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Getting started with double materiality: a 5-step plan

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Introduction

Adopted by the EU Commission in April 2021, the new proposal for the Corporate Sustainability Reporting Directive (CSRD) is setting common European reporting rules, requiring more than 50,000 companies to report sustainability information in a consistent and comparable manner, in alignment with the EU Taxonomy. The requirements also set an obligation for companies to report according to mandatory EU sustainability reporting standards and to conduct a double materiality assessment.

If you are wondering: what is double materiality about? Where do I get started to integrate it in my materiality assessment ? And how can I proceed? Then this ebook is for you.

Whether you have already started to adopt a double materiality approach for your annual reporting, or this is the first time you hear about it, you will find in this guidance everything you need to:

✓ Understand the key aspects of these policy developments, and how requirements are changing;
✓ Adopt a double materiality approach in your strategic planning, risk management, board oversight, and annual reporting processes;
✓ Set up a structured, systematic, data-driven and regular double materiality assessment process; and
✓ Establish the needed governance structures to ensure oversight on the materiality assessment process.

Key takeaways from this ebook:

» First introduced by the EU Commission as part of the 2019 Non-Binding Guidelines on Non-Financial Reporting Update (NFRD), double materiality speaks to the fact that risks and opportunities can be material from both a financial and an impact perspective. In other words, issues or information that are material from an environmental and social point of view can have financial consequences at present or in the future.

» With the adoption of the Corporate Sustainability Reporting Directive (CSRD)[1] in 2021, more than 50,000 companies (all large companies as well as all companies listed on regulated markets - with the exception of listed micro-enterprises) will be required to report sustainability information according to mandatory EU sustainability reporting standards, and to conduct a double materiality assessment. The European Financial Reporting Advisory Group (EFRAG) is expected to release the first draft of the standard on double materiality assessment by Q2 2022[2].

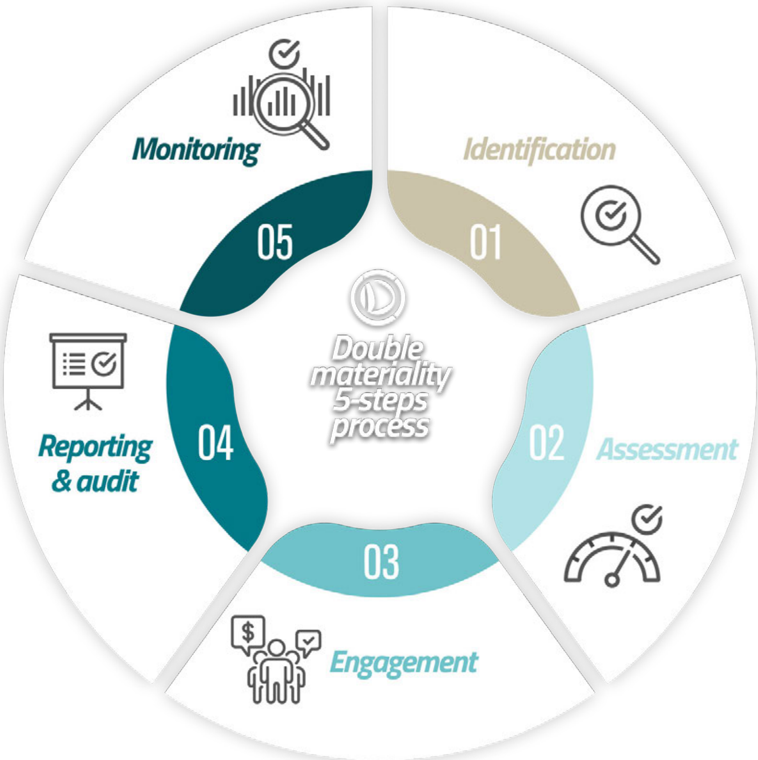
» Despite the name, **a double materiality assessment does not require to conduct two separate assessments or draw two separate matrices**. It requires gathering evidence, assessing, and explaining why issues are material from the "impact" (stakeholders) perspective and/or from the "financial" perspective.

» *Before you get started:* the whole materiality process is, in its essence, a governance process. For this reason, if not already existing, create a governance body to ensure appropriate management of material issues identified. This is a recommended best practice that will soon become a requirement, and will ensure the effectiveness of the process described above.

[1] To learn more about the CSRD, check the Spotlight Box at page 6.
[2] Read more about the EU sustainability reporting standards in the Spotlight Box at page 10.

» *How do I get started?* Determining the materiality of ESG and financial impacts of a company is done through the following 5-step process:

1. **Identification** through collection of data across multiple sources;
2. **Assessment** through gathering of evidence demonstrating impact and financial materiality;
3. **Engagement** with internal and external stakeholders, including the board and the executive level;
4. **Reporting & Audit** to document and review the process and results;
5. **Monitoring** the evolution of material issues in a dynamic way.



Before you continue...

This guide on double materiality assumes a basic understanding and knowledge of materiality. If you would like to have a quick recap of what materiality is, check the box below on "Materiality: the essentials".

Materiality: the essentials

Materiality: the principle that defines which information is decision useful, i.e. information that if omitted or misstated could have changed the decision taken by a stakeholder (e.g. the decision of an investor to buy shares of a company, or the decision of a talented candidate to join an organization) . The concept of materiality applies to a wide variety of fields: accounting, auditing, reporting, finance, legal and risk management.

Materiality assessment: Materiality assessments are the processes used by organizations to identify, prioritize, and validate their material issues. Robust and credible materiality assessments are evidence-based, systematic, conducted annually in advance of the report preparation, and involve the highest governance body of the organization in making materiality judgements. Organizations connecting ESG and financial issues use materiality assessments as a foundation for their strategic planning, budget allocation, risk management, and annual reporting.

Read more:
Materiality Definition: The Ultimate Guide by Datamaran
Materiality: From Accounting to Sustainability and the SDGs

What is double materiality?

The concept of double materiality has been first introduced by the EU Commission as part of the 2019 Non-Binding Guidelines on Non-Financial Reporting Update (NFRD). According to a double materiality perspective, ESG issues create risks and opportunities that are material from a financial or an impact perspective, or both. For this reason, as the Directive explains, "companies have to report about how sustainability issues affect their business and about their own impact on people and the environment."

Source: European Accounting Association; Proposal for a Corporate Sustainability Reporting Directive

What does it mean from a practical standpoint?

Take an issue such as air pollution, and in particular the indicator measuring nitrogen oxides (NOx) emissions[3]. From an impact materiality perspective, such an indicator is material to determine either the positive effect (contribution), or in this case the negative effect (harm) to sustainable development of the organization. Stakeholders interested in this perspective include NGOs, civil society, local communities, public institutions (e.g. governments setting public policy goals in relation to sustainability), and investors (e.g. investors focused on impact strategies, or required to report on the sustainability impacts of their investment portfolios as a result of the EU Sustainable Finance Disclosure Regulation (SFRD) or EU Taxonomy).

From a financial materiality perspective, NOx emissions can have a direct monetary impact on the statement of profit or loss due to remediation expenses related to, for example, the violation of air pollution regulations. Investors and capital providers are typically the stakeholders interested in this perspective, although it can be argued that employees and society at large have an interest in knowing about the impacts that can affect the financial health or the broader enterprise value of an organization.

It is easy to see how the two perspectives are interrelated, as for example an investor concerned about (or legally required to take into account) the impact of NOx emissions may decide not to invest in an organization based on the volume of their emissions, eventually affecting the ability of such company to attract capital or the cost it has to pay to access capital.

[3] Emissions caused by combustion of fuel such as oil, diesel , gas and organic matter

Spotlight on:
The Corporate Sustainability Reporting Directive (CSRD)

On April 21st 2021, the European Commission launched their proposal for a Corporate Sustainability Reporting Directive (CSRD). On the basis of the proposal, the CSRD will amend the existing reporting requirements included in the NFRD. The proposal includes a number of substantive requisites, as indicated on the official EU CSRD information:

- Requires the audit of reported information (limited level of assurance);
- Introduces more detailed reporting requirements (see the table below), and a requirement to report according to mandatory EU Sustainability Reporting Standards; and
- Requires companies to digitally 'tag' the reported information, so it is machine-readable and feeds into the European single access point envisaged in the capital markets union action plan.

The CSRD at a glance:

What it is

Beyond the NFRD, the CSRD will amend the Accounting directive, the Transparency directive, the Audit directive, and the Audit regulation.

Objective

The CSRD will harness the potential of the European single market to contribute to the transition towards a fully sustainable and inclusive economic and financial system by the European Green Deal and the UN Sustainable Development Goals.

Scope

The CSRD requirements apply to approx. 50,000 companies (vs 11,000 covered under the NFRD) including:

- All large companies meeting at least 2 out of 3 criteria:
  > 250 employees and/or
  > €40M Turnover and/or
  > €20M Total Assets
- All listed companies in the EU, including small and medium enterprises

It will mandate the coverage of sustainability topics included in the mandatory EU Sustainability Reporting Standards from a double materiality perspective.

Timeline

The Proposal was adopted on 21 April 2021. The first draft will be ready by mid-2022, and it is expected to be adopted by the end of 2022 in level 2 Delegated Regulations.

By 2024 companies will be required to publish their report in line with the EU sustainability reporting standards. Small and medium listed companies will however get an extra 3 years to comply.

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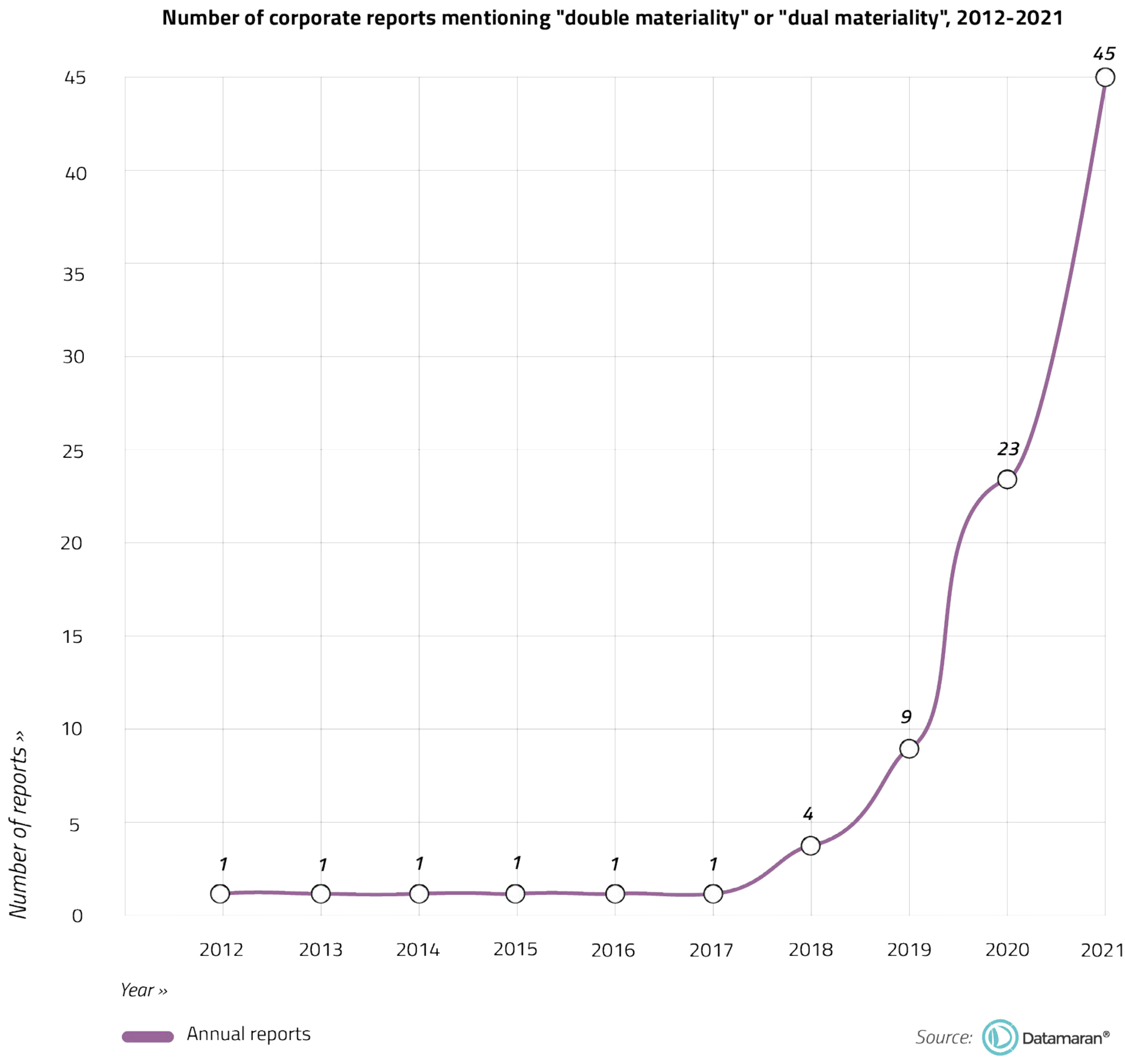
Conducting a double materiality assessment: what it means in practice

Conducting a double materiality assessment: what it means in practice

Despite being a new perspective to look at materiality, **there is already evidence of companies implementing double materiality in their assessments**. As an example, the following graph shows that double materiality is already being referred to in annual corporate reports, even though official standards on how to conduct a double materiality assessment are not available yet. In light of the requirements introduced with the CSRD, this trend will only increase in the coming years.



The **European Financial Reporting Advisory Group (EFRAG) report**, to which Datamaran contributed, indicates that each organization should be conducting a double materiality assessment. Through the assessment, companies will be able to justify why they shouldn't report disclosures considered of limited materiality, as well as determine additional disclosures that are not covered (or covered enough) in the standards.

Morgan Advanced Materials and Enel are among the leading companies adopting a double materiality perspective to identify their material issues. As demonstrated by their disclosures, their process - powered by Datamaran - is based on **a data-driven analysis, stakeholder engagement, and board oversight:**

From: *Morgan Advanced Materials Annual Financial Report 2020, p.11.*

In order to identify material and emerging issues we performed a dual materiality assessment that included a review of more than one hundred ESG topics and provided an opportunity for our employees to express their views via a survey. Dual materiality speaks to the fact that risks and opportunities can be material from both a financial and non-financial perspective. The internal insights gleaned were then mapped against external stakeholder priorities.

These were captured through a comprehensive data-driven process for monitoring external risks, including peer corporate reports, mandatory regulation, voluntary regulation, and public opinion
gathered from news and social media outlets. These inputs were used by the Executive Team and the Board to define our ESG priorities. Moving forward, we are using real-time analytics on strategic, regulatory and reputational risks and opportunities, to strengthen our understanding of ESG, geopolitical, technology and emerging issues.

From: *Enel SpA Annual Sustainability Report 2020, p. 26.*

In 2020, the analysis covered 18 countries, 52 companies and 28 assets and considered 432 initiatives involving relevant stakeholders for the Group, namely business community, customers, financial community, national and international institutions, civil society and local communities, media, employees, suppliers and contractors. [...] In accordance with the most recent publications by the aforementioned reference standards, the materiality analysis is conducted with:

- a dynamic approach ("dynamic materiality") by continuous monitoring of stakeholders' expectations, particularly in order to determine whether non-material issues might become material issues for the business over time;
- a dual vision ("double materiality"), which allows us to assess whether the Company has an impact on society and the surrounding environment, or identify how ESG issues affect the creation of long-term value.

The materiality analysis is brought to the attention of the Corporate Governance and Sustainability Committee at the time of the Sustainability Plan guidelines review. Moreover, the Corporate Governance and Sustainability Committee and the Control and Risks Committee issue preventive opinions concerning the Sustainability Report, which includes the materiality analysis, and submit them to the Board of Directors in its meeting convened to approve the Report.

As the examples on the previous page show, **a double materiality assessment does not require to conduct two separate assessments or draw two separate matrices**. It requires gathering evidence, assessing, and explaining why issues are material from the "impact" (stakeholders) perspective and/or from the "financial" perspective. It is important to note that both dimensions (impact and financial) are not constrained to matters that are within the control of the reporting entity but can also concern the value chain (both downstream and upstream).

In particular, the EFRAG proposal for EU Sustainability Standards indicates that:

- **"Impact materiality"** concerns the inside-out impacts of the company's own operations and its value chain assessed in terms of severity and likelihood (where applicable) of actual and potential negative impacts; scale, scope, and likelihood of actual positive impacts, urgency derived from public policy goals and planetary boundaries.

- **"Financial materiality"**, or the outside-in perspective, is based on "evidence that [sustainability] matters are reasonably likely to affect [an organization's] value beyond what is already recognised in financial reporting[4]." More specifically, the determination of financial materiality can rely on non-monetary quantitative, monetary-quantitative, or qualitative data. In other words, the financial materiality test that applies to sustainability-related information is different from the materiality test used for financial information in financial reports. (e.g. statements in annual reports on the likes of "economic events are recognized based on their relative importance, and that for financial statements of year X materiality was determined on the basis of X% of consolidated earnings").

—Jean-Xavier Hecker & Hugo Dubourg,
Co-heads of J.P. Morgan's EMEA ESG & Sustainability Equity research

Our experience has taught us that varying definitions of "materiality" are at the origin of most of the misunderstandings in ESG investing. We believe that clarification of the notion of "Double" and "Dynamic" materiality is a major step forward for both ESG reporting and ESG investing. An ESG integration process driven by double materiality allows to differentiate between ESG issues which are currently "externalities" vs. the ones which are currently affecting the financial results of a company. As such, every user of ESG data can design an investment process which best suits their own objectives: i.e. finding the right balance between "value" and "values". Over the long term, provided that regulators, consumers, investors and corporates decide to address and mitigate long-term risks that externalities such as biodiversity loss of climate change represent, one could argue that "sustainable" and "financial" materiality will be reconciled, as the world advances towards sustainable development. Tracking the pace at which this happens is at the heart of J.P. Morgan's concept of "Materiality deltas".

[4] EFRAG's report "Proposals for a relevant and dynamic EU sustainability reporting standard", p. 8

Spotlight on:
The EU Sustainability Reporting Standards

In June 2020 the EU Commission conferred a mandate to the **European Financial Reporting Advisory Group (EFRAG)** to explore the possibility of creating EU Sustainability Reporting Standards. In response, EFRAG published in February 2021 a Proposal for a Relevant and Dynamic EU Sustainability Reporting Standard Setting. The CSRD requires reporting in line with the EU Sustainability Reporting Standards.

EFRAG Proposal for the EU Sustainability Standards at a glance:

Terminology	"Sustainability" reporting replaces "non-financial" reporting
Architecture	**3 layers:** sector agnostic (applicable across sectors), sector-specific (ensuring the necessary level of detail per sector), and entity-specific (depicting the entity's unique situation) **3 reporting areas:** Strategy, Implementation, Performance measurement **3 topics:** Environmental, Social, Governance+ (including ethics, political engagements, business relationships, control & risk management)
Approach	Balance between a general principle-based approach consistent with the EU legal environment prescriptive disclosure requirements to ensure the relevance and comparability of the reported information. Balance between retrospective and forward looking information
Connectivity of information	Linking sustainability and financial reporting based on anchor points. Anchor points could be direct (as a monetary impact derived from accounting data) or indirect (ensuring coherence between financial and sustainability disclosures), and should be present in both financial reports and sustainability reports.
Double Materiality	*"Environmental and social materiality"* in 2019 guidelines is now labelled *"impact materiality"* and concerns the "inside-out" impacts of the company's own operations and its value chain. *"Financial materiality"* is based on the evidence that sustainability matters can affect an organization's value beyond what is already recognised in financial reporting. The two perspectives are dynamically interrelated as "many impacts on people and the environment may be considered 'pre-financial' in the sense that they may become material for financial reporting purposes over time (so-called *'dynamic materiality'*)." Double materiality assessment will be a requirement for both the standard setter and the reporting entities under a process defined by an appropriate standard.
Structure of the report	The standardized sustainability information is part of the management report. In particular, it should be covered "in a separate and clearly identifiable section of the management report which would be presented as 'sustainability statements."[5]
Digitalization	EU Standards digital taxonomy to be issued in parallel to the Standards, to allow sustainability information to be tagged based upon a granular analysis of data points. The digital taxonomy will be based on the model used by the European Single Electronic Format (ESEF).
Timeline	The EU Standards are expected to apply from the reporting year 2023 (reports published in 2024). These will allow companies to report in compliance with the CSRD requirements. The first set (to be drafted within Q2 2022) should include two priority conceptual guidelines: double materiality and quality of information.

[5] EFRAG's report "Proposals for a relevant and dynamic EU sustainability reporting standard", p. 10

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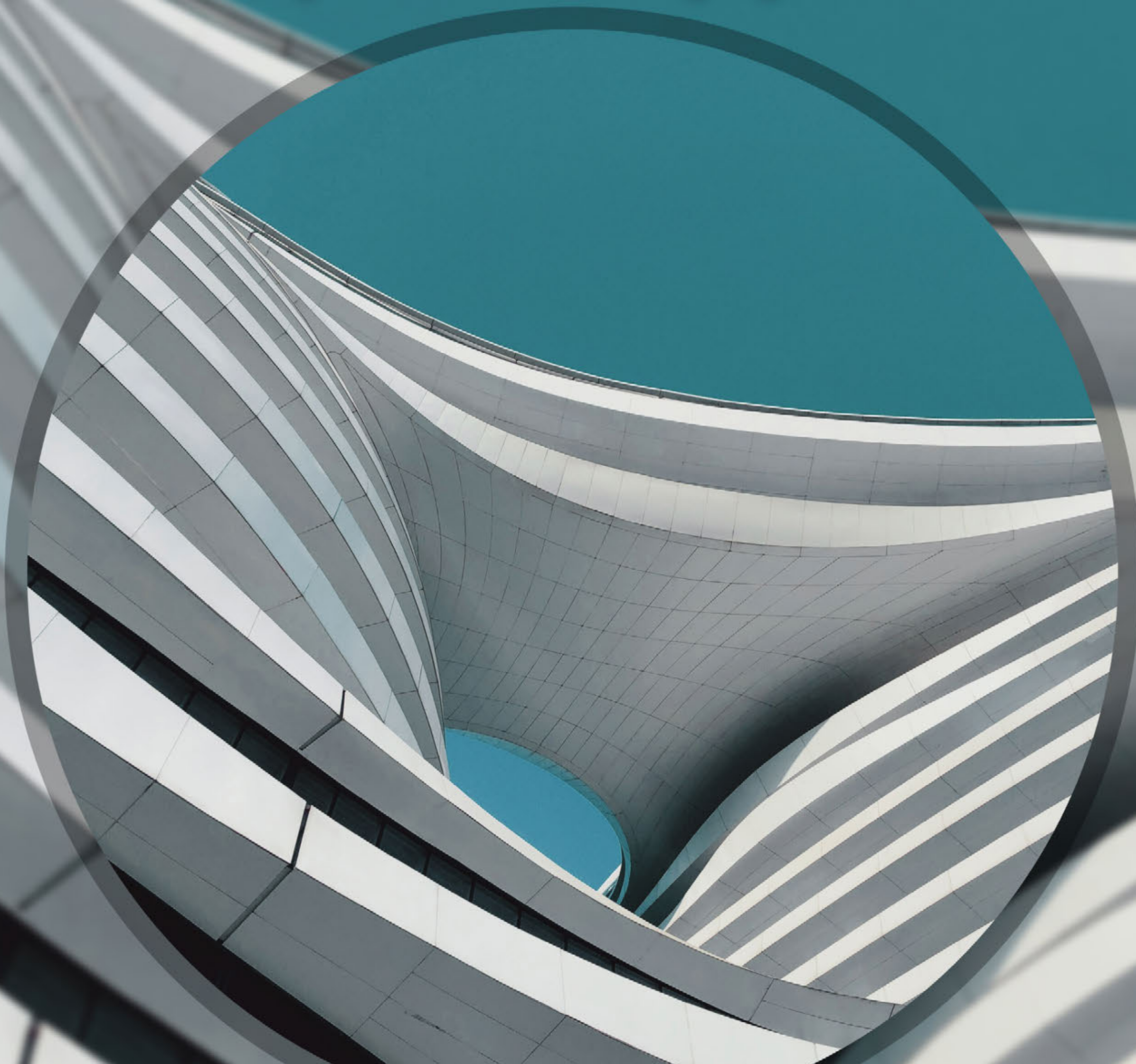
How to get started with double materiality » your 5-step plan

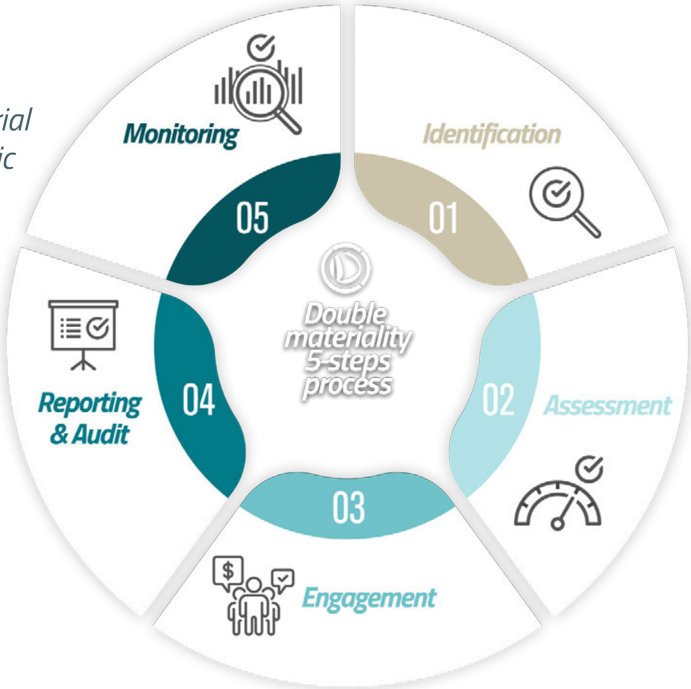


How to get started with double materiality - your 5-step plan

"Double materiality" does not mean that it has to be twice as challenging to achieve. Determining the materiality of ESG and financial impacts of a company is done through the following process:

5. ***Monitoring*** *the evolution of material issues in a dynamic way.*

1. ***Identification*** *through collection of data across multiple sources;*



2. ***Assessment*** *through gathering of evidence demonstrating impact and financial materiality;*

4. ***Reporting & Audit*** *to document and review the process and results;*

3. *Engagement with internal and external stakeholders, including the board and the executive level;*

Preliminary Step - before you get started:

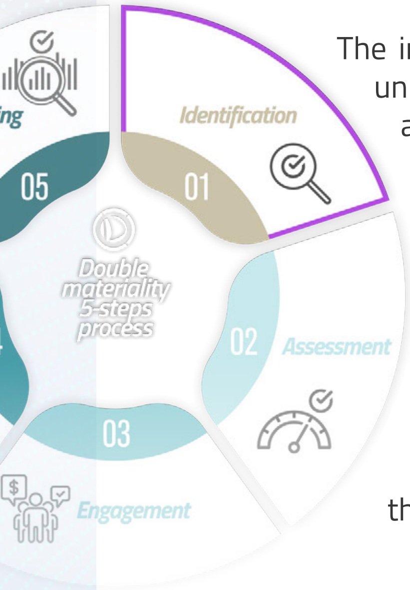
Setting up the governance structure and procedures to dynamically monitor the evolution of materiality

A double materiality assessment requires different departments within the company to be involved: from strategy, to finance, to legal compliance including risk management and sustainability/ESG. Moreover, the board and executive management oversight has to be ensured.

For this reason, as a preliminary step, it's important to **set up a dedicated interdepartmental governance body** (e.g. committee, council, forum) supervising the consistency of the process, interpreting the insights from the double materiality assessment and translating them into actionable strategies. **This is a recommended best practice, soon becoming a requirement** in light of upcoming regulatory changes such as the EU Sustainable Governance proposal.

Such a governance body may already include members of the board and the executive team, or directly report to these levels. This governance body should facilitate the oversight on the evolution of material topics over time and identify the emerging issues on the path of becoming financially material.

Step 1: Identification through collection of data across multiple sources



The initial step of every materiality assessment is the identification of a broad universe of potentially material issues. **Referencing multiple sources** (industry and peer reports, mandatory regulatory requirements, best practices and recommendations from voluntary policies, online news and media) is **essential to minimize the risk of overlooking any emerging issue** and ensuring a comprehensive and credible analysis.

In addition, a multi-source approach ensures a more objective analysis, as the data can be triangulated reducing the subjectivity of specific stakeholders' points of view. From a dynamic materiality perspective, identifying the sources that are driving the importance of each issue can reveal key forward-looking signals on which are approaching the materiality threshold.

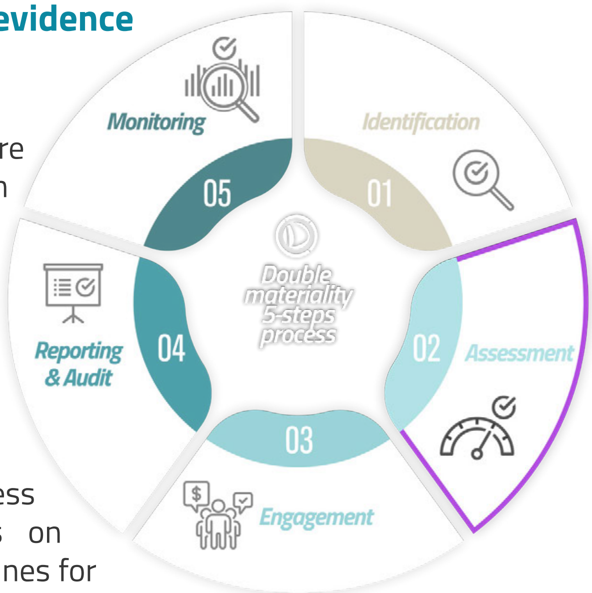
Going further:

Why leveraging technology is key

Datamaran's patented technology allows for a faster, better, and more affordable process to conduct a data-driven materiality assessment through the lenses of double materiality with insights backed by taking into consideration a wider scope of external data.

Indeed, as highlighted in an **independent research conducted by EPRI**, Datamaran provides the ability to tap into Big Data and analyze 25x more reports and regulations compared to a traditional approach. The report also found that the total cost of a manual approach to the materiality assessment was proportionally 2.1x more than the Datamaran-enabled approach, and took roughly 19.8x more time.

Step 2: Assessment through gathering of evidence demonstrating impact and financial materiality

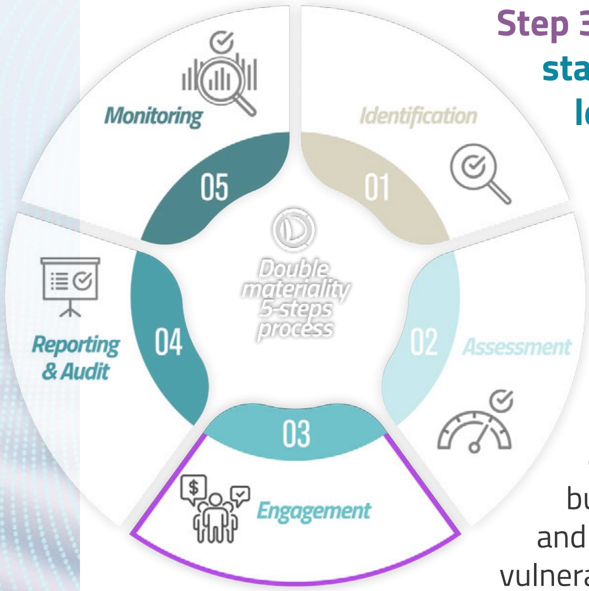


Double materiality concerns explaining why issues are material from an impact and/or financial perspective. In practical terms, the initial broad universe of potentially material issues should be analyzed to **identify evidence of materiality from both points of view**. Some examples of elements of evidence that should be taken into consideration in this phase include:

» ***For impact materiality:***
- international standards on responsible business conduct, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises
- context: legal requirements, local practices, political, economic,

market and security conditions, technological developments and the state of the local, regional and global environment
- negative impacts across activities and business relationships on the basis of their severity (how severe are they? How widespread are they? How difficult would it be to put them right?) and likelihood
- positive impacts across activities and business relationships on the basis of their scope, scale, and likelihood

» ***For financial materiality:***
- global standards and/or regulatory requirements that demonstrate evidence of financial impact and investor interest
- issues addressed in the context of a company's financial position (e.g., its balance sheet), financial performance (e.g., its income statement and cash flows) or risk profile (e.g., its cost of capital), all of which influence a company's enterprise value in the short, medium and long term.



Step 3: Engagement with internal and external stakeholders, including the board and the executive level

When it comes to engaging internal stakeholders, board members and executives play a crucial role in the materiality process, as they define the boundaries of the accountability of the organization by making the materiality judgements. From a business strategy perspective, a double materiality assessment helps management, senior leaders, and Board members understanding and distinguishing between outwards impacts and inward dependencies of the company's business model, providing a more comprehensive bigger picture and a solid foundation to identify the right priorities, critical vulnerabilities, and emerging risks and opportunities.

A data-driven approach facilitates their role, enabling informed materiality threshold setting, and providing the necessary evidence to build the boards' and executives' proficiency on emerging ESG issues.

In relation to the engagement with external stakeholders, it's important to clarify that, although a materiality assessment is in many cases trivialized among practitioners solely to the administration of a stakeholder survey, or engagement activities such as workshops or roundtable discussions, **stakeholder engagement does not equal materiality assessment**.

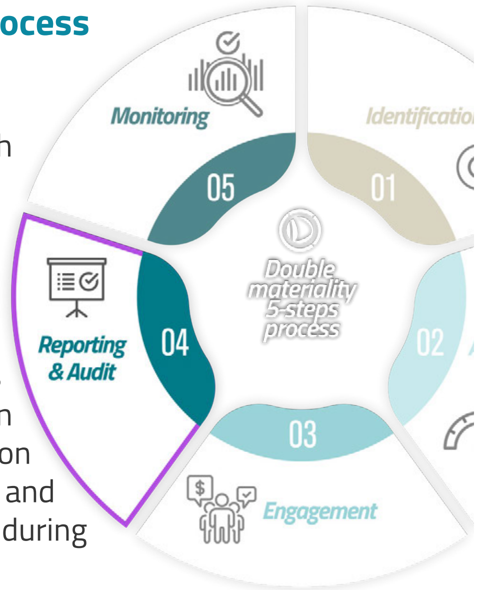
While those elements are surely a necessary part of a materiality assessment, they are not sufficient. Stakeholder engagement comes in to support the results of the data-backed analysis to tease out limitations, implications, and forward looking insights. The recoupling of the evidence through systematic stakeholder dialogue is essential as it grounds the discussions in reality and bears the potential to align perceptions.
A data-driven approach, based on the integration of multiple sources of information ensures more fruitful stakeholder engagement as the conversations with internal and external stakeholders can focus on the implications for the organization rather than data collection.

Going further:

Why stakeholder surveys alone are not sufficient for double materiality assessments: insights from EFRAG's report

The **EFRAG report** addresses the inadequacy of current stakeholder engagement approaches (based on "meetings" or "questionnaires"), noting that *"the interests of the stakeholders that are users of sustainability reporting are not necessarily proxies for the potential and actual impacts of the company on people and the environment. In practice, if reporting entities determine impact materiality based on what all users of sustainability reporting find decision-useful, then it is quite likely that everything comes out as 'material.' However, when impact materiality is determined based on what a subset of these users of sustainability reporting finds decision-useful then materiality depends on who the company asks. "The latter approach has dominated most companies' practices with regard to impact materiality, inviting certain experts, NGOs and others to express their interests in what the company should report through 'materiality' meetings or on-line questionnaires. This has not led to sufficiently relevant information being disclosed from a double materiality perspective."*

Step 4: Reporting & Audit to document and review the process and results



A systematic and documented process is a must-have given the wealth of evidence a double materiality assessment process entails and the mandatory third party limited assurance introduced by the CSRD.

Detailed disclosure on the process is indeed a requirement expected in the EU Standards. This does not mean that, in order to visualize a double materiality assessment, you need to draw two different matrices - as demonstrated by the disclosure examples from Enel and Morgan Advanced Materials. On the contrary, what is demanded is an explanation demonstrating the materiality of issues from each perspective, impact and financial. The explanation should be grounded in the evidence gathered during the assessment process (step 2).
When preparing the disclosures on the double materiality assessment process, the following guiding questions should be answered:

- ***What sources of information were analyzed to determine materiality?***
- ***For each material issue, what is the evidence that demonstrates financial materiality and/or impact materiality?***
- ***How was the evidence presented and discussed with the executive leadership to determine the impact and financial materiality thresholds?***
- ***What is the process in place to ensure monitoring of dynamic materiality?***

Step 5: Monitoring the evolution of material issues in a dynamic way

The **EFRAG report** indicates that "sustainability risks may generate obligations in due course; however, it is a progressive evolution where financial materiality may increase over time until there is sufficient ground to disclose a risk and then to recognise a liability in financial reporting. Such an evolution needs to be monitored carefully."[6]

In light of this, it is critical for companies to build a structured process to track how materiality dynamically evolves over time. Such an approach requires continuous monitoring of sustainability issues, their integration in the risk register, detailed annual reporting, and board oversight.

—Giulia Genuardi,
Head of Sustainability planning, performance management and human rights, ENEL

"We set the priorities that underpin our strategy, commitment and reporting through a structured and data-driven materiality analysis process that embraces a double and dynamic materiality perspective and the continuous and direct involvement of our stakeholders. The materiality analysis is the navigator of our sustainable business model today and in the future."

Although technology solutions might appear as an optional enhancement that can be added at a later stage, designing this process including digitization from the beginning is in fact the best option, as digital solutions enable the necessary reliability, scalability, and breadth of data that a manual approach would never be able to provide to back-up decision-making with facts. In other words, in a context where sustainability priorities are not static and new risks can quickly emerge and become financially material, **technology is the only way to ensure a rapid and ongoing identification and assessment of emerging issues**.

Going further:

Dynamic materiality vs double materiality: different perspectives?

While the idea that materiality is context-dependent and evolves over time has always been part of its definition, the recent developments following the global COVID emergency emphasized how quickly what appears financially immaterial today can become business-critical tomorrow.

In their paper **Pathways to Materiality**, Jean Rogers and George Serafeim explain how materiality is a dynamic "process of becoming", rather than a "state of being". This perspective, popularized by the World Economic Forum's white paper "**Embracing the new age of materiality**" is referred to as **dynamic materiality**.

Importantly, **double materiality and dynamic materiality are interrelated concepts acknowledging different aspects of the same process**; while the former describes more accurately the impacts "on" and "of" a company (as described above), the latter articulates the pathway an issue follows to become financially material, highlighting the triggers and catalysts that eventually determine financial impacts.

[6] EFRAG's report "Proposals for a relevant and dynamic EU sustainability reporting standard", p. 76.

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Double materiality assessment steps:

How Datamaran can help

Double materiality assessment steps	How Datamaran can help
Setup of the governance structure and procodures	If not already existing, create a governance body to ensure appropriate management of material issues identified. Datamaran automatically generates heatmaps, dashboards, and other visualizations to keep the decision makers up to date when tracking dynamic materiality.
***Identification** through collection of data across multiple sources*	Scan **Datamaran's list of topics** and gain insight into the perspective of different stakeholders from direct sources (industry and peer reports, mandatory regulatory requirements, best practices and recommendations from voluntary policies, online news and media) to identify stakeholder's priority issues that can be material from an impact and/or a financial perspective.
***Assessment** through gathering of evidence demonstrating impact and financial materiality*	Once the list of potentially material issues has been identified, Datamaran analyses them to provide evidence of their materiality, severity and likelihood from both impact and financial perspective.
***Engagement** with internal and external stakeholders, including the board and the executive level*	Leverage Datamaran's live platform capabilities to share what you have identified as material from an impact and financial perspective with internal stakeholders and board members. Datamaran provides digital survey features to engage both internal and external stakeholders through the lenses of double materiality.
***Reporting & Audit** to document and review the process and results*	Collect and document the digital evidence of the double materiality assessment process through Datamaran's data for auditing purposes (including reasonable assurance) and transparently disclose the whole process in your reporting.
***Monitoring** the evolution of material issues in a dynamic way*	Leverage Datamaran's monitoring function to continuously check on the evolution of material issues over time and on the source(s) driving the changes. Refer relevant changes occurred to the appointed body for discussion and next steps.

Datamaran is the only software analytics platform in the world that identifies and monitors external risks, including ESG, offering real-time analytics on competitive, regulatory and reputational risks, specific to your business and value chain, and providing a data-driven business process for ESG risk management and materiality analysis.

We would be delighted to give you a personalised demonstration of Datamaran, showing how to leverage technology to conduct a double materiality assessment that meets investor and regulatory expectations.

Simply get in touch by using the contact details below.

Book your personalized demo

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