

# Workbook B: Identifying priorities through a Materiality Assessment

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## **Workbook B – Identifying priorities through a Materiality Assessment**

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# Materiality Assessment

A materiality assessment helps to prioritise the areas that an organisation should consider first. It should be carried out in a collaborative manner and help to maximise the impacts your organisation can achieve. The Sustainable Development Assessment Tool (SDAT) should be the starting point for developing a focused and relevant SDMP. The tool can highlight areas where there is strong progress, where more improvement is needed, or those that are not applicable. If you are reviewing an existing SDMP, the learning from the process can be used to feed into future priorities within the materiality assessment. In addition, the not applicable answers in SDAT are similarly significant when undertaking a materiality assessment.

A materiality assessment should help your organisation to **PREPARE**:

- **Prioritise:** maximise your impact, prioritising the use of your resources (time, money, human resources, natural resources and stakeholder capital) to effect the biggest change
- **Rationalise:** streamline your SDMP, emphasise relevant and necessary points – avoid writing 500 pages which are likely not to be read by busy executives
- **Evaluate:** evaluate your current situation, areas which need development (both in the short and long term) and set aspirations for the future
- **Present:** develop the structure/outline of the sustainability section in your annual report
- **Adopt:** work with stakeholders to ensure impacts are assessed and actions adopted
- **Relate:** make your SDMP meaningful to staff, the board and other stakeholders
- **Engage:** involve relevant stakeholders in carrying out the materiality assessment to enable them to appreciate the importance of sustainable development in health – the materiality assessment is an engagement tool in itself

# How to Undertake a Materiality Assessment

The key steps to follow:

**Step 1** - Develop an inventory of impacts and issues, grouped into themes and assigned to relevant stakeholders who act as owners. These are likely to be similar to the points identified in the SDAT modules and cross cutting themes or the Sustainable Development Goals.

**Step 2** - Identify and approach individual stakeholders to help with the materiality assessment. Consider running workshops, or utilising the people you engaged as part of your SDAT assessment to gather critical data and input

**Step 3** - Use appropriate questions to examine how relevant (material) the issue is; assess the possible impacts and select priorities for improvement.

Suggested questions could be:

- a. What is the scale of our organisation's impact (positive and negative across the environment, social and financial)?
- b. What is the scale of our organisation's influence in managing this impact? or
- c. How does this impact link to our organisation's overall aims and objectives?

The idea is that the stakeholder group convened in **Step 2** can help assess the impacts identified in **step 1** and help develop solutions to the questions raised in **Step 3**.

In order to prioritise your issues, list your responses on a scale; suggested scale is 1 to 9, where;

- 1 – 3 represent a low impact
- 4 – 6 represent a medium impact and
- 7 – 9 represent a high impact

Once scored, the impact areas can be presented in a table or matrix format. This makes it easier to identify and communicate the areas presenting most risk to your organisation. An example of this can be found below and an excel tool can be found in Annexe B to support creating a matrix/graphical output.

Below are a few tips for carrying out your materiality assessment:

- Focus on addressing the issues that are most relevant to your organisation, and in which your organisation can have the most impact. For example providers may focus more effort on reducing their energy and resource use. Whilst commissioners may focus more effort on increasing local employment opportunities and through its commissioning activity it may be able to deliver

significant social, health and environmental outcomes for the local community

- Prioritise effectively. Not everything can (or should) be a priority. This will help you understand which interventions might yield the most benefits, or might present the greatest opportunity. You should be decisive when evaluating each material impact so as to establish the areas of focus and make this exercise worthwhile.
- Ensure the process is flexible and iterative. Your organisation is likely to be dynamic, and so the assessment should be too.

# Materiality Assessment Matrix

There are various methods to develop a materiality assessment – typically using a sustainability working group or other group is a good place to start. Using the collective insight and views of a group provides a broad organisation wide perspective.

Applying the assessment to the 10 SDAT areas and the 3 cross cutting themes of Core, Supply chain and Community will help you make best use of the SDAT resource to the develop your action plan.

The key impact question to ask in this assessment is *'How much impact does our activity have on human health?' (local or global).*

As an activity draw your matrix on a large white board or flip chart and write your themes on post it notes working with your group place each theme on the scale of impact and influence.

Then draw a curved line across to capture the most relevant themes for your organisation, using these areas to focus on when writing your SDMP. Other areas can be mentioned, but the areas are material to the success of your organisation and address your largest impact therefore focusing on them helps drive progress.

Below is an example for a NHS Community Trust – who have significant volumes of care delivered in the community, do not own any of the vehicles used for business mileage, they own the majority of their estate, do all their FM/Procurement in house and have no major capital development plans or needs.

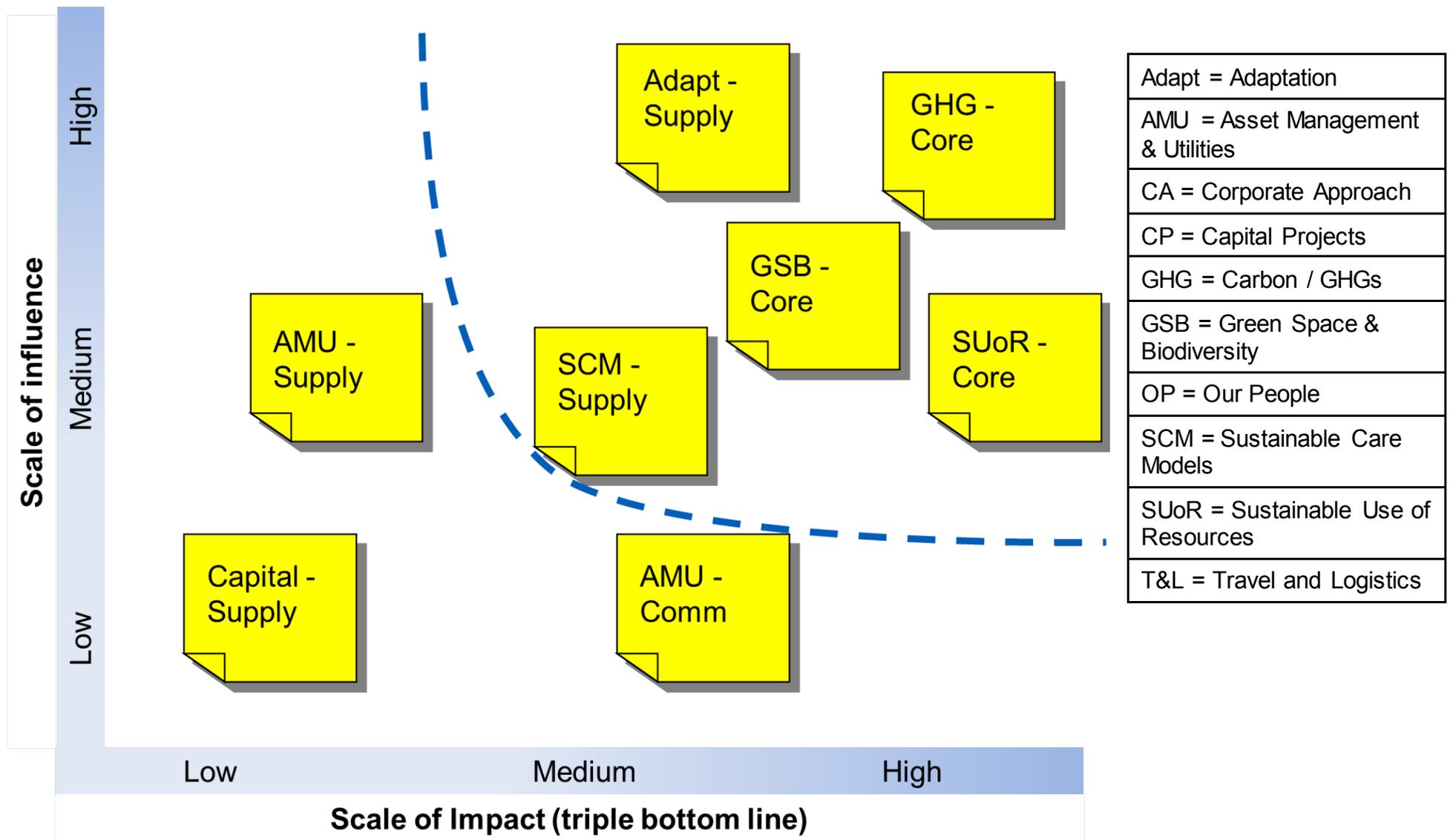


Diagram 1 – Example workshop materiality assessment

Choose an item.

### Example Community Trust - Materiality Assessment

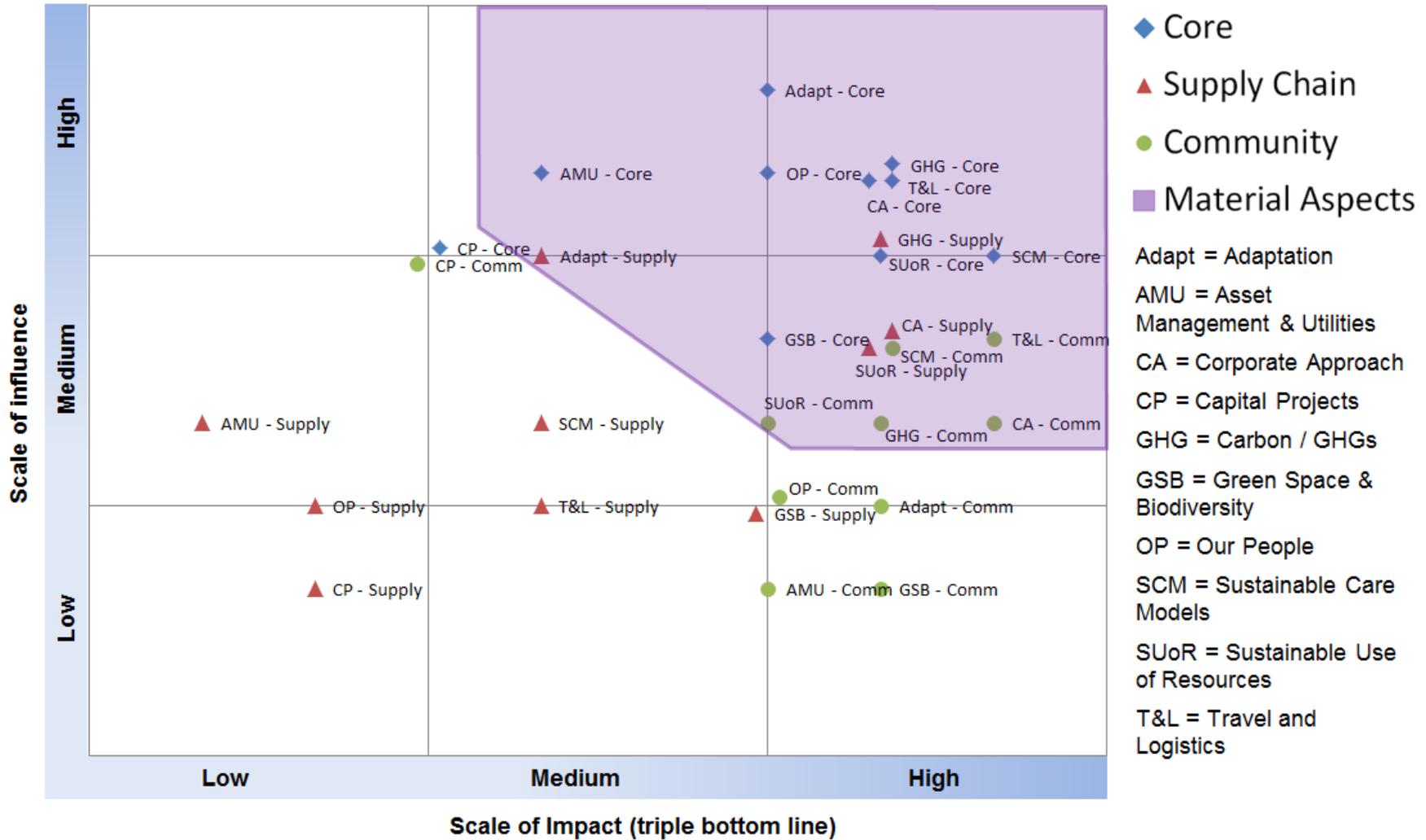


Diagram 2 - A formal presentation of a materiality assessment

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