

**TRAXIÓN**

LIFE IN MOTION

**PURCHASE POLICY  
GRUPO TRAXIÓN, S.A.B  
DE C.V AND  
SUBSIDIARIES**

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## 1. INTRODUCTION

At Grupo Traxión S.A.B. de C.V. ("Traxión") we are committed to generating value for shareholders, investors, customers and stakeholders of the Company, protecting the assets owned by Traxión, maximizing the Group's profitability through the application of economies of scale in the negotiation with strategic suppliers and avoiding conflicts of interest.

Our commitment to our shareholders, investors, customers and stakeholders drives us to adopt the best practices in Procurement, so we are committed to ensuring adequate control over:

- Placing Purchase Orders and Purchase Requests
- Selection and contracting of suppliers of goods and services.
- Direct awards
- Goods Receipt
- Framework Contracts
- Product and supplier catalogue
- Tracking payment and delivery of product to suppliers
- Intercompany transactions for the purchase of inputs and strategic goods.
- Act in accordance with anti-corruption and integrity policies, compliance and the Code of Ethics.

## 2. OBJECTIVE

Establish the internal guidelines that must be followed to make the acquisition of a good or service, through the different processes that guarantee the best purchase and service conditions that contribute to the profitability of the business, avoiding cost overruns due to conflicts of interest.

Identify and select the suppliers of goods and services that have the quality, price, capacity, technical and economic specialty to guarantee the goods and services required in the company.

Pay only for goods and services effectively received, authorized and covered by purchase orders, contracts or formalized agreements.

## 3. SCOPE

This policy applies to all companies, affiliates and subsidiaries of Traxión and is mandatory for all officers, directors, employees and motor unit operators of the company; as well as for business partners and related third parties who have a contractual relationship with Traxión.

## 4. REFERENCES

### 4.1. Internal

- Code of Ethics.
- Code of Ethics and Conduct for Partners, Suppliers and Contractors.
- Anti-Corruption and Integrity Policy
- Compliance Policy
- Accounts Payable Policy
- Fixed Asset Policy
- Treasury Policy
- Conflict of Interest Policy in Business Relations

### 4.2. External

- Federal Tax Code, Articles 29 & 29-A (Deduction Requirements)
- Applicable Tax Laws.

## 5. DEFINITIONS AND ABBREVIATIONS

Term	Description
a. <b>ESG</b>	Refers to the environmental, social and governance aspects that, when integrated into the strategy and operation of the business, promote the creation of shared value and sustainable development.
b. <b>Assets</b>	These are the tangible resources acquired by the company.
c. <b>Strategic goods/inputs</b>	The following will be considered strategic materials: tires, motor and non-motive units (CAPEX), spare parts, oils, lubricants and fuels.
d. <b>Quote</b>	Economic proposal of a product or service delivered by the supplier to the company to evaluate cost, delivery time, payment terms and product quality.
e. <b>Framework Contract</b>	Also called core contracts, they are long-term global agreements negotiated between an organization and a supplier in order to obtain the best rates and conditions while pooling the volume of purchases into multiple subsidiaries.

Term	Description
f. <b>Comparative Table</b>	Document summarizing the prices, commercial and technical characteristics of various suppliers, with respect to material good or service required.
g. <b>ERP</b>	Enterprise Resource Planning. Computer system intended for the administration of resources in an organization.
h. <b>Purchase Order</b>	Authorized document that formalizes the commercial relationship agreed with the supplier and constitutes a commitment to mutual compliance.
i. <b>Supplier Portal</b>	It is a system designed so that an individual or legal entity can maintain a client-supplier relationship with the Traxión Group.
j. <b>Supplier</b>	A natural or legal person who supplies goods and services.
k. <b>Receipt of goods (Entrance voucher)</b>	Document generated by the warehouse, when entering the goods and/or services requested by the company.
l. <b>Purchase Requisition (SOLPED for its acronym in spanish)</b>	Duly authorized electronic format that covers specific material needs.
m. <b>Services</b>	These are the intangible resources acquired by the company, such as administrative services, professional fees, consultancies, etc.
n. <b>Tier 1</b>	It refers to the direct suppliers of companies, whose goods or services are marketed without intermediaries.
o. <b>Greenhouse Gases (GHG)</b>	<p>Substances in a gaseous state of natural origin and/or the result of human activity, which are essential to maintain the planet's temperature through the greenhouse effect; man's action has increased their number and has altered their natural balance.</p> <p>The United Nations Framework Convention on Climate Change recognizes six: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF<sub>6</sub>).</p>

## 6. PURCHASING GUIDELINES

### 6.1. General

The company's relations with its suppliers must be based on the criteria of integrity, confidentiality, honesty and transparency as established in the Traxion Code of Ethics.

Persons who perform purchasing functions are only permitted to accept gifts up to the equivalent of a maximum in accordance with the Anti-Corruption and Integrity Policy, it is forbidden to accept anything else that is reasonably considered to affect their good judgment or that signifies any express or implied understanding that the recipient is in some way obliged to do something in return, based on the provisions of the company's Code of Ethics. And to be subject to the Gifts and Invitations Policy contained in numeral 10 of the Anti-Corruption and Integrity Policy.

Procurement management must ensure the quality of material goods and services, in the best conditions (technical, quality and price).

The Corporate Head of Accounts Payable must maintain the necessary mechanisms to preserve the integrity, availability and confidentiality of personal data and other information of suppliers in accordance with the provisions of the LFPDPPP (Federal Law on Protection of Personal Data in Possession of Private Parties).

The purchase must be managed directly with authorized manufacturers and distributors, avoiding intermediaries or marketers outside the group that increase the cost by adding an indirect for the supply.

Every purchase operation requires quoting with at least three suppliers specialized in the commercial line to obtain the best price, quality and delivery time; in the case of purchase by direct assignment, it must be justified.

All purchase operations must have an associated budget and adhere to the provisions of the Budget Control guidelines and Authorization level guidelines.

All purchases must be documented in a digital file and safeguarded by the Procurement area responsible.

Any conflict of interest that is identified in the purchase of material goods and services must be reported as indicated in the Traxión Code of Ethics, as well as what is stated in the conflict-of-interest questionnaire signed by the employees of the Traxión Group.

These guidelines are mandatory, and the violation, non-compliance or detection of bad practices will be subject to disciplinary action against those who violate it, in accordance with the provisions of the Code of Ethics.

In Subsidiary Companies, the Corporate Procurement Department is the only one that may carry out negotiations for the purchase of goods or services.

In the case of Corporate, any Director may carry out negotiations for the purchase of goods or services focused on the area to which said Director belongs.

The Corporate Procurement Department is the only one authorized to carry out the acquisition of all strategic materials.

The Procurement Department or Marketing Department will be the only areas that can assume the responsibilities of purchasing material goods and services, when a person in charge is not assigned in a subsidiary company.

## 6.2. Purchasing Requisition

All purchases, acquisitions and contracting of Goods or Services must be processed directly through a requisition made in the system and by the Procurement Department.

The user must identify the need for a purchase based on the criteria:

- That there is a budget for the purchase
- That there is authorization from the immediate manager or whoever in the hierarchy of approval corresponds
- That the supplier and the goods or services are registered in the system.

Purchase requisitions must contain at least:

- Description of the material, good or service that is required.
- Part number, if any.
- Desired delivery date
- Quantity Requested
- Cost Center and Ledger Account
- Department that will receive the good or service.

In order for the request for material and/or services to be attended and authorized, the user must comply with the following requirements:

- Register your requisition (SOLPED) through the authorized ERP
- Record the technical information of the product or service
- Authorization from the Director or head of the area, being the responsibility of the user to seek such approvals in the system. (Liberation Strategies).

The user, having released the requisition in the system and the information of the selected supplier, must prepare the Purchase Order.

## 6.3. Selection and Hiring

For the selection of the supplier, a quote must be made with at least three suppliers specialized in the commercial line of the material or service requested to obtain the best option, considering: Price, payment terms, availability, delivery times, warranty and after-sales service.

In the case of those suppliers known to the company over time and who have verified competitive price, payment terms, availability and delivery times, it will not be necessary to have quotes, but it will be necessary to review prices periodically to validate that the price provided is still at market value.

The Director of Corporate Procurement and/or the Director of Administration and Finance of Subsidiary companies, will select the supplier according to the nature of the purchase, this through an evaluation carried out where it is guaranteed that it meets the best offer in the market, the best purchase and credit conditions, and that it has the necessary support and infrastructure to meet the needs of the group.

This evaluation will be in writing presenting a comparative table of prices and conditions of sale, in addition to the arguments of the department or buyer that support the choice of the supplier.

All communication with suppliers must be made through Grupo Traxión's institutional email (@traxion.global) or through the domains of subsidiary companies.

Offers from suppliers must always be in writing on letterhead and may be received directly or through institutional email addressed only to the buyer or personnel of the purchasing area.

Budget supplements must be requested from the Directorate of Finance and Administration or its equivalent of each subsidiary and must be authorized by the same.

The Purchase Requisition will be authorized by the Area Manager and the purchase orders will be authorized in accordance with the release strategies by the Procurement area.

In the case of the marketing company, purchase orders are authorized as they are strategic purchases and have an authorized budget.

#### **6.4. Direct Awarding**

Any direct award must comply with the Code of Ethics and avoid conflict of interest, any breach of the code and/or conflict of interest/anti-corruption policy will be grounds for administrative sanctions, justified dismissal and legal action.

No direct award will be given unless there is an authorization signed by the General Management of the Subsidiary and the Management justifying such practice, the cases that could be justifiable (subject to their analysis) are:

- a) The required equipment is patented or trademarked, and can only be obtained from one source,
- b) Legal or contractual requirements,
- c) Suppliers who have a current contract previously awarded with some of Traxión's subsidiaries, which provides services under equal prices and conditions in general at the time of submission of the quote.



### 6.5. Framework Contract

All framework contracts must have the authorization of the Corporate Procurement Department and the Corporate Legal Department.

The clauses of the Framework Agreements must contain commercial terms that safeguard the interests of the Group.

In the event that the contracts designed by the suppliers of goods or services are used, they must be authorized by the Corporate Legal Department.

### 6.6. Purchase Order

All purchases must be managed through a purchase order.

Purchase orders will be generated with a duly authorized purchase requisition.

All purchase orders must be captured and processed in the ERP defined by the company, as well as their authorization must also be in the ERP.

The user will be responsible for sending the PO to the supplier so that they can schedule the delivery.

All purchase orders must be authorized by the Director of Finance and Administration and/or Operations Directors based on the release strategies approved by Traxión.

### 6.7. Receipt of Goods

Receipt of Goods or Services will be with reference to the purchase order.

It is the buyer's responsibility to follow up on all purchase orders delivered to suppliers to ensure compliance with all the commitments agreed upon therein.

Upon receipt of the material, the buyer shall deliver the original purchase order to the supplier's representative and obtain a copy of the shipment certifying delivery.

In the event that there are partial deliveries, the buyer must follow up so that all deliveries established in the purchase order are complied with.

The buyer must be in permanent contact with the warehouse to ensure that all the documentation associated with the material or equipment purchased (warranty, technical sheet, certificate of origin, etc.) is delivered when applicable.

All purchases of goods or services will be received by the end user and/or warehouse where he or she is responsible for carrying out the process of reception in the system and its exit or affectation.

### 6.8. Supplier Return via Credit Note

The Warehouse Manager will be responsible for informing the Procurement Management if he receives shortages of items requested in the order and described in the invoice, deteriorated or incomplete inputs.

The Procurement Management will be responsible for informing the Supplier of the existence of defective or damaged material, as well as being responsible for placing the purchase order for return in the ERP system.

The Warehouse Manager will be responsible for issuing in the ERP system the goods receipt with reference to a credit note purchase order in order to reduce the quantity of the material originally received.

### 6.9. Product Catalogue

The Purchasing process must consider a single Traxion Product Catalog.

The person in charge of the Procurement area must manage the registration, modification and deregistration of materials.

The user must know the Traxión Product catalog to know the nature of the purchase or to be acquired, the same knowledge will be necessary to make the requisition and purchase order to charge the cost center that will impact the authorized ERP, which will affect the accounting and the result.

### 6.10. New Product Code Registration

The user must request the person responsible for the catalog of materials to register the product and must consider the following requirements:

- Technical data sheet of the product or feature.
- Nature of the purchase
- Department that requests it
- Fill out the material registration form
- Part number if one exists
- The person responsible for the catalogue of materials will be responsible for checking that it does not exist in the current catalogue.

### 6.11. Supplier Registration in Authorized ERP

The Procurement process must consider a single Traxion Supplier Portal.

The head of the Procurement area will request the registration, modification and deregistration of suppliers from the head of Accounts Payable.

The registration and modifications of the supplier will be carried out in the authorized ERP portal and must be replicated in the supplier portal.

The supplier must submit the following information to the Corporate Accounts Payable area:

- a) Articles of incorporation
- b) Registration with the Treasury Department
- c) Proof of billing address
- d) Proof of address in the event that it is different from the billing address
- e) Registration form filled.
- f) Provider Cover Letter
- g) Bank statement showing the account number and the CLABE for transfer.
- h) W9 Request for Tax Payer
- i) Proof of address in the case of a foreign supplier
- j) Photographs of the Supplier's business, warehouse or offices (Optional Document)
- k) Commercial background check to ensure the reliability of the provider by the administrative area (bureau report, SAT blacklist, online report of lawsuits and litigation)
- l) Signing of Adhesion to the Anti-Corruption Policy, Declaration of No Conflict of Interest, Data Protection and others found in the ERP
- m) Payment terms
- n) Indicate whether the supplier is subject to withholding tax or any special tax treatment.

The Corporate Accounts Payable area will request the registration of the supplier from the person responsible for the materials catalogue.

#### **6.12. Mutual Operations**

It is necessary to use the percentages of profit and prices, defined in the corresponding transfer prices, to have substantiated intercompany transactions due to the market that is going to be developed.

#### **6.13. Price Validity Period**

It is necessary to have defined the validity or permanence of the prices offered and that they are updated in the system.

Any modification to the prices, scope and/or duration defined by contract (if applicable) must be approved by the Procurement Department or Marketing Department and the Comptroller and Taxes Department.

#### **6.14. Penalties and Guarantees**

It is necessary that at the end of a negotiation it is considered that the company will not be subject to any type of penalty and guarantees, for non-compliance with it. Any penalty or granting of guarantees must adhere to the corporate authority table and/or the applicable corporate governance policies.

## 7. SUSTAINABLE PURCHASING GUIDELINES

The following guidelines seek to promote that our procurement and procurement decisions are carried out in an ethical, responsible and sustainable manner, reducing risks and promoting long-term savings.

- Train and sensitize purchasing managers in the corporate and business units on Environmental, Social and Governance (ESG) issues, to promote best practices.
- Identify procurement criteria to prioritize products and services that minimize the consumption of natural resources, energy, and waste generation.
- Include ESG clauses in contracts.
- Encourage the purchase of products and services that are obtained in an ethical manner that respects human rights.
- Maintain transparent records of all business unit acquisitions and share relevant information to the Corporate Sustainability Department for the calculation of greenhouse gas emissions.
- The employees responsible for the selection of suppliers must ensure that they sign the letter of adherence to the code of ethics and conduct and the Group's policies, as well as their participation in the ESG assessment of suppliers as detailed in section 7.2.

### 7.1. Identification (Screening) of Significant Suppliers.

The areas responsible for procurement in the corporate and business units must identify significant suppliers according to their relevance and operational risks and in environmental, social and governance (ESG) matters, for which the Sustainability Department will provide the relevant criteria and means. Such identification must be carried out by applying one or more of the following strategies:

- Research in public digital information sources (websites, social networks, etc.).
- Research in platforms specialized in rating the operational and ESG business risks of companies.
- Contact with existing customers of the companies.
- Direct contact with companies.

The following are the criteria that should be considered for evaluating the relevance of suppliers:

- **Proportion of expenditure** refers to the monetary value of the products and services purchased from each supplier in relation to the monetary value of the total products and services acquired at the group and/or business unit level.
- **Risk to the continuity of operations** refers to the ability of the group or business units to maintain operations in the event that the supplier ceases to provide its products or services.
- **Possibility of being replaced:** indicates the possibility that the group or business units will find another supplier that offers equivalent products and/or services.
- **ESG impact risk** refers to adverse ESG impacts of suppliers that may affect the present and/or future operations, image or performance of the group or business units:
  - **Environmental aspects (A):** considers aspects such as greenhouse gas (GHG) emissions, efficient consumption and use of energy, water consumption, waste generation, pollution and biodiversity.
  - **Social aspects (S):** includes labor practices, human rights, occupational safety and health, diversity and inclusion.
  - **Governance aspects (G):** assesses risks such as corruption, bribery, conflicts of interest, and anti-competitive practices.
- **Country-specific risks:** considers negative ESG issues related to the country's political, social, economic, environmental, or regulatory situation.
- **Sector-specific risks** considers negative ESG issues related to the distinctive characteristics of a sector with respect to employment status, energy consumption, resource intensity, emissions, or pollution potential.
- **Raw material-specific risk** considers negative ESG issues related to the structure of a commodity's supply chain, employment status, land use and resource intensity, energy consumption, emissions, material toxicity, or pollution potential.

## 7.2. ESG Evaluation of Suppliers

- The ESG assessment seeks to align supplier operations and policies with our sustainability standards, expectations and commitments.
- The assessment will be carried out through an online questionnaire that will help us determine the environmental, social and governance impact of your activities, as well as identify opportunities for improvement.
- The assessments will be updated regularly to monitor supplier performance and ensure continuous improvement of their sustainability practices and will be applied to new suppliers.

- The Sustainability Department will be responsible for preparing and updating the questionnaire and the interface for its application, as well as providing support to personnel related to purchases in the corporate and in the business units for its application.
- Procurement-related staff will be responsible for the implementation of the assessment, and for managing a record of the questionnaires answered and the names of the suppliers who have responded and those who are pending response, and for sharing this information with the Sustainability Department on a recurring basis and/or at its request.
- The assessment will be applied to Traxion Tier 1 suppliers, and other relevant suppliers, should the Sustainability Department deem it necessary.

### 7.3. Supplier Development Program on ESG Issues.

- As a result of the ESG Assessment of suppliers, close collaboration with suppliers will be promoted to identify opportunities for improvement and achieve shared sustainability goals.
- A training program will be implemented and technical support will be offered to support suppliers on ESG issues where they are not developed.
- Sustainability will establish a tracking system to monitor suppliers' progress against the recommendations and commitments arising from the ESG assessment and supplier development program.
- The supplier development program will be led and implemented by the Sustainability Department, with the support of personnel related to purchasing in the corporate and business units.
- The program will apply to Traxión's Tier 1 suppliers, and other relevant suppliers, should the Sustainability Department deem it necessary.

### 7.4. KPIs of the Sustainable Purchasing Program

Below are the indicators that are part of the sustainable procurement program:

- Total number of Tier 1 suppliers.
- Total number of significant suppliers in Tier 1.
- % of total spend at significant suppliers in Tier 1.
- Total number of significant suppliers at levels other than Tier 1.
- Total number of significant Tier 1 providers.
- Number of Tier 1 suppliers with ESG assessment.
- % of Tier 1 suppliers who have signed the Code of Ethics and Conduct.

- % of Tier 1 suppliers with contracts that include ESG clauses.
- % of assessed Tier 1 suppliers who take corrective actions or receive capacity building.

The procurement areas and managers will be responsible for collecting the necessary data to be able to monitor the indicators and KPIs, and for providing them to the Sustainability Department on a regular basis and/or at its request for monitoring, and internal and external reporting. The Sustainability area must review the relevance of the indicators for internal and external audiences, and where appropriate make the pertinent updates to their definitions.

## 8. SANCTIONS

Traxión employees who violate this policy must be subject to disciplinary measures determined by the Company's management, depending on the severity, which may be the following:

1. Warning call.
2. Issuance of administrative record.
3. Suspension from work without pay.
4. Termination of employment agreement.
5. Criminal complaint or appropriate legal action.

In the event of non-compliance by authorized third parties that provide a good, service or that have any type of interaction with Traxión and its Subsidiaries, the disciplinary measures that the Company's management deems appropriate to each case must be applied, which may range from the imposition of economic sanctions, temporary or permanent vetoes and the corresponding legal actions.

## 9. LIABILITY / OWNERSHIP

The Corporate Comptroller and Taxes Department and the Corporate Procurement Department of Traxión are the assigned owners of this policy and are mainly responsible for its content, updating and request for approval before the Vice Presidency of Finance and Administration.

This policy is illustrative but not limited to, so it is the responsibility of officers, employees, business partners to contact the internal control area (dcci@traxion.global) to incorporate specific guidelines not included in this document.