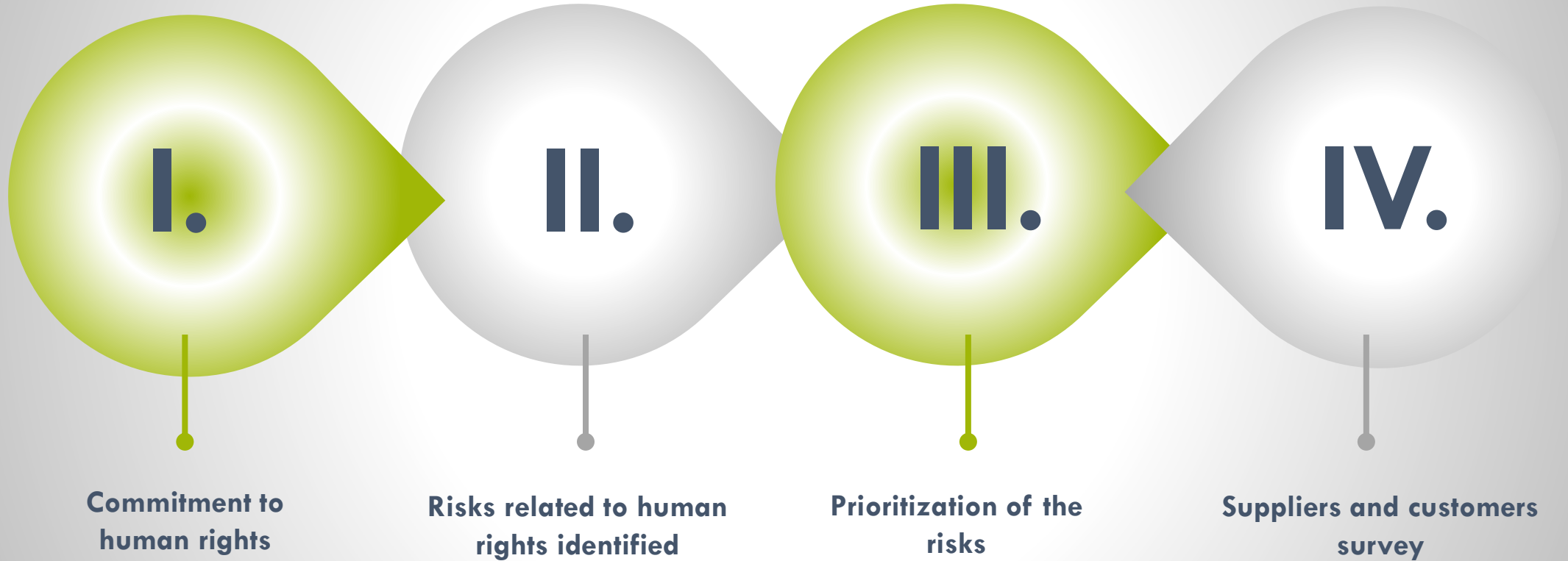


Human rights risk analysis and strategies  
for action

**TRAXIÓN**  
LIFE IN MOTION



# Index



# I. Commitment to human rights

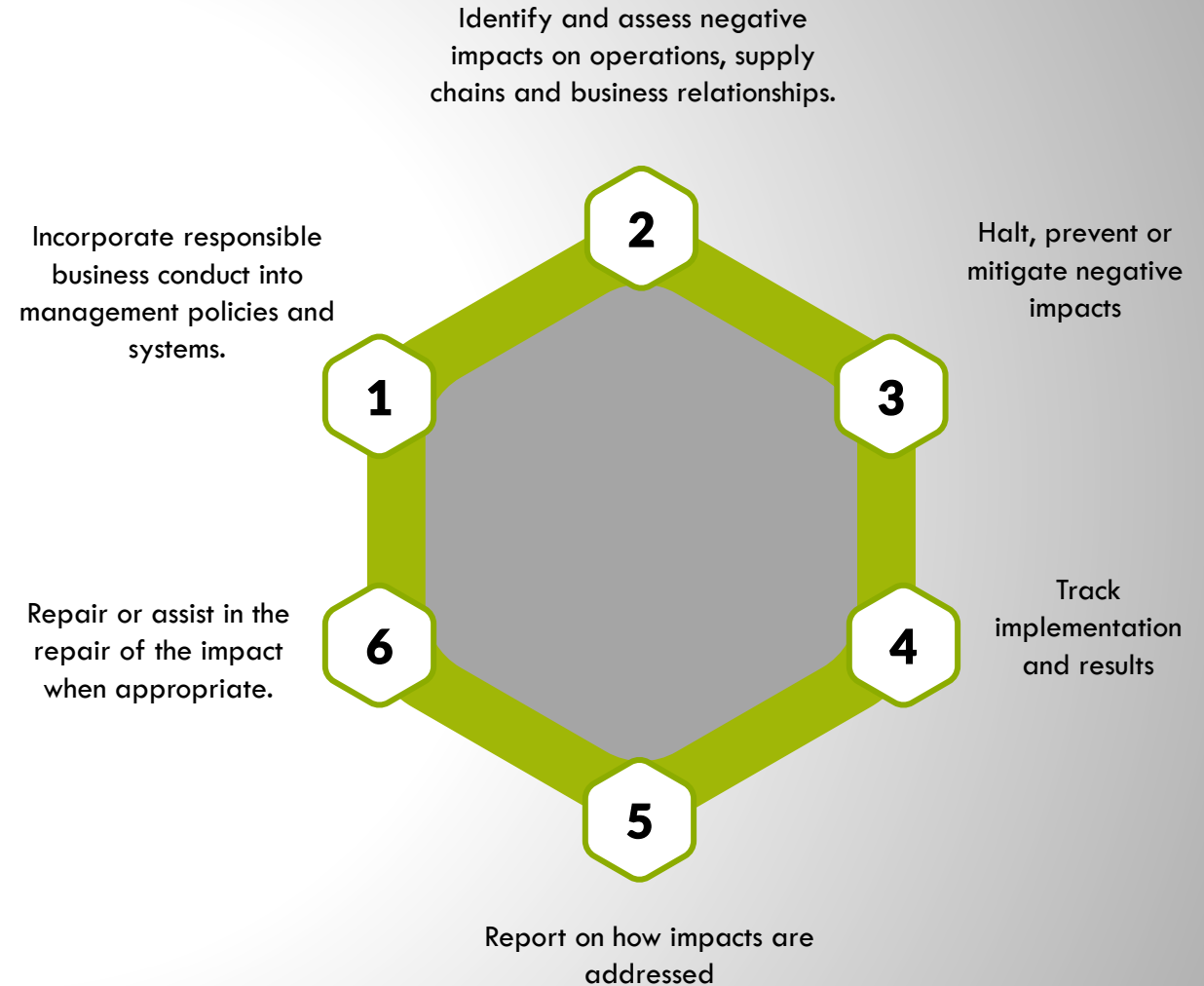
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Traxión recognizes its role in respecting and promoting human rights. As the leading company in the mobility and logistics sector in Mexico, we are aware of the needs of our customers and because of this we strive to improve the recognition and promotion of human rights throughout our operations.

Our **commitment to human rights** is based, among others, on the Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the Declaration of the International Labor Organization.

We structure our responsibility to respect human rights on the basis of a **due diligence** process, which makes it possible to identify and prioritize the risks and impacts linked to our operations and those of our business relationships.

Taking these into account, and as part of the process, we defined an action plan with prevention and mitigation measures.





## Process

## Performance

Incorporate responsible business conduct into management policies and systems.

- Adherence to the United Nations Global Compact, which reinforces the company's commitment to respect human rights, labor standards, environmental care, transparency and the fight against corruption in all its operations.
- Code of Ethics, which establishes a uniform criterion to determine the ethical behavior of employees and/or Subsidiaries; and formulates values, principles, standards and guidelines to guarantee ethical practices and those conducts that should be avoided.
- Information Disclosure Policy, to ensure the correct dissemination of the Traxión Group's information, through timely communication channels, to shareholders, investors and stakeholders.
- Policy for the Prevention and Identification of Operations with Resources of Illicit Origin, a document that establishes the guidelines, criteria and mechanisms that ensure compliance with the applicable Anti-Money Laundering Laws to prevent possible risks associated with the Group and its employees.
- Protocol and Policy to prevent Discrimination, Violence, Workplace Harassment, Sexual Harassment, Forced and Child Labor and Psychosocial Risks, which establishes rules, objectives, actions and procedures to prevent cases of discrimination, harassment or workplace harassment, violence and/or sexual harassment, forced and/or child labor, in order to promote a favorable organizational environment.
- Compliance Policy, a document that stipulates the commitment towards compliance with tax and anti-money laundering laws, applicable to all locations where the Traxión Group operates.



## Process

## Performance

**Incorporate responsible business conduct into management policies and systems.**

- **Anti-Corruption and Integrity Policy**, which defines guidelines to ensure that Traxión Group employees understand and comply with applicable anti-corruption laws and reinforces Traxión's values immersed in the Code of Ethics.
- **Occupational Health and Safety Policy**, a document aimed at developing an occupational health and safety management system based on the implementation of a comprehensive risk management and preventive medicine management strategy that provides safe and healthy workplaces.
- **Diversity and Inclusion Policy**, which promotes diversity in all areas, in order to ensure labor equality, non-discrimination and inclusion of all employees.
- **Policy on Transactions with Related Parties**, which establishes guidelines, terms and conditions that ensure adequate disclosure and transparency in transactions between the Company or the legal entities it controls with Related Parties.
- **Sustainability and Stakeholder Engagement Policy**, a document that establishes the general guidelines that Traxión will observe in the definition of strategies, policies, objectives, initiatives, programs and goals regarding sustainability, and the related engagement with its stakeholders.
- **Environmental Climate Change and Biodiversity Policy**, which defines guidelines aimed at promoting a culture of prevention, mitigation and preservation of natural resources necessary for Traxión's operation and among its customers, suppliers, employees and other stakeholders.
- **Code of Ethics and Conduct for Partners, Suppliers and Contractors**, that establishes uniform criteria that determine the ethical behavior required from all partners, suppliers and contractors with whom Traxión maintains a relationship, understanding that ethics connects to socially and environmentally responsible performance that safeguards human rights and contributes to sustainable development.



## Process

## Performance

02

**Identify and assess negative impacts on operations, supply chains and business relationships.**

There are the following main avenues for identification and evaluation:

- Our Reporting Line (via email: [contacto@traxion.global](mailto:contacto@traxion.global); via telephone: **800 6078 737**) is a formal, secure and accessible means of communication for reporting non-compliance or faults to Traxión's Code of Ethics or any other related policy, internal irregularities, stakeholder concerns, or possible acts of corruption, where we ensure the independence, confidentiality of information and anonymity of reporters.

In the process of identifying and prioritizing risks, we have considered:

- Traxion's three business segments: **people mobility, cargo mobility and; logistics and technology.**
- Identification of key stakeholders for each process and how our direct or indirect activities relate to them.
- Prioritization of a first risk identification.
- Prioritization based on the probability of occurrence and impact, evaluated by our collaborators responsible for each area.



## Process

## Performance

03

**Halt, prevent and/or mitigate negative impacts.**

We have developed an action plan for high and very high risks. This includes **prevention, mitigation and remediation** initiatives to reduce the likelihood of occurrence and to ensure that the impact is lessened **should it materialize.**

04

**Follow up on the implementation of the results**

After the establishment of the action plan in mid-2023, Traxión, together with our specialized consultant, will follow up on the implementation of the different initiatives. Likewise, the Corporate Practices and Sustainability Committee is the body in charge of reviewing, following up and approving, if necessary, the sustainability, environmental, social and governance activities, in compliance with the applicable legislation and good corporate governance practices.

05

**Report on how impacts are addressed**

We report on the progress of our human rights initiatives through the [integrated report](#).

06

**Repair or assist in the repair of the impact when appropriate.**

We have avoided incurring in serious cases of rights violations thanks to our preventive management with internal initiatives and policies, which are extended to our supply chain. In addition, due to the nature of our operations, we have six risks assessed as "high" in our prioritization exercise. It is worth mentioning that whenever a risk has a high or very high significance, it will always be accompanied by a prevention or mitigation plan, regardless of the segment and operating asset to which it corresponds.



## II. Details of the process

**Scope:** The entirety of our activities in the Cargo Mobility, People Mobility, and Logistics and Technology operations was included. This encompassed our real estate assets (office spaces, loading docks, workshops, distribution centers, and warehouses) as well as our power units. Additionally, we analyzed all major activities in our value chain related to our suppliers, contractors, partners, and customers. As part of our risk assessment activities, we also conduct human rights due diligence when mergers or acquisitions of new companies into the group are undertaken.

**Risk identification:** based on bibliographic sources, benchmark and process flow charts built for the company, also flow charts of main activities in the value chain.

**Prioritization of risks:** by internal teams involved in the management of identified risks, customer survey, supplier survey, in order to involve the different risk-related stakeholders.

In the identification of potential risks, we analyzed the relationships between Traxión and its stakeholders in the main activities and the implications that these could have on them: own employees\*, third party employees\*. Also of communities, including children and young people, and other vulnerable groups (migrants, people with scarce resources, indigenous people, others).

\*Men, women, others; in the case of own employees, an analysis is also made between national and foreign employees, although the number of the latter is very small in Traxión's workforce for industry reasons.

\*The risks are grouped according to the OECD Responsible Business Conduct areas in the [OECD Due Diligence Guidance for a REC](#).

\*The risk of child labor was considered in the initial analysis, but when the company's process flow chart was analyzed, it was discarded because it was not considered significant considering the characteristics of the industry and its operations.



# III. Identified human rights-related risks



## Work

### Risk category

Risk	Category
<b>R1:</b> Affect the safety, health and well-being of employees during the performance of their duties.	
<b>R2:</b> Employees affected by discriminatory practices within the company that lead to gender gaps in equal remuneration.	
<b>R3:</b> Restrictions on freedom of association of employees and right to collective bargaining	
<b>R4:</b> Exposure of workers to chemical and/or biological hazards from cargo transported and unit conditions in facilities, warehouses and medical services.	
<b>R11:</b> Discriminatory practices - people with disabilities	
<b>R12:</b> Situations of harassment and/or violence among passengers on passenger units	
<b>R14:</b> Violence between employees and contractors due to discrimination	
<b>R15:</b> Abusive practices in supplier relationships	

Risk	Category
<b>R19:</b> Restrictions on contractors' freedom of association	
<b>R20:</b> Labor conditions of Traxporta's outsourced carriers	
<b>R22:</b> Working conditions and risks of forced labor in third-party workshops and waste management companies	
<b>R23:</b> Suppliers' working conditions in the automotive and auto parts industry	

\*The risks are grouped according to the OECD Responsible Business Conduct segments in the [OECD Due Diligence Guidance for a REC.](#)

\*The risk of child labor was considered in the initial analysis, but when the company's process flow chart was analyzed, it was discarded because it was not considered significant considering the characteristics of the industry and its operations.

# III. Risks identified related to human rights

Risk category



Very High



High



Medium



Low

## Environment

Risk	Category
<b>R8:</b> Leaks and/or spills affecting the environment and humans	
<b>R16:</b> GHG emissions, due to their impact on climate change and the effects this has on the population in terms of health and livelihoods, among others.	

## Disclosure of information

<b>R9:</b> Misuse and/or leakage of customer and employee data	
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## Corruption

<b>R10:</b> Acts of corruption in relations with authorities, customers and/or suppliers	
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## Others

Risk	Category
<b>R5:</b> Deterioration of roads and/or extreme conditions resulting from storms and other weather phenomena affecting operators safety	
<b>R6:</b> Operators affected by robberies and violence associated with the operation of the units and/or warehouses.	
<b>R7:</b> Road accidents in own units	
<b>R13:</b> Affectation of carriers by robberies and violence associated with pharma due to theft of pharmaceuticals	
<b>R17:</b> Transport of illicit cargoes, affecting the rule of law and end-users	
<b>R18:</b> Direct or indirect social conflicts of the company that limit the circulation of units and affect passengers and/or the arrival of cargo.	
<b>R21:</b> Practices related to human trafficking in third-parties outsourced carriers	

# IV. Risk prioritization





Impact

	Improbable	Rarely	Unlikely	Likely	Frequent
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	Improbable	Rarely	Unlikely	Likely	Frequent
Catastrophic			13		
Major		2	5;6;7		
Moderate	20	3		9;10	
Minor	12	1;4;8;11;14;15;17;18			
Insignificant	16;19;22	21;23			

Probability of occurrence

The risk categories are as follows, resulting from the combination of the risk and impact variable scores:

-  Very High
-  High
-  Medium
-  Low



## Risk

## Measure

R5

**Deterioration of roadways and/or extreme conditions resulting from storms and other weather phenomena affecting operators safety**

### Prevention

- Identification and avoidance of routes that may be dangerous due to deterioration or climate conditions, and communication of these routes to operators.
- Establishment of clear communication protocols so that operators can alert the company about dangerous routes due to deterioration or climate conditions without fear of retaliation.

### Mitigation

- Establish a clear rescue and evacuation plan in case of extreme weather conditions, ensuring the safety and well-being of operators in risk situations.
- Ensure that operators are not penalized in their salaries if they are forced to stop their activities due to road conditions, for any cause, in order to protect livelihood and financial security.

### Remediation

- Provision of medical, psychological and legal support to those operators affected to ensure that their rights are protected and their welfare is taken care of.



## Risk

## Measure

R6

R13

**Operators affected by robberies and violence associated with the operation of the units and/or warehouses.**

### Prevention

- Identification and avoidance of routes, schedules and areas that may be dangerous due to security conditions, and communication of these routes to operators and warehouse employees.
- Establishment of clear communication protocols so that operators and warehouse employees can alert the company about dangerous routes and areas due to security conditions without fear of retaliation.

### Mitigation

- Work in collaboration with local security forces to obtain updated information on risk areas and receive support in preventing and responding to situations of violence.

### Remediation

- Provision of medical, psychological and legal support to those operators affected to ensure that their rights are protected and their welfare is taken care of.
- Compliance with clear and detailed protocols on how operators should react in the event of robbery or violence, respecting the human rights of all those involved.



## Risk

## Measure

R7

**Road accidents in own units**

### Prevention

- Promotion of the use of hands-free devices for phone calls and navigation, minimizing distractions and increasing attention on the road.
- Establishment of a system of recognition and rewards for drivers who maintain a safe driving record, providing incentives for safe behavior.

### Mitigation

- Immediate medical assistance and first aid to drivers and others involved in the accident to treat injuries and minimize the impact of injuries.
- Efficient collaboration with authorities and emergency services to manage the accident scene, ensure people's safety and minimize traffic impact.
- Gathering accurate information about the accident and surrounding circumstances to assist in future investigations and to ensure access to the legal rights of all parties involved.

### Remediation

- Provision of medical, psychological and legal support to those operators affected to ensure that their rights are protected and their welfare is taken care of.



## Risk

## Measure

R9

**Misuse and/or leakage of customer and employee data**

### Prevention

- Use of decentralized and on the cloud data protection architectures that minimize exposure and reduce the risk of leakage.
- Implementation of advanced, technology based data governance systems to identify and mitigate potential risks.

### Mitigation

- Legal advice and support to those affected to understand their legal rights and options.
- Support and assistance to help those affected recover their identity in the event of personal data theft.
- Communicating in a timely manner the channels where those affected can report any issues related to the security breach and receive responses.

### Remediation

- Independent audit to assess the root cause of the incident and the effectiveness of mitigation measures.
- Use the incident as an opportunity to learn and improve security and data protection practices.
- Transparently collaborate with regulatory authorities and provide required information.



## Risk

## Measure

R10

**Acts of corruption in the relationship with authorities, customers and/or suppliers.**

### Prevention

- Establishment of clear guidelines or policy for the granting of donations and gifts, ensuring that it does not influence the company's business decisions or that it may eventually affect the company's human rights.
- Acts of transparency on anti-corruption measures taken and ensure that affected parties are informed

### Mitigation

- Communicating in a transparent and responsible manner to affected parties about the corruption situation, apologizing if necessary, and providing information about the measures that will be taken to address the problem.
- Assessing the extent of the damage caused by the acts of corruption and developing a remediation plan that includes concrete measures to compensate and restore affected rights.

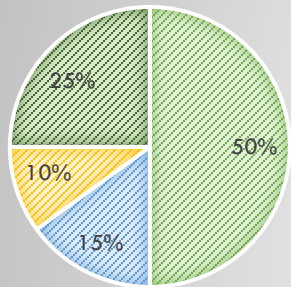
### Remediation

- Implementation of a periodic ethics and anti-corruption training program for all employees to raise awareness and prevent future acts of corruption.
- Strengthening internal policies related to the relationship with authorities, clients and suppliers to prevent the occurrence of acts of corruption.



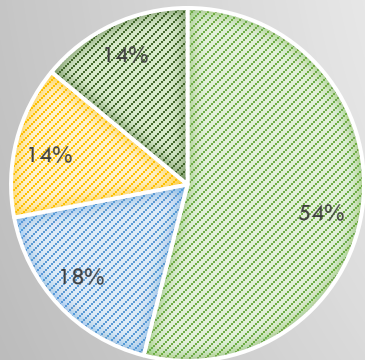
# V. Traxion Supplier Survey\*

DURATION OF THE COMMERCIAL RELATIONSHIP WITH TRAXIÓN (IN YEARS)



- Less than 1 year
- Between 1 and 3 years
- Between 3 and 5 years
- Between 5 and 10 years

COMPANY SECTORS



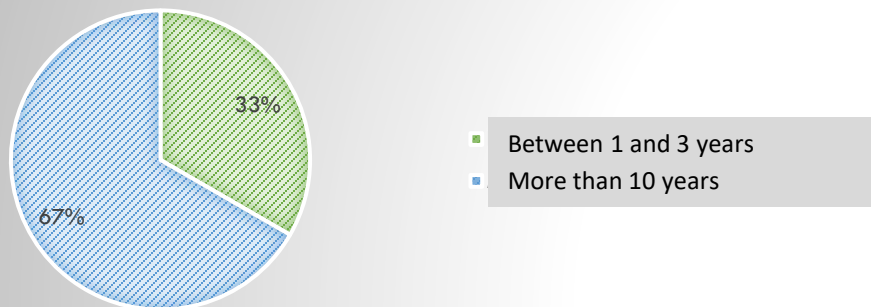
- Automotive
- Security
- Telemetry
- Services

Supplier Human Rights Management		
Instrument	Yes, they have the instrument	They do not have the instrument
<b>Code of Ethics</b>	73%	27%
<b>Compliance Policy</b>	45%	55%
<b>Diversity and Inclusion Policy</b>	9%	91%
<b>Policy and Protocol to avoid discrimination</b>	36%	64%
<b>Human Rights Policy</b>	45%	55%
<b>HR risk and impact assessment</b>	45%	55%
<b>Complaints and claims mechanism</b>	63%	37%

(\*) The results presented are based on a small sample of respondents. Despite Traxión's efforts to increase the response rate, from 17 relevant suppliers' representatives surveyed, only 12 answered. An effort will be done in future exercises to increase this number.

# V. Traxión Customer Survey\*

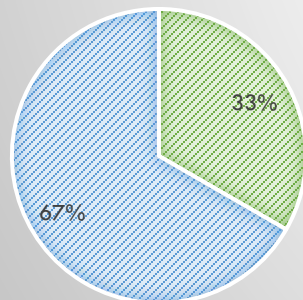
DURATION OF THE COMMERCIAL RELATIONSHIP WITH CUSTOMERS



Supplier Human Rights Management		
Instrument	Yes, they have the instrument	They do not have the instrument
Code of Ethics	67%	33%
Anti-Corruption Policy	33%	67%
Occupational Health and Safety Policy	33%	67%
Policy and Protocol to avoid discrimination	33%	67%
Policy for the Prevention and Identification of Operations with Illicit Proceeds of Crime	33%	67%

DUE DILIGENCE PROCESS IN HUMAN RIGHTS

Green: yes; Blue: No



(\* ) The results presented are based on a very small sample of respondents. Despite Traxión’s efforts to increase the response rate, from 37 relevant clients’ representatives surveyed, only 3 answered. An effort will be done in future exercises to increase this number.