Interactive ESG Guide

Materiality Assessment

workiva

Contents

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Intro

Whether you're expanding or launching an environmental, social, and governance (ESG) reporting program, use this template to help you focus on the topics that matter most to your stakeholders.

A proper assessment should take time and thought. This interactive template can serve as a simplified guide for assessing what is considered material—financially or otherwise—for your organization and which metrics your organization will track, measure, and report. Regularly reassess materiality as regulations, frameworks, and stakeholders' demands evolve.

Let's get started!

| Research | > | Engage | > | Prioritize | > | Activate |
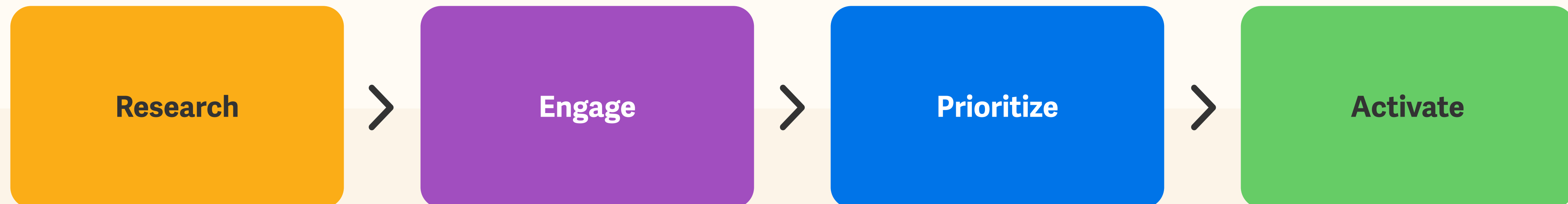
Timeline

Sketch in the desired deadlines to complete each stage.

Research	Engage	Prioritize	Activate
Start Date:	Start Date:	Start Date:	Start Date:
End Date:	End Date:	End Date:	End Date:
Objective:	Objective:	Objective:	Objective:

Research

Set your organization up for success by outlining goals and using research to inform your materiality assessment.

Ask the core ESG team to take the lead on the following steps:

Establish a clear vision and goal for the materiality assessment.

Determine key internal stakeholders and ESG owners, who might include the ESG or sustainability team, investor relations, finance, members of the C-suite, board members, or customers, for example.

Use the **SASB Materiality Map** created by the Sustainability Accounting Standards Board to help determine which sustainability issues might affect financial and operating performance within your industry.

Review general ESG reporting frameworks, as well as industry-specific frameworks or standards.

Review industry peers' reporting, messaging, disclosures, and ESG ratings.

Goals & Vision

In ⬜⬜⬜⬜⬜⬜⬜⬜⬜ we will...

engage stakeholders to ⬜⬜⬜⬜⬜⬜⬜⬜

the environmental, social, and governance issues that are most

material to ⬜⬜⬜⬜⬜⬜⬜⬜ 's business operations, based on extensive research both within and outside the organization.

Through listening to stakeholders, we will identify issues that are financially material to the business but also our own social and environmental impacts as a business.

Ultimately, the assessment should:

List Stakeholders

Whose perspectives will you gather during your research?

Internal		External		Contact Info	Method of Engagement
Ex: Executives, department heads, board members, global team reps.		Ex: Customers, peers, competitors, investors, nonprofit groups, trade associates.		Ex. email@company.com	Ex. Survey, 1-1 Interview, etc.
Name	Title, Dept.	Name	Title, Dept.		

Peer Research

- Note what peers are prioritizing and disclosing. Frameworks you might see peers mention include the **SASB standards, Task Force on Climate-Related Disclosures (TCFD)** recommendations, **Global Reporting Initiative (GRI)** standards, United Nations **Sustainable Development Goals** (UN SDGs), and **CDP.**

- You may also want to review the **SASB Materiality Map** for an outside perspective.

- The column fields are editable, depending on whether you want to classify issues as environmental, social, or governance, or related to your employees, customers, community, products, or other grouping.

- You can use the "score" column to track the importance each peer or competitor assigns to each issue, perhaps signaled by the frequency in which topics are raised and whether a topic appears in a regulatory filing like a 10-K versus an unregulated report. The scores can help you prioritize ESG topics later.

Peer Disclosures	Environmental	Social	Governance	Frameworks	Score
Peer 1					
Peer 2					
Peer 3					
Competitor 1					
Competitor 2					
Competitor 3					

This will help you identify trends in the topics and frameworks that peers are targeting. Summarize the top few topics and frameworks for your stakeholders to inform your conversations with them.

ESG Issues

Based on inputs from your research, form a hypothesis of topics that are material to your organization, and list those topics below.
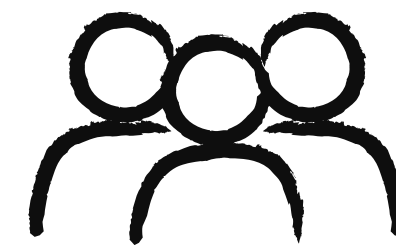
Environmental

[Adjust this list for your organization]

Social

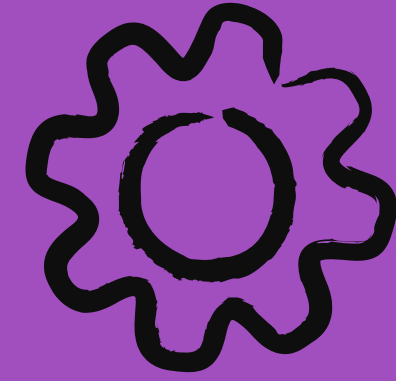**[Adjust this list for your organization]**

Governance

[Adjust this list for your organization]

Engage ⚙

Reach out to stakeholders to gather more information to make a quality assessment.

Interview key stakeholders and survey to refine which issues are most material to your organization.

How would you score the importance of each identified issue? Potential impacts? Market expectations?

Interviews can be valuable for collecting qualitative data, such as business objectives, the organization's overall mission, goals, and ESG strategy.

Surveys can help you collect quantitative data from many people quickly.

Engage Stakeholders

You can use surveys with multiple choice answers to gather quantitative data, and ask stakeholders to score their priorities, either on a point scale or in terms of low, medium, or high. Use interviews to ask open-ended questions and follow-up questions to gather qualitative insights. The questions to the right are examples of what you might ask.

ProTip ✓

Consider providing a pre-populated list of topics or issues (perhaps 20–25) as a guide for stakeholders to discuss.

For surveys, it will help to know how you will consolidate and tally survey results before you build the questions. Consider your audience when wording questions and determine whether you will need a different survey for different audiences (for example, one for employees and one for customers).

Sample Interview Questions	Notes (Qualitative Insight)	Score
Which issues do YOU view as important?		
• Issue 1		
• Issue 2		
• Issue 3		
How does the issue affect what we deliver to customers?		
How does the issue apply to our business model?		
What actions are expected of our industry on this topic?		
What are the risks of not addressing the issue?		

Prioritize
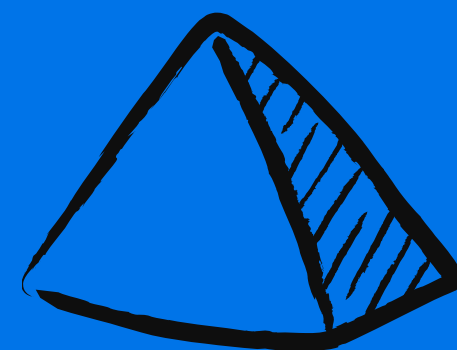
Use your findings to identify trends and determine your organization's priorities.

Ideas to consider:

- Bring in ESG frameworks as a filter to help prioritize at a high level
- Organize key impact areas for your business by whether they relate to environmental, social, or governance factors
- Review industry disclosures
  - Apply qualitative summary of the themes/topics that were included by each company
  - Apply quantitative scores, potentially related to things like topics reported (volume of mentions), amount of data disclosed, market expectations, business alignment, consumer trends, framework alignment, what rating agencies are saying, and level of importance to both society and your business
- Score across ALL inputs for a total, average, or weighted average score

Create a data visualization of the results.

All the work you've done so far should give you a benchmark evaluation of what peers are doing, identify key trends and emerging issues with an in-depth look at each, provide a prioritization list for your organization, and ultimately develop a materiality matrix or heatmap.

Methodology

Determine how you will quantify and summarize your research across various sources.

Sample scale: [Rank each on a scale of 1=low, 2=medium, 3=high]

For each of your research groups, decide how you will apply a score based on available information.

Sample Score To Apply - Per Topic	Research Groups	
	Example Group: Peers	+add other research groups (competitors, partners, etc.)
0	Not mentioned at all	
1	25–50% peers mentioned	
2	50–75% peers mentioned	
3	75–100% peers mentioned	

Scorecard

This is just one example of a consolidated scorecard to more objectively prioritize issues.

Sample scale: Rank each on a scale of 1=low, 2=medium, 3=high

|		Importance to the business | Summarize input from those closest to your business.		Total (Average)	Importance to society | Summarize input based on what's trending within the industry and similar organizations.		Total (Average)
Sample Categories	**Sample Issues**						

Map Double Materiality

Map **double materiality**: What issues are financially material? Which are environmentally and socially material? Where do the issues intersect?

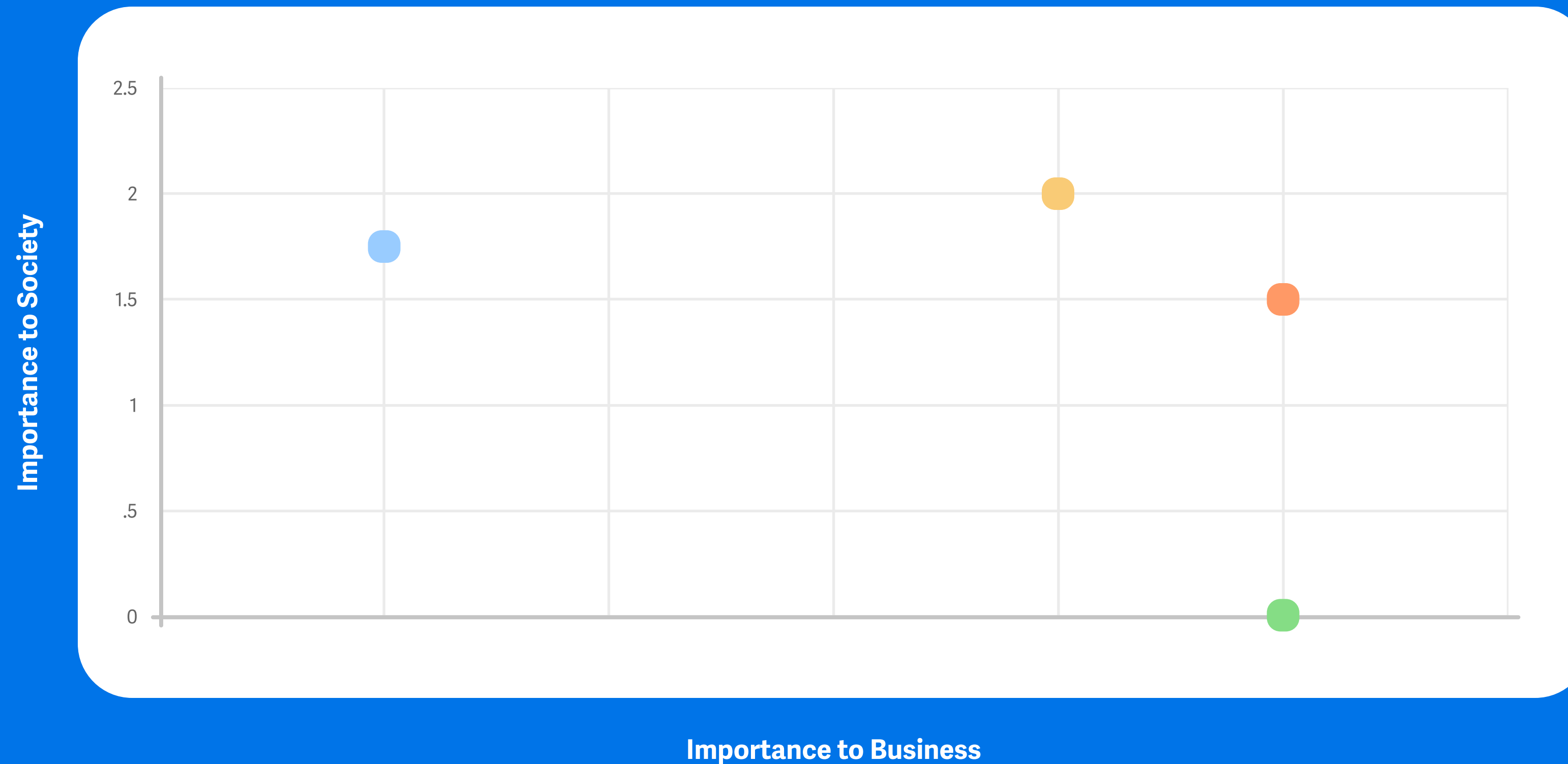Read more about bridging financial and ESG workstreams in **The ESG Leader's Playbook.**

Our Organization
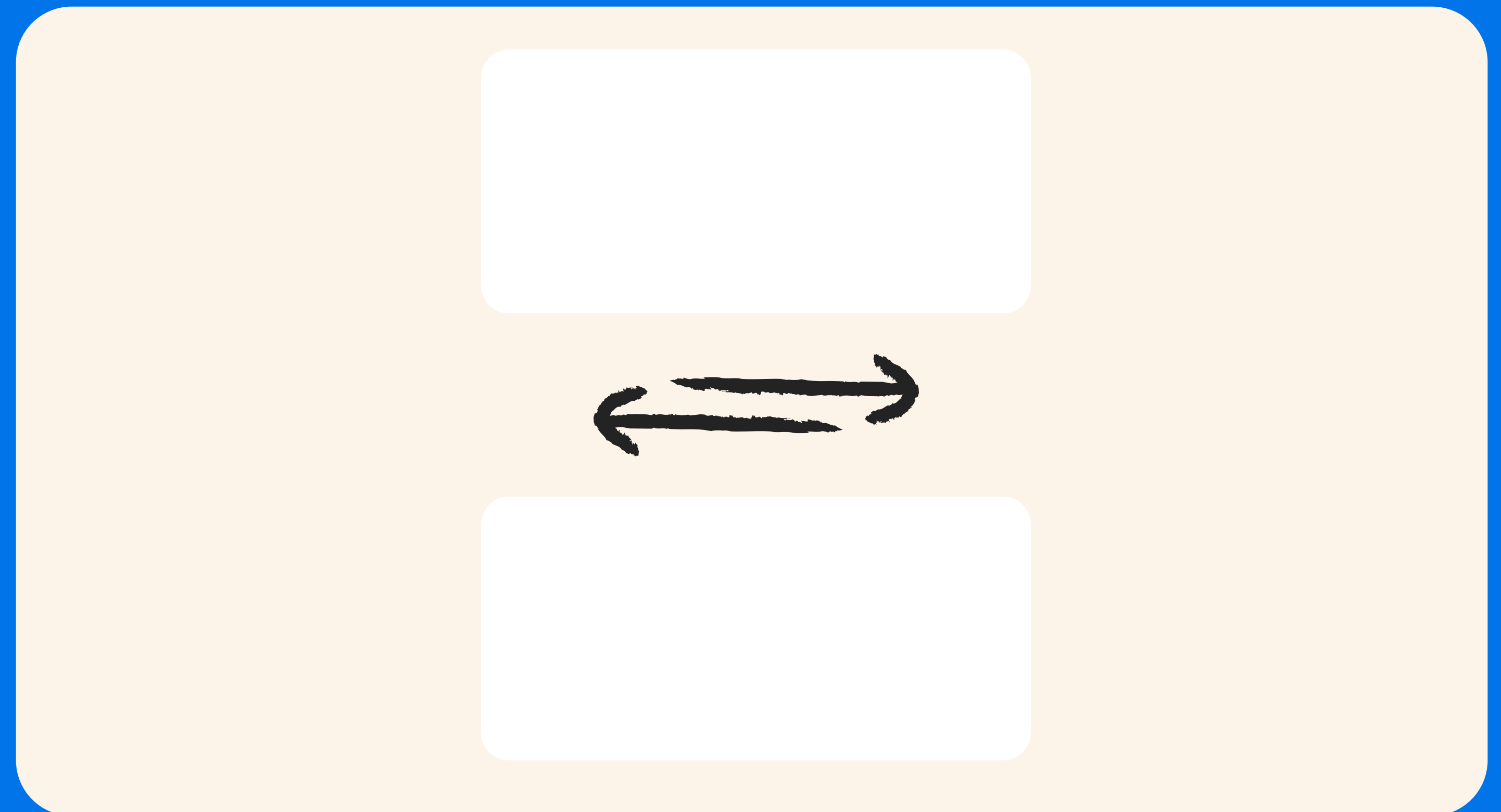
Materiality Matrix Example

Map the E, S, and G issues that matter most to your stakeholders

EMISSIONS

RISK MANAGEMENT

EMPLOYEE INCLUSION

GOVERNANCE

Where would you plot greenhouse gas emissions? Board diversity? Use your findings and scores to plot the material ESG topics for your organization on the materiality matrix, or materiality map.

Want more examples? You can find the Workiva materiality matrix **here** and a banking example **here.**

Importance to Society (y-axis: 0, .5, 1, 1.5, 2, 2.5)

Importance to Business (x-axis)

ProTip ✓

Directly link your scorecard to your matrix for real-time updates.

Watch the **Workiva Marketplace** for a downloadable Workiva platform version of this guide, coming soon.

Activate

With research, interviews, and prioritization complete, now it's time to present your findings to leaders so they (or your ESG steering committee) can finalize an ESG vision and values for your organization.

Share and validate your findings with leaders, and then decide on appropriate action items.

What to write down:

- ESG positioning statement and vision for the organization

- Risks to the business if ESG goals aren't met

- List of deliverables, which could include internal or external reports, a website or ESG microsite, and disclosures

- What the business needs to act on ESG goals, track performance, and create ESG reports (for example, technology, staff, time, budget)

Action Plan: External

Share where your organization stands by filling in this template.

Document the following for external use:

Elevator speech:

[What would our organization say about our ESG priorities in 100 words or fewer?]

Tagline:

[What matters to us summed up in just a sentence or two]

Position statement:

Ex. Tell the world where you stand by summarizing what you found during the materiality assessment. Need help? **See examples** from other companies.

Action Plan: Internal

Define your plan by filling in the blanks on this template.

Document the following for internal use:

ESG-related risks:

Ex. How would you describe the risks to your business if ESG goals aren't met?

Deliverables:

Ex. What are the outputs that enable the organization's ESG plans to be accountable, authentic, and actionable?

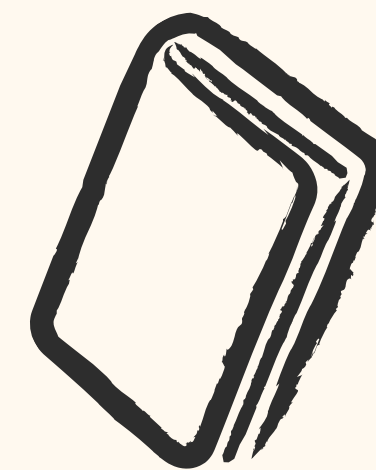Ex. Internal/external reports

Ex. ESG microsite

Ex. Regulatory disclosures

Resource list:

Ex. What does the business need to do to act on ESG goals, track performance, and create ESG reports (for example, technology, staff, time, budget)?

KPI Planning

Give your organization a way to track and measure results with key performance indicators (KPIs).

Material Issue	Goals	KPIs	Available Data	Date To Start Capturing

Resources

Help for materiality assessments

This template can help you conduct an ESG materiality assessment on your own. But an advisory firm or consultant that has conducted hundreds of assessments can help you with the process to gain deeper insights into what has worked for your peers.

FIND A WORKIVA ADVISORY PARTNER

Bridge financial and ESG workstreams

Deepen the collaboration between workflows and teams with The ESG Leader's Playbook.

VIEW PLAYBOOK

7 must-haves for future-proof ESG reporting software

Use this checklist as you evaluate technology vendors for ESG reporting.

CHECK IT OUT

Templates, connectors, and services

Workiva customers can go to our Marketplace to find connectors and services to simplify and automate data collection, reporting, and reviews.

VISIT THE MARKETPLACE

Simplify ESG Reporting.

Compiling financial and non-financial data to share your ESG performance with stakeholders in an auditable report can be tricky. Workiva's solution was made for challenges like these. See how you can use the **Workiva platform for ESG reporting.**

Learn More

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