



We create chemistry

## Materiality Assessment using a digital stakeholder engagement process

EASP/VNU-Webinar

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# The world is rapidly changing, stakeholders' visibility and demands are increasing...

## Communicative Landscape



Faster and more dynamic voicing of stakeholder demands

## Industry Environment



New dynamics in industry enabling trends to arise more rapidly

## Regulatory Arena



Constantly evolving ESG regulations including those re-defining materiality

## ...and shaping future sustainability topics

# The materiality assessment is about identifying the ESG topics that matter most to our business and our stakeholders

Conducting a materiality analysis :



ensures a focused sustainability approach to guide corporate processes and corporate reporting



provides a basis for long-term success by raising awareness for stakeholder needs and changes in their perceived importance of sustainability topics

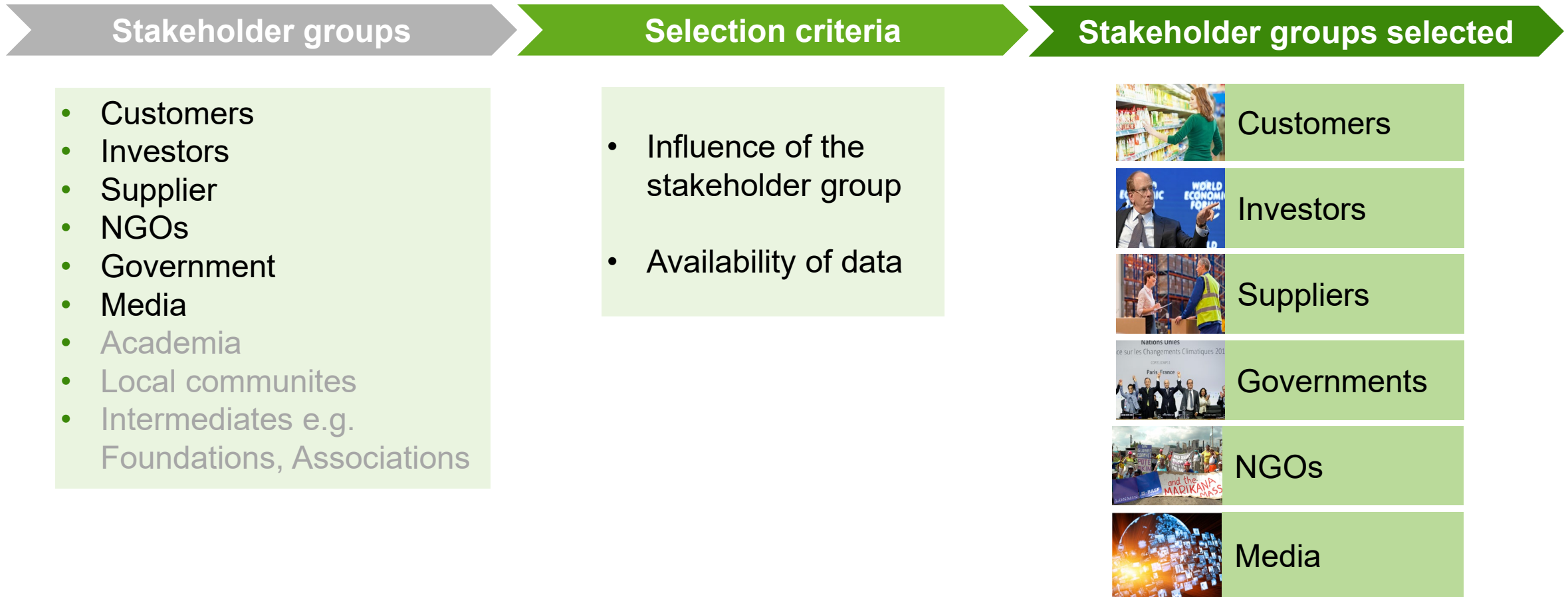


is a key element of sustainability reporting frameworks (e.g. GRI) and regulations (e.g. CSR-RUG)

# We can better identify key topics by combining traditional and innovative ways

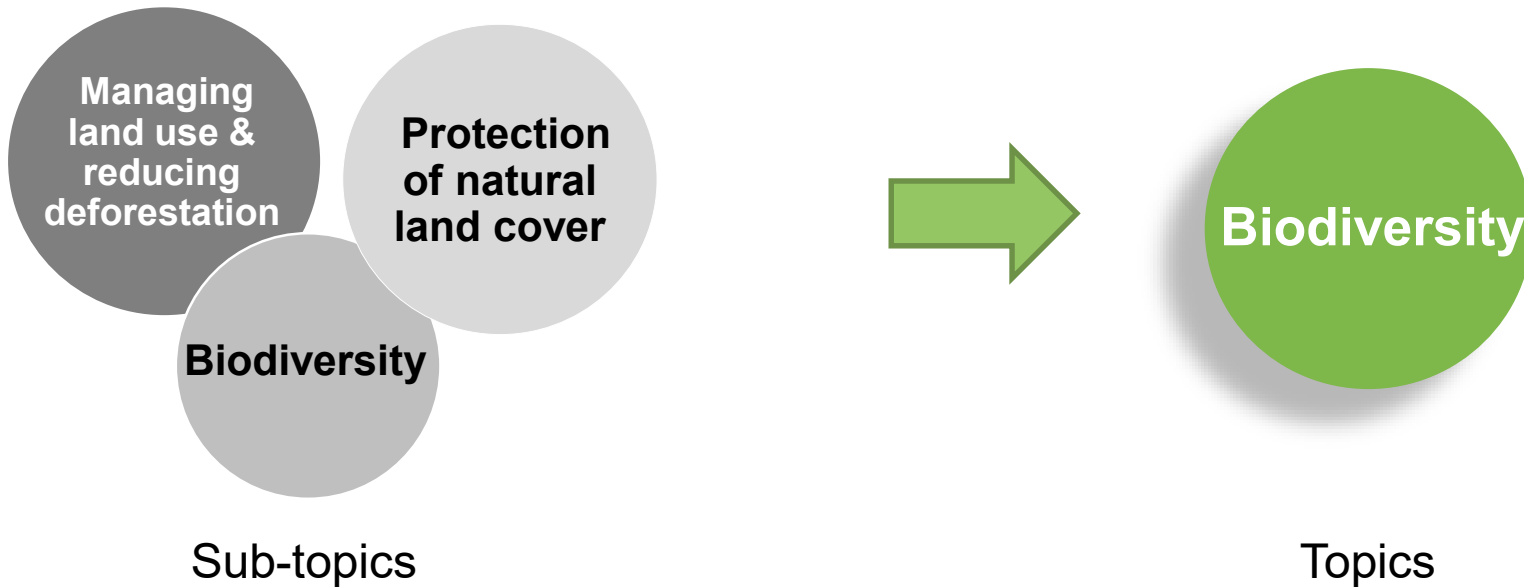


# Stakeholder groups are selected through assessing their interests and influence



# Topics of interest to us and our stakeholders are identified

- Create list of sub-topics
  - ▶ Criteria
    - Global, corporate, ESG, impact on, impact of
    - Material or important topics; established or emerging topics
- Decision on topic list
  - ▶ Selecting and Clustering of sub-topics to topics in various BASF internal workshops





# Materiality assessment process – from the topic list to the internal uptake

Identification of  
Topics

Relevance to  
stakeholders

Impact of topic  
on BASF

Materiality  
outcome

Internal uptake



Create list of 18 topics selected and clustered from over 100 sub-topics



Rank topics using Big Data Analytics tools and stakeholder interviews



Rank topics by surveying experts within BASF



Combine stakeholder and business perspectives



Integrate results into sustainability strategy

**Big Data Analytics allows us to access previously unimagined amounts of data...**

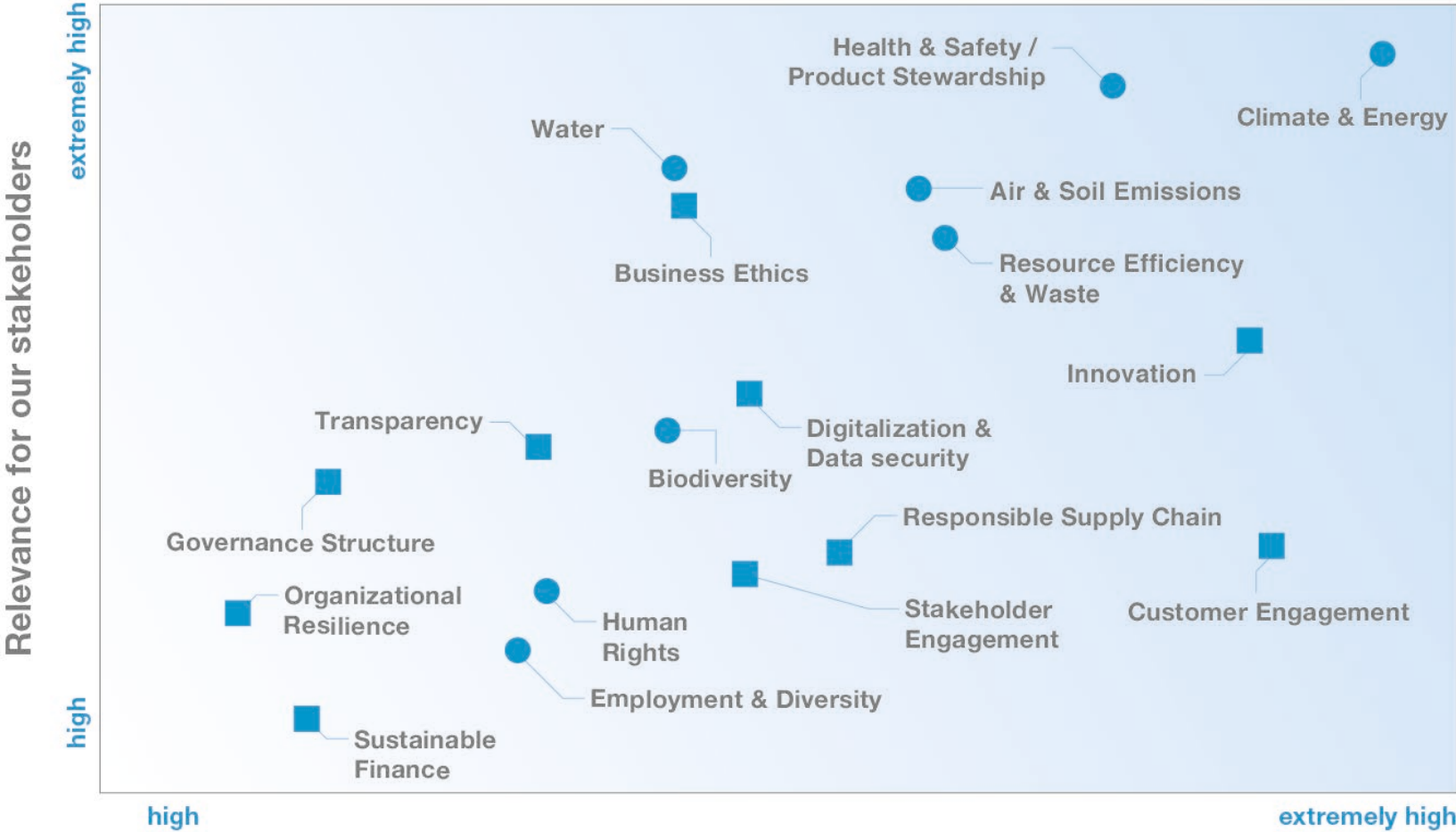


- Business reports
- Media sources (online and social)
- Regulations
- Daily posts in online media, social media, and print media
- Daily tracked NGOs, initiatives, campaigns and related emerging issues

**... and provides us with information tailored to our needs.**



# Materiality Matrix 2019 - Topics of interest to us and our stakeholders



- Societal challenges
- Corporate measures to tackle societal challenges

## To sum it up...

- A materiality assessment aims to define non-financial topics that are vital for BASF
- For the first time we used big data analytics tools that are harvesting information from millions of data points to conduct a less biased stakeholder specific assessment.
- The materiality matrix shows the topics that are most relevant for BASF or it's stakeholders
- The results are to be integrated into our sustainability management tools to take advantage of business opportunities and improve risk management
- In the future big data analytics tools will help us to conduct a more continuous materiality analysis which is important in a world that is moving faster and more disruptive





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