

SUSTAINABILITY/ESG MATERIALITY ASSESSMENT CHECKLIST

Know Your Company, Own Your Story

Not only are stakeholders becoming more vocal about their expectations surrounding sustainability/ESG reporting, but in many jurisdictions, legislative and regulatory mandates are on the way. To meet the challenges, you must understand your impacts and communicate about your sustainability and ESG priorities. That's where a materiality assessment fits in, helping you define your sustainability and environmental, social and governance (ESG) priorities for action and reporting.

The clickable checklist on the next page will give you a sense for where you are and where you're likely headed on your sustainability journey. If even a few of the statements in the checklist apply to your company, it's probably time to conduct a sustainability/ESG materiality assessment. With the learnings from the checklist, you will have insight to determine the right kind of assessment for you and Dix & Eaton can show you how to make it happen in a timely, cost-effective manner.

Whether you need the traditional approach or a double materiality assessment – or even just a refresh or second opinion – we have the expertise to help you sort through dozens of possible inputs and topics. We will customize the approach to fit your situation and deliver clear, actionable findings before you start on your next or first report.

Contact our practice leader, Gregg LaBar, today at glabar@dix-eaton.com, to request a free consultation about your checklist results. (Limited slots available for the free consultation offer so don't wait to take advantage of this no-strings-attached opportunity.)

About Dix & Eaton

Dix & Eaton is a strategic corporate and marketing communications firm that consists of two operating groups: Dix & Eaton, based in Cleveland, and Standing Partnership, based in St. Louis. The firm offers a wide variety of sustainability/ESG (environmental, social and governance) communications, including more than 25 reports a year, materiality assessments, strategy and goals development, stakeholder engagement and activation programs, and more. Our firm's complementary offerings include investor relations, corporate communications, marketing/sales enablement and public relations services. Founded in 1952, Dix & Eaton serves a number of vertical markets, with distinctive expertise in manufacturing, technology, aviation, specialty chemicals, agribusiness, health care, professional services and more. Learn more about us at www.dix-eaton.com and www.standingpartnership.com.

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Is It Time for a Materiality Assessment?

How many of these apply to you?

Keep in Mind

- We are at the beginning of our sustainability/ESG journey.
- We have never felt the need for a materiality assessment.

For companies relatively new to sustainability/ESG, materiality assessments can help allocate resources.

Regulations are emerging and changing. Are you ready?

- Maybe there's more you should be doing in certain key areas (and perhaps less in others).
- Maybe you could be directing your energies more effectively.
- Maybe you're doing everything just right – let's get that on paper.

- It's been at least three years since our previous materiality assessment.

Materiality assessments are recommended every three to five years.

- Voluntary frameworks and regulatory mandates have changed significantly in the past three years.
- At five years, a refresh is very likely needed.

- Our stakeholders have varying sustainability/ESG priorities, and their interests seem to change quickly.

Budgets and staffing are not keeping pace with rising expectations, especially from investors and customers.

- Wouldn't it be great to not have to "reinvent the wheel" every time you respond to a stakeholder inquiry?

Materiality assessments can help balance the expectations of stakeholders with what's in your company's best interests.

- Having clear priorities, proof points and data in hand can help navigate those inquiries.

- There has been fast or aggressive movement in our market.

Many industries (chemicals, oil and gas, plastics, manufacturing, packaging, mining, logistics) are facing increased scrutiny and expectations.

- Materiality assessments can help you catch up and stay ahead of the game.

- We are a private company competing with public companies.

Data can offer apples-to-apples comparisons, even among public and private companies within an industry.

- Our company has undergone transformative changes recently.

Major changes within an organization often mean a shift in priorities.

- Anything that impacts the focus, scope or scale of the company can affect the sustainability/ESG priorities.

Growth through consolidation will raise stakeholder expectations, and it's likely your profile, value chain and overall footprint will expand as well.

- Our company has a significant presence in Europe or California.

Many businesses with a presence in the EU are subject to CSRD regulations, which require a double materiality assessment.

- The need to provide additional disclosures will likely trickle down to companies within these businesses' supply chains as well.

- Our business supplies large European companies.

Recently passed legislation in California expanded the environmental disclosures required of companies doing business there.

- Similar legislation is in the works in New York and Washington and around the globe.

Tell us what you think of the checklist and let us know how we can help you keep moving forward. Contact our practice leader, Gregg LaBar, at glabar@dix-eaton.com.