

# MATERIALITY FUTURES

joining sustainability to business strategy



A Fronesys Report



### 3. Researching materiality

The companies selected for inclusion in this research were identified using:

- CorporateRegister.com
- Framework:CR materiality analysis
- Internet search engines

Although many companies respond to GRI indicator 3.5 and say they use a materiality determination process, relatively few disclose much detail on either the process or the determined level of materiality for individual sustainability issues. The companies reviewed in this

report represent the exception and were chosen because they met the following three inclusion criteria:

- A published materiality matrix
- At least three degrees of granularity per axis
- Individual issues identified and positioned on a matrix

The review is based on sustainability reports published before 1 August 2011 and only considers information in the public domain.

Company	Report Year	Sector	HQ	GRI
Allianz	2009	Financial Services	Germany	G3 level B
AT&T	2010	ICT	USA	No
Ball Corp	2010	Packaging	USA	G3 level B
Bayer	2010	Chemicals	Germany	G3
BMW	2008	Transport	Germany	G3 level B
Cisco	2010	ICT	USA	G3
Daimler	2011	Transport	Germany	G3
Danisco	2010	Food	Denmark	G3 level A
Delhaize	2010	Retail	Belgium	G3 level C
Deutsche Telekom	2010	ICT	Germany	G3 level A+
ENI	2010	Oil and Gas	Italy	G3
EON	2010	Power Sector	Germany	G3 level B+
Fraport	2010	Transport	Germany	no report
Ford	2011	Transport	USA	no
Friends Life	2010	Financial Services	UK	no
Intel	2010	ICT	USA	G3 level A
L'Oreal	2010	Cosmetics	France	no
Ontario Realty	2007	Property	Canada	no report
Petrobras	2009	Oil and Gas	Brazil	G3 level A+
Rio Tinto	2006	Mining	UK	G3 level A+
Salzgitter	2009	Steel	Germany	G3 level B
SAP	2010	ICT	Germany	G3 level A+
Siemens	2010	Engineering	Germany	G3
Staples	2009	Retail	USA	G3 level C
State Street	2009	Financial Services	USA	G3 level B+
Symantec	2009	ICT	USA	G3 level B
TUV Rheinland	2009	Technical Services	Germany	G3 level A
Vodafone	2011	ICT	UK	G3 level B+
Volkswagen	2010	Transport	Germany	G3 level A+
Westpac	2010	Financial Services	Australia	G3 level A+
Wipro	2010	ICT	India	G3 level A+

Table 1: Companies covered in this report.

## 4. Results

Each company was assessed against its materiality matrix and associated narrative. As many of the individually identified sustainability issues were included as possible. At times a degree of interpretation was needed to correlate issues between companies. If the meaning of an issue was not clear it was excluded. Self

evident factors such as the commercial success of the business were also excluded.

Because of their inter-connectedness, the results are first presented in this section and then interpreted and discussed in the following section.

### 4.1 Axis Labels

All the companies assessed aligned one axis to the company and the other to its stakeholders. In most cases the horizontal axis related to the company and the vertical to its stakeholders. The exceptions to this

rule were Daimler, ENI and Wipro who presented the axes around the other way round. Table 2 lists the specific terminology used for the axis labels.

Company	Company Axis	Stakeholder Axis
Allianz	(Potential) Impact on Allianz	Stakeholder concern
AT&T	Influence on business success	Importance to stakeholders
Ball Corp	Current or potential impact on Ball	Significance for Ball from external stakeholder's view
Bayer	Importance for Bayer	Importance for external stakeholders
BMW	Relevance for BMW group	Relevance for stakeholders
Cisco	Importance to Cisco	Importance to society
Daimler	Importance for the company	Importance for the stakeholders
Danisco	Impact on Danisco	Level of interest to stakeholders
Delhaize	Importance to business	Importance to stakeholders
Deutsche Telekom	Relevance for the company	Social relevance
ENI	Significance to ENI	Significance to stakeholders
EON	Relevance to EON	Relevance to stakeholders
Fraport	Relevance for Fraport	Relevance for stakeholders
Ford	(Potential) impact on Allianz	Stakeholder concern
Friends Life	Impact on company	Stakeholder concern
Intel	Impact on Intel's business	Importance to multiple stakeholders
L'Oreal	Relevance to L'Oreal	Stakeholder concern
Ontario Realty	Business impacts	Societal interests
Petrobras	Relevance to company	Relevance for stakeholder
Rio Tinto	Internal	External
Salzgitter	Relevance to Salzgitter	Relevance to Salzgitter's stakeholders
SAP	Potential impact on SAP business	Importance to multiple stakeholders
Siemens	Importance for Siemens	Importance for our stakeholders
Staples	Impact on Staples	Stakeholder concern
State Street	Importance to business	Importance to internal stakeholders
Symantec	Impact on company	Stakeholder score
TUV Rheinland	Relevance for TUV Rheinland	Relevance for stakeholders
Vodafone	Influence on business success	Importance to stakeholders
Volkswagen	Importance for business success	Stakeholders' expectation
Westpac	Impact on our business	Level of concern to our stakeholders
Wipro	Relative relevance to Wipro	Stakeholders' interest

Table 2: Range of materiality matrix axis labels

The most commonly used axis labels include:

- Concern to ...
- Influence on ...
- Impact on ...
- Importance to ...
- Relevance to ...
- Significance to ...

of this report, the respective company and stakeholder axes have been taken as equivalent for all companies.

A few companies including Allianz, Ford, Friends Life and Volkswagen make reference to a third dimension related to the ability of the organisation to influence the outcome of the issue in question. Fraport also considers the 'intensity of discussion'.

Although a variety of terminologies have been used, the underlying meaning is the same, and for the purposes

### 4.2 Process Inputs

Based on published information from the 31 companies in the study, it has been possible to evaluate the range of constituencies used to evaluate the level of significance along both the stakeholder and company axes, shown in figures 2 and 3 respectively. In the main, companies disclose much more detail about the

stakeholder inputs than the internal company process. For example, figure 2 identifies nine stakeholder communities referred to by at least ten companies, whereas figure 3 shows a paucity of disclosed company inputs with just one input (management / experts) being mentioned by more than three companies.

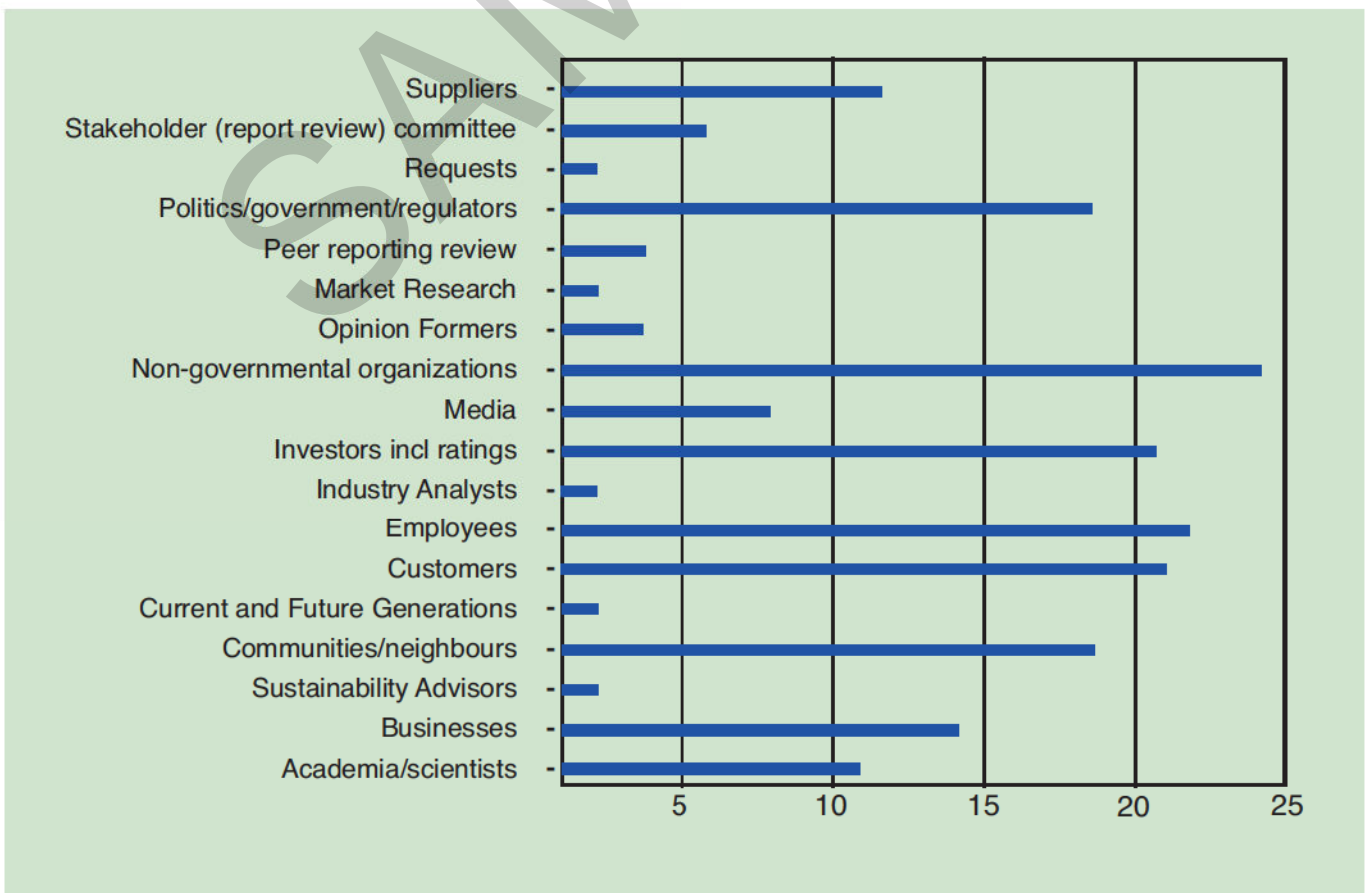


Figure 2: Disclosed stakeholder inputs