

# <u>Double Materiality Assessment How To Guide</u> DMA Guide Visuals

# **Double Materiality Assessment – 3 Document Framework**



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**Implementation Guide Document** 

Detailed methodology and instructions

CIBJO Double Materiality Assessment How To Guide

- Step-by-step instructions
- Case studies
- Templates
- Appendices
- Best practices





### **This Document: Visual Guide**

Visual overview and process summary

CIBJO DMA How to Guide Visuals

- 7-step process visualization
- Framework connections
- Resource planning
- Executive presentations
- Workshop tool





### **Assessment Toolkit Spreadsheet**

Interactive template and scoring tools

CIBJO DMA How to Guide Tools

- Scoring templates
- Heat maps
- Topic lists
- Calculations
- Results summary



### **Use this Visual Guide for:**

- Leadership briefings and stakeholder presentations
- Workshop facilitation and training sessions
- Quick reference during implementation
- Process overview and framework explanation

# Link to the CIBJO Measurement Guidelines 10 Steps



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Step 1

- Nominate an owner responsible for measurement
- Familiarise yourself with the 14 ESG principles
- Identify the most important topics to focus on for your business

Step 6

- Set targets for each measure
- For greenhouse gas emissions, submit targets to science-based targets initiative or equivalent independent body

Step 2

Identify priority areas of measurement, using the measurement guidelines

Step 7

 Audit the measurement calculation as you would your company accounts and ideally have it independently verified

Step 3

- Identify any reporting regulations that your company must adhere to. E.g. CSRD
- Identify any standards or frameworks in your sector E.g. ESRS, TCFD, GRI

Step 8

- Communicate internally and externally, including results and methodology
- · Publish results on company website
- Ensure products are accurately labelled

Step 4

- Develop a plan for sourcing the relevant information or the metrics you are going to measure
- Include existing information and any gaps

Step 9

 Create a feedback loop between planning, measurement, action, review

Step 5

- Calculate the metrics that you have decided to measure
- Document the approach, sources, conversions

Step 10

- Focus on continuous improvement
- Embed and maintain measurement processes
- Increase scope and frequency of measurement over time

# The Business Case for Measuring ESG Performance is Strong



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### **ESG** makes financial sense

Public market data provides strong evidence<sup>1a</sup> that integrating material ESG factors leads to financial outperformance

- 2-7% p.a<sup>1b</sup>
- ~50% premium¹c.



# **ESG** helps you run your business better (Value add)

Integrate ESG into existing processes: DEI initiatives and environmental considerations, among others, can deliver cost savings and add value.<sup>2</sup>



Business owners, consumers and employees care (ESG sells)

Employees want to work for and consumers want to buy from 'sustainable businesses'.

Business owners increasingly want to build this type of company.<sup>3</sup>



# The market expects ESG (Sales and exits)

Both when selling jewellery products AND when growing your business, ESG will be scrutinised as a top priority.<sup>4</sup>



# Regulation and investors set the tone (Top down)

Regulatory requirements and investor demands are making ESG part of the 'licence to operate' for businesses.<sup>5</sup>



Most important to SMEs

# **DMA Connection to CIBJO ESG Framework**



# CIBJO ESG Principles (2024)

Establishes fundamental ESG principles and introduces the ESG Wheel framework

Measurement guideline used to select metrics to assess results

# CIBJO ESG Measurement Guidelines (2025)

Provides specific metrics and measurement approaches for data collection

esg Wheel provides foundation for topic longlist generation

Material topics used to select appropriate metrics Enable CIBJO members to take action on ESG

**CIBJO Double Materiality Assessment (DMA) Guide (This Document)** 

Identifies which ESG topics are most material to your specific operations

# **Definition of Double Materiality**



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# **Impact Materiality**



Your impact on the world: A sustainability topic or information is material if connected to actual or potential significant impacts on people or the environment over the short, medium or long term.

## **Financial Materiality**



World's impact on your business:

A sustainability topic is material if it triggers financial effects on the business, i.e. generates risks or opportunities that influence or are likely to influence future cash flows, and therefore the enterprise value, in the short, medium or long term.

# **Double Materiality**



**Combined impact:** How ESG and sustainability factors impact a business and how a business impacts ESG and sustainability factors

# **Key components within the CSRD**





Plans and progress



Forward-looking & retrospective data



Value chain reporting



Digital tagging



External assurance

# Choose your approach



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Micro-Business 1-9 employees Quick Start



**SME** 

10-499 employees

Practical Approach

**Focus of this document** 



Large Enterprise 500+ employees Enhanced Rigor

What You Get

- Simple priority list
- Basic action plans
- 3-5 key topics
- Internal focus only

- Heat map assessment
- Structured templates
- 8-12 material topics
- Stakeholder representatives

- Multi-criteria scoring
- External stakeholder engagement
- 12+ material topics
- Audit-ready documentation
- Board-level governance

**Best For** 

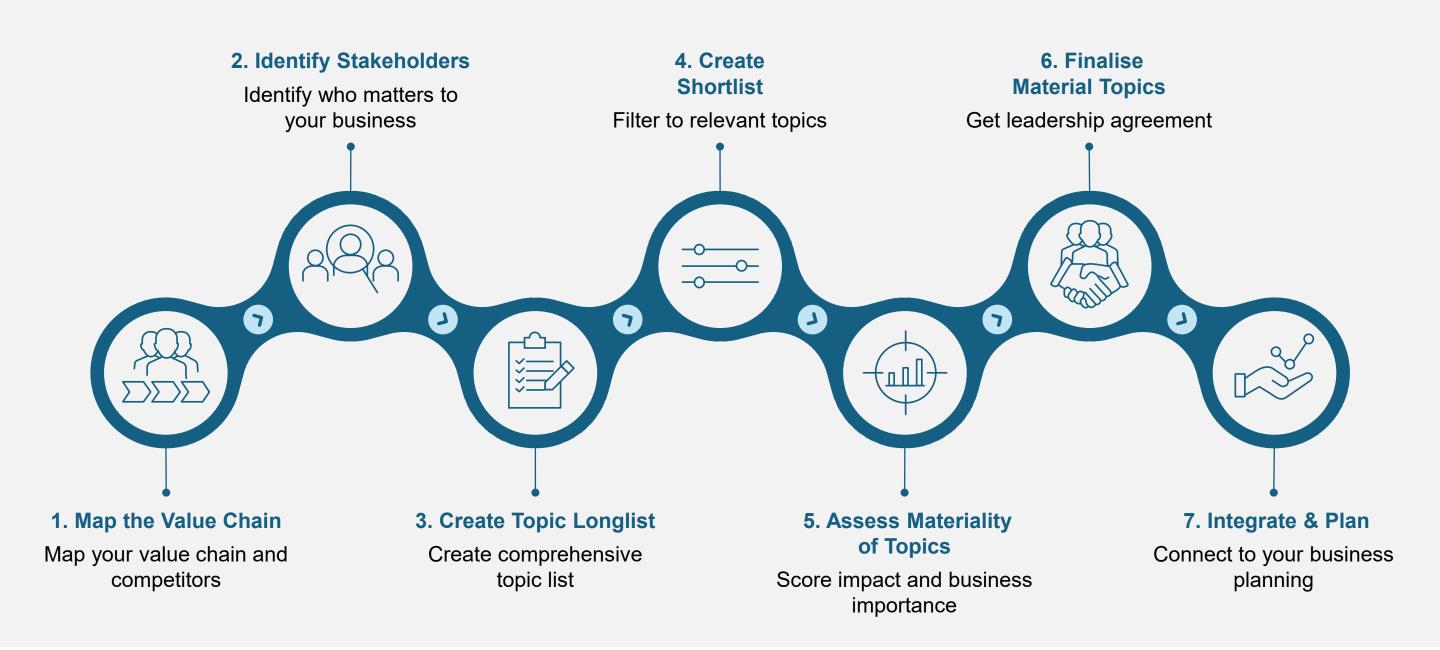
- Small family businesses
- Solo artisans
- Local markets
- Limited resources

- Small and medium sized enterprises
- Multiple locations
- Value chain mapping
- Customer requirements

- Listed and privately owned companies
- Global operations
- Supply chain complexity
- Customer requirements
- Regulatory requirements
- Investor demands

# The 7-step DMA process for SMEs





# SME Approach – Step 1 : Map the Value Chain



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Map upstream and downstream relationships, and prepare foundation for topic generation



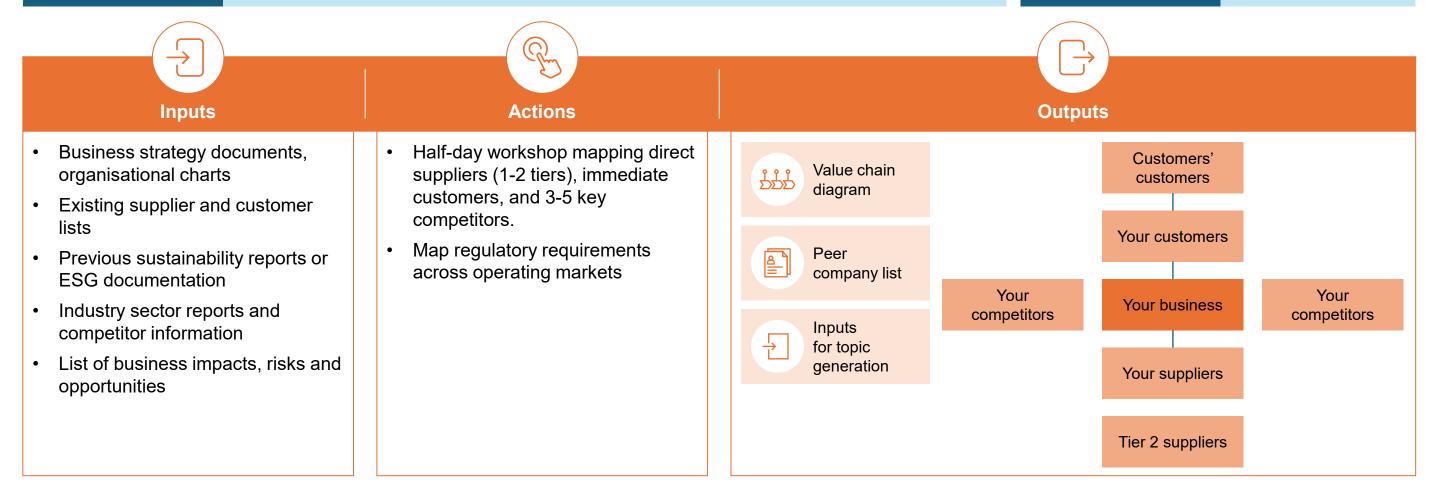
Who is Involved

Sustainability lead, operations manager, one senior executive



Duration

0.5 days



# **SME Approach – Step 2 : Identify Stakeholders**



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**Description** 

Map all relevant stakeholder groups and identify who can represent their views



Who is Involved

Sustainability lead, customer service manager, procurement lead, HR / finance reps



**Duration** 

0.5 days

levels)



### Inputs

### Actions

# Outputs

Examples

- Value chain map from Step 1
- Organisational chart and business relationships
- Previous stakeholder engagement records or customer feedback
- Industry stakeholder mapping examples
- Map all relevant stakeholder groups and identify who can represent their views, designating internal experts as stakeholder representatives
- For example: Salesperson represents customers, compliance staff represents regulators, procurement represents suppliers



Stakeholder map Type

Stakeholders



Internal representatives assigned



Inputs for topic generation

	<ul> <li>Board of Directors / Senior Leadership</li> </ul>
Internal	• Employees (all functions, geographies,
Stakeholders	<ul> <li>Unions / Worker Representatives</li> </ul>
	Shareholders / Investors
	Customers / End-Consumers
Value Chain	Business Customers / B2B Clients
	• Suppliers (direct Tier 1, indirect Tier 2/3
Stakeholders	<ul> <li>Distributors / Retailers / Wholesalers</li> </ul>
	<ul> <li>Logistics and Transport Providers</li> </ul>
	Regulators / Policymakers
Regulators and	<ul> <li>Standards Bodies / Industry Association</li> </ul>
Institutions	<ul> <li>Financial Institutions, Banks, Insurers</li> </ul>
	Auditors / ESG Rating Agencies
	<ul> <li>Local Communities</li> </ul>
Societal	<ul> <li>NGOs / Advocacy Groups</li> </ul>
Stakeholders	<ul> <li>Media and Opinion Leaders</li> </ul>
Stakenoluers	<ul> <li>Academia and Research Bodies</li> </ul>
	<ul> <li>Future Generations / Youth Organisation</li> </ul>
Environmental	<ul> <li>Natural Environment and Ecosystems</li> </ul>

· Climate / Planetary Stakeholders

Resource Systems (forests, fisheries, ...)

# **SME Approach – Step 3 : Create Topic Longlist**



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**Description** 

Create comprehensive list of potential sustainability topics using CIBJO Wheel, competitor analysis, and regulatory requirements



Who is Involved

Sustainability lead, operations manager, one senior executive



**Duration** 

0.5 days



### Inputs

- CIBJO ESG Wheel categories (14 principles)
- Business context from Step 1
- Stakeholder perspectives from Step 2
- 3-5 competitor sustainability reports
- Regulatory requirements for your jurisdiction
- Industry standards and frameworks



### **Actions**

Half-day workshop using CIBJO
 Wheel as foundation, reviewing
 competitor reports, mapping
 regulatory requirements,
 incorporating stakeholder input
 themes. Generate comprehensive
 list using structured approach





Long list (50-100+ topics)



Source mapping



Link to CIBJO Wheel

Outputs						
<b>#</b>	Topic area	Location of impact, risk or opportunity in value chain	Detailed description of potential or actual impact, risk or opportunity	Description of financial effect(s) of the impact, risk or opportunity	E/S/G	14 Principles
	Climate Change	Own operations	inadequate climate-related risk management	reputation damage, increase in operating and supply costs, increase in financial penalties, reduced	Е	5. Climate Resilience
						***

# **SME Approach – Step 4 : Create Topic Shortlist**



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**Description** 

Filter the long list to a relevant shortlist for your business using systematic criteria and stakeholder input - if in doubt about a topic, keep it in



Who is Involved

Sustainability lead, operations manager, stakeholder representatives from Step 2



**Duration** 

0.5 days



### Inputs

- Long list of potential topics from Step 3
- Stakeholder perspectives from Step 2 (via representatives)
- Sector standards and regulations identified in Step 1
- Business context and strategic priorities



### Actions

- Workshop filtering long list using simple criteria: business relevance, stakeholder importance, regulatory requirements
- Apply input from internal stakeholder representatives



### **Outputs**

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Filtered shortlist (40+ topics)

Remember: You want a wide funnel for the assessment

#	Topic area	Location of impact, risk or opportun- ity in value chain	Detailed description of potential or actual impact, risk or opportunity	Description of financial effect(s) of the impact, risk or opportunity	E/S/ G	14 Principles	Include?
1							Υ
2							
3							Υ
4							
5							
6							Υ
7							
8							
9							Υ
							Υ
							Υ

# **SME Approach – Step 5: Assess Materiality of Topics**



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Evaluate each shortlisted topic across both impact and financial materiality dimensions using stakeholder input, evidence, and scoring approaches



Who is Involved

Core team of 3-4, incl. sustainability lead, operations/finance/stakeholder reps

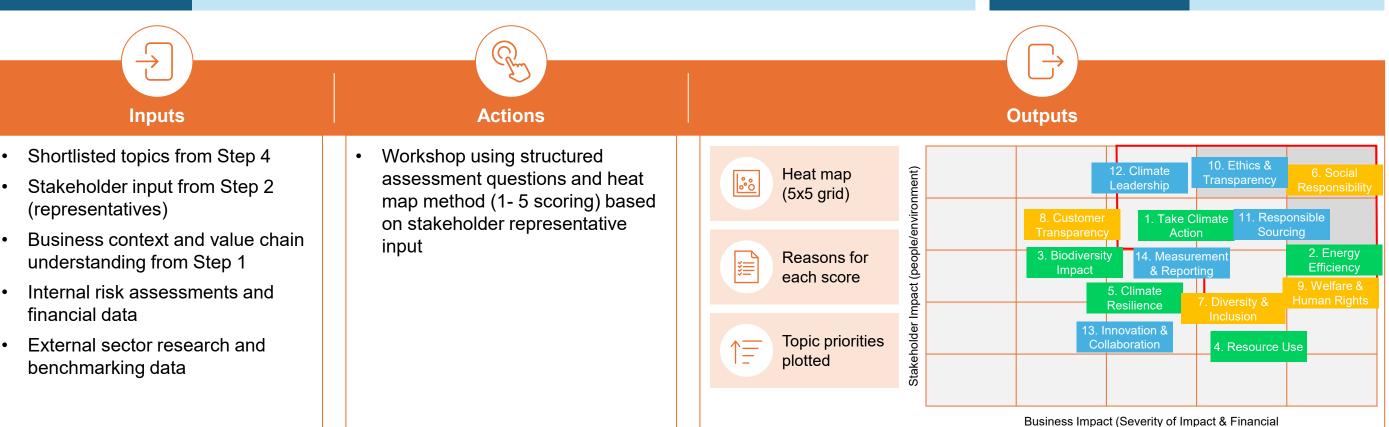


Governance

**Duration** 

Importance to Business Performance) Environment

2-6 hours



# SME Approach – Step 6: Finalise Material Topics



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**Description** 

Determine materiality thresholds through senior leadership review and finalise material topics with clear ownership



Who is Involved

Senior leadership team (2-3 executives), sustainability lead, key stakeholder reps



**Duration** 

0.5-2 days



### Inputs

- Assessment results (heat map) from Step 5
- Assessment rationale and evidence documentation
- Stakeholder validation feedback
- Business strategy and risk tolerance parameters
- Competitor materiality benchmarks



### **Actions**

Review heat map results, discuss

- business implications, setting simple materiality threshold (e.g., "upper right quadrant" or "high on either axis"), validating with key
- May need several rounds of discussion

stakeholders



### **Outputs**

Material topics (8-12)



Leadership sign-off



Ownership assignments

Focus on what you can act on

#	Material Topic	Owner
1	Topic 1	Employee 1
2	Topic 2	Employee 1
3	Topic 3	Employee 1
4	Topic 4	Employee 2
5	Topic 5	Employee 2
6	Topic 6	Employee 2
7	Topic 7	Employee 3
8	Topic 8	Employee 3
9	Topic 9	Employee 4

# SME Approach – Step 7 : Integrate & Plan



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**Description** 

Build ESG topics into how you run your business and plan regular reviews



Who is Involved

Sustainability lead, senior leadership team, dept. heads responsible for material topics



Duration

3-6 months (ongoing)



### Inputs

- Final list of material topics from Step 6
- Complete DMA documentation from all previous steps
- Business strategy and planning documents
- CIBJO action planning and measurement guidelines
- Existing risk management and reporting frameworks



### **Actions**

 Half-day session integrating material topics into business processes, preparing action plans for each topic, connecting to CIBJO measurement guidelines, and establishing review schedule



Integration plan



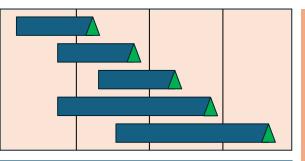
Action plans per topic



Review schedule



CIBJO measurement links





using your
preferred project
management
approach

# SME Approach – Inputs, Actions, and Outputs Summary



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Step 1: Context & **Value Chain** 

Step 2: **Stakeholders** 

3 Step 3: Topic Longlist

Step 4: **Topic Shortlist** 

4

Step 5: **Assessment** 

5

Step 6: **Agree Topics** 

6

Step 7: Integration

Key Inputs

Business docs, supplier/ customer lists, competitor and sector reports

· Step 1 value chain map, org. chart, previous engagement, industry examples

· Step 2 value chain

 CIBJO Wheel, peer reports, regulations, stakeholder input

- · Step 3 long list
- Step 2 stakeholder perspectives Sector and business context
- Step 4 short-listed topics
- Step 2 stakeholder
- Business data
- External industry data
- Step 5 assessment results, rationale and evidence. business strategy
- Step 6 material topics, business processes, CIBJO quidelines



Map value chain. benchmark competitors

- Identify all stakeholder groups, identify who can represent them
- Create comprehensive topic long list
- Filter by relevance and business context
- Score topics on impact + financial materiality dimensions
- · Leadership review. set materiality thresholds, final priorities
- Connect to strategy /planning, establish review cycles



Value chain diagram



Stakeholder map

Internal

assigned



Long list (50-100+ topics)



**Filtered** shortlist (40 + topics)



Heat map (5x5 grid)



Material topics (8-12)

Leadership

sign-off



Integration plan



Key **Outputs** 

Peer company list

generation

Inputs for topic



Inputs for topic generation

representatives



Source mapping



Link to CIBJO Wheel

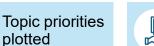


Remember: You want a wide funnel for the assessment



Reasons for each score

plotted



Ownership assignments



Action plans per topic



Review schedule



**CIBJO** measurement



links

# **SME Approach – Approximate Timing and Resource Planning**



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Step	Activity	Duration	People Required	Key Resources
1.	Map the Value Chain	0.5 days	1 lead plus 3-4 SMEs	Business docs, competitor reports
2.	Identify Stakeholders	0.5 days	1 lead plus 3-4 SMEs	Org charts, previous engagement records
3.	Create Topic Longlist	0.5 days	1 lead plus 3-4 SMEs	CIBJO Wheel, regulatory guidance
4.	Create Topic Shortlist	0.5 days	1 lead plus 3-4 SMEs	Stakeholder input, filtering criteria
5.	Assess Materiality of Topics	2-6 hours	1 lead plus 3-4 SMEs	Assessment templates (DMA Guide, Appendix C)
6.	Finalise Material Topics	0.5-2 days	2-3 executives	Heat map results, business strategy
7.	Integrate & Plan	3-6 months (ongoing)	1 lead plus owners	CIBJO measurement guidelines
Total		4-5 days initial plus ongoing integration	1 lead plus 3+ people	See above

### **Resource planning**

- **Core Team:** Led by: 1 person, supported by 3-4 subject experts (HR, procurement, operations, sales)
- Procurement representative essential for supply chain topic



### **Key Deliverables Timeline**

- Week 1: Business context, stakeholder map, topic lists
- Week 2: Assessment workshop, leadership review
- Week 3: Final material topics, integration planning



### **Budget Considerations**

- Staff time: 15-20 person-days total
- External support: Optional (£2-5k if needed)
- **Technology**: Templates/spreadsheets (£0-500)



### **Success Factors**

- Senior leadership engagement throughout process
- Clear stakeholder representative assignments
- · Connection to existing business planning cycles
- Link to CIBJO measurement framework for next steps



# **Lite Process for Micro-Businesses**



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	SME Approach	Microbusiness Approach
Assessment Method	5-point scoring / heat map	Simple High / Medium / Low rating
Stakeholder Engagement	Internal representatives	Owner knowledge only
Team Structure	1 lead plus 3+ people	1-2 people
Documentation	Templates and rationale	Basic action plans
Governance	Leadership review	Owner decision
Technology	Templates / spreadsheets	Paper-based or simple forms
Timeline	4-5 days initial plus ongoing integration	2 hours total
Update Frequency	2-3 years	2 years or when business changes

# **Key Differences from SME Approach**

### **Enhanced Requirements:**



**Process Steps:** Business Context (15 min) → Pick Topics (30 min) → Simple Assessment (45 min) → Plot Priorities (15 min) → Make Plans (15 min)



**Topic Selection:** Choose 8-12 from common jewellery sector issues rather than generating comprehensive long lists



**Assessment Method:** Rate each topic High / Medium / Low on harm to people / environment and business impact



**Key Message:** Simplified 2-hour process for smallest businesses focusing on immediate priorities and practical actions.

# **Enhanced process for larger businesses**



	SME Approach	Larger Business Approach
Assessment Method	5-point scoring / heat map	Multi-criteria scoring (1-5 scale)
Stakeholder Engagement	Internal representatives	External surveys & consultations
Team Structure	1 lead plus 3+ people	Cross-functional working groups (6-8)
Documentation	Templates and rationale	Comprehensive audit trails
Governance	Leadership review	Board oversight & external assurance
Technology	Templates / spreadsheets	Professional platforms (£10k-50k)
Timeline	4-5 days initial plus ongoing integration	10 weeks+
Update Frequency	2-3 years	Annually with continuous monitoring

## **Key Differences from SME Approach**

### **Enhanced Requirements:**



Scoring Framework: Weighted criteria across impact severity, scale, likelihood, financial magnitude, regulatory exposure, and stakeholder pressure



**Process Phases:** Data collection (2-3 days) → Cross-functional assessment (1-2 days) → External validation (1 week)



**Governance:** Sustainability Committee oversight, executive accountability, regular Board reporting, external assurance



**Key Message:** Build on the SME foundation with additional rigor for regulatory compliance, investor requirements, and audit readiness.

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