



# HOW TO IDENTIFY ISSUES

Created by 11th Hour Racing Team for the benefit of the wider community, the How-to Guide series is part of The Toolbox, designed to help make sustainability more accessible for organizations of varying size and industry sectors.



## INTRO

“

*“Determining the scope of your sustainability program should ultimately be about things where you have either control or strong influence.”*

”

IOC ESSENTIALS

Now, almost halfway through the How-To Guides, the next steps in The Toolbox is to identify material issues that may arise as a result of your organization’s activities. Discover how to explore the potential risks and opportunities associated with these issues and learn how to prioritize them based on the scope of your sustainability strategy.

Don’t forget to continue to engage stakeholders throughout the toolbox process, utilizing key learnings from guide **3. How to Engage Stakeholders**.

## A QUICK GUIDE

### MATERIAL ISSUE:

An issue that becomes sufficiently significant to the point it must be prioritized and addressed. Significance is based on impact and importance to stakeholders.



**1. REVIEW** organizational activities and issues.



**2. DEFINE** the issues, risks and opportunities.



**3. ENGAGE** your team and stakeholders.



**4. RESEARCH** peer activities.



**5. COMPILE** and prioritize results.



**6. DEFINE THE SCOPE** of your sustainability plan.

# 1. REVIEW ORGANIZATIONAL ACTIVITIES & ISSUES

Start by looking at your organization's defined purpose from guide **1. How to Start a Sustainability Program**, and the outlined activities and operations.

From there, identify the environmental, social, and economic issues that might arise as a result. The issues addressed by the UN Sustainable Development Goals provide a good baseline for areas you may want to address as they relate to your activities.

Be sure to include any issues that have come up in both internal and external stakeholder discussions and explore what issues may already be identified within your industry sector.

## TOP TIP

*For reporting purposes, keep track of who you have engaged with along the way and the issues raised.*

## ISSUES ADDRESSED IN THE UNSDGs



This wheel shows examples of an organization's activities and the issues that might arise as a result of those activities, using the UN Sustainable Development Goals as a starting point.

## 2. DEFINE THE RISKS AND OPPORTUNITIES

- ✓ Consider and record the risks and opportunities associated with each of the issues identified<sup>3</sup>.
- ✓ Consider whether you have control versus influence over each issue identified.
- ✓ Ensure that you review all legislative obligations relevant

to your organization and create a register to track legal compliance.

- ✓ Include space for tracking other (non-legislative) commitments.

<sup>3</sup> Refer to the 11th Hour Racing Team case studies for examples of organization risks and opportunities



## 3. ENGAGE YOUR TEAM AND STAKEHOLDERS

Conduct an internal cultural assessment to find out what barriers and enablers are in place that may impact your organization's pursuit of sustainable development<sup>4</sup> and ability to address those issues. Then ask your internal and external stakeholders:

- ✓ What do they think of the issues you have identified?
- ✓ Is anything missing? If so, why have certain areas overlooked

- ✓ Can your organization build out its capacity and expertise to achieve success in these additional areas with support from external stakeholders?
- ✓ Are there sustainability champions internally who could support your organization in these areas or could you reach out to specialist consultants or build new partnerships?

<sup>4</sup> See IOC Sustainability Essentials page 21, Table 1, example

## 4. REVIEW PEER ACTIVITIES

Conduct market research to:

- ✓ Understand how a number of diverse sectors address their issues
- ✓ Find out which issues peers have identified
- ✓ Find out how peers have tackled these issues
- ✓ Find out what solutions your peers are working on, what are

their challenges and successes, and what tools and resources are available that might support the achievement of your targets. This could such as footprint tracking tools and sustainable supply chain management software or such as industry sustainability working groups.

## 5. COMPILE AND PRIORITIZE RESULTS

Once you have identified the key issues for your organization, you need to prioritize them, ranking them based on likelihood of occurrence, severity, stakeholder influence, and legislative importance. This is called a **Materiality Assessment**. Make sure to check the assessment with stakeholders for validation.

**EXAMPLE ACTIVITY:** Building a new boat

- **Sustainable development issue:** responsible consumption & production<sup>5</sup>
- **Risk:** building a boat is resource intensive and production of materials comes with human welfare risks.
- **Opportunity:** by engaging with the supply chain we can work

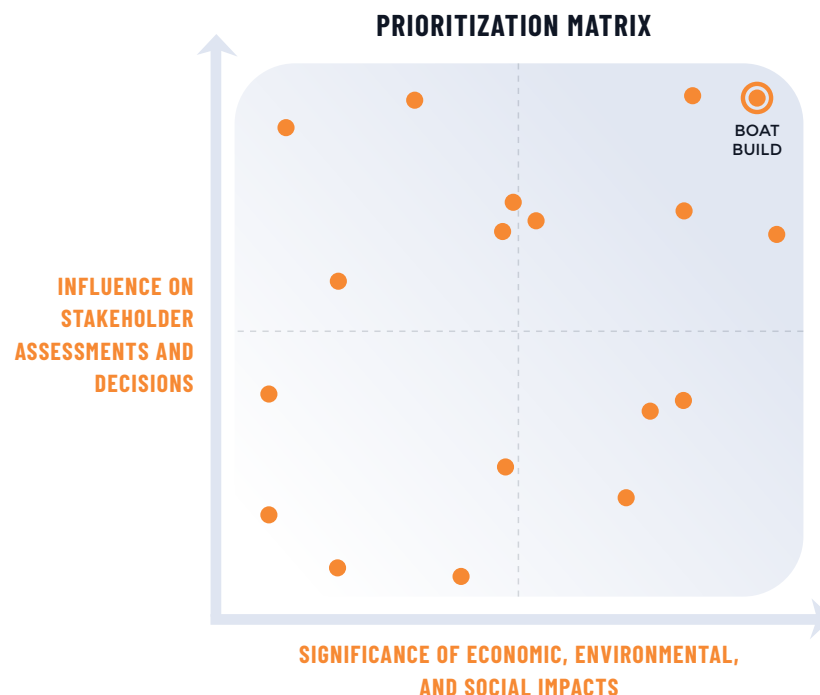
on joint initiatives to improve the impact and safety of materials and processes.

- **Influence of stakeholder:** High
- **Significance of impact:** High
- **Resulting priority:** High

### TOP TIP

*When reviewing your materiality, you should be confident that your list of issues are representative, and you should be comfortable that due diligence has been done to justify the result of your materiality assessment.*

<sup>5</sup> UN SDG #12



Global Reporting Index Materiality Assessment

## 6. DEFINE THE SCOPE OF YOUR PLAN

Typically most organizations have a broad, often seemingly endless list of potential sustainability issues that could be addressed. The task is to **define your boundaries**:

### IN SCOPE

- What is directly relevant related to your areas of ownership or control
- Areas that are outside of your direct ownership or control but within your influence<sup>6</sup>

### OUT OF SCOPE

- Issues that for the most part don't directly affect or relate to your activities and/or are outside of your influence.

It is important to be realistic about what is achievable and in scope, as well as to clearly define the boundaries of the sustainability program using these parameters.

The scope of your sustainability plan allows you to explain:

- What you are able to do
- Clarify what you are not doing

### Mini case study example:

- UNSDG 16 - Peace, Justice, and Strong Institutions is **outside of our direct control or influence**
- UNSDG 13 - Climate Action is **within our direct control**
- UNSDG 14 - Life Below Water is **within our influence**.



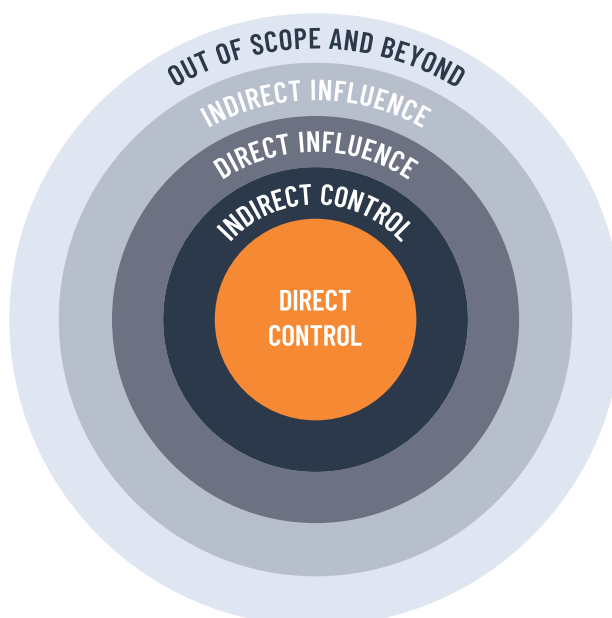
*If everything is important, ultimately nothing is.*



DAMIAN FOXALL

Having followed a clear process to identify and prioritize issues, as well as engaging with stakeholders to ensure nothing has been missed or poorly prioritized, feel confident to clearly define and stand by your choice of boundaries.

<sup>6</sup>Review 3. How to Engage Stakeholders



*Work to find the balance between aspiring to ambitious goals versus underachieving due to overscoping.*

### UP NEXT

## 5. HOW TO SET TARGETS

Learn how to set goals and targets that are informed by the issues identified using this How-To Guide.



For all enquiries or suggestions about this How-to Guide please get in touch at [info@sustainabilitytoolbox.com](mailto:info@sustainabilitytoolbox.com). To stay up to date with the latest news on The Toolbox visit [sustainabilitytoolbox.com](http://sustainabilitytoolbox.com).

If you have found The Toolbox How-To guides, templates, and supporting 11th Hour Racing Team case studies useful, we encourage you to create and share your own case studies based on your organization's experience. Please submit your documents through [info@sustainabilitytoolbox.com](mailto:info@sustainabilitytoolbox.com).

Disclaimer: No warranty or guarantee of any outcome or result is made. While great care has been taken when preparing these guides, standards change over time, and applying sustainability practices is specific to each organization, sector, and jurisdiction. It is up to the user to make sound choices and determine what

## RESOURCES

### The Toolbox tools and templates related to this guide:

- 11th Hour Racing Team Case Study - Identifying Issues
- Template - Issues Matrix
- Template - Legal Obligations & Non-Conformance Register
- [The Toolbox Glossary](#)

## REFERENCES

1. EY Global. Why Sustainable Development Goals Should be in Your Business Plan. 2017.
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