

TRAXION

LIFE IN MOTION

Human Rights Due Diligence

Corporate Sustainability Department

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1. INTRODUCTION

Assessing human rights risks is a fundamental component of responsible business conduct.

Human rights risk assessments enable organizations to better understand how their operations, supply chains, and business relationships may affect people—particularly vulnerable groups. By proactively addressing these risks, companies can safeguard the dignity and well-being of individuals, strengthen stakeholder trust, and enhance long-term business resilience. Moreover, effective risk assessment helps align corporate practices with international standards and stakeholder expectations, while reducing legal, reputational, and operational risks.

At TRAXION, we are committed to upholding and promoting human rights throughout our operations and value chain. We have implemented a comprehensive human rights due diligence process, aligned with international standards, including the following:

- Universal Declaration of Human Rights (UN)
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- Guiding Principles on Business and Human Rights (UN)
- Principles of the United Nations Global Compact
- OECD Guidelines for Multinational Enterprises



2. HUMAN RIGHTS DUE DILIGENCE PROCESS

Our HR due diligence process is designed to proactively prevent, mitigate, and, where necessary, remediate potential human rights impacts across our operations and value chain. This process is structured around the following key steps:

1. **Policy Commitment:** We formalize our commitment through our Human Rights Policy and Code of Ethics.
2. **Risk Assessment:** We regularly identify and assess real and potential human rights risks in our operations, supply chain, and business relationships.
3. **Preventive and Mitigating Actions:** Based on risk findings, we implement actions to prevent or mitigate negative impacts.
4. **Monitoring and Continuous Improvement:** We monitor the effectiveness of our actions through internal audits, feedback mechanisms, and performance indicators.
5. **Communication of results:** We communicate our findings and actively engage with stakeholders to promote accountability and shared responsibility.
6. **Remediation:** We provide channels for reporting human rights concerns and ensure timely investigation and resolution of any incidents.



3. COMMITMENT TO HUMAN RIGHTS

Our commitment extends beyond our own operations to encompass our partners, suppliers, and contractors, ensuring a responsible approach throughout our value chain. This commitment addresses critical issues such as:

- Human trafficking
- Forced labor
- Child labor
- Freedom of association
- The right to collective bargaining
- Equal remuneration
- Discrimination
- Physical integrity
- Health and Safety
- Other fundamental rights

We have developed a comprehensive set of policies and codes to guide our employees and stakeholders. These include:

- Human Rights Policy
- Code of Ethics
- Diversity and Inclusion Policy
- Protocol and Policy to Prevent Discrimination, Violence, Workplace Harassment, Sexual Harassment, Compulsory and Child Labor, and Psychosocial Risks
- Code of Conduct for Partners, Suppliers and Contractors
- Other Policies included in the Integrity section of our website



4. HUMAN RIGHTS RISK ASSESSMENT

As part of our human rights risk identification and assessment process, we consider the operations of all our business units across the three segments:

- People Mobility
- Cargo Mobility
- Logistics and Technology

Our human rights due diligence process includes the consideration of groups that may be at greater risk of adverse impacts. These include our own employees, women, children, indigenous peoples, migrant workers, third-party employees, and local communities. This analysis also extends to activities throughout our value chain, ensuring a comprehensive view of potential risks. We have additionally incorporated newly acquired companies into this process to ensure alignment with our human rights standards from the outset.



Our assessment is regularly updated to reflect significant organizational changes, emerging regulatory requirements, and the identification of new or evolving risks, allowing us to maintain a proactive and responsive approach to human rights due diligence.

4.1. RISK IDENTIFICATION

Risk identification places people at the center of the analysis. It involves understanding how individuals or groups may be negatively impacted by our operations or those of our value chain partners.

The process begins by identifying actual or potential adverse impacts on people and link each one to the specific human right it may affect. Once a risk is identified, we analyze the company's connection to the impact in accordance with international standards.

We determine whether TRAXION:

- ☐ **Causes** the impact directly through its own actions,
- ☐ **Contributes** to the impact together with other entities,
- ☐ Or is **linked** to the impact through a business relationship.



4.1. RISK IDENTIFICATION

Risk Category: Labor rights

RISK	
R1: Risks to the safety, health, and well-being of employees during the performance of their duties.	
R2: Discriminatory practices within the company leading to gender pay gaps and unequal remuneration.	
R3: Restrictions on employees' freedom of association and their right to collective bargaining.	
R4: Exposure of workers to chemical and/or biological hazards due to transported cargo and conditions in facilities, warehouses, or medical service units.	
R11: Discriminatory practices against people with disabilities.	
R12: Situations of harassment and/or violence among passengers within passenger transport units.	
R14: Violence between employees and contractors driven by discriminatory behavior.	
R15: Abusive practices in supplier relationships.	
R19: Restrictions on freedom of association for contractors.	
R20: Labor conditions of Traxporta's outsourced carriers.	
R22: Risk of forced labor and poor working conditions in third-party workshops and waste management providers.	
R23: Labor conditions in the automotive and auto parts supplier 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.

4.1. RISK IDENTIFICATION

Risk Category: Environment

RISK	
R8: Leaks and/or spills affecting the environment and human health.	
R16: Greenhouse gas (GHG) emissions, due to their contribution to climate change and its impact on public health, livelihoods, and overall human well-being.	



Risk Category: Information Disclosure

RISK	
R9: Misuse and/or leakage of customer or employee data.	

Risk Category: Corruption

RISK	
R10: Acts of corruption in interactions with authorities, customers, and/or suppliers.	

4.1. RISK IDENTIFICATION

Risk Category: Others

RISK	
R5: Road deterioration and/or extreme weather conditions (e.g., storms and other climate-related phenomena) affecting operator safety.	
R6: Operators affected by theft and violence related to the operation of transport units and/or warehouses.	
R7: Road accidents in own vehicles.	
R13: Carriers exposed to violence and theft, especially during the transportation of pharmaceutical products and other high-value cargo	
R17: Transport of illicit goods, undermining the rule of law and potentially harming end-users.	
R18: Direct or indirect social conflicts involving the company that restrict the movement of units, affecting passengers and/or cargo delivery	
R21: Human trafficking practices involving third-party outsourced carriers.	



4.2. RISK PRIORITIZATION

To effectively prioritize the human rights risks identified, we apply two main criteria: **severity** and **likelihood**.

SEVERITY OF THE IMPACT

It is the primary factor and is assessed from the perspective of the potential impact on people—not the business. It considers:

- The **seriousness** of the impact
- Its **scale** (how widespread it could be and how many people it may affect), and
- Its **remediability**, meaning how difficult it would be to restore the affected rights.

LIKELIHOOD

It refers to the probability of the impact occurring, taking into account the **existing mitigation measures** already implemented by the company.

To assign accurate severity and likelihood scores, we engage with our internal and external stakeholders, such as business unit leaders, corporate area representatives, suppliers and customers. Their insights are essential for evaluating the contextual factors behind each risk.

Once the values are established, the risks are plotted on a **heat map**, allowing us to visually identify and prioritize the most significant risks requiring immediate or enhanced attention.

4.2. RISK PRIORITIZATION

Probability of occurrence

	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			

Severity of the Impact

-  Very High
-  High
-  Medium
-  Low

4.3. PREVENTION, MITIGATION AND REMEDIATION MEASURES

For the risks assessed as high, we have defined specific prevention and mitigation measures, as well as potential remediation actions to be implemented in case the risk materializes. These are detailed in the following tables.

RISK	
R5: Road deterioration and/or extreme weather conditions (e.g., storms and other climate-related phenomena) affecting operator safety.	

PREVENTION MEASURES	MITIGATION MEASURES	REMEDIATION MEASURES
• Route planning systems that avoid high-risk zones or deteriorated roads. • Preventive maintenance of units, ensuring vehicles are equipped to handle adverse road and weather conditions (e.g., tires, brakes, lighting). • Weather monitoring protocols integrated into daily operational planning. • Driver training programs focused on safe driving in extreme weather and emergency response. • Collaboration with authorities to report and monitor road infrastructure issues.	• Implementation of flexible schedules or rerouting in case of weather alerts or road closures. • Provision of safety equipment (e.g., reflective vests, emergency kits, communication devices). • Real-time communication protocols between operators and monitoring centers during adverse conditions. • On-board safety technologies, such as GPS tracking, automatic braking systems, and hazard alert systems. • Deployment of support units in strategic zones to assist operators in high-risk areas.	• Access to medical and psychological support for operators affected by accidents. • Incident reporting and investigation mechanisms to identify root causes and avoid recurrence. • Repair or replacement of damaged equipment to restore safe working conditions. • Review and update of operational protocols following serious incidents, integrating lessons learned.

4.3. PREVENTION, MITIGATION AND REMEDIATION MEASURES

RISK	
R6: Operators affected by theft and violence related to the operation of transport units and/or warehouses.	
R13: Carriers exposed to violence and theft, especially during the transportation of pharmaceutical products and other high-value cargo.	

PREVENTION MEASURES	MITIGATION MEASURES	REMEDATION MEASURES
• Route and schedule planning to avoid high-crime areas or times of increased risk, using real-time risk mapping. • Security risk assessments of routes, warehouses, and loading/unloading zones. • Mandatory safety protocols and training on how to act in case of assaults or threats. • Security escorts or surveillance support for high-risk routes or valuable cargo. • Controlled access and perimeter security in warehouses and logistics centers (e.g., biometric access, CCTV). • Background checks and vetting of third-party logistics providers and contractors.	• Real-time communication systems between operators and monitoring centers. • Emergency response protocols in case of incidents (e.g., silent alarms, panic buttons, rapid response teams). • Vehicle tracking systems (GPS) and geofencing alerts to detect deviations or unauthorized stops. • Insurance coverage for employees and contractors in case of violent events. • Deployment of support personnel to assist in recovery or incident management immediately after an event. • Fatigue and stress monitoring in operators exposed to high-risk routes, with interventions where needed.	• Immediate access to medical and psychological support for affected personnel and their families. • Formal incident reporting and investigation mechanisms to identify root causes and prevent recurrence. • Inclusion of affected workers in follow-up dialogues, respecting their perspective in post-incident reviews. • Adjustments to work assignments for those who do not feel safe returning to specific areas or roles. • Review and update of risk assessments and security protocols following each incident.

4.3. PREVENTION, MITIGATION AND REMEDIATION MEASURES

RISK		
R7: Road accidents in own vehicles.		
PREVENTION MEASURES	MITIGATION MEASURES	REMEDATION MEASURES
• Strict vehicle maintenance programs, ensuring all units meet safety and performance standards. • Regular driver training on road safety, defensive driving, fatigue management, and emergency response. • Fatigue monitoring protocols, including maximum driving hours and mandatory rest periods. • Use of telematics and driving behavior monitoring systems, to detect speeding, abrupt braking, or distraction. • Risk-based route planning, avoiding hazardous roadways or high-risk driving conditions. • Inclusion of safety KPI's in driver evaluations and incentives for safe driving. • Psychosocial evaluations to ensure operators are fit to drive, mentally and emotionally.	• Installation of vehicle safety technologies, such as collision avoidance systems, lane departure alerts, and dash cameras. • Real-time monitoring of vehicles and operators via a centralized monitoring/control center. • Emergency response protocols, including first aid kits, access to roadside assistance, and rapid coordination with authorities. • Immediate reporting of near misses and minor incidents, to enable learning and early interventions. • Supportive procedures for operators involved in incidents, such as temporary relief from duties if needed.	• Access to medical care and psychological support for affected operators and third parties. • Fair compensation in cases of injury or loss, aligned with internal policies and legal obligations. • Thorough investigation of accidents, with a human rights lens to understand systemic causes. • Inclusion of affected individuals in remediation processes, respecting their voices and experiences. • Updates to safety protocols and training materials, incorporating lessons learned from incidents. • Long-term support, including reintegration programs for employees returning to work after recovery.

4.3. PREVENTION, MITIGATION AND REMEDIATION MEASURES

RISK	
R9: Misuse and/or leakage of customer or employee data.	

PREVENTION MEASURES	MITIGATION MEASURES	REMEDIATION MEASURES
• Implementation of robust data protection policies, aligned with national and international privacy regulations. • Role-based access controls, ensuring only authorized personnel can access sensitive data. • Regular training for employees and contractors on data privacy, confidentiality, and ethical data handling. • Secure digital infrastructure, including encryption, firewalls, and multi-factor authentication. • Due diligence processes for third-party service providers handling personal data. • Privacy impact assessments (PIAs) before implementing new technologies or systems that process personal data. • Clear internal protocols for data collection, storage, and retention, with emphasis on data minimization.	• Real-time monitoring of systems for unauthorized access or suspicious activity. • Incident detection and alert systems, with rapid response mechanisms in place. • Internal audits and periodic reviews of data handling practices. • Immediate isolation of compromised systems to prevent the spread of breaches. • Communication protocols to contain damage and inform affected parties when appropriate.	• Timely notification to affected individuals in case of a data breach, respecting transparency principles. • Free access to identity theft protection services or legal assistance, when applicable. • Investigation of the root cause of the breach, with disciplinary action if misconduct is identified. • Revision of security systems and processes, incorporating lessons learned. • Restitution or compensation when the data breach causes tangible harm to individuals (e.g., financial loss, emotional distress). • Open channels for complaint and resolution, accessible to employees, customers, or any affected party.

4.3. PREVENTION, MITIGATION AND REMEDIATION MEASURES

RISK		
R10: Acts of corruption in interactions with authorities, customers, and/or suppliers.		
PREVENTION MEASURES	MITIGATION MEASURES	REMEDATION MEASURES
• Implementation of an Anti-Corruption Policy, with clear links to human rights standards and consequences for violations. • Regular training on ethics and anti-corruption for employees, contractors, and business partners. • Due diligence procedures for third parties, including background checks and ethics screening. • Whistleblower protection mechanisms, ensuring that employees and third parties can report without fear of retaliation. • Clear separation of roles in procurement, contracting, and regulatory dealings to reduce conflict of interest risks. • Signing of Codes of Conduct by suppliers and partners, explicitly committing to anti-corruption and human rights standards.	• Routine audits and compliance checks in high-risk areas (e.g., procurement, licensing, customs, etc.). • Transaction monitoring systems to detect irregularities or red flags. • Third-party monitoring or certification in sensitive contracts or geographic areas. • Corrective actions in case of deviations, including contract revisions or temporary suspension of commercial relationships. • Ongoing stakeholder engagement, especially with civil society and communities, to improve transparency and oversight.	• Investigation of all reported corruption cases, with a human rights lens to determine any resulting harm. • Sanctions or termination of contracts where corrupt acts are confirmed, regardless of position or status. • Communication to affected stakeholders, including customers or communities, when corruption has impacted rights or service access. • Review and improvement of internal controls and governance mechanisms, following incidents. • Restitution or compensation mechanisms, where rights have been violated due to corrupt actions (e.g., unfair dismissals, denied services). • Public reporting on anti-corruption efforts, as part of the company's human rights and ESG disclosures.

5. CONCLUSIONS

Our human rights risk assessment was conducted across 100% of our operations, covering all three business segments. Prevention, mitigation, and remediation measures have been implemented in 100% of our business units. These measures have been introduced gradually, and we are continuously working to meet our commitments and to strengthen our ongoing prevention efforts.

Among our 65 Tier 1 suppliers, we received responses from 15 (23%), and only three customers provided feedback.

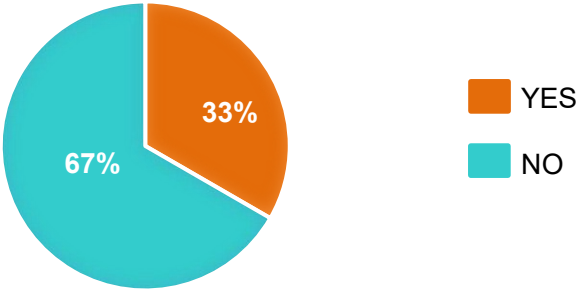
In our next assessment, we will increase efforts to improve response rates. While some suppliers and customers have not yet developed their own human rights due diligence processes and/or related policies, we have not identified any significant risks requiring mitigation measures.

Nonetheless, we will continue to monitor their progress in developing policies, identifying risks, and implementing prevention, mitigation, and remediation actions.

Supplier Human Rights Management

INSTRUMENT	Yes, they have the instrument	No, they do not have the instrument
Code of Ethics	73%	27%
Compliance Policy	45%	55%
Diversity and Inclusion Policy	9%	91%
Human Rights Policy	45%	55%
HR risk and impact assessment	45%	55%
Complaints and claims mechanism	63%	37%

Human Rights Due Diligence Process - Customers



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