in the barometer to think of having looked at it, I'm saying the right thing. You have ideas. You have Colruyt Group and WDP. These are the three companies that we detected. They use the SDGs as a guide for their materiality assessment. It's not that they fully integrate or adopt the materiality assessment that they see it as a guide. But of course, we didn't interview these company specifically. So it might be interesting for you to a step further.

Perfect, thank you for your time