



Double Materiality Assessment

What does it mean?

Materiality assessment

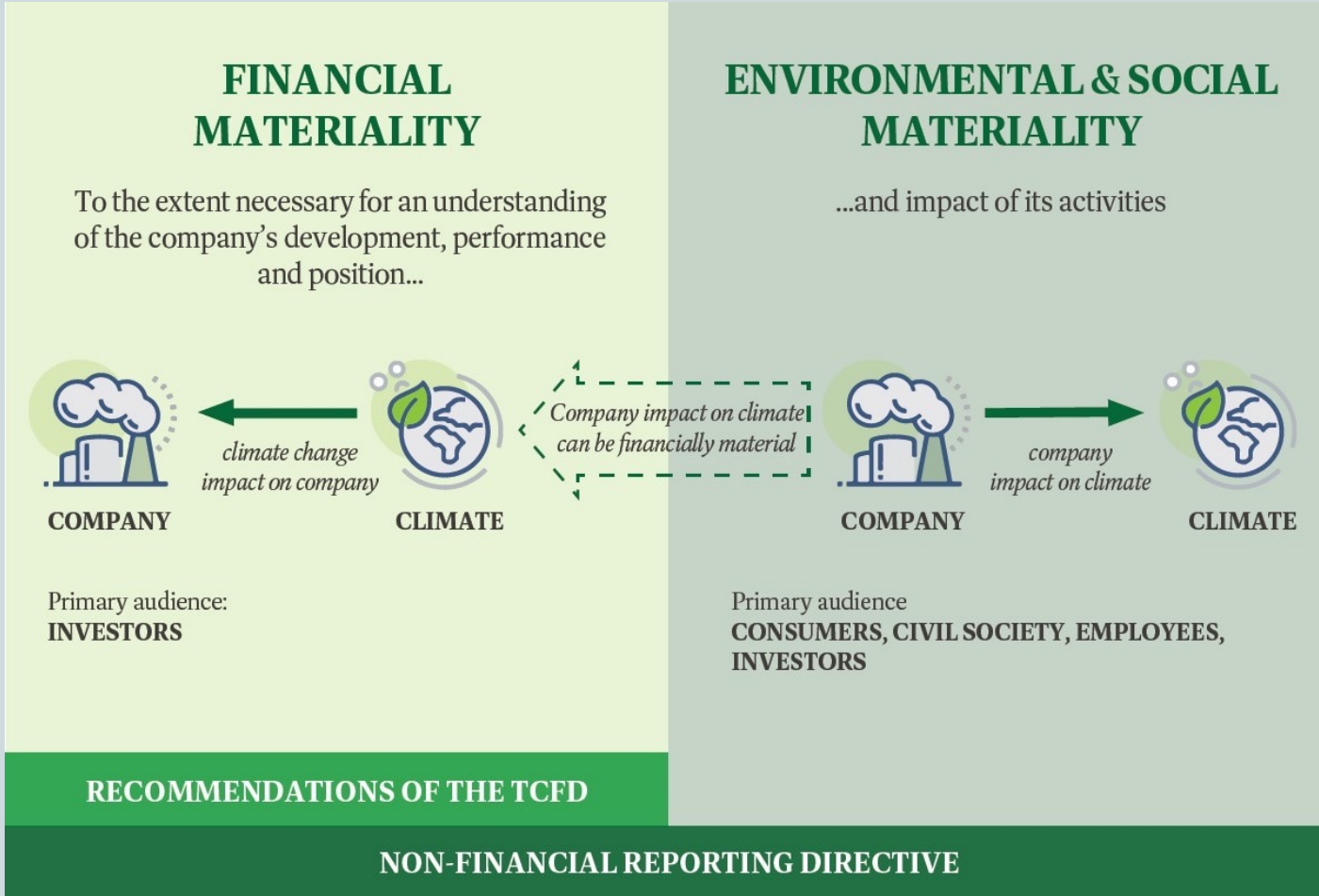
Process of **identifying the relative impact** of a range of **environmental, social and governance (ESG)** issues on the company's performance, and categorizing those issues into a hierarchy which can then be used to guide strategy and help the organization provide a complete and accurate accounting of its sustainability to investors.

→ Aspects that are 'material' for a company have a significant impact on the organization

Objectives:

- **To identify** the biggest risks & opportunities for the company concerning Environmental, Social and Governance issues
- **To find out how important** specific environmental, social and governance (ESG) issues are to your internal and external stakeholders.

Double Materiality



Financial materiality

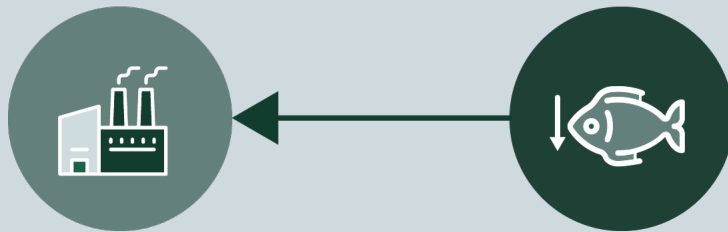
- **Outside-in materiality (present):** Which topics today have an important impact on the successful functioning of your company?
- **Outside-in materiality (future, risks):** Which of the following topics do you think will have an important impact on the successful functioning of your company in the coming years?

Impact materiality

- **Inside-out materiality (present):** On which topics does your company have an important impact today?
- **Inside-out materiality (future, opportunities):** On which topics could your company have a significant impact in the future?

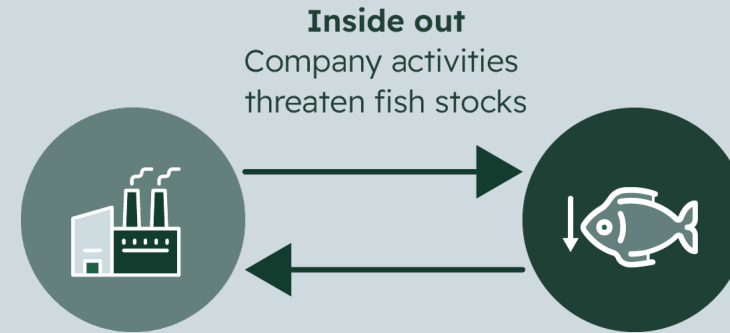
Double Materiality – Example fish industry

traditional materiality



Financial Perspective
Fish stock decrease affects
the company profitability

Double materiality



Inside out
Company activities
threaten fish stocks

Outside in
Fish stock decrease affects
the company profitability

Materiality assessment



Outcome:

- Overall material aspects + per stakeholder group
- Risks for the company if no action is taken on certain ESG topics
- Opportunities related to ESG topics
- List of ESG topics that the company should include in targets, strategy, action plan & ESG reporting initiatives.
- Helps create a vision and goals for the company

Material Inventory - Definitions

Impacts

Positive and negative sustainability-related impacts that are connected with the undertaking's business, as identified through an impact materiality assessment. It refers both to actual impacts and to potential future impacts.

Impact materiality

A sustainability matter is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term. A material sustainability matter from an impact perspective includes **impacts** connected with the undertaking's **own operations** and **upstream** and **downstream value chain**, including through its **products and services**, as well as through its **business relationships**.

Risks and opportunities

The undertaking's sustainability-related financial risks and opportunities, including those deriving from dependencies in natural human and social resources, as identified through a financial materiality assessment.

Financial materiality

A sustainability matter is material from a financial perspective if it generates **risks or opportunities** that affect (or could reasonably be expected to affect) the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term.

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