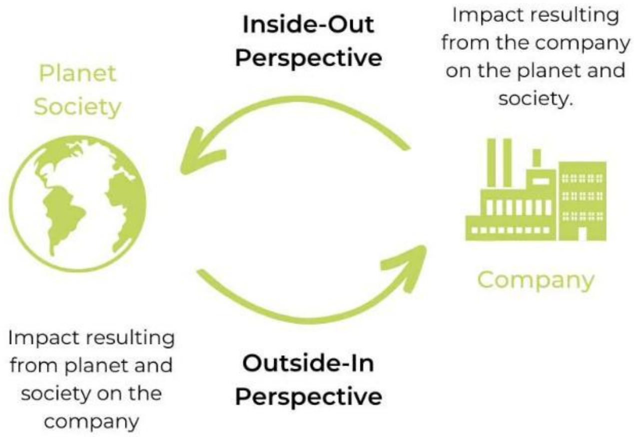
# TrAxxion DMA 2024

## What is a Double Materiality Assessment?

A double materiality matrix is a tool used in sustainability and corporate reporting to identify and assess issues that are significant from two perspectives: their **impact on the company's financial performance** (financial materiality) and **their impact on society and the environment** (environmental and social materiality). Unlike traditional materiality assessments that focus solely on risks and opportunities affecting the company, a double materiality matrix broadens the lens to include how the company's operations, products, and decisions affect external stakeholders and the planet.
This approach is particularly important in aligning with frameworks like the EU's Corporate Sustainability Reporting Directive (CSRD) and global ESG standards, helping organizations make informed strategic decisions while being transparent about their broader responsibilities.




## Why did TrAxxion do a DMA?.

Conducting a DMA at TrAxxion is valuable not only for assessing our own sustainability maturity, but also for gaining insights into how we can better support our clients. This work allows us to experience the process firsthand, deepening our understanding of the methodology, tools, and challenges involved. This enables us to offer more relevant and tailored support when potentially implementing DMAs for our clients.
The double materiality matrix, central to the DMA, plays a strategic role. It helps us **prioritize sustainability topics** by applying the double materiality lens: assessing both the impact the company has on the world (impact materiality), and the risks or opportunities these issues present for the business itself (financial materiality). This dual perspective ensures that sustainability actions are both responsible and strategically aligned.
By going through the full DMA process internally, we also enhance our credibility as a sustainability advisor, demonstrating that we apply the same standards to ourselves as we do to our clients.

## Who are our stakeholders?

As a consulting company committed to sustainable and responsible business practices, TrAxxion operates within a diverse ecosystem of stakeholders. These individuals and entities directly or indirectly influence, or are influenced by, our activities. Understanding their expectations and maintaining open communication channels is essential to our long-term success and societal impact

- **Experts**: the experts working for TrAxxion are key drivers of our service quality and credibility. Their expertise directly impacts on the value we deliver to clients.
- **Employees**: as the heart of our organization, our employees contribute to our culture, client relationships, and operational success.
- **Authorities**: regulatory bodies provide the legal and policy framework within which we operate. Collaboration with them ensures compliance and provides some opportunities.
- **Insurance** Companies: these stakeholders help us manage operational and strategic risks, enabling business continuity and financial stability.
- **Shareholders**: as investors in TrAxxion mission and growth, shareholders expect transparency, good governance, and long-term value creation.
- **Financial Institutions**: banks and other financial partners support our financial health and development, making them key enablers of investment and expansion.
- **Neighborhood**: as part of a local community, TrAxxion is committed to maintaining positive impact with surrounding residents and contributing to the area's social and environmental well-being.
- **Environment**: the natural environment is both a stakeholder and a responsibility. Our strategy seeks to minimize negative impacts and support environmental resilience.
- **Fiduciaire**: our fiduciary service providers play a vital role in ensuring sound financial management, regulatory compliance, and business integrity.
- **Suppliers**: our suppliers, whether in IT, office infrastructure, or external consultants, enable us to operate effectively and deliver value to our clients. We seek reliable partners who share our values of responsibility and quality.
- **Landlord**: a key partner in ensuring our workplace remains safe, functional, and aligned with sustainability standards.
- **Media**: media play an important role in shaping public perception of TrAxxion. Transparent communication through the media helps us share our values, showcase our impact, and reinforce our brand as a trusted advisor.

## Interest/Influence score

To better understand and prioritize our stakeholders, we use a structured scoring system based on two key dimensions: influence and interest. Each stakeholder group is rated on a scale from 1 (low) to 3 (high) in both categories.

***Influence (Score 1–3)***

This refers to the degree of power or impact a stakeholder has on our strategy, operations, or decision-making.

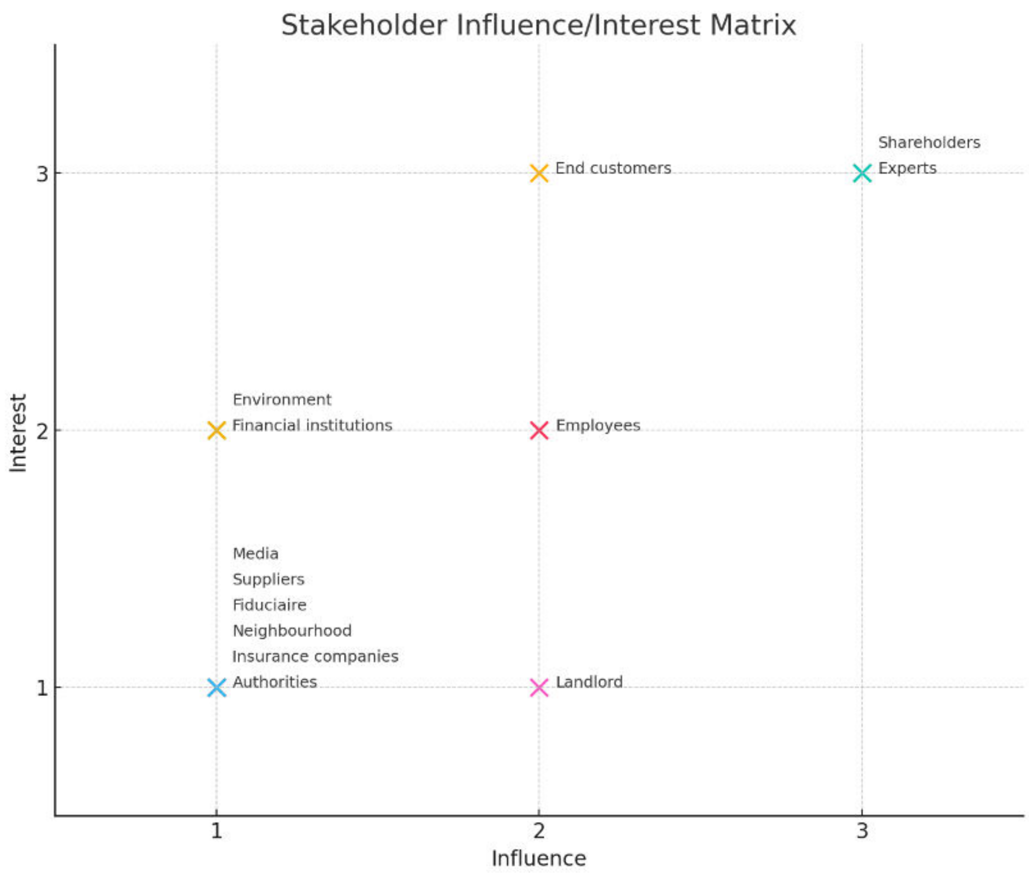
- Score 1 – Low Influence: limited ability to affect our actions or outcomes.

- Score 2 – Moderate Influence: can influence specific areas or decisions, especially indirectly.
- Score 3 – High Influence: plays a significant role in shaping our direction or performance.

***Interest (Score 1–3)***

This refers to how engaged, affected, or concerned a stakeholder is by our activities, outcomes, or values.

- Score 1 – Low Interest: minimal concern with or impact from our work.
- Score 2 – Moderate Interest: some relevance to the stakeholder's objectives or values.
- Score 3 – High Interest: strong concern or active engagement with our operations, results, or purpose.




## Relevant stakeholders

**Experts are critical stakeholders** with high influence, contributing through their specialized knowledge and technical input. Their expertise shapes strategic decisions, innovation, and compliance, making them highly relevant for financial materiality. At the same time, their strong personal commitment to environmental and social issues places them at the heart of impact materiality as well.

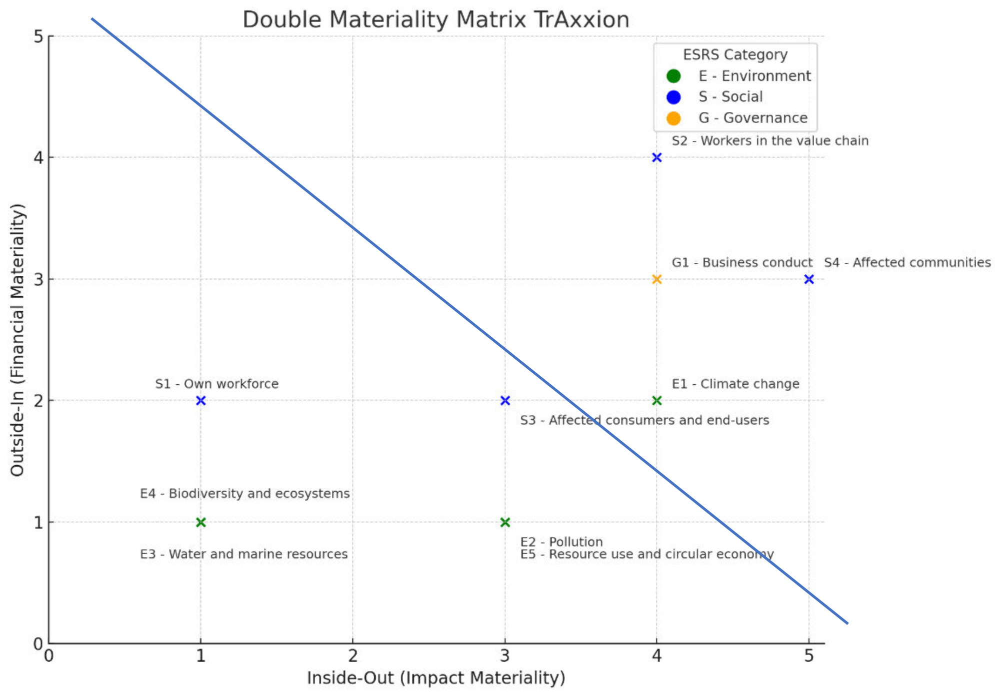
**End customers**, with moderate influence but high interest, play an essential role in shaping offerings and digital engagement strategies. Their expectations regarding sustainability and responsible business practices make them a critical driver of transformation. They are relevant to both financial and impact materiality, as their preferences affect revenue and brand reputation.

**Shareholders**, as highly influential decision-makers, focus on strategic direction, profitability, and long-term value creation. Their concerns primarily represent financial materiality, although growing awareness of ESG risks and purpose-driven business models also brings them closer to impact considerations.

## Approach

The double materiality assessment was conducted in consultation with key stakeholders: experts, shareholders, and customers.
Each ESRS topic was reviewed and then scored on a scale from 1 (very low) to 5 (very high) based on perceived relevance. The results are summarized in the matrix and were derived from structured stakeholder input.

## Results




**Four topics emerged as material** under the double materiality approach:

- S2 (Workers in the value chain): highly relevant from both perspectives (4/4), reflecting the company’s reliance on independent experts as core human capital.
- S4 (Affected communities): strong inside-out impact (5) and significant outside-in relevance (3), particularly regarding stakeholder engagement and social license to operate.
- G1 (Governance): high ratings (4/3) emphasize the importance of transparent decision-making and strategic alignment.
- E1 (Climate change): while its outside-in score is moderate (2), its inside-out rating (4) confirms the environmental responsibility expectations from stakeholders.

It is worth noting that S1 (Own workforce) received low relevance scores (1/2), reflecting the specific nature of the business model, which is built around independent experts and only one employee. As a result, S2 (Value chain workers) was considered a more appropriate category for assessing human capital materiality – and we include the employee as part of all related actions and conclusions.

## E1 – Climate Change

This topic addresses our environmental footprint and its exposure to climate-related risks and opportunities. It reflects the organization's direct and indirect contributions to climate change as well as the potential effects of a changing climate on its own operations and client relationships.

***Impact***
Our overall climate impact is relatively limited due to our service-based business model. However, some environmental impacts are present:

- Medium actual negative impact from travel: business travel, especially for in-person client meetings, generates medium levels of $CO_2$ emissions, representing the most significant contributor to our carbon footprint.
- Low actual negative impact from home office energy use: the decentralized nature of work (home offices) leads to low but dispersed energy usage, contributing modestly to emissions.
- Low actual negative impact from overall $CO_2$ footprint: the company's overall footprint remains low, supported by limited office space and relatively low energy consumption.
- Medium actual positive impact from shared office space: TrAxxion operates in co-working environments, which limits individual office emissions and helps reduce per-capita energy consumption.
- High actual positive impact from choice of suppliers: the environmental standards of suppliers are considered, supporting responsible sourcing and minimizing indirect emissions.

***Risks and Opportunities***
Climate change could negatively affect customer operations or priorities, especially in industries that are vulnerable to regulatory shifts, resource limitations, or climate-related disruptions. in such cases, project volumes for TrAxxion may decline or be delayed, introducing business continuity risks.

We increasingly rely on online meetings, significantly reducing the need for business travel and cutting associated emissions. This trend supports both environmental performance and operational efficiency.

There is room to further reduce emissions by promoting carpooling and expanding the use of electric vehicles within the expert network.

## S2-Workers in the supply chain

***Impact***
This topic addresses the working conditions and treatment of individuals indirectly linked to us through its value chain, specifically external experts and suppliers. It aligns with subtopics 2.1 and 2.2 of the European Sustainability Reporting Standards (ESRS), which focus on fair working conditions and equal opportunities throughout the supply chain.

TrAxxion works closely with a network of highly skilled experts who contribute to sustainability projects and transformation processes. Their involvement results in several positive outcomes:

- High actual positive impact through project work: experts report a strong sense of purpose and fulfillment from participating in impactful projects that align with their values.
- Medium actual positive impact on social perception: affiliation with TrAxxion creates a positive image within their personal circles, including family and friends.
- Medium actual positive impact from training and keynote speeches: delivering knowledge through public engagements fosters motivation and strengthens professional identity.

- High actual positive impact on working conditions: experts experience very open, transparent, and equitable collaboration with TrAxxion.
- High actual impact on economic fairness: 80% of the revenue generated from missions is allocated directly to the experts, emphasizing our commitment to equitable value distribution.

Relationships with suppliers also generate significant positive impacts, both culturally and operationally:

- Medium actual positive impact through awareness: By working with us, suppliers develop a deeper understanding of sustainability and often share this perspective with their own networks, encouraging a broader sustainability journey.
- Medium actual positive impact through internal change: Several suppliers are inspired to apply sustainable approaches within their own organizations, demonstrating our influence.

***Risks and opportunities***

One key risk associated with our expert network is the limited redundancy of competencies within the team. Due to the relatively small size of the expert pool, not all critical skills are covered by multiple individuals. This creates a financial and operational risk in situations where an expert becomes unavailable, as the inability to promptly replace their expertise may lead to missed project opportunities.

To address this, we actively promote personal and professional development within the team. By encouraging upskilling and knowledge sharing among experts, we strengthen our internal resilience and reduce dependency on single individuals.

A potential reputational risk exists in relation to supplier behavior, particularly if suppliers act in ways that are inconsistent with our sustainability values. Although the likelihood is low, any negative behavior by suppliers could reflect poorly on our image and credibility.

On the opportunity side, our influence has led some suppliers to adopt sustainable approaches within their own organizations. This positive diffusion of values not only enhances supplier relationships but also extends our impact across the supply chain.

## S4 – End Customer

This topic relates to the influence on our customers, particularly in terms of education, awareness, and transformation regarding sustainability. It aligns with subtopic S4.1 of the ESRS, focusing on the impact an organization has on end-users or beneficiaries of its services.

***Impact***

TrAxxion engages directly with customers through a variety of channels and formats that support education and sustainability transformation. These include:

- High actual positive impact through sustainability-focused projects that embed ESG thinking into customer operations and strategies.
- High actual positive impact through training, keynote speeches, and participation in conferences, which allow us to spread knowledge, inspire action, and create visibility.
- Medium actual positive impact through indirect leverage on customer ESG performance: by working with clients, we often strengthen their awareness and commitment to ESG goals, helping them improve their own sustainability performance and disclosures.

This impact extends beyond immediate project delivery. Customers become more informed and often act as multipliers within their industries.

***Risks and Opportunities***
There is a potential reputational risk if customers fail to meet basic ESG expectations or behave in ways that conflict with our values. Such misalignment could undermine our credibility, especially when customer behavior is visible or public.

A strong positive opportunity lies in the word-of-mouth effect among customers. Satisfied clients often share their experiences within their professional networks, creating organic visibility for TrAxxion.

## G1 – Governance

This topic addresses the structures, processes, and values that guide our decision-making and organizational behavior. It aligns with the following subtopics of the European Sustainability Reporting Standards (ESRS):

- G1.1 – Corporate Culture and Business Conduct
- G1.4 – Payment Practices
- G1.5 – Management of Relationships with Stakeholders

***Impact***
We have established a strong and value-driven governance culture, which positively influences our operations and stakeholder relationships:

- High actual positive impact through good corporate culture: The company fosters a transparent, responsible, and integrity-based governance approach, which serves as a positive example for customers, partners, and the broader market.
- Medium actual positive impact through open and trustful partnerships: we maintain long-term, trust-based relationships with partners and collaborators, contributing to mutual success and stable cooperation.
- High actual positive impact through reliable and ethical payment practices: TrAxxion consistently pays partners and suppliers on time or ahead of time, always within a 30-day window, reflecting strong financial discipline and fairness.

These practices strengthen our reputation, improve supplier confidence, and support sustainable business partnerships.

***Risks and Opportunities***
TrAxxion is well-positioned to benefit from government and EU-level support schemes related to ESG, digitalization, and artificial intelligence. These external financial mechanisms can provide a boost to innovation, business growth, and service development.

Upcoming ESG regulations may require us to adapt our internal processes, reporting mechanisms, or service offerings. While this presents a compliance challenge, it also provides an opportunity to further strengthen our governance structure and service differentiation in a more regulated market.