BSR

Conducting a Double Materiality Assessment

Double Materiality Assessments (DMAs) are evolving from periodic reporting exercises into ongoing strategic management processes. Conducting and regularly refreshing a DMA helps companies identify and prioritize sustainability topics that affect enterprise value, society, and the environment, while keeping pace with changing business conditions, stakeholder expectations, and reporting standards. The strongest DMAs are evidence-based, supported by targeted stakeholder engagement, and integrated into risk governance, business planning, and decision-making.

BSR helps companies conduct and refresh their DMAs using a top-down, evidence-led approach that starts with a preliminary materiality hypothesis and applies a detailed impact, risk, opportunity (IRO) assessment selectively where further analysis is needed. We support alignment across ESRS, IFRS Sustainability Disclosure Standards, and other relevant reporting frameworks, strengthen targeted stakeholder engagement and assurance readiness, and translate material IROs into strategy, governance, targets, metrics, and implementation.

BSR's Five Step Approach to Conducting a DMA

PHASE	ACTIVITIES
1 MOBILIZE	• Set up cross-functional team and process for leadership involvement • Refine understanding of business context and available evidence • Develop materiality assessment framework and criteria; validate with risk team
2 RESEARCH	• Review existing evidence • Confirm value chain components and relevant contexts • Develop relevant topic list and preliminary materiality hypothesis • Perform a topic coverage check
3 ENGAGE	• Identify internal and external stakeholders for targeted engagement • Conduct stakeholder interviews
4 ANALYZE	• Consolidate and analyze evidence and determine materiality at topic/sub-topic level • Conduct targeted IRO assessment and document preliminary conclusions • Plan and conduct focus groups
5 VALIDATE	• Prepare for and hold materiality validation session • Develop executive brief and support senior management and board for sign-off • Support internal audit and/or external assurance engagement

Refreshing a Double Materiality Assessment

Companies periodically need to refresh their DMA as business activities, value chains, evidence, stakeholder expectations and reporting requirements evolve. The appropriate approach depends both on what has changed, and on the company's goals and internal capacity to lead the refresh.

BSR helps companies undertake this process in two ways:

	EXPERT REVIEW SUPPORT	TARGETED DMA REFRESH
	For companies seeking expert methodological support with the capability to lead their own refresh	**For companies seeking substantial support with updating affected parts of their DMA**
Company Role	Leads research, analysis, documentation, and refresh decisions	Provides inputs, evidence, and internal perspectives
BSR Role	Reviews methodology and draft outputs, advises on difficult questions, challenges conclusions, and identifies gaps	Reviews changes, conducts agreed analysis/engagement, updates affected topics/IROs, and supports validation
Typical Output	Expert comments, recommendations, and review of refreshed materials	Refreshed DMA components, evidence, and conclusions

CONTACT US

Companies seeking to conduct and strengthen the strategic value of their DMA should contact BSR at

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