



# Reporting on double materiality assessment

Study of the first CSRD sustainability statements

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### Nota Bene

The statements in this report do not engage any responsibility on the part of the partners of the Double Materiality Chair. The opinions and analyses should be considered as those of their authors.

Furthermore, the work developed in this report is exploratory and does not constitute a scientific document, but only a basis for discussion, clarification, and problematization of the issues of double materiality, intended in particular for decision-makers, institutions, civil and political society, etc.

# The Double Materiality research Chair

The “Double Materiality” research Chair, created in 2023, is hosted by the “Fondation du Risque” (risk Foundation) of the Louis Bachelier French Institute.

The Chair is co-directed by Maxime Mathon (co-founder of ASCEND) and Alexandre Rambaud (senior lecturer at AgroParisTech, researcher at CIRED, and academic fellow at the Louis Bachelier Institute). Its members include academics and professionals (in the field of ecological accounting and sustainable finance).

The Chair is structured around three areas:

## **A scientific review of the Double Materiality (DM) concept:**

- Contributing to the conceptual and operational exploration of the DM
- Approaching this exploration from a highly transdisciplinary perspective (notably connecting ecological sciences, bioeconomics, and management/accounting)
- Initiating dialogue and collaboration between scientists and practitioners (including accounting standard-setters) through research and development programs, seminars, notes, teaching, or other relevant media and means

## **Mobilize all fields that have already explored certain aspects of the DM to progress in structuring tools that can be used for the DM:**

- Establish a systematic review of the tools and instruments available to address this concept

## **Structure and manage the data necessary for the DM:**

- Collaborate with European organizations to define appropriate databases
- Explore how accounting can make use of this new data
- Design operational systems for managing this data



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## Executive summary (1/2)

The CSRD formally introduced and framed the application of the Double Materiality Assessment (DMA) in sustainability reporting. The present report provides with insight from the first sustainability reports in line with the new EU reporting standards (ESRS) and published by a sample of 15 French large companies. The analysis i) suggests a significant and positive evolution of reporting practices and ii) identifies the challenges to overcome for producing a meaningful sustainability reporting.

The objective of this in-depth study on the DMA (reporting on its process and results) is twofold:

- 1) **to carry out a review of the actual practices** in the context of the 1st application of the ESRS requirements
- 2) **to identify challenges and limits** in the sustainability reporting production process (areas where guidance on or clarifications of the ESRS would be most needed in order to increase the quality of the DMA)

**What's next?** This study is only the first part of a larger research program, where the Double Materiality Research Chair will eventually point to solutions likely to facilitate sustainability reporting and management under the DMA approach.

**With the first application of CSRD, companies also applied, sometimes for the first time, a double materiality approach and a double materiality assessment (DMA). It requires the consideration of nature's integrity, beyond the mainstream stakeholders' interest perspective.**

**The DMA increases transparency with respect to how companies assess their material IROs. It results in a more detailed presentation of the outcomes, as compared to previous reports. Transparency in reports on methodology used is essential to collectively improve practices and enable the CSRD to become a strategic management tool towards an ecological transition.**

**However, we identified several shortcomings both on preparation and reporting sides, that hinder the full anchoring of the DM in sustainability reporting.**

→ **These major challenges, for EFRAG and the EU Commission, are presented in the next page.**

This study also highlights good practices, exposed in the detailed findings

## Executive summary (2/2)

### The double materiality assessment experiences 3 major challenges

- 1. To enhance the guidance on thresholds:** Reports show a striking difference in maturity between reporting on **impact thresholds** (almost always generic) and **financial materiality thresholds** (good practices identified, specific information). Companies seldom connect impact thresholds with the notion of “ecological thresholds” which are key to understand the severity of impacts with a science-based approach. This calls for fostering cooperation between corporates and academia in order to improve guidance.
- 2. To enhance transparency on DMA methodology:** On the one hand, companies provide detailed explanations at the level of environmental topics, which increases transparency on input parameters. On the other hand, the **materiality or non-materiality of social-related matters remain under-explained in many DMAs**. Few companies provide clear explanation about the extent of their value chain assessment. Information about non-material topics is also scarce. Transparency in the methodology is instrumental for the improvement of practices. It is conditional to comparability. In the context of the current ESRS simplification, this result should hint the Commission to maintain a strong incentive to provide information on DMA methodology and input parameters (in particular, information at the level of each environmental, social, governance topic).
- 3. To provide a precise description of impacts:** Reports lack precise information on **effect of impacts on environment and people**. For instance, the information remains generic and it is often difficult to understand whether information is provided on a gross or net basis, i.e. prior/after mitigation efforts. EFRAG should provide more detailed guidance on how to report such information and maintain the gross basis as the main principle.

# Methodology

**This study is an in-depth analysis of the double materiality assessment based on the ESRS requirements conducted by 15 French large companies in the CSRD's scope.**

## Sources studied

This study focuses on public information disclosed in 2025 by companies in their management report that includes the sustainability statement.

## Areas of reporting studied and methodology

We used a targeted and qualitative grid to conduct the report analysis (see [Appendix 1](#) for more details on the methodology and content of the grid). This grid covered the following topics:

1. The description of the double materiality assessment (DMA) process, (IRO-1 datapoints in ESRS 2 and topical ESRS).
2. The description of the results of the DMA, i.e. the presentation of the material impacts, risks and opportunities (SBM-3 datapoints in ESRS 2). We also assessed the consistency of the DMA results with other information provided in the management report and sustainability statement.

This study does not purport to check the accuracy of the information disclosed by companies in relation to the regulatory framework, and is based solely on public information (references to company practices should be understood as references to *reported* practices). We do not assess internal and decision-making processes or operational effectiveness of the DMA, but rather the way these elements are presented in the sustainability reports.

## Sample: company selection

The 15 companies assessed were selected from a sample of French companies in the current scope of the CSRD (large public interest entities > 500 employees), as the Double Materiality Research Chair is based in France. Information on the sample composition (sectors, size) is presented in the [following page](#). The companies are anonymised in this study.

The following criteria were retained to select the sample:

- a focus group with a limited number of companies (15) allows the conduct of an in-depth assessment of their reports;
- all companies ought to be very large (higher probability to identify best/good practices);
- the management report (that includes the sustainability statement) is published, between February and April 2025;
- the sample ought to include different sectors (companies from industry, services sectors as well financial institutions), each being represented by least 2 entities (one exception is Consumer Staples).

On top of these 15 companies, extracts from other French companies' sustainability statements were added to the study to illustrate interesting reporting practices.

The results of this study may present a biased perception of the maturity of companies under the CSRD as it focuses on large French companies with experience in sustainability reporting (in particular due to mandatory assurance since 2019).

# Methodology

## Focus: presentation of the sample

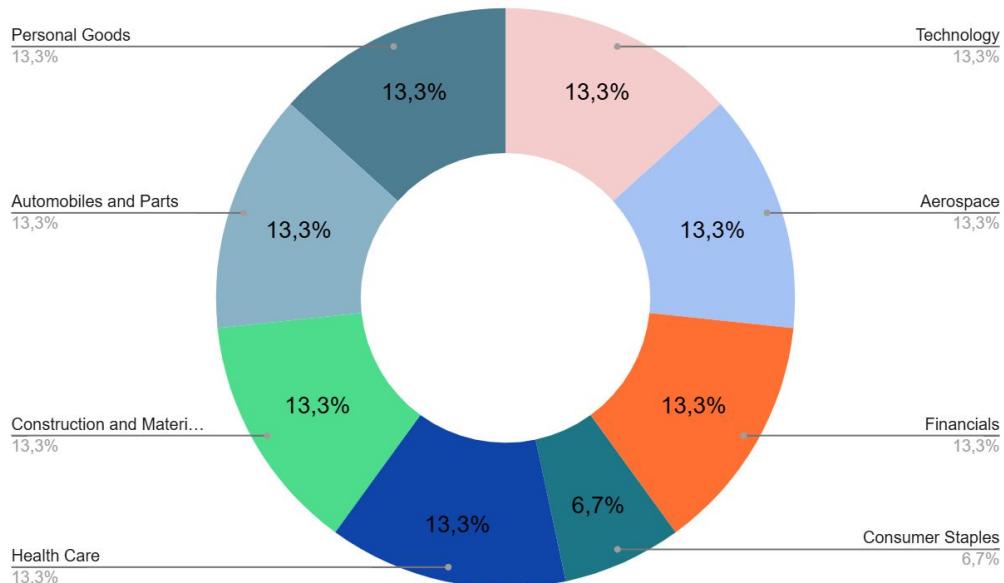
There are 12 non-financial companies in the sample and 3 financial institutions. All companies are in the scope of the CSRD as they are large companies with more than 500 employees listed on French regulated markets, i.e. sustainability reporting is mandatory.

The table below shows the size of the companies in the sample :

- All companies count more than 5 000 employees
- The average turnover is 42,348M€ (min: 460M €)

Number of employees	5 000 to 10 000	10 000 to 50 000	50 000 to 100 000	100 000 to 150 000	more than 150 000
Nb of Companies in sample	2	1	5	2	5

## Sectors represented



## Introduction:

What is a double materiality assessment ?

# Reminders: the double materiality assessment (DMA) in CSRD

- The CSRD (Art. 19a) introduces the concept of double materiality by requiring companies to disclose “*information necessary to understand the undertaking’s impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking’s development, performance and position*”. This concept is further defined in CSRD’s European sustainability reporting standards (the ESRS):
- **ESRS 1 sets out the conceptual framework for the DMA:** the importance of engagement with affected stakeholders, the definition of impact materiality and financial materiality, the materiality criteria to take into account (such as: scale, scope, likelihood) when assessing the materiality of impacts, risks and opportunities (hereafter, “IROs”). ESRS 1 also provides a list of sustainability topics that the companies can refer to. Finally, it sets the general rule under which companies are to disclose relevant information on their material IROs and how they are managed.
- **ESRS 2 specifies the transparency requirements** related to the double materiality assessment: transparency on the methodology used and process to conduct the DMA (under the section “IRO-1”) and transparency on the results of such assessment with a presentation of material IROs and their connection to the company’s strategy (under the section “SBM-3”).
- In addition, **some topical standards related to environmental and governance matters (ESRS E1 to E5, G1) require more detailed information on the DMA** process and provide specific guidance on how to conduct such assessment.

[Read more: study “La Double matérialité dans le monde, analyse géopolitique et critique” - Fev. 2025 \(French\)](#)

## Part 2

# Double materiality assessment: a in-depth study of the first sustainability reportings under the CSRD

In this chapter:

- 1. Reporting on the DMA process**
- 2. Presenting the DMA results**

# 1. REPORTING ON THE DMA PROCESS

## Key findings related to the first mandatory DMA in CSRD sustainability reports

- The assessment of both risks/opportunities for the company and impacts on people and the environment is based on engagement with stakeholders (generally, internal & external) and several companies also took into account science-based parameters to represent nature's condition.
- There is an important heterogeneity in the DMA methodologies, related to : i) the scope of the assessment, ii) when/how many stakeholders are consulted, iii) which parameters are considered, and iv) the references and frameworks cited.
- Several companies explicitly pointed to difficulties/areas in conducting their DMA: those include value chain coverage, the lack of harmonised methodology, especially on thresholds, etc.
- While all companies provided some information on their double materiality assessment (DMA) process, the level of detail greatly varies from one company to another.
- Companies tend to give more information on the DMA process (input parameters in particular) related to the material topics compared to non-material topics and much more information on DMA for environmental topics compared to social topics.
- Companies provide more specific information on financial materiality thresholds than they do on impact thresholds, which was often boilerplate (e.g. a number on a theoretical scale with a lack of contextual information on the methodology)

# 1. REPORTING ON THE DMA PROCESS

## Information on input parameters (1/2)

### *What does the CSRD require?*

*ESRS 2, IRO-1 requires companies to present the input parameters used for the DMA, i.e. tools and data used as well as main assumptions.*

*In addition, topical ESRS (except social ESRS) echo the ESRS 2 requirement to present the methodologies, assumptions and tools used to screen the activities in order to identify material IROs*

- The level of granularity of **reporting on input parameters** varies **significantly** from one company to another.
  - Some companies provide only generic information without mentioning concrete tools or sources (information placed in their General Section), cf. **illustration 3**
  - However, many companies provide detailed information on inputs at the level of topics (tools/sources used for a specific topic as well as important assumptions made), cf. **illustrations 1, 2 and 4**. These information are often presented directly in the topical sections of the statement
- Although companies need to report on their DMA process (IRO-1 datapoints) related to all topics even though some are eventually found non material, **several companies only provide this information for their material topics**
- One important input parameter is the **scope of the assessment and in particular, of the value chain** ("VC") screening. Various practices observed: some companies screen their VC only for their direct suppliers while others go beyond. Some companies do not provide specific information on the scope (cf. **illustrations 5 to 7**)

# 1. REPORTING ON THE DMA PROCESS

## Information on input parameters (2/2)

Our assessment of CSRD reporting focused on the DMA content related to ESRS E3 (Water and marine resources), ESRS E4 (Biodiversity and ecosystems) and ESRS S1 and S2 (own employees, workers in the value chain); it shows:

- **A significant gap between the treatment of E and S topics** : while companies tend to give specific information on how they conducted the DMA for environmental topics, this specific information is given in very rare cases for social-related topics (cf. illustration 1 vs. 2). Also, companies do not present information on the DMA process related to social matters in the dedicated topical section whereas they do so for environmental topics.
- **E3: many companies referred to the same tools and frameworks** (TNFD, Aqueduct and, for some: SBTN) but none mentioned the Water Framework directive that is referred to in the Application Requirements of ESRS E3. This may suggests a better acculturation to tools than to regulations.
- **E4: frameworks such as TNFD and SBTN are the most popular.** Many companies also mentioned tools such as ENCORE and IBAT (to identify sites located in biodiversity-sensitive areas). We found some very detailed explanations on biodiversity assessment for certain companies.

**Read more:** see our [Deep dive on the representation of silent stakeholders for the DMA \(especially environmental topics\)](#)

# ILLUSTRATION

## Information on input parameters: details per topic

ESRS topical Standards	Key methodological principles related to IRO-1	For detailed information refer to section below
<b>Climate change</b>	Scenario Analysis and ACPR stress tests	4.2.1.6 - Addressing climate change risks
<b>Pollution</b>	Analysis of pressures using ENCORE database and considerations of pollution to air, water, soil, use of substance of concern in identification of IROs	
<b>Water</b>	Analysis of pressures using ENCORE database and analysis of Co. D's water consumption	4.2.2.1 - Assessing the impacts on other environmental issues
<b>Biodiversity and ecosystems</b>	Analysis of ecosystems services using ENCORE database with focus on pressures and dependencies	
<b>Resources and circular economy</b>	Consideration of sub-topics in the screening of Co. D's activities for all dimensions (insurance, investments, and own operations)	4.2.2.1 - Assessing the impacts on other environmental issues
<b>Governance</b>	Analysis of Co. D's activities and locations as part of the IRO identification process	4.4.1 - Business Conduct impacts

### Input parameters

We leveraged previous stakeholder materiality interviews and conducted interviews with subject-matter experts. We also used the following list of sources to identify and evaluate Co. H's IROs:

ESRS	Impact materiality	Financial materiality
<b>E1 Climate</b>	<ul style="list-style-type: none"> <li>Co. H 2023 GHG emissions (Scope 1 &amp; 2, Scope 3)</li> <li>IPCC Report: Climate Change 2023</li> </ul>	
<b>E2 Pollution</b>	<ul style="list-style-type: none"> <li>Co. H PIE risk assessment (HSE), emissions (air, water) 2023</li> <li>Previously assembled lists of substances of concern and very high concern used at Sanofi</li> </ul>	<ul style="list-style-type: none"> <li>Co. H TCFD Disclosure (May 2023)</li> <li>Co. H Climate Risks and Opportunities Analysis (November 2023)</li> <li>IPCC Report: Climate Change 2023</li> <li>“Polluter pays” principle in the EU (2027+)</li> <li>Co. H financial provisions for remediation of soil in 2023</li> <li>HSE risk profile</li> </ul>
<b>E3 Water</b>	<ul style="list-style-type: none"> <li>Co. H water withdrawal and consumption 2023</li> <li>Co. H water stress analysis for own manufacturing sites</li> </ul>	<ul style="list-style-type: none"> <li>Co. H Climate Risks and Opportunities Analysis (November 2023) – “water stress” analysis.</li> </ul>
<b>E4 Biodiversity</b>	<ul style="list-style-type: none"> <li>IPBES Global Assessment Report on Biodiversity and Ecosystem Services (2022)</li> <li>Horseshoe Crab NGO reports: <a href="https://horseshoecrab.org/cornerstone/">https://horseshoecrab.org/cornerstone/</a></li> </ul>	<ul style="list-style-type: none"> <li>Co. H biodiversity impacts, dependencies and risk analysis (2023 updates)</li> </ul>
<b>E5 Circular Economy</b>	<ul style="list-style-type: none"> <li>Co. H data on materials procured (e.g. number of eggs, aluminum)</li> <li>Co. H use of plastic in packaging</li> <li>Co. H LCA assumptions</li> <li>Co. H quantities of waste (non-hazardous and hazardous) 2023</li> </ul>	<ul style="list-style-type: none"> <li>Co. H Climate Risks and Opportunities Analysis (November 2023) – “raw material scarcity” and “eco-design” analysis</li> <li>Extended producer responsibility regulation in the EU</li> <li>Co. H budget for waste management 2023</li> </ul>
<b>S1 Own Workforce</b>	<ul style="list-style-type: none"> <li>Co. H employee headcount over past five years by country</li> <li>Previous human rights audits</li> <li>Co. H “Your Voice” employee survey results 2023</li> <li>Co. H cs on percentage of employees covered by collective bargaining agreements</li> <li>Co. H health &amp; safety statistics/2023 and 2022 data</li> <li>Co. H gender pay gap</li> <li>Co. H harassment and discrimination figures from the Speak-Up line for 2023</li> <li>Information on Co. H employees that are minors and their positions</li> <li>P&amp;C Risk profile 2024</li> </ul>	<ul style="list-style-type: none"> <li>Discrimination and Harassment legal cases reported in past years, cases reported via Co. H speak-up line</li> <li>P&amp;C risk profile 2024</li> </ul>
<b>S2 Workers in the Value Chain</b>	<ul style="list-style-type: none"> <li>Procurement spend in at-risk countries (i.e. with suppliers in at-risk countries)</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Illustration 1: Company D, URD 2024

These two illustrations are examples of concise information on input parameters given at the level of topics, in a format table (section “General information” of the statement)

In particular, Company H lists input parameters by topics and differentiates between financial and impact materiality, which is a good practice since the methodology for impacts and risks as well as thresholds can differ.

In addition, Company H presents inputs parameters for all topics, including social topics, which is not the case for company D.

Illustration 2: Company H, URD 2024

# ILLUSTRATION

## Information on input parameters: generic vs. detailed information

- **external sources**, in particular controversies, sector studies, international reference frameworks and industry benchmarks. The document reference base includes numerous reports and studies from organizations such as: *United Nations Environment Program, Yale Center for Ecosystems + Architecture, IPCC, International Energy Agency, European Environment Agency, OECD, World Green Building Council, CDP Water, Encore Nature, World Economic Forum, WRI, ILO, etc.*

Illustration 3: Company O, URD 2024

### 3.4.3.1 Description of the processes to identify and assess impacts

Co. P Group documents its impact in terms of air pollution. The Group's cement plants have a strict air emissions measurement plan in place. In general terms, the principal emissions are monitored using continuous measurement systems (confirmed by ad hoc measurements). Other emissions are assessed through ad hoc measurements at a defined frequency, the results of which are extrapolated over full operating hours. These measurements are carried out by third-party companies and are subject to regulatory monitoring, the procedures for which differ in each of the countries in which the Group operates. Most of the emitting sites have been the subject of an environmental and health impact assessment.

The health and environmental impacts of the various substances emitted by the Group are well known. However, unlike GHG emissions which have a global and cumulative impact, the environmental and societal impact of air pollution is local. It brings threshold (concentration) effects into play and depends on meteorological considerations. The "real" impact therefore depends on the density of local populations and ecosystems as well as the level of emissions from other sectors (heating, transport and other industries). As such, the cement plants with the highest levels of emissions (despite complying with local regulations) and located near the most densely populated areas have the greatest potential impact.

Illustration 4: Company P, URD 2024

Other companies provide information on input parameters in narrative formats. These examples illustrate the heterogeneity of practices:

- Company P discloses specific information on its methodology and assumptions related to the assessment of air pollution impacts: assessed based on two criteria, level of emissions and location near densely populated areas via continuous measurement system or ad hoc measurements with estimates (located in topical section)

- Company O proposes a generic paragraph on input parameters that covers all topics (location in general Information section)

# ILLUSTRATION

## Information on input parameters: value chain coverage

These examples show discrepancies in how the DMA was conducted with regards to value chain coverage

- **Company A** indicates that it had difficulties covering the value chain and focused on tier-1 (direct suppliers)
- while **Company O** and **D** cover the value chain actors beyond the top tier

The IROs have been identified so as to cover all the Group's activities and its entire value chain, both upstream and downstream. Parties in the value chain beyond the top tier have also been included and thus cover materials sourcing, subcontracting and all downstream users.

Illustration 5: Company O, URD 2024

The DMA performed by **Co. D** covers the full value chain of the Group including upstream, downstream activities and its own operations. The scope of **Co. D**'s information disclosed in this

Illustration 6: Company D, URD 2024

The sustainability report covers the Group's upstream and downstream value chain, focusing on stakeholders with whom **Company A** has direct relationships and can therefore directly influence. This includes both procurement and sales aspects.

Illustration 7: Company A, URD 2024

# 1. REPORTING ON THE DMA PROCESS

## Engagement with stakeholders as part of the DMA

### What does the CSRD require?

*The ESRS does not require companies to consult stakeholders as part of the DMA process.*

*However, it stresses that engagement with affected stakeholders is an important source of information for the DMA and, under ESRS 2 IRO-1, requires transparency on whether and how these affected stakeholders were involved, in particular for certain topics.*

- All companies in the sample report that they have consulted stakeholders** as part of their DMA process. This includes both internal and external stakeholders. Some companies specify that they have consulted experts (often internal experts). Some companies relied on results of engagements with stakeholders from prior periods (2022, 2023, etc.).
- Few companies specify that “affected” stakeholders were consulted.** Sometimes, companies report partial engagement with these stakeholders depending on sustainability topics.
- Some companies provide **detailed information on the engagement methodology** (some even detail the questions asked during interviews/in surveys).
- As explained p.15 above, if few companies cited “*nature as a silent stakeholder*”, several seemed to take into account this recommended ESRS approach by using ecological data in the DMA process to assess nature’s own integrity. **Some companies relied on regulatory thresholds to represent nature’s interest.**

# Deep dive: representing silent stakeholders

## Main findings from the assessment of company's reporting:

- Beyond reporting aspects, companies had a rather **broad understanding of the materiality of impacts on the environment** which was not limited to Human's interests in nature (i.e. economic interest, wellbeing related to the use of ecosystems). Indeed, companies also attempted to operationalise the concept of **nature's own interest with the representation of "nature as a silent stakeholder"** (AR 7)
- While few companies mentioned "*nature as a silent stakeholder*" and explained how it was represented (cf. **illustration 10**), the information on input parameters and the use of some terminology such as "**biodiversity integrity**", "**existence values**" of ecosystems in some sustainability statements seemed to reflect this approach.

## How can silent stakeholders be represented?

There are multiple methodologies to account for silent stakeholders when defining materiality. For instance:

- In line with ESRS recommendation in AR 7, several companies **used ecological data and science-based frameworks** to assess their impacts on nature (e.g. data from environmental agencies, databases such as IBAT, ect.). However, companies need more guidance on science-based materiality thresholds to conduct the final step of their DMA (e.g. common benchmark of ecological thresholds)
- Others referred to **regulatory frameworks** (e.g. legal thresholds for pollution). In doing so, companies should make sure that such regulatory benchmarks are defined to preserve nature's integrity
- Many companies also **engaged with nature's representatives and experts** (mostly NGOs and internal experts, and, to a lesser extent, external experts).

# ILLUSTRATION

## Information on engagement with stakeholders: clear connection with the DMA process

### **Step 4: Engagement with stakeholders to challenge the materiality assessment**

Once each IRO was identified and scored, **Co. B** engaged with internal and external stakeholders to discuss the preliminary results and collect feedback to adjust the pre-materiality assessment.

More than 50 interviews in total were conducted with representatives from the Group and its airlines (ranging from junior professionals to senior management), experts from the air transport industry (including key suppliers and partners), and other external stakeholders (including public authorities, investors, customer panels, research institutions, NGOs, etc.).

Illustration 8: Company B, URD 2024

In addition to the double materiality analysis described in Section 2.1.4.1, the Group continues to use several mechanisms and channels to engage in dialogue, a (non-exhaustive) summary of which is set out below:

Group Stakeholders	Purpose of cooperation	Taking results into account	Example of dialogue	Changes made to the strategy	Consultation for DMA analysis <sup>(a)</sup>
Customers	Integrate customer concerns into strategy and day-to-day operations	Daily discussions with the customer relations center, regular cultural events in store	Retailink Shopper's Journey Observatory by <b>Co. R</b>	Adapt the range of products and services	Yes via quantitative consultation (854 people)
Employees and social partners	Regular and constructive dialogue with its social partners	Supermood monthly survey, regular events and direct collective expression meetings	Regular surveys and meetings	Adjust internal policies and improve working conditions	Yes via interview and quantitative consultation (1,003 people)

Illustration 9: Company R, URD 2024

Study on DMA reporting - first CSRD reports

**Company R** describes the stakeholders in a table under SBM-2 section (vs. IRO-1) but it makes a clear connection with the DMA process and specifies how they were consulted

**Company B** specifies which stakeholders are consulted and at which stage of the double materiality analysis (here, after the identification and scoring of IROs).

These companies do not specify whether these stakeholders are “affected stakeholders”

# ILLUSTRATION

## Information on engagement with stakeholders: affected stakeholders

Impact materiality assessment was also supported by the engagement with stakeholders, consistently with the overall stakeholder engagement approach presented in the dedicated disclosure requirement. This includes direct consultation of internal and external experts, information collected from stakeholders through the continuous stakeholder engagement, and from affected stakeholders or their relevant proxies (eg. employees through surveys, content of social dialogue, customers feedback...). The consideration of regulatory thresholds, or topical standards or reference frameworks were also deemed to represent 'silent' stakeholders' interests (e.g. nature).

Beyond answering to applicable biodiversity related regulatory requirements that may imply to assess and report to authorities deemed to represent communities' interests, the Company did not specifically engage with any community on biodiversity in the frame of its DMA.

Illustration 10: Company C, URD 2024

At this stage, a comprehensive screening of all assets and activities to analyse resource use and circular economy impacts in detail has not yet been conducted. Additionally, no specific consultations with potentially affected communities have taken place regarding these issues. However, these steps are recognised as important and will be integrated into future sustainability initiatives.

Illustration 11: Company A, URD 2024

In its general Information section, **Company C** specifies that affected stakeholders were consulted among other types of stakeholders. It also mentions "silent stakeholders" and how they are represented (for instance, via regulatory thresholds).

However, in a table below this paragraph, **Company C** specifies that it has not consulted affected communities for all topics (here: no affected stakeholders for biodiversity). This example shows why information at topic level is important for a clear understanding of the DMA methodology.

**Company n°A** also report that it did not consult affected stakeholders for a specific topic (here, circular economy & resource use) but explains that it will improve its methodology in the future.

Many companies report partial consultation of affected stakeholders, depending on topics.

# 1. REPORTING ON THE DMA PROCESS

## Information on materiality thresholds (1/2)

### What does the CSRD require?

The ESRS include a general requirement to provide information on the materiality thresholds used for the DMA process (ESRS 1 and 2)

The definition of thresholds is left to the companies' choice, although the ESRS set out specific criteria to be taken into account when defining thresholds depending on the nature of the impact/risk/opportunity: "scale", "scope", "severity", "likelihood", etc. In addition, material IROs need to be assessed without taking into account mitigation actions/strategies ("gross" approach)

- All companies employ the materiality criteria (scale, severity, etc.) in line with ESRS 1 definition. However, some companies do not provide information on materiality thresholds.
- Most companies present different sets of information for impact and financial materiality thresholds, with a striking difference in reporting between impact and financial materiality thresholds:
  - Information on impact materiality thresholds is very often too general (ex: threshold set at "2/4": why 2? what does this refer to?) or nonexistent (cf. illustrations 18 to 20)
  - Information on financial materiality thresholds is generally more specific and many interesting practices were identified. For instance, description of the nature of the thresholds such as based on turnover, EBIT ; giving the precise amount of the thresholds ; explaining the connectivity with financial reporting and general Risk process (cf. illustrations 12 to 14).
- Some companies' thresholds adopt similar scales for impact and for financial materiality (e.g. theoretical thresholds such as "2 on a scale of 4").

# 1. REPORTING ON THE DMA PROCESS

## Information on materiality thresholds (2/2)

- **No company presents information on thresholds at the level of topics** although the materiality criteria are sometimes specified by topics. Indeed, companies tend to provide information on threshold in their general Section of the sustainability statement and do not present different methodological elements related to threshold for one or several topic (how thresholds are set for climate-related impacts compared to how thresholds are set for biodiversity-related impacts).
- **Companies seem to not connect impact materiality thresholds with the notion of “ecological thresholds”**, whereas ecological thresholds are sometimes cited as an input for the definition of targets.
- Regarding financial materiality, **several companies explain that the ESRS financial threshold is in line or based on the financial statement / risk factor assessment** (cf. illustration 14). On the contrary, some companies specify that ESRS risk/opportunity assessment is a separate process with specific thresholds. This demonstrates the heterogeneity of DMA process among companies.

# ILLUSTRATION

## Information on materiality thresholds (financial)

### Financial materiality: potential severity of financial effects and frequency of occurrence

#### AR 5-6, IRO-153c

The criteria and rating scales used to rate financial materiality were defined in collaboration with the members of the Steering Committee. The criteria defined in Chapter 3.1 of ESRS 1 were applied, using appropriate quantitative and qualitative thresholds to assess severity and frequency. Each sustainability risk and opportunity were assessed in terms of the potential severity of its short-, medium- and

long-term financial effects and the likelihood of its occurrence.

The calculation formula is as follows: the two axes are scored separately.

- **severity** (financial magnitude) can take three values: €25 million, €75 million or €150 million;
- **likelihood** can take three values: 17%, 50% or 83%.

All risks with a final score above €50 million were rated as Major and deemed material as defined in above "Threshold" section.

In line with ESRS 1, for financial materiality, Co. H assessed the size of the financial effect of relevant sustainability matters. It included considerations such as profitability, costs and growth. The scale was aligned with Co. H's risk methodology, including the thresholds, which are the same as those used by the risk department at global level. The nature of effects was identified with the help of subject-matter experts, Co. H function-specific and Group risk profiles and the Co. H's Risk Management team.

#### Illustration 14: Company H, URD 2024

#### Illustration 12: Company K, URD 2024

##### 6. the Impact and financial materiality were then determined:

- Impact materiality – the Co. S Sustainable Development team assessed the scale, scope, irremediability, and likelihood of the impacts over short, medium, and long-term periods<sup>(8)</sup>. This resulted in partial severity scores, which were then combined with scores from stakeholder surveys, culminating in the final severity scores. These final severity scores were rescaled and compared to the materiality threshold value (a threshold of -1 was used). If the impact's severity score was greater than the threshold, that impact was considered material,
- Financial materiality – similar to Impact materiality, a scoring of dependencies<sup>(9)</sup> has been conducted based on scale, scope and likelihood, providing initial insight on risk and opportunity scoring for the first year of application. The financial effects related to some risks and opportunities have been estimated, when data was available, and a materiality threshold has been set as 5% of EBITDA.

#### Illustration 13: Company S, URD 2024

**Company K** sets the financial materiality threshold at €50M. The financial aggregate is not specified; only the amount is indicated.

**Company S:** compared to impact thresholds, company S sets a specific financial materiality thresholds (5% EBITDA). This threshold differs from Company K's one.

**Company H** mentions the connectivity with financial thresholds used outside of the CSRD reporting process, by the risk department.

# ILLUSTRATION

## Information on materiality thresholds (financial)

The financial aggregates used to assess the financial materiality of risks and opportunities vary in nature depending on whether they reflect the consequences of the risks and opportunities on the Group's economic performance, its assets or its balance sheet. As economic performance is assessed primarily through EBITDA, it is the consequences of risks and opportunities on this aggregate that one examined. The effects of risks and opportunities on the Group's assets are measured in terms of the value of the assets: the book value, but also the fair value of the assets if it differs from the book value. Finally, with regard to balance sheet balances, it is the consequences of risks and opportunities on the Group's liabilities that are considered (financial debt and lease liabilities in particular).

Illustration 15: Company Q, URD 2024,

### Materiality thresholds for risks

Risks were classified as material if both their magnitude and their likelihood of occurrence are at least two on a scale of four. In addition, the combined scores divided by two resulted in a value greater than two.

Magnitude	4	immaterial	material	material	material
3	immaterial		material	material	material
2	immaterial		immaterial	material	material
1	immaterial		immaterial	immaterial	immaterial
	1	2	3	4	
Likelihood of occurrence					

Illustration 17: Company I, URD 2024

Materiality thresholds were determined based on the following criteria and signed off by the Steering Committee:

- alignment and continuity with the Group's strategy and previous impact, risk and opportunity assessments;
- materiality of the information for affected stakeholders and users of sustainability information.

Illustration 16: Company N, URD 2024,

**Company N** briefly explain how the impact and financial materiality thresholds were determined but does not specify the difference between impact and financial approaches (boilerplate statement).

**Company Q** has a generic financial materiality threshold but explains the nature of the financial aggregates assessed.

By comparison, **Company I** provides a theoretical financial materiality thresholds ("2 on a scale of 4") with no details on the nature of the aggregates assessed for the magnitude.

# ILLUSTRATION

## Information on materiality thresholds (impacts)

Each axis is rated separately, the calculation formula is as follows:

- **scale** is rated from 1 to 3;
- **scope** is rated from 1 to 3;
- **reversibility** is rated from 1 to 3.

The final score is obtained by averaging the three scores for the three axes. The result is a score out of 3.

For actual negative impacts, each of the above three parameters was scored and weighted equally for materiality.

For actual positive impacts, "scale" and "scope" were scored and weighted equally for materiality.

For potential impacts, an additional likelihood parameter was noted:

As for other impacts, we separately rated scale, scope and remedy and averaged the three scores to get a first materiality score.

We also rated the **likelihood** of the impact from 1 to 3.

If a potential negative impact was rated above 2 (meaning "material"), Co. K Group did not further consider the likelihood to represent the worst-case scenario. If the potential impact was rated below 2, Co. K Group considered the likelihood.

All impacts with a final score above 2 were rated as Major and deemed material as defined in above "Threshold" section.

Illustration 18: Company K, URD 2024

**Company E** assesses the materiality of opportunities for each ESG sub-topic, on a scale of 1-Minimal to 5-Critical. The materiality threshold is determined from grade 3-Important and corresponds to an ESG sub-topic related to a strategic commitment followed by a performance indicator.

Illustration 19: Company E, URD 2024

**Company K and E** set theoretical materiality thresholds, such as "2 on a scale of 3".

**Company E** presents the materiality criteria taken into account, as set out in ESRS 1 to facilitate the understanding of the materiality score, but provides here limited explanation on the assumptions taken to assess these criteria in practice.

**Company P** also present the materiality criteria of ESRS 1 but provides a bit more information on how these criteria were assessed (ex: extent of impact: % of people affected).

The impact materiality was measured based on the following thresholds:

Significance from an impact perspective	Severity (scale + scope + irremediable character)		
Score	Scale	Extent	Irremediable character
1 Non-significant	Non-significant	Local < 5-10% of people	Easy to remedy: short term less than 1 year
2 Weak	Limited	Regional impact 10-20% of people	Can be remedied with effort: Medium term 1-5 years
3 Moderate	Moderate	National impact 20-30% of people	Difficulties in remedying: long term over 5 years
4 High	Significant	International impact 30-40% of people	Difficulties in remedying: long term over 10 years
5 Very high	High	Global impact more than 40% of people	Irreversible

Illustration 20: Company P, URD 2024

# 1. REPORTING ON THE DMA PROCESS

## Information on governance related to the DMA

### *What does the CSRD require?*

*ESRS 2, IRO-1 requires transparency on the governance process associated with the DMA (decision-making, internal control)*

- **All companies in the sample described their decision-making process** and internal control procedures related to the DMA.
- All companies confirmed that the **Board's committees** (Audit committee, different sustainability-related committees), followed by the Board itself had reviewed and validated the DMA results. It was however not always clear whether the Board was consulted during the process or only downstream for final approval. Most companies also specified the role of the executive committee (cf. illustration 21).
- One positive aspect to highlight is that the preparation of the sustainability statement is often **no longer the sole responsibility of the CSR department** but rather involves multiple functions, including for steering roles. Several companies also mention internal experts from different departments consulted during the process.
- In particular, **many companies relied on expertise from their Risk department**, even in cases where they explain that the ESRS risks assessment process is different from the company's overall Risk assessment one. Other functions mentioned are: finance, internal control, strategy, compliance, HR, etc. (cf. illustration 22)

# ILLUSTRATION

## Information on DMA-related governance

In 2023, an initial assessment of IROs was carried out as part of the double materiality analysis (see section 4.1.4 "Impacts, risks and opportunity management"). This assessment was presented and discussed at a CSRD workshop in October 2024 with the Audit Committee and the Sustainable Development and Compliance Committee. The final list of IROs for fiscal year 2024, adjusted following these discussions, was approved by the GEC in November 2024 and by the Board of Directors in early December 2024. In the future, the updating of the IROs will be systematically discussed and reviewed by the GEC and submitted to the Board of Directors for approval on the recommendation of the Audit and Sustainability and Compliance Committees. The Decarbonization Committee will also review the IROs for which it is responsible prior to the GEC's review.

Illustration 21: Company B, URD 2024

A CSRD operational committee was also set up, including members of the Group's relevant functional departments (Human Resources, Finance, Legal, Sustainability, Risk, etc.) and representatives of the houses. It was involved at each stage of the double materiality assessment, and then in the following stages relating to the collection of information and preparation of the sustainability statements, with each member focusing on their own area of responsibility.

Illustration 22: Company M, URD 2024

**Company B** briefly presents its governance process associated with the DMA (roles of the Board's committees, Board approval, associated calendar) as well as foreseen evolutions of this process.

**Company M** example illustrate that many companies have involved different functions in the preparation of the DMA, beyond the CSR department

## 2. REPORTING ON THE DMA RESULTS

2

### Key findings

- In line with the ESRS requirements, companies' DMA distinguish their material impacts, risks and opportunities. There might be some difficulties with the definition of positive impact compared to negative impacts (categorisation of a reduction of negative impact as a positive impact).
- The level of granularity in the presentation of IROs is heterogeneous. The effect of impacts on people and the environment (required by SBM-3) are often elusive if not eluded (generic information, distinction between net/gross effects).
- While the comparison between companies is facilitated by the use of the "AR 16" topics list (and, to some extent, subtopics), companies chose various format to present their IROs. Compared to 2022 or 2023 sustainability reports, table & narrative formats were preferred to materiality matrices that used to be very common, with an overall improvement of the transparency efforts.
- Many companies disclosed on a voluntary basis mapping tables helping to connect material IROs to the policies, actions and targets adopted (e.g. executive summaries). Consistency of statements was also facilitated by negative statements when no PAT is adopted in relation to a material topic, which was a frequent situation, especially for social-related topics.
- Companies seemed to have difficulties providing information on current and anticipated financial effects (many omissions and wide use of the phase-in).

## 2. REPORTING ON THE DMA RESULTS

### Description of the material impacts, risks and opportunities (1/2)

#### What does the CSRD require?

ESRS 2 requires companies to present their material impacts, risks and opportunities resulting from their DMA.

In doing so, companies must specify certain aspects such as: location of the IROs, connection to the business model, effect on people and the environment (for impacts), etc.

- When presenting the result of their DMA, **companies distinguished between material positive/negative impacts and risks & opportunities**. Some confusion was observed for very few companies. For instance, use of the term “risk” in chapters dedicated to the description of impacts, or suspected categorisation as a positive impact of a negative impact.
- Almost all companies specified the time horizon associated with the IROs and their location in the value chain or operations** (cf. illustration 33). Most explained the connection to their business.
- Many reports **fail to clearly describe the concrete effects of identified impacts on people and the environment** (generic description, sometimes, impacts and risks were presented together). Some companies disclosed an unbalanced volume of information on risks compared to impacts.
- It was not always clear whether companies used a “gross materiality” approach** (i.e. without taking into account remediation actions). However several companies clearly explained this principle and some even explained difference between the ESRS material risks (identified prior to mitigation efforts) and material risks presented in the Risk Factor section of their management report (net approach), cf. illustrations 23 & 24.

# ILLUSTRATION

## Gross vs. net approach: difference with risk factors in management report

### Impact materiality assessment

Sustainability-related impacts are defined as the effects Co. G has or could have on the environment and people, including effects on their rights, as a result of the undertaking's activities or business relationships. Impacts indicate Co. G's contribution, negative or positive, to sustainable development. The materiality of these impacts has been assessed on a gross basis, meaning before any actions or management measures implemented by Co. G (and thus differ from the risk resulting from the analysis conducted for section 2 *Overview of activities, risk factors* in this Universal Registration Document).

Illustration 23: Company G, URD 2024

**Company G** clearly explains the difference between material risks in the ESRS sustainability statement (gross risks) and material risks presented in the Risk Factors chapter of the management report (net, after mitigation efforts). Other companies made cross-references between these two chapter without this useful explanation.

**Company M** also specifies this gross vs. net difference and explains in addition which elements of the group's risk analysis were used for the ESRS assessment.

### Link with the Group risk map

The double materiality assessment was defined in accordance with the Group's risk analysis:

- the review of sustainability topics and the associated impacts, risks and opportunities took account of the Group's risk analysis, and in particular the risk factors already identified by the Group;
- the scales used in the double materiality assessment (IRO scores) were also aligned with the scale used in the Group's risk mapping exercise (see chapter 5, section 2.1);
- scoring is done on a net basis for the Group's risk analysis, with risk mitigation efforts being taken into account, whereas it is done on a gross basis for the double materiality assessment in accordance with the ESRS standards.

Illustration 24: Company M, URD 2024

## 2. REPORTING ON THE DMA RESULTS

### Description of the material impacts, risks and opportunities (2/2)

#### What does the CSRD require?

ESRS 2 requires companies to present their material impacts, risks and opportunities resulting from their DMA.

In doing so, companies must specify certain aspects such as: location of the IROs, connection to the business model, effect on people and the environment (for impacts), etc.

- **Most companies used the ESRS terminology to classify their IROs in topics and subtopics (AR 16 of ESRS 1).** Several companies explained that they have regrouped the individual IROs identified during the DMA process into groups of IROs corresponding to these AR 16 categories. Using the ESRS categories has proved useful to compare the results of the DMA from one entity to another (cf. illustrations 25 and 26).
- **Some companies partially mapped IROs with the help of the AR 16 list of subtopics** (different terminology, different classification). For instance, it was not always clear whether a topic/subtopic with a slightly different name was an **entity-specific topic**.
- **Only few companies compared the new CSRD material IROs with the N-1** material matters presented in the previous non-financial statement

# ILLUSTRATION

## Presentation of IROs (1/2)

IRO related (sub)topic (see table below for IRO full description)	IRO			Value chain			Also described in/ addressed in **
	Impact*	Risk	Opport unity	Own operations	Up stream	Down stream	
<b>ENVIRONMENT</b>							
- Climate change adaptation	✓	✓		✓	✓	✓	E1/E1
- Climate change mitigation	✓	✓		✓	✓	✓	E1/E1
- Energy				✓	✓	✓	E1/E1
- Pollution of air (VOC)	✓			✓			E2/E2
- Substances of (very high) concern		✓		✓	✓	✓	E2/E2
- Pollution of water and of living organisms and food resources ***	✓			✓	✓	✓	E2/E2
- Water withdrawal/consumption (linked to climate change)		✓		✓	✓	✓	E3/E3
- Water = Habitat degradation ***	✓			✓	✓	✓	E3/E2
- Direct impact drivers of biodiversity loss, impacts on the extent and condition of ecosystems	✓					✓	E4/E1
- Biodiversity loss drivers - pollution ***	✓				✓	✓	E4/E2
- Resource inflow	✓	✓		✓	✓		E5/E5
- Waste	✓			✓	✓		E5/E5
<b>SOCIAL</b>							
Own workforce	✓			✓			S1/S1
- Occupational health and safety		✓		✓			S1/S1
- Social dialogue, freedom of association, collective bargaining		✓		✓			S1/S1
- Diversity				✓			
Workers in value chain					✓		
- Occupational health and safety	✓				✓		S2/S2
- Forced or child labour	✓				✓		S2/S2
- Personal safety of consumers and/or end users	✓	✓				✓	S4/S4
<b>GOVERNANCE</b>							
- Corporate culture		✓		✓			G1/G1
- Speak up culture		✓		✓			G1/G1
- Management of relationships with suppliers		✓		✓			G1/G1
- Corruption and bribery		✓		✓			G1/G1
<b>COMPANY SPECIFIC</b>							
- Cybersecurity		✓		✓		✓	Cyber/Cyber

**Company C** provides a summary table in which it presents the nature of the sustainability matter (impact, risks, opportunity) with the AR 16 terminology and the location of these IROs (operations or in the value chain). More detailed information on each IRO is presented in the topical sections.

However, the time horizons are not specified.

Illustration 25: Company C, URD 2024

# ILLUSTRATION

## Presentation of IROs (2/2)

Matter	(Sub) Topic	Type of IRO	Location in VC	Timeframe	IRO Description
Pollution of air	Pollution of air	I <sub>N</sub>	UVC & OO	ST	The impact of emissions into the air from Co. H's processes primarily due to the use of solvents, which are volatile organic compounds (VOCs). These are monitored at site level.
	Pollution of water	I <sub>N</sub>	UVC & OO	ST	The impact of water discharge from Co. H's operations and value chain into freshwater bodies includes the presence of possible environmental contaminants, such as traces of pharmaceuticals and active ingredients. This discharge can affect water quality (potential effects on aquatic life and human health) through various parameters, including Chemical Oxygen Demand (COD), nutrients, and micropollutants like pharmaceutical ingredients and other chemicals.
	Pollution of water PIE (from patients)	I <sub>N</sub>	DVC	ST	Pharmaceutical residue discharged into water from patients' use of medicines can lead to the presence of trace amounts of pharmaceuticals and related compounds in aquatic environments. These residues may negatively affect aquatic wildlife and have a long-term impact on ecosystem health. Some of these compounds may contribute to the development of antimicrobial resistance.

Company H also provide several summary table presenting its IROs, with the time horizons and more specific narrative information on the description of each impact, risks and opportunities, including the effects on health/environment (here, pollution negative impacts I<sub>N</sub>)

Illustration 26: Company H, URD 2024

## 2. REPORTING ON THE DMA RESULTS

### Description of the financial effects related to material risks/opportunities

#### What does the CSRD require?

*The ESRS 2 SBM-3 requires companies to provide information on their financial effects - current and anticipated - that are related to their material impacts, risks and opportunities.*

*For this first reporting year, companies could omit forward-looking information related to anticipated financial effects.*

- Several companies did not disclose information on the current financial effects datapoint** associated with their IROs, although this is an ESRS requirement for financial year 2024 (cf. illustrations 27).
- Companies that disclosed this datapoint on current financial effect **often provided undetailed information** such as i) a statement that the company does not have current financial effects at the reporting date or ii) a general cross-reference to certain sections of the notes to the financial statements. Overall, companies did not describe the methodology used to calculate this datapoint.
- In particular, companies did not explain the **difference between the result of the DMA** (i.e. presentation of IROs prior to the effects of the mitigation measures) **and the result of the financial effect assessment**, that should take into consideration these mitigation measures.
- All companies in the sample used the phase-in provision and omitted the anticipated financial effects** (prospective information) related to their material IROs.(cf. illustrations 28).

## Deep dive 2 : beyond financial effects, why reporting on financial resources related to impact mitigation matters

For financial materiality, it is key to describe the financial effects related to material risks & opportunities to have a full understanding of the company's financial performance. **From an impact perspective**, one key element, beyond the description of the company's impacts on people and the environment, is the information on **financial resources allocated to the actions to mitigate and remediate impacts** (cf. ESRS 2-MDR A).

**Why?** This information on significant CapEx, OpEx allocated to action plans represent **how much the company is spending on the preservation of nature/ecosystems**. When the company's action plans are **connected to science-based targets**, this datapoint can inform on how much it costs/will **cost the company to ensure the preservation** of nature. It will eventually allow the company to make budgets dedicated to nature's preservation, i.e. **translate in monetary terms - that are easier to understand from a management perspective - the actions necessary to respect planetary boundaries**. In that regard, significant CapEx/OpEx are very valuable indicators for impact management.

However, several studies analysing first CSRD statements show that companies had important difficulties to report on these financial resources (see for instance: [Frank Bold study](#), oct. 2025, [KPMG France](#), Jul. 2025 ; [AMF](#), Oct. 2025; [Labrador Transparency France](#), 2025, etc.).

The [CERCES](#) (French network on environmental and social accounting) will soon publish guidelines on how to use CSRD data to integrate real preservation actions in the company's management systems (how to make a robust connection between targets, action plans, metrics and resources to manage sustainability impacts).

## ILLUSTRATION

### Description of the financial effects related to material risks/opportunities

At present, **Company A** is unable to quantify the financial effects of its material risks and opportunities. However, ongoing assessments and enhancements to the DMA process will continue to refine the Company's understanding of these financial implications over time.

Illustration 27: Company A, URD 2024

in the first year of preparation of its sustainability statement. For its first year of publication, **Co. L** has elected to activate the phase-in clause and not to report data on the anticipated financial effects from climate-related impacts, risks and opportunities.

**Assessing the expected financial impact for assets considered to be exposed to material physical risks is a complex process.** The completion of the adaptation audits in 2025 should contribute to a relevant, science-based assessment of these financial effects on the audited sites.

Illustration 28: Company L, URD 2024

**Company A** does not disclose information on the current financial effects associated with its IROs due to difficulties to calculate this datapoint.

For the same reason, **Company L** uses the phase-in and does not disclose the anticipated financial effects (complexity of the assessment)

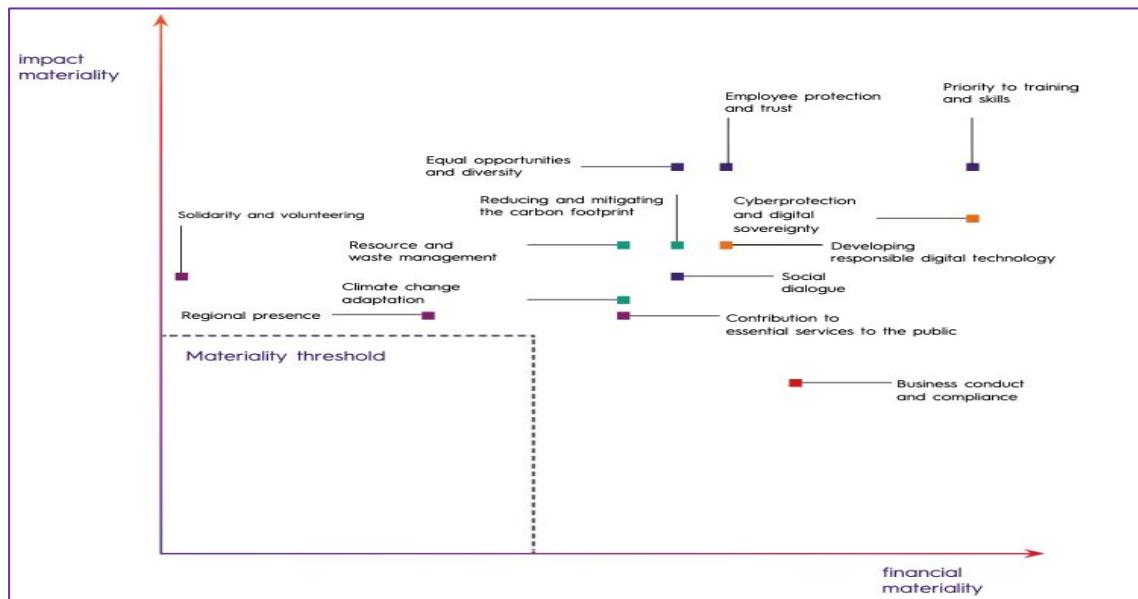
## 2. REPORTING ON THE DMA RESULTS

### Focus on presentation format

- When presenting their DMA result, **almost all companies use a combination of a table format and narrative information**. The format of table varies significantly. Some companies provide either i ) a lot of detail in these tables or ii) they use the tables to summarize the result of the DMA and provide more detail in narrative format.
- To ease the readability of their report, many companies disclosed their material IRO across several tables : i) one table in the General section of the report (and sometimes two: under SBM-3 and under IRO-1) and ii) multiple tables in the different topical sections. This situation **led to some redundancies in the statements**.
- Only few companies use the materiality **“matrix” format** that used to be very common in previous non-financial statements (FY 2023 statements). As a result of this change, companies tend to give more detailed information on their IROs (especially, more narrative information), which is a positive effect of the CSRD requirements.
- Companies that used these double materiality matrices **changed the previous “stakeholders views/interests” axis to the “impact materiality” axis** (cf. illustration 29). This change could demonstrate that companies have now a broader understanding of impact materiality not being limited to taking stakeholders' interest into consideration.

# ILLUSTRATION

## Presentation format: use of matrices



**Company F** discloses a materiality matrix (two axes: impact and financial materiality). The graph is however generic and does not specify the scale, for instance for the materiality threshold (ex: is there a unique threshold for both financial and impact matters?)

Illustration 29: Company F, URD 2024

## 2. REPORTING ON THE DMA RESULTS

### Consistency between the DMA results and other part of the sustainability statement

#### What does the CSRD require?

*The ESRS do not require companies to adopt specific policies, actions and target in relation to their material matters but requires transparency in case the companies has not adopted such PAT (ESRS 2, §62 & 72)*

- **Several companies provided an executive summary** table, presenting together the result of the DMA i.e. material IROs and how they are managed (main policies, targets, performance metrics). Although practices are heterogeneous, these mapping table proved extremely useful for readers to navigate through the statement with an overview of the companies' sustainability issues (cf. illustrations 30, 31).
- **A focused study of the comparison between DMA results and the targets** presented in the statement shows that, in most cases, companies did not adopt targets for all their material topics. **In particular for social-related topics** (no or limited targets, no time-bound targets, etc.).
- However, many **companies provided the required negative statement (and justifications) on the absence of targets**, which helps readers to efficiently conduct this consistency check (cf. illustrations 32, 33). While most companies provided this statement at the level of topics, it was not always easy to understand whether or not one target existed for a specific sub-topic.
- Finally, some companies **presented non-material information** (often identified as such), within the statement or in appendices.

# ILLUSTRATION

## Summary tables: consistency between the DMA and other part of the sustainability statement

The table below provides a summary of the 76 sustainability impacts, risks and opportunities (IROs) that were considered material for the Group as a result of its double materiality analysis. In accordance with ESRS standards, a detailed description of each IRO is published in the corresponding topical section of this sustainability statement.

IRO	Description	Policy(ies)	Action(s)
<b>Environment - E1</b>			
E1-01-IN	Potential, long-term negative impact on the health, safety and comfort of users of sites and living spaces (employees and customers) and workers in the value chain, due to the physical risks to which the Group's activity is exposed (high temperatures, floods, droughts, extreme events and rising water levels).	<ul style="list-style-type: none"> <li>E1-AR-01-PO - Planet policy (climate component)</li> <li>E1-AR-04-PO - Energy efficiency plan</li> <li>E1-AR-02-PO - Purchasing policy</li> <li>E1-02-PO (NIH) strategy - Planet climate</li> </ul>	<ul style="list-style-type: none"> <li>E1-AR-01-AC - Carbon Tracking - Tool for measuring the carbon footprint and steering the reduction pathway</li> <li>E1-AR-03-AC - "Partners for Decarbonation" programme with suppliers</li> <li>E1-AR-04-AC - Purchase of renewable electricity through medium/long-term power purchase agreements (PPAs) on and off-site</li> </ul>
Negative impact			
Climate change			
Climate change adaptation			

Illustration 30: Company P, URD 2024

**Company P** presents a mapping table associating its material IROs with policies and actions

Some companies also presented the related metrics and targets in similar tables, such as **Company E**.

► TABLE NO. 18: SUMMARY OF THE LINKS BETWEEN MATERIAL IRO AND POLICIES, ACTIONS, METRICS AND TARGETS

Category	Title of the material IRO	Policies	Actions	Metrics	Targets (or monitoring indicators)
Impacts	Discrimination, inequality and exclusion	<ul style="list-style-type: none"> <li>Code of conduct</li> <li>Global Agreement</li> <li>Respect for Persons policy</li> <li>Diversity Governance</li> </ul>	Inclusion initiatives	<ul style="list-style-type: none"> <li>Characteristics of employees</li> <li>Collective bargaining and social dialogue</li> <li>Diversity metrics</li> </ul>	Share of women in the Senior Management Position (SMP) population: 40%

Illustration 31: Company E, URD 2024

# ILLUSTRATION

## Material IROs and absence of targets

### Employment and employability of people with disabilities

While it does not have quantified targets, the **Co. J** Group is committed to tracking the effectiveness of its actions to support the employability of people with disabilities, taking into account the analysis of its material impacts, risks and opportunities in this area.

It therefore monitors a series of indicators:

- Percentage of managers with disabilities in 2024: 1.3% (1.2% in 2023)
- Percentage of non-managers with disabilities in 2024: 2.0% (1.9% in 2023)
- Number of employees with disabilities in 2024: 5,340 (4,921 in 2023)
- Number of people supported by Trajeo'h in 2024: 1,186 (1,119 in 2023)

Illustration 32: Company J, URD 2024

Objectives of the policy or approach	Reference framework	Quantitative and semi-quantitative targets	Main actions	Indicators
<b>Material matter covered:</b> Regional presence <b>Related policies:</b> Local action plans				
Participating in regional resilience and development efforts in economics, education, business and industry	<ul style="list-style-type: none"> <li>• SDGs 4<sup>24</sup></li> <li>• SDGs 8<sup>25</sup></li> <li>• SDGs 11<sup>26</sup></li> </ul>	No target complementary to objectives	Action plans defined and managed on a local level by the Group's entities	No quantitative indicators
<b>Environment</b>				
<b>Material matters covered:</b> Reducing and mitigating the carbon footprint, and climate change adaptation <b>Related policies:</b> climate policy, transition plan				
<ul style="list-style-type: none"> <li>• Supporting the transition to a low-carbon economy</li> <li>• Ensuring effective adaptation to climate change</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 14001<sup>27</sup></li> <li>• SBT<sup>28</sup></li> <li>• VCS<sup>29</sup></li> <li>• SDGs 7<sup>30</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Reaching net-zero emissions by 2040 (SBTi target)</li> <li>• Continue to roll out EcoVadis CSR assessments with the aim of</li> </ul>	<ul style="list-style-type: none"> <li>• Adopting a responsible purchasing policy</li> <li>• Improve energy efficiency and expand the proportion of renewables</li> <li>• Promote sustainable mobility</li> </ul>	<ul style="list-style-type: none"> <li>• Total GHG emissions and disaggregated by scope</li> <li>• Renewable energy</li> </ul>

**Company J** specifies that it has not adopted a target related to a material social sub-topic (people with disabilities). As required by the ESRS, it nonetheless explains how it tracks the effectiveness of its policies.

To improve the readability of its statement, **Company F** provides a table that maps material IROs with targets, allowing readers to identify easily where targets have not been set yet ("no target", "no quantitative indicators".)

the ESRS requires companies to provide these negative statements on absence of policies/actions/targets as well as justifications in this case.

Illustration 33: Company F, URD 2024 (extracts)

# Appendices

# Appendix: DMA questionnaire used to assess company's reports

This appendix presents the questionnaire items used to assess the DMA reporting of the companies in the scope of this study. For most item, the questionnaire contains a drop-down menu with several options such as ("yes"/"no"/"no information"). However, all items were accompanied by a "free" comment cell used for describing and inventorying the different reporting practices of companies more precisely.

## Part 1: DMA process (1/2)

Name of the item	description of the item/possible answers
<b>Q1. Description process DMA (IRO-1)</b>	General assessment of existence of some information on the DMA process (yes/no)
<b>Q2. Stakeholder consulted for DMA</b>	Assess if the company disclosed whether internal or external stakeholders or both were consulted as part of the DMA process
Q2.1 incl. affected Stakeholders	Assess if the company specified whether affected stakeholders were consulted (requirement of the ESRS) and the level of detail given
Q2.2 incl. Representants of "nature"	Assess if the company provides specific information on the representation of "nature" (or ecosystems, the planet, etc.) as a (silent) stakeholders.
Q2.3 transparency on engagement methods	Assess if the company explains the engagement methods used
<b>Q3. Difference of process impacts vs. risks</b>	Assess if the company presents different elements regarding the impact materiality assessment and the financial materiality assessment methodology (yes/no/unclear)
<b>Q4. Executive committee consultation on DMA</b>	Assess if the company discloses that its executive committee has been consulted as part of the DMA assessment (yes/no/no information)
<b>Q5. Board consultation on DMA</b>	Assess if the company discloses that its Board has been consulted as part of the DMA assessment (yes/no/no information)
<b>Q6. Explain how materiality thresholds (MT) were defined</b>	Assess if the company discloses some information on the use of materiality thresholds and the level of detail (yes/boilerplate/no but materiality criteria are defined/no information).
<b>Q7. Nature of impact MT</b>	Description of the company's approach regarding impact materiality thresholds (give example of thresholds? provide a generic quantitative threshold? other type of information on how thresholds are set?)
Q7.1 quantitative impact MT?	yes/no (cf. previous item). Use of the "free comment" section to provide examples.
Q7.2 Mention of ecological thresholds?	yes/no (does the company refer to ecological thresholds or other science-based benchmark to define its ESRS materiality thresholds)

# Appendix: DMA questionnaire used to assess company's reports

## Part 1: DMA process (2/2)

Name of the item	description of the item/possible answers
<b>Q8. Nature of financial MT</b>	<i>Description of the company's approach regarding financial materiality thresholds (give example of thresholds? provide a generic quantitative threshold? other type of information on how thresholds are set?)</i>
Q8.1 quantitative MT?	<i>Yes/no (cf. previous item). Use of the "free comment" section to provide examples.</i>
Q8.2 mention of connectivity between ESRS MT and other financial information	<i>Assess if the company makes a link between its financial materiality threshold setting and the materiality assessment conducted as part of its financial reporting process (e.g. assessment of Risk factors) (Yes/boilerplate/no)</i>
<b>Q9. Input parameters</b>	<i>Assess if the company provides information on input parameters used for the DMA process (information on data sources and tools used, main assumptions) and the level of detail provided, with a qualitative scale (High/Medium/Low/No information)</i>
<b>Q10. Report on process to assess water materiality [ESRS E3, IRO-1]</b>	<i>Assess if the company provides information on the DMA process specific to ESRS E3 topics (Water and marine resources), especially regarding input parameters and the level of detail (High/Medium/Low/No information)</i>
<b>Q11. Report on process to assess biodiversity materiality [ESRS E4, IRO-1]</b>	<i>Assess if the company provides information on the DMA process specific to ESRS E4 topics (Biodiversity and Ecosystems), especially regarding input parameters and the level of detail (High/Medium/Low/No information)</i>
Q11.1 Limits observed on E4 assessment - nature's integrity	<i>In particular, comments (free format) can be provided to describe any observed limits regarding how impact on biodiversity/ecosystems are addressed (for instance: if companies only assess impact on biodiversity with the lens of ecosystem services)</i>
<b>Q12. Information on DMA process to assess "own workforce" (S1) or "workers in the value chain" (S2) materiality</b>	<i>Assess if the company provides information on the DMA process specific to ESRS S1 and S2 topics (Own workforce, workers in the value chain), especially regarding input parameters and the level of detail (High/Medium/Low/No information)</i>
<b>Q13. In general : Mention of limits/difficulties by company on the DMA?</b>	<i>Yes/No, and describe which limits are mentioned by the company (perimeter covered, difficulties with the methodology, with setting thresholds, etc.) in the comment cell.</i>
<b>Q14. Overall readability of DMA process disclosures</b>	<i>Good/Medium/Low: general appreciation of the presentation/format for the DMA process reporting (readability, access to the information, etc.)</i>

# Appendix: DMA questionnaire used to assess company's reports

## Part 2: DMA results

Name of the item	description of the item/possible answers
<b>Q15 presentation of IROs (gross)</b>	Assess if the company describes its material impacts, risks, opportunities resulting from the DMA and the level of detail provided (High/Medium/Low/No information)
Q15.1 link with AR 16 topics and subtopics	Assess if and to what extent the company relied on the ESRS categories of topics and sub-topics (AR 16 of ESRS 1) to define its material IROs (use of similar terminology or use of mapping): Yes/Partial/No or unclear
Q15.2 location of IROs	Assess if the company specifies the location of material IROs (own operation? downstream value chain, upstream value chain?): Yes/Partial/No.
Q15.3 time horizon of IROs	Assess if the company specifies the time horizon associated with its material IROs (short, medium, long term), Yes/Partial/No.
Q15.4 connection to business activities	Assess if the company specifies which of its activities are connected with the material IROs (in particular for companies operating in different sectors): Yes/Partial/No.
<b>Q16 materiality matrix?</b>	Assess if the company discloses a materiality matrix (double materiality matrix, other types of matrix, no)
<b>Q17 comparison with N-1 report: new/deletion of material topics (if companies explain)</b>	Assess if the company explains if new IROs were identified (or deleted) as a result of the DMA compared to FY 2023 reporting and if so, which ones (Yes(comment)/No/No information on changes).
<b>Q18 impacts: description of effects on people and environment</b>	Assess if the company provides describes the effects of its material impacts on people and the environment (as required by ESRS 2), and the level of detail provided (High/Medium/Low/No information)
<b>Q19 risks: information on current financial effects</b>	Assess if the company discloses information on its current financial effects (as per ESRS 2- SBM 3) and the level of detail provided (High/Medium/Low/No information)
Q.19.1 information on anticipated financial effects (voluntary datapoint)	Assess if the company discloses information on its anticipated financial effects (as per ESRS 2- SBM 3): yes/no
<b>Q20 Link made by company between its material risks and "risk factors" in management report</b>	Assess if the companies mentions its ESRS material risks in the Risk Factor section of this management report and vice-versa (yes/no), and how this link is made (describe practices in the "free comment" cell).
<b>Q21 Does the company has some material topics not covered by a target</b>	Assess if the companies has at least one material topic or subtopic not associated with a target (in that case: "yes"), and if so, comment on the topic concerned.
<b>Q22 Mention of ecological thresholds in relation to targets</b>	Assess if the companies mentions the notion of "ecological thresholds" or disclose that it has used science-based benchmarks when defining its targets (yes/boilerplate/no)

# Appendix: DMA questionnaire used to assess company's reports

## Part 3: Audit

Name of the item	description of the item/possible answers
<b>Q23 Assurance report: emphasis of matter on DMA</b>	Assess if the auditor's opinion report on the sustainability statement contains an emphasis of matters related to the DMA process or reporting
<b>Q24 Assurance report: Qualifications on DMA</b>	Assess if the auditor expressed a qualified conclusion (or adverse conclusion) due to considerations related to the DMA process or reporting (material misstatements identified)

*The Double materiality Research Chair will be able to provide the complete grid upon request, starting in March 2026.*