

# MATERIALITY ASSESSMENT REPORT 2023



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# Introduction

Materiality is defined as identified topics that have a direct or indirect impact on the ability to create, preserve or erode economic, environmental, and social value for the business, its stakeholders and society at large.

The materiality assessment helps identify and prioritise the issues that matter most to your stakeholders and your business.

The materiality assessment is a method used to identify and prioritise the issues that are most important to Six Degrees and its stakeholders. Completing a materiality assessment every 2 to 3 years ensures changes in the business and the external environment are reflected in company strategy and enables prioritisation of the issues that matter most to our business and stakeholders.

The initial materiality assessment was completed during July 2023.

## Scope and Boundaries

Six Degrees' sustainable business program covers direct operations as well as the extended value chain where relevant, encompassing both our critical supply chain and, in some cases, how products are used, and end of life.

## Identifying and Selecting Stakeholders

For our initial materiality assessment, we identified the following stakeholder groups that could be included:

- **Employees**
- **Customers**
- **Suppliers**
- **Local community reps**
- **Board members**

## Each group of stakeholders is defined as:

### Employees

All workers whether fully employed or temporary contract basis.



### Customers

Organisations and individuals contracted to receive goods and/or services from Six Degrees.



### Suppliers

Organisations and individuals contracted to provide goods and/or services to Six Degrees.



### Local community reps

Organisations and/or individuals that have been identified through impact assessment of the local area as having an interest in Six Degrees' activities.



### Board members

Inside and independent directors.



## Consulting Stakeholders

For the initial materiality assessment, we identified the following stakeholders as appropriate to gather responses from; employees and the Executive. It is anticipated that a process for engagement with additional groups will be implemented for the next materiality assessment.

The assessment was completed by way of survey. **63** responses were received.

An assessment methodology, see Appendix A, is used to provide consistency of approach, measurement, and output. In summary:

Identify internal and external stakeholders to be included.

Conduct initial stakeholder engagement.

Identify and prioritise what we are measuring.

Prepare and launch materiality survey.

Analyse and report responses.

Act.



## Materiality Reporting

Each materiality assessment, results analysis and report is reviewed and approved by the Compliance Manager, ensuring all material topics are covered. The approved report is presented to the ESG team.

Communication with participants is to be discussed as the results should be shared across the employee population to encourage engagement in Sustainable Business program topics.

## External Reporting

Our target is to produce our first sustainability report during calendar year 2023.

## Defining Our Material Issues

An issue is identified as material if it meets two conditions:

- It impacts our business significantly in terms of growth, cost, or risk.
- It is important to our stakeholders.

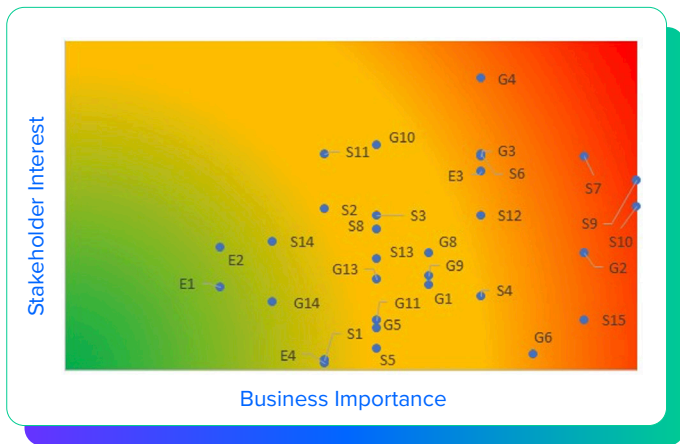
We expect to act and set our strategy to positively impact identified material issues.



# Materiality Assessment Results

The survey covered key topics across the whole organisation and is shown as a chart for all topics and for ease of review, displayed separately across Environmental, Social and Governance areas.

## Summary Results



ESG Ref	Topic – Environmental
E1	Six Degrees impact on climate change and the environment
E2	Product and service innovation
E3	Environmental protection
E4	Clean energy emissions
E5	Recycling, waste management and waste reduction
E6	Clean water
E7	Energy consumption, monitoring and efficiency

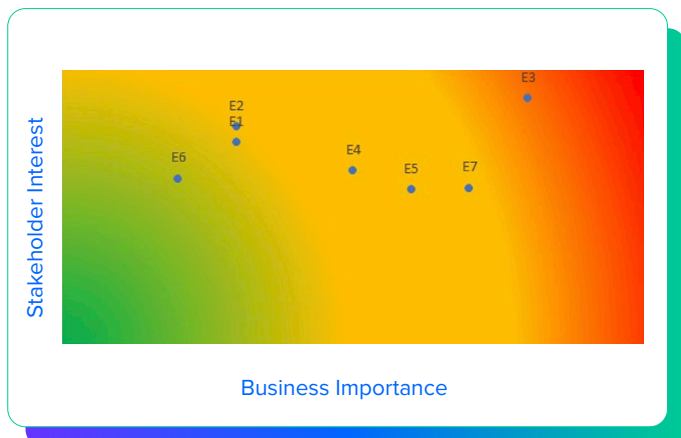
ESG Ref	Topic – Social
S1	Attracting, developing, rewarding and retaining employees
S2	Six Degrees' impact on society
S3	Working with vendors/suppliers that value diversity and good working conditions
S4	Privacy and security
S5	Ensuring we consider people with the widest range of capabilities as Six Degrees team members
S6	Diversity, inclusion and belonging
S7	Employee engagement
S8	Work life balance
S9	Career development and training
S10	Human rights protection
S11	Animal rights protection
S12	Reducing poverty and hunger
S13	Affordable quality education and training for all
S14	Access to technology for all
S15	Encouraging employees to volunteer
S16	Speaking up for those without a voice in wider society

ESG Ref	Topic – Governance
G1	Business conduct, ethics and regulatory compliance
G2	Six Degrees financial performance
G3	Continually developing and prioritising ethical business practices
G4	Creating products and marketing campaigns that contribute to social and environmental sustainability
G5	Trust and transparency both internally and externally
G6	Customer satisfaction
G7	Quality of products and services
G8	Business growth and stakeholder value
G9	Delivering long term value to our customers
G10	Gender equality and reducing gender inequalities
G11	Pay equity
G12	Influencing public policy
G13	Donating money
G14	Encouraging employees to donate money



## Area Results

### Environmental



ESG Ref

Topic – Environmental

**E1**

Six Degrees impact on climate change and the environment

**E2**

Product and service innovation

**E3**

Environmental protection

**E4**

Clean energy emissions

**E5**

Recycling, waste management and waste reduction

**E6**

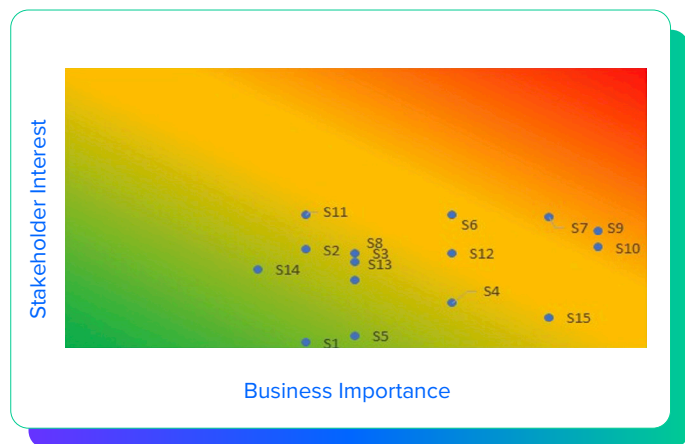
Clean water

**E7**

Energy consumption, monitoring and efficiency

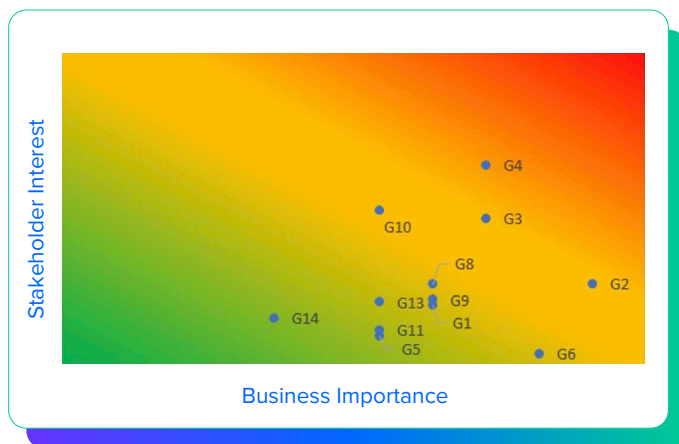
## Area Results Continued

### Social



Business Importance

### Governance



Business Importance

ESG Ref	Topic – Social
S1	Attracting, developing, rewarding and retaining employees
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G14	Encouraging employees to donate money

# Material Topics

The following have been identified as material topics for Six Degrees and are being used to apply appropriate strategy, target, and internal resources:

## Environmental

- E3 – Environmental protection

## Social

- S7 – Employee engagement
- S9 – Career development and training

- S10 – Gender equality and reducing gender inequalities
- S15 – Encouraging employees to volunteer

## Governance

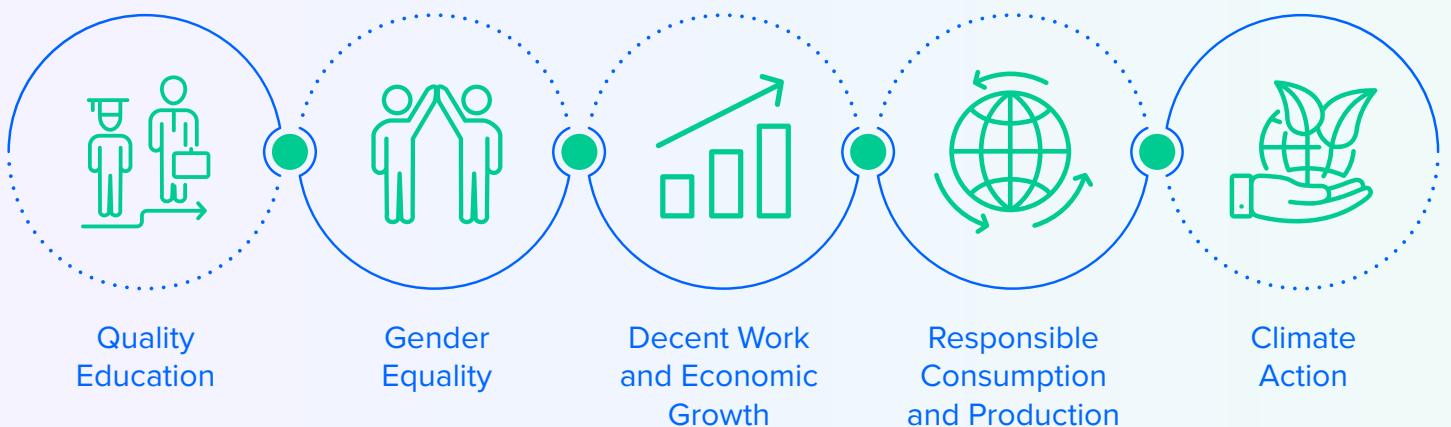
- G2 – Six Degrees' financial performance
- G3 – Continually developing and prioritising ethical business practices
- G4 – Creating products and marketing campaigns that contribute to social and environmental sustainability

# Sustainable Development Goals

The material aspects identified within the assessment are linked to the UN Global Sustainable Development Goals (SDGs) and identify the following SDGs for focus:

- SDG 4 – Quality Education
- SDG 5 – Gender Equality
- SDG 8 – Decent Work and Economic Growth
- SDG12 – Responsible Consumption and Production
- SDG 13 – Climate Action

Each SDG contains key performance indicators, and targets are set to achieve positive impact and progress towards the SDG. The targets are set at an organisation level to feed directly to the SDG overall targets.





# SDG Targets

The following targets should be considered for adoption as part of the Six Degrees sustainable business program:



## SDG 4 – Quality Education

**SDG Target:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

### Suggested Six Degrees targets:

- Number of apprentices across the business, e.g., 2% of employee population per year.
- Implement a new entry apprenticeship scheme offering 1 x appropriate apprenticeship per year.
- Minimum 5 school awareness volunteer sessions to be completed in the financial year.



## SDG 5 – Gender Equality

**SDG Target:** Achieve gender equality and empower all women and girls.

### Suggested Six Degrees targets:

- 40% of Senior Managers to be female by 2027.
- 40% of all employees to be female by 2032.
- Unconscious bias training to be provided to all People Managers by end FY 2023/24.



## SDG 8 – Decent Work and Economic Growth

**SDG Target:** Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

- Less than 12% annual voluntary attrition.
- Employee Net Promoter Score (NPS) of +50 identified through annual employee survey.



## SDG 12 – Responsible Consumption and Production

**SDG Target:** Ensure sustainable consumption and production patterns.

- Reduce paper use by 5% per annum throughout all locations.
- Reduce waste generation through prevention, reduction, recycling, and reuse by implementing circular economy offering for appropriate products by 2025.
- 100% softcopy invoicing by end 2025.



## SDG 13 – Climate Action

**SDG Target:** Take urgent action to combat climate change and its impacts.

- Publish annual Carbon Reduction Plan in accordance with Public Sector Procurement notice PPN 06/20.
- Certify to ISO 14001 – Environmental by December 2023.
- Obtain sustainable business rating (EcoVadis) by end 2024.
- Offset Scope 1 and Scope 2 carbon emissions using gold standard offset at the end of each financial year, commencing FY 2023/24.

# Appendix A – Assessment Methodology

For each materiality assessment to be repeatable, measurable, and comparable a set process is undertaken:

**Identify internal and external stakeholders. Acknowledge who is important and should be included in the assessment:**

- Board members
- Customers
- Employees
- Executive Leadership Team
- Investors
- Local community
- Suppliers, etc.

**Conduct initial stakeholder engagement:**

- Explain that the assessment is being undertaken, what it consists of, and why it is being completed.
- Confirm dates for assessment.
- Set expectations for results.

**Identify and prioritise what we are measuring:**

- Use a broad spectrum of subjects based on the whole range of ESG topics.
- Initial stakeholder engagement will assist in identifying, through conversation, key areas for inclusion.

Most stakeholders will respond via the materiality assessment survey. However, for a small number of identified individuals, i.e., CEO, Investors, Critical Customers, it may be preferable to complete a discussion for the topics rather than a survey.

**Prepare a materiality survey:**

- Include questions for all identified areas and topics.
- See Appendix B - Materiality Survey.

**Launch survey:**

- Provide clear instructions for timelines to respond to the materiality assessment.
- State the estimated time to complete the survey within the invite.

**Analyse the responses:**

- Copy responses to the materiality assessment responses tool.

**Report:**

- Prepare a materiality report.
- Launch update to employees and website.
- Socially communicate.
- Prepare for action.

# Appendix B – Materiality Survey

The materiality survey consists of 9 questions encompassing all areas of ESG and seeks to obtain confirmation of specific areas that are important to Six Degrees' stakeholders.

## 1. Please rate how important you think each of the following are for Six Degrees ESG program:

1 = Low Importance and 5 = High Importance

- a. Business conduct, ethics and regulatory compliance.
- b. Six Degrees financial performance.
- c. Attracting, developing, rewarding, and retaining employees.
- d. Six Degrees impact on society.
- e. Six Degrees impact on climate change and the environment.

## 2. Thinking about G – Governance which covers business conduct, ethics and regulatory compliance, please rate how important you think each of the following are for Six Degrees ESG program:

1 = Low Importance and 5 = High Importance

- a. Continually developing and prioritising ethical business practices.
- b. Creating products and marketing campaigns that contribute to social and environmental sustainability.
- c. Trust and transparency both internally and externally.
- d. Working with vendors/suppliers that value diversity and good working conditions.
- e. Privacy and security.
- f. Ensuring we consider people with the widest range of capabilities as Six Degrees team members.

## 3. Thinking about Six Degrees' financial performance, please rate your thoughts on the importance of the following:

1 = Low Importance and 5 = High Importance

- a. Customer satisfaction.
- b. Product and service innovation.
- c. Quality of products and services.
- d. Business growth and stakeholder value.
- e. Delivering long term value to our customers.

## 4. Thinking about Six Degrees attracting, developing, rewarding, and retaining employees, please rate how important you think each of the following are for Six Degrees ESG program:

1 = Low Importance and 5 = High Importance

- a. Diversity, inclusion and belonging.
- b. Gender equality and reducing gender inequalities.
- c. Employee engagement.
- d. Work life balance.
- e. Pay equity.
- f. Career development and training.

## 5. Thinking about S – Social, please rate how important you think each of the following are to be included within Six Degrees ESG program:

1 = Low Importance and 5 = High Importance

- a. Human rights protection.
- b. Environmental protection.
- c. Animal rights protection.
- d. Reducing poverty and hunger.
- e. Affordable quality education and training for all.
- f. Access to technology for all.

## 6. Thinking about climate change and the environment, please rate how important you think each of the following are for Six Degrees ESG program:

1 = Low Importance and 5 = High Importance

- a. Clean energy emissions.
- b. Recycling, waste management and waste reduction.
- c. Clean water.
- d. Energy consumption, monitoring and efficiency.

## 7. Please rate how important you think the following methods are to Six Degrees ESG program:

1 = Low Importance and 5 = High Importance

- a. Influencing public policy.
- b. Donating money.
- c. Encouraging employees to volunteer.
- d. Encouraging employees to donate money.
- e. Speaking up for those without a voice in wider society.

## 8. What are the top three things you want to see Six Degrees achieve from our ESG program:

- a. Free text box.
- b. Free text box.
- c. Free text box.

## 9. Do you want to be included in the Six Degrees Environmental Team steering group:

Yes / No



# Document Information

Area	Information
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Associated Records	ESG Teams area

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