

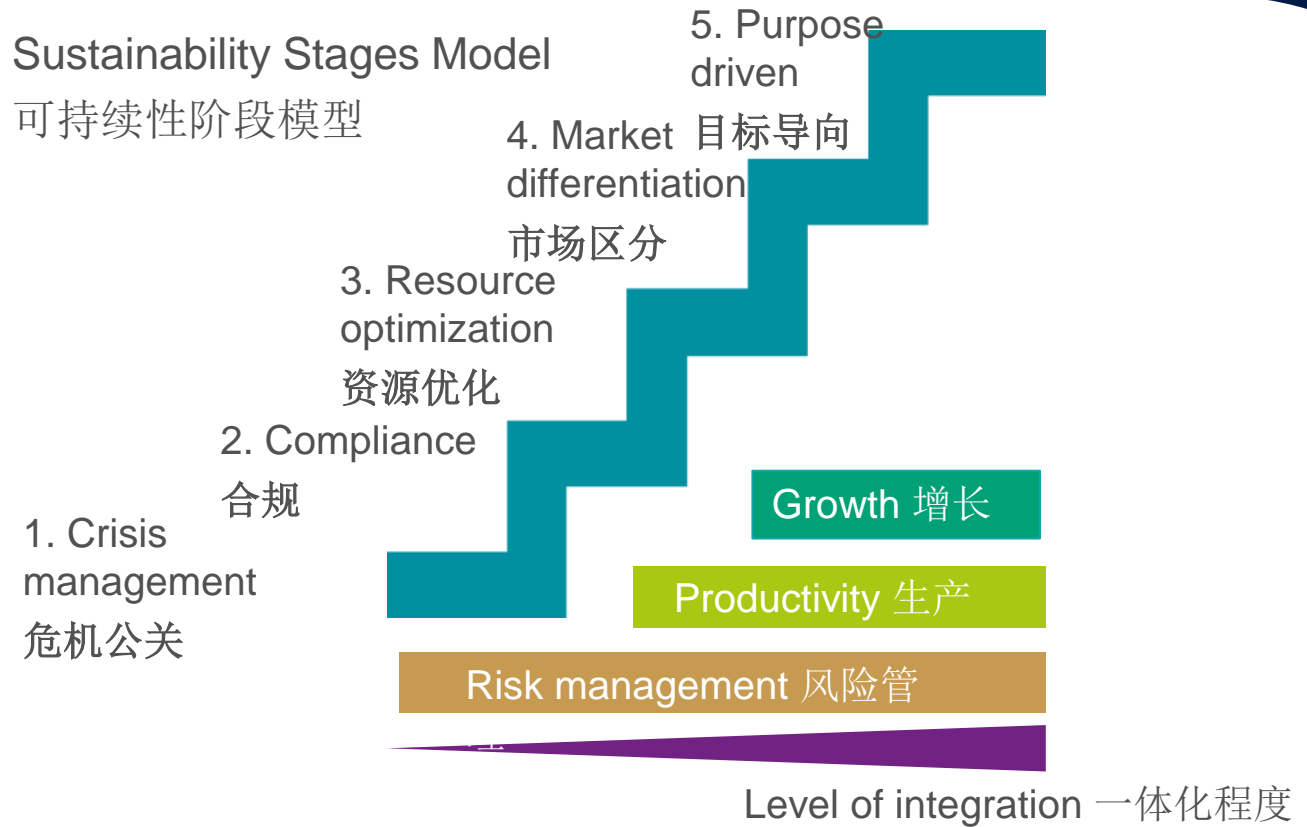


## **Prioritising Sustainability**

### **ACGA Conference**

Yuan Yuan, Head of GRI Regional  
Hub China  
Beijing, November 13, 2018

# How sustainability integration creates value 可持续性一体化如何创造价值



*Introduction to functional integration: Roadmap for integrated sustainability, UNGC, 2015*

# How sustainability integration creates value

## 可持续性一体化如何创造价值



Integration level	1.0 Operational	2.0 Strategic	3.0 Integrated	4.0 Social Purpose
<b>Focus of integration</b>	Operations	Corporate strategy	Governance and management	Core purpose and business model
<b>Philosophy</b>	“Sustainability saves money and improves compliance”	“Sustainability helps us achieve our corporate priorities”	“Sustainability is a factor in how we manage the company and conduct business day-to-day”	“Our vision of being a sustainable company determines our corporate priorities”
<b>Relationship to strategy</b>	Sidelined	Component of corporate strategy	Component of all business plans	Central to/inseparable from corporate strategy
<b>Leadership</b>	Sustainability manager	Chief sustainability officer	Executive committee	CEO
<b>Marketing</b>	Paid advertising tells the story	Earned media/cause marketing tells the story	Customers tell story	Everything you do tells the story
<b>Timeline</b>	<1 year	Multi-year	Medium term	Long term
<b>Business value</b>	Good will and cost savings	Reputation and benefit growth	Profitability and risk management	Long-term viability and value creation

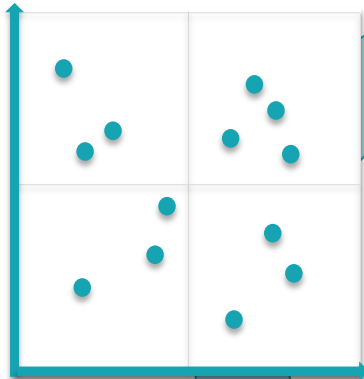
*Integrating Corporate Responsibility into Your Corporate Culture, The Conference Board*

# Reporting and sustainability integration

可持续性一体化与可持续性报告



**Materiality analysis**  
实质性/重大性分析



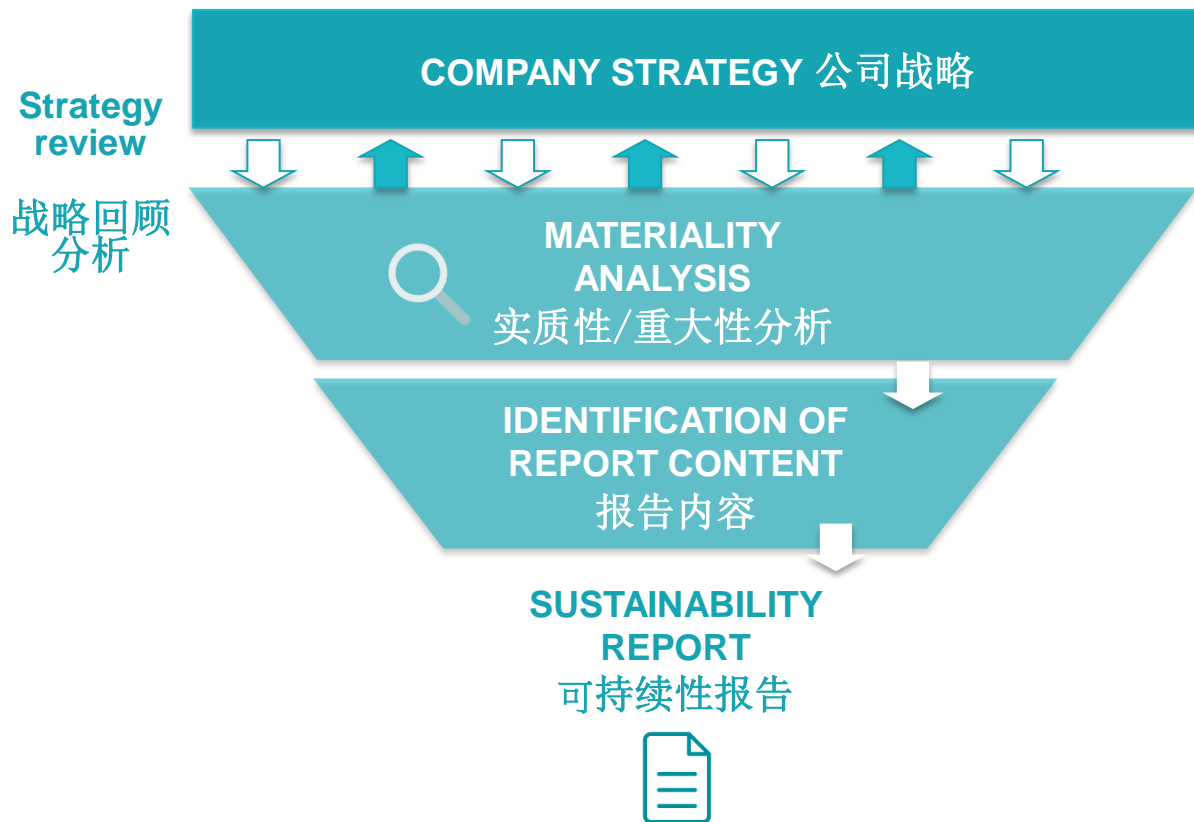
**Business strategy**  
商业战略

- Market opportunities
- Strategic objectives
- Strategic roadmap
- ...

**Business model** 商业模式

Value proposition	Operating context
Activities	Risks
Differentiation factors	

# The transformative power of materiality 实质性/重大性分析的变革性力量





### HOW IS MATERIALITY CHANGING COMPANIES' SUSTAINABILITY REPORTING AND MANAGEMENT?

实质性/重大性分析如何改变公司的可持续性报告和管理？

- Reflect on the link between materiality and corporate sustainability management; 实质性/重大性分析与企业可持续性管理的关系
- Explore the benefits of materiality analysis for strategy and risks management; 实质性/重大性分析对战略和风险管理的益处

# Materiality: the current landscape

实质性/重大性分析：目前的现状



## BENEFITS

益处

The main benefits of a materiality analysis are:

- Sustainability reports can focus on the topics that matter most. 报告可以聚焦最重要的影响
- Management is able to focus on the most strategic issues. 管理可以聚焦最具战略意义的议题



### **A common missed opportunity**机会错失:

The outcomes of a materiality analysis are often not reflected in the content of an organization's report.

机构的报告中通常找不到任何实质性/重大性分析的结果

# Materiality: the current landscape

实质性/重大性分析：目前的现状



82  
%

WBCSD members that have disclosed they use a materiality process.

WBCSD成员披露了实质性/重大性分析流程

**(2013: 57%)**

30  
%

WBCSD members that have applied materiality to determine the content of their reports.

WBCSD成员应用实质性/重大性分析过程确定报告内容

**(2013: 12%)**







74%

agree that management tends to view sustainability risks as **less likely** and **less impactful** on a company's performance than financial risks 同意管理层倾向于认为可持续性风险相比财务风险来说，影响更弱。

89%

agree that **failure** to manage sustainability risks could have **significant impacts** on a company's financial performance 同意如果没能管理好可持续性风险将会给公司财务表现带来重大影响。

# Sustainability in risk management and risk disclosure

## 可持续性风险管理和风险披露



**72%**

of surveyed WBCSD members agree that, in general, companies are not adequately disclosing sustainability risks to shareholders. WBCSD受访成员认为普遍来看公司没有充分地向利益相关方披露可持续性风险。

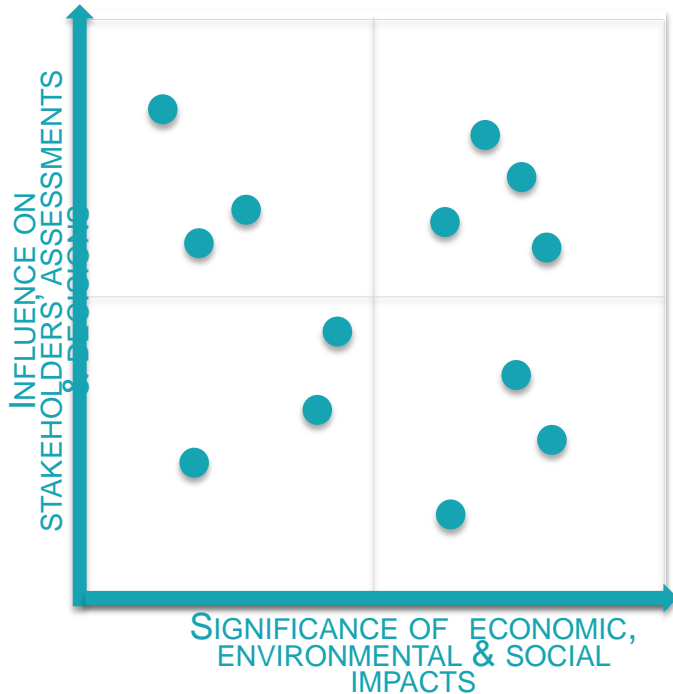
**70%**

of surveyed WBCSD members agree that risk management practices do not adequately address sustainability risks. WBCSD受访成员认为目前企业的风险管理实践并不能足够回应可持续性风险。

# Risks and the materiality assessment



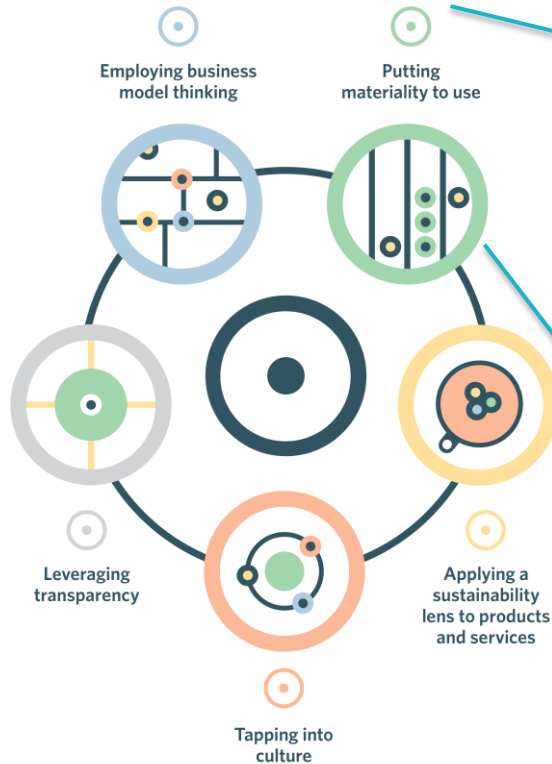
## Risk and materiality 风险和实质性/重大性



Risks can play a role at two levels 两个维度:

- **Input:** risks inform the materiality assessment  
• 输入：风险指导评估
- **Output:** material topics are used to inform risk management  
• 输出：评估结果（议题指导风险管理）

# The transformative power of materiality 实质性/重大性分析的变革性力量



## Putting materiality to use 实质性的应用

A materiality analysis allows a company to embed sustainability issues into its core business strategy.

To improve strategic focus, companies should:

- Focus on a narrow set of issues
- 关注更少的议题
- Act on the key issues
- 对关键议题采取行动

# Risks and the materiality assessment: case study 风险和实质性/重大性评估案例分析



## Material topics 议题



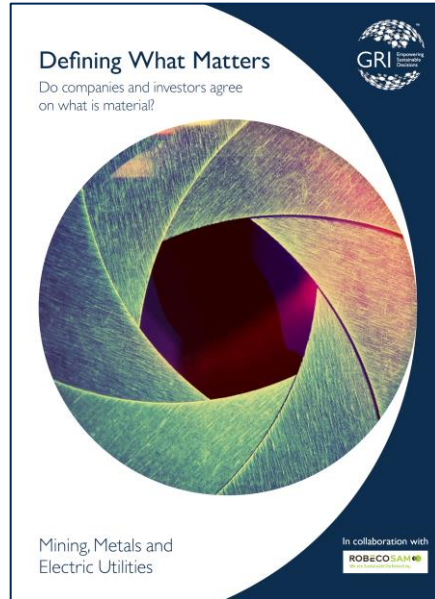
## Risks 风险



Validation by Sustainability Leadership Team + sign off by the Board  
由可持续性领导团队验证 并有董事会签字

# Useful resources on materiality

## 有关实质性的文献资料



Defining What Matters:  
Do companies and investors  
agree on what is material?  
Mining, Metals and Electric Utilities  
2016



Defining Materiality: What  
Matters to Reporters and  
Investors  
Technology Hardware & Equipment  
and Banks & Diverse Financial Sectors  
2015

# Thank you



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