

Industrialising the Double Materiality Assessment:

As CSRD and ESRS requirements take hold, the **Double Materiality Assessment (DMA)** has become a critical and recurring exercise for financial institutions. For both banks and insurers, it demands not only a one-off analysis but also an enterprise-level process that is repeatable and auditable.

Background

At Revence, we recently collaborated with a top-ten European bank to design and implement a DMA solution, **fully embedded in the CSRD disclosure process**, built entirely on their existing **Oracle EPM platform**.

By creatively leveraging Oracle EPM's inbuilt functionalities, including navigation flows, **Task Manager, forms, business rules and Close Manager modules**, we provided a controlled, structured workflow to manage the end-to-end DMA, avoiding manual workarounds and establishing a solid foundation for long-term reporting and risk alignment.



Understanding Double Materiality in Practice

Under CSRD, institutions must assess sustainability from two complementary perspectives:

- **Impact materiality (inside-out):** How the organisation's activities affect people, the environment, and broader societal outcomes – regardless of whether those impacts have financial consequences.
- **Financial materiality (outside-in):** How sustainability-related risks and opportunities affect the organisation's financial performance, position, or cash flows over the short, medium, and long term.

In this engagement, we also incorporated an **Impact, Risk, and Opportunity (IRO)** lens, directly aligned with EFRAG's ESRS 1 guidance.

This provided a structured approach to capture:

- **Impacts** (supporting the impact materiality assessment), and
- **Risks and opportunities** (supporting the financial materiality assessment), ensuring a consistent, forward-looking view of material topics across both dimensions.

Industrialising the Double Materiality Assessment:

Why Manual DMA Processes Break Down

Most first-round DMA efforts are spreadsheet-led. While this may work for a pilot or initial cycle, we heard clear concerns from senior sustainability leaders:

- Scoring rationale is difficult to trace leading to poor accountability.
- Inputs are disconnected across teams.
- Reviews are inconsistent or undocumented.
- There's no audit trail for regulators or internal assurance.

A more structured approach is needed for institutions where both internal and external sustainability function SMEs must collaborate.

Our Solution: Delivering DMA Using Oracle EPM

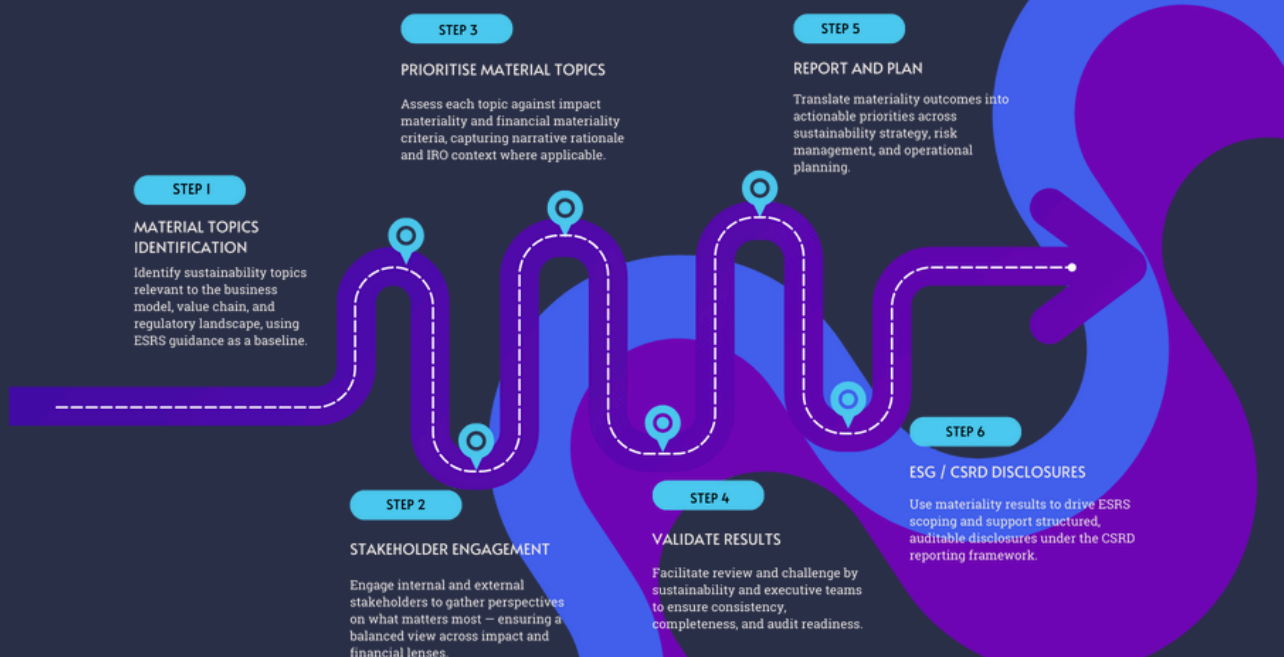
Our client already used Oracle EPM across finance and regulatory reporting. We repurposed the platform's **navigation flows, Task Manager, forms, business rules, and Close Manager module** capabilities to orchestrate a complex, multi-stakeholder DMA workflow.

The Key Capabilities:

Structured Topic Register

- ✔ Sustainability topics (aligned with ESRS) were organised as a task hierarchy. Each topic could be divided into sub-issues (e.g., Scope 3 emissions, biodiversity, governance, etc.).

The Double Materiality Process



Industrialising the Double Materiality Assessment:

Key Capabilities

- ✔ **SME Tagging for Sustainable Matters**

The central ESG report team could tag various internal and external SMEs to the list of sustainable matters. The tagging auto created scoring sheets and associated context for both internal and external SMEs.
- ✔ **Dual Materiality Scoring with IRO assessment**

SMEs provided impact and financial (risk and opportunity) materiality assessments. Scores were supported by narrative and could be updated during challenge and review cycles.
- ✔ **IRO Assessment Capture**

For each topic, SMEs (internal and external) also rated the risks and opportunities, which helped link material issues to emerging strategy and capital planning. The engine would calculate the final IRO score based on the bank's specific logic.
- ✔ **Narrative-first UX**

We designed the experience around clear commentary, not just scoring. This ensured responses captured the rationale, assumptions, and underlying evidence for each judgement – reducing the burden of later reconciliation.
- ✔ **Integrated EFRAG Guidance**

Rather than link to static PDFs, we embedded contextual guidance inline, enabling SMEs to interpret key definitions consistently.
- ✔ **Severity and Likelihood Logic**

For impact assessments, we introduced a method for assessing both severity and likelihood, helping normalise responses and focus review effort where it mattered most.
- ✔ **Review, Challenge, and Audit**

Sustainability leads and second-line functions could review and return tasks, request clarification, and approve submissions. All changes – including re-scores and comments – were logged with timestamps and user details.

Linking DMA to the Full CSRD Disclosure Process

One advantage of delivering the Double Materiality Assessment within Oracle EPM is that it does not operate in isolation. At Revvence, we have extended the solution to support the entire CSRD disclosure lifecycle – from initial assessment to content ready for final publishing.

Industrialising the Double Materiality Assessment:

Fully Integrated with the CSRD Process

The DMA provides the critical input layer: defining which ESRS topics are material, and why. Once material topics are confirmed, our EPM-based solution supports:

- **Disclosure scoping** – automatically identifying which ESRS datapoints must be disclosed based on the materiality outcome
- **Narrative development workflows** – allowing sustainability teams and business owners to draft, review, and approve commentary
- **Data collection and validation** – capturing quantitative disclosures from source systems or manual entry, with review checkpoints
- **Audit trails and status tracking** – using Close Manager to monitor completeness, approvals, and exceptions across all disclosure areas

This integrated approach ensures that DMA results directly drive the structure and content of the CSRD report, eliminating the need to manually re-enter decisions or recreate the context. It also supports external assurance by maintaining all commentary, scoring, and rationale in a fully traceable and reviewable format.



Join Us in the Innovation Lab

We invite you to participate in a focused Innovation Lab – a collaborative session designed to help your team define or refine your DMA process, align on a clear North Star vision, and explore the solution in action.

Arrange an Innovation Lab – contact us at info@revence.com or visit www.revence.com

Outcomes & Benefits

This solution helped our client:

- ✓ Move beyond email and spreadsheets for their core sustainability process
- ✓ Increase consistency and traceability of inputs
- ✓ Reduce time to compile and review results
- ✓ Create a repeatable, templated framework for future assessments
- ✓ Align sustainability topics with end-to-end CSRD disclosure process
- ✓ Lower reliance on external consultants by giving internal SMEs and sustainability teams ownership of the process, reducing costs

Whether in banking or insurance, Double Materiality is no longer a manual exercise. It's a live workflow directly connected to the CSRD disclosure process.

At Revence, we've shown that with the right design and leveraging Oracle EPM, financial institutions can turn a regulatory demand into a repeatable, auditable process that adds real business value.