Australian Renderers Association

ARA Double Materiality Assessment

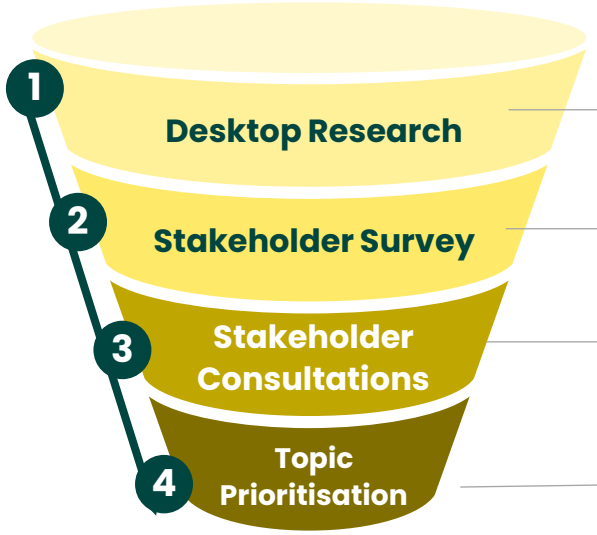
Executive Summary

Approach taken to deliver the Double Materiality Assessment (DMA)

This document has been prepared as a brief members' insights summary from the DMA recently undertaken by the Australian Renderers Association (ARA). The DMA covers both the rendering and used cooking oil (UCO) value chains and was undertaken to help create the evidence base for developing the first ARA Sustainability Framework. ARA is developing the Framework to support the industry in conveying its sustainability story and to support members in advancing their sustainability efforts.

The DMA was undertaken with reference to two specific global sustainability frameworks – hence 'double' materiality. These are the **Global Reporting Initiative** guidance to assess impact materiality (impacts the industry has on the economy, environment, and people) and the **Australian Accounting Standards Board** guidance on financial materiality (sustainability-related risks and opportunities that could affect the industry's financial performance).

The work followed a sequential process:



Desktop research (including media scan and review of standards/industry sources) to build an evidence-based long list of topics (33 topics);

A survey to test which topics were most relevant across the industry (29 completed);

Stakeholder consultations to validate findings and add value chain specific context and identify risks and opportunities for the industry; and

Topic prioritisation through an Industry Advisory Group (IAG) workshop to apply judgement and confirm the topics to be taken forward into the Sustainability Framework. The output of this prioritisation was developed into a double materiality matrix (as on page 4).

Scope of stakeholders
This work aimed to engage stakeholders from both the rendering and UCO value chains. Stakeholders engaged in the survey and consultations represented the end-to-end value chains of both sectors and ranged from single-site operators to multinational businesses. This provided a balanced set of views throughout the DMA process.

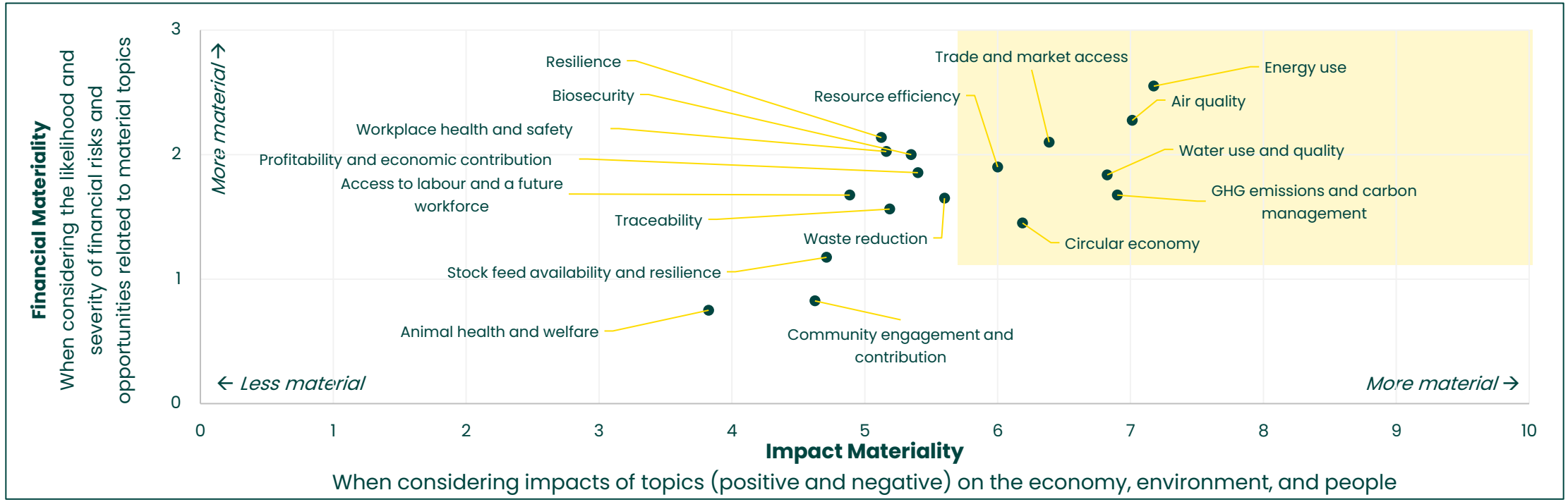
The DMA process identified 17 material topics to the industry

Of those 17 topics, the IAG helped to shortlist these into more material topics and less material topics. The more material topics are highlighted in yellow below. The 11th & 13th ranked topics, waste reduction and traceability, were manually included by the IAG based on specific qualitative feedback from the IAG and Steerco that there were topics growing in importance. It is not uncommon in an DMA process to 'manually' include additional material topics on the advice of key stakeholders.

Material Topics in ranked order; with prioritised topics highlighted in yellow			
1	Energy use	10	Profitability and economic contribution
2	Air quality	11	Waste reduction
3	Water use and quality	12	Workplace health and safety
4	GHG emissions and carbon management	13	Traceability
5	Trade and market access	14	Access to labour and a future workforce
6	Resource efficiency	15	Stock feed availability and resilience
7	Circular economy	16	Community engagement and contribution
8	Biosecurity	17	Animal health and welfare
9	Resilience		

The material topics, ranked by impact and financial materiality

The ranking of these topics by their materiality is presented in the below matrix with impact materiality on the x-axis and financial materiality on the y-axis. Thresholds separating more and less material topics were set by the IAG, with seven topics meeting the agreed criteria. The more material topics are highlighted in the yellow upper quadrant.



What does the DMA mean for developing the ARA Sustainability Framework

The DMA process has provided a rigorous foundation for developing our Sustainability Framework. The results have indicated what matters most to the industry, why it matters, and where ARA can add value through enabling actions and consistent communication to the public. When building the Framework, the DMA has also helped ARA to note that:

The industry requires a dual-purpose framework

The Framework needs to be designed to benefit both ARA and members, and should provide both:

I. External advocacy and reputation building, primarily for domestic markets and expanding in international and export-facing contexts.
II. Practical guidance and support for members, especially smaller operators.

The DMA identified a clear order for prioritisation of material topics

DMA prioritisation identifies ten key topics as the primary focus areas for the Framework, ensuring that it creates ambition and drives outcomes aligned with member and stakeholder priorities.

The shortlist of material topics are important to the industry

The Framework should initially focus on the prioritised topics. This ensures the Framework helps to focus time and resources on the areas of greatest importance and remains flexible and can evolve over time, while demonstrating ARA's awareness of other less material industry impacts, risks, and opportunities.

DMA insights reveal differing levels of maturity across the membership

The Framework should use the DMA prioritisation outputs to guide a staged roadmap, enable progressive implementation, and focus future guidance and resources on areas of greatest shared value.

The DMA has established a consistent language and set of definitions

The Framework has provided us with a set of consistent definitions of material topics. Establishing common industry sustainability topic definitions was identified as necessary for avoiding confusion and unnecessary complexity.


Australian
Renderers
Association