Category

Strategy

ESG & Sustainability Strategy Playbook

A double-materiality method for identifying which ESG issues actually affect enterprise value, setting targets that hold up to scrutiny, and building disclosure that satisfies investors and regulators.

- Executive
- Intermediate
- Template Included

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Overview

An ESG strategy playbook for running a double-materiality assessment, prioritizing issues by impact and financial relevance, and translating results into targets, governance, and investor-grade disclosure.

What's the difference between financial materiality and impact materiality?

Financial materiality asks how an ESG issue affects the company's own enterprise value, cost of capital, or risk profile. Impact materiality asks how the company's operations affect people and the environment on that issue, independent of any financial consequence to the company. Double materiality, now required or expected under frameworks like the EU's CSRD, means assessing and disclosing both, because an issue can be highly impactful on the world while looking financially immaterial in the short term, or vice versa.

How many ESG issues should a materiality assessment prioritize?

Most credible assessments land on 5-8 truly material issues rather than a long list — enough to cover genuinely distinct risk and impact areas without diluting resourcing and accountability across so many issues that none of them get real investment. If your list is much longer, it likely hasn't been prioritized rigorously enough.

How do we avoid greenwashing accusations?

The most reliable protection is structural: never publish a target without a named internal owner, a funded initiative behind it, and a credible interim milestone you're tracking and

willing to disclose even when progress is behind plan. Most greenwashing controversies stem from targets that were aspirational commitments with no delivery mechanism behind them, not from deliberate deception.

Which disclosure framework should we use — ISSB, CSRD, SASB, or GRI?

It depends on your jurisdiction, listing, and investor base: CSRD/ESRS is mandatory for many companies operating in the EU, ISSB (IFRS S1/S2) is being adopted as a global baseline by many regulators and investors, SASB provides industry-specific financial materiality guidance now incorporated into ISSB, and GRI is broader and impact-oriented. Most large companies end up mapping their disclosure to more than one framework simultaneously; a cross-reference index prevents duplicated effort.

How often should the materiality assessment be refreshed?

Every 2-3 years is typical, with a lighter annual check to confirm no material shift in regulation, stakeholder expectation, or business model has occurred. Refreshing more frequently than that tends to chase short-term narrative shifts rather than reflect genuine changes in what's material to the business.

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