



Management diagnostic: Double Materiality Analysis

The starting point to ensure your non-financial governance and disclosure meets regulatory and financial market requirements

Building a resilient business in the light of rapidly changing environmental and social regulations is becoming ever more challenging. Understanding your financial risks and opportunities related to these external factors is business critical – and is a formal requirement in international legislation and standards like the European Union (EU) Corporate Sustainability Reporting Directive (CSRD), the IFRS Sustainability Reporting Standards, the SEC Climate Related Disclosures and various financial market related requests.

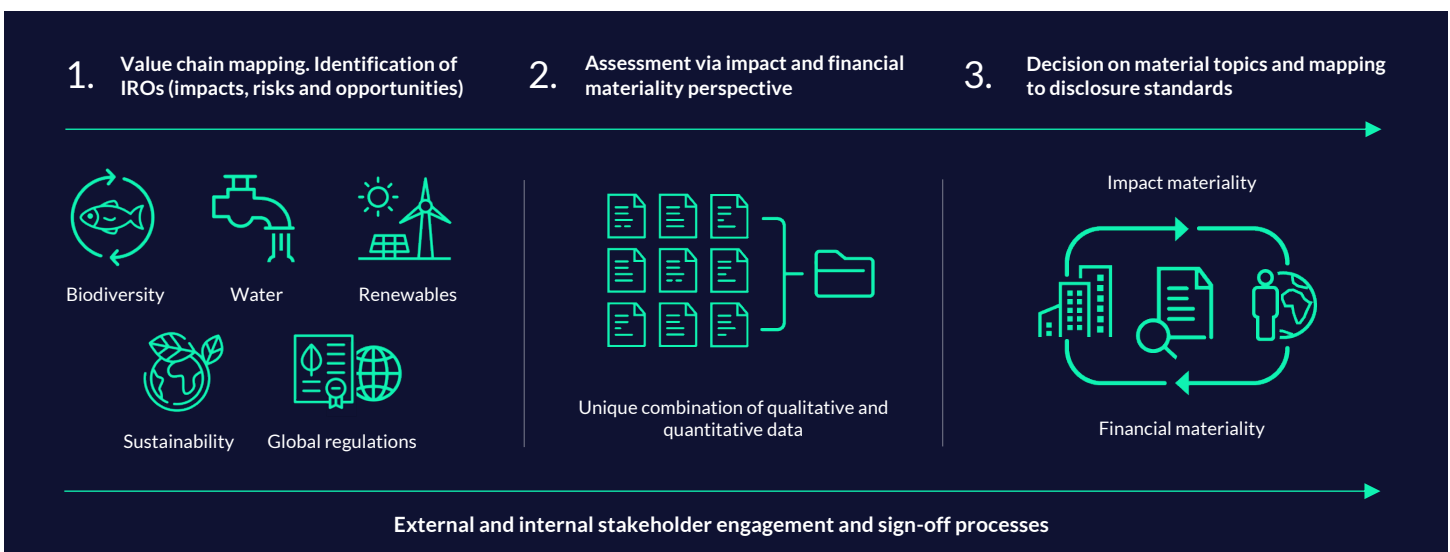
The LRQA Double Materiality Analysis provides you with in-depth insights into the impacts your undertaking has on environment and people and expands this by adding the financial risk and opportunities perspective.

Double Materiality Analysis identifies those aspects of your business model and value chain that require management attention and that your stakeholders expect you to be transparent about. It leverages expert knowledge, stakeholder contributions and data insights from our proprietary [EiQ platform](#) to uniquely combine profound qualitative expertise with robust data.

We deliver a well documented, assurance-ready prioritisation of impacts, risks and opportunities (IROs) that can be mapped against your current governance, policies and reporting to inform programme design, reporting and disclosure in a way that meets your business priorities, risk appetite and compliance requirements.

Our approach

A Double Materiality Analysis is conducted in a proven three-step approach in line with current CSRD/ESRS requirements and the EFRAG implementation guidance encompassing stakeholder expectations and industry standards. Our evaluation methodology has been used and tested on companies of different sizes, across geographies and industries and has successfully undergone external assurance.



Outcomes

We deliver documentation with key findings, process description and considerations on applied methodology as well as detailed data-sheets on the identified IROs. This will cover, among other things:

- ✓ Prioritized IROs
- ✓ Actual and potential, positive and negative impacts on environment and people
- ✓ Actual and potential financial risks and opportunities in short, medium and long-term perspective
- ✓ Value chain mapping and identification of IROs per value chain step
- ✓ Threshold setting and identification of material topics
- ✓ Mapping of material topics to disclosure regulation and standards (e.g. CSRD/ESRS, GRI, IFRS S, etc.).
- ✓ Recommendation on next steps to integrate into overall business strategy and to gain CSRD compliance.

Upon request, engagements can be expanded to include e.g., gap-assessment of current reporting against CSRD disclosure requirements, ESG strategy readiness check to identify gaps in governance, target-setting, policies and procedures and roadmap to close these gaps.

Why LRQA?

We bring to every project our deep expertise in sustainability and ESG related regulations, international best practice, a thorough understanding of strategy and disclosure requirements and processes and insights into industry practices and investor expectations.

Aligned with evolving requirements

We update our methodology on a regular basis to ensure alignment with legislation and industry standards



Tested & refined

Our methodology has been applied with hundreds of companies across geographies and industries for years



Based on end-to-end expertise

Our evaluation is based on decades of experience not only assessing current states, but also designing and implementing long-term programs



We speak your language

We provide pragmatic, sensible, and resource-effective solutions and recommendations that can be implemented and scaled



We are efficient and action-oriented

We know what to look for, so it takes less time and effort for you and your teams to get the insight you need



Get in touch

Visit www.lrqa.com for more information
or email advisory@lrqa.com

