

SUPPLIER CODE OF CONDUCT



ECONOLITE
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TABLE OF CONTENTS

- 1. INTRODUCTION 1
- 2. DEFINITIONS 2
- 3. FUNDAMENTAL REQUIREMENTS..... 2
- 4. WORKFORCE ISSUES..... 3
- 5. ENVIRONMENTAL RESPONSIBILITY 4
- 6. ETHICAL BUSINESS PRACTICE 5
- 7. INFORMATION SECURITY 6
- 8. REPORTING CONCERNS..... 6
- 9. COMPLIANCE ASSURANCE 7
- 10. GOVERNANCE..... 7

- APPENDIX 1. CHECKS RELATED TO IT SERVICE PROVIDERS..... 8

- APPENDIX 2. STANDARDS IN RESPECT OF INFORMATION SECURITY 9

SUPPLIER CODE OF CONDUCT

1. INTRODUCTION

Econolite Group, Inc., and its subsidiaries (together "Econolite or "we") are committed to providing innovative Intelligent Transportation Systems ("ITS") technology and solutions while promoting our core standards of business conduct and ethics.

Econolite's success depends on our customers and partners having confidence in our integrity and the integrity of our suppliers. This Code of Conduct communicates our expectations to our suppliers related to ethical practices, human rights, environmental management, and legal requirements. In carrying out our business relationship, we expect our suppliers to meet the standards set out in this Code while fulfilling obligations under local laws, rules, regulations, and other contractual arrangements. Should a conflict arise with other laws, rule or regulations, suppliers are expected to work in good faith with us to reach a mutually agreeable resolution.

The Code aligns with Econolite's values, which are integral to our governance and how we operate. Econolite's corporate values - what we stand for - are as follows:

1.1 Market & Customer Focus

At Econolite, our philosophy is that our customers, both internal and external, come first. We are committed to accommodating customer needs expeditiously and thoughtfully, and we strive to always provide products and services that reflect and exceed the needs of our customers.

1.2 Innovation & Efficiency

With a pioneering spirit, we develop ITS solutions for today and tomorrow. Innovation is our motivation. For as long as we have been in business (almost 100 years), we have focused on identifying industry needs and leveraging technology to develop solutions to meet those needs in a responsible manner.

1.3 Open Mindedness & Transparency

We promote open communication and transparency, encouraging employees and third parties to exchange ideas with each other and to report any concerns or non-compliance with this Code. By fostering a culture of collaboration and accountability, we ensure a positive impact on both society and the environment. As Econolite

continues to progress and evolve, we maintain our commitment to continuous improvement at all levels through transparent communication.

1.4 Respect, Honesty, & Integrity

We are appreciative and friendly in our daily dealings. We believe that the core of any great organization lies with the integrity of its culture - doing the right thing, even when nobody is looking. We vow to conduct business with integrity by treating everyone with respect, while always delivering superior products and services.

1.5 Diversity & Inclusion

Diversity enriches our company. We leverage diversity to deliver the best solutions and want to benefit from different perspectives and backgrounds. We foster an inclusive culture where we are open and fair, showing trust and respect for each other.

1.6 Sustainability

Our efforts in our daily work and our solutions contribute to a livable planet and climate justice. We believe environmental stewardship is essential to the sustainability of our business and to the health of the communities where we live and serve. We are committed to addressing climate change and demands on critical natural resources through our global business strategy, management of risk, work with partners, employee programs and efforts to make our operations more sustainable. This begins by measuring and mitigating the negative

environmental impacts of our operations, including our supply chain, in the areas of greenhouse gas emissions and energy and water consumption.

1.7 Passion

Smart mobility is our passion and purpose. We work with dedication and deliver our products and services to our customers with integrity and pride. It is essential to align ourselves and our organization with others who share the same determination and drive to enhance mobility, ensure safety to the general public, and improve quality of life.

1.8 Accountability

We are aware of our responsibility towards our customers, investors, business partners, and employees as well as towards society and act accordingly.

2. DEFINITIONS

For the purpose of this document, the following definitions apply:

Econolite means Econolite Group, Inc., including its subsidiaries, Econolite Control Products, Inc., Econolite Systems, Inc., Econolite Canada Inc., and Arroyo Holdings de Mexico.

A **Supplier** is a potential or actual party to a contract with Econolite for the supply of goods or services.

Code means the Supplier Code of Conduct.

3. FUNDAMENTAL REQUIREMENTS

3.1 Lawful Conduct

Obeying the laws of the countries in which we operate is a fundamental principle of Econolite. All Suppliers shall follow the laws in the jurisdictions where they operate and are working.

In particular, we expect Suppliers to have in place policies, systems and/or procedures to ensure:

- Prevention of unethical business practices, including, but not limited to, human rights abuses, money laundering, fraud, tax evasion, bribery and corruption, and other improper payments, benefits or gifts;
- Compliance with all applicable laws, rules and regulations;
- The protection of personal data and confidential information;
- The avoidance of conflicts of interest or appearance thereof; and
- Any other matters as relevant and set out in this Code.

3.2 Mutual Respect & Integrity

We expect Suppliers to respect the personal dignity, privacy, and rights of every individual. This shall include, among others, individuals of different ethnic origins, cultures, religions, and ages, regardless of disability, sexual orientation, beliefs, political opinion, social background, pregnancy or maternity or gender identity.

We expect Suppliers to not tolerate any form of discrimination, sexual harassment, bullying or any other personal attacks against individuals, and to act in accordance with any applicable laws of the jurisdictions in which they operate.

3.3 Speak Up

We encourage our Suppliers to support and facilitate a speak up culture, both internally and if they become aware of any inappropriate behavior or conditions while working with Econolite. We take concerns that have been raised seriously and will not tolerate discrimination or threat against anyone who has spoken up.

4. WORKFORCE ISSUES

Slavery, Human Trafficking & Forced Labor

It is expected that the Supplier shall comply with all applicable anti-slavery and human trafficking laws, statutes, and regulations in force in any part of its supply chain. This includes, but is not limited to, not supporting, or engaging or requiring any forced labor, the use of child labor, bonded labor, indentured labor, or prison labor.

4.1 Human Rights

The Supplier is expected to comply with all internationally recognized human rights principles, understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's

Declaration on Fundamental Principles and Rights at Work in force in any part of its supply chain.

4.2 Non-Discrimination

The Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any employment practice, on the basis of race, ethnicity, national origin, gender, gender identity, sexual orientation, religion, age, marital or pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job, subject to any accommodations required or permitted by law.

4.3 Freedom of Association & Collective Bargaining

The Supplier shall respect, and shall not interfere with, the right of workers to decide whether to lawfully associate with groups of their choice, including the right to form or join trade unions and to engage in collective bargaining.

4.4 Working Environment

The Supplier shall:

- Provide a safe, healthy, and sanitary working environment and comply with all applicable health and safety laws and any other relevant laws where it operates; and
- Not support or engage in or require any hazardous labor to be performed by any person under the age of 18. Hazardous

labor involves any work that, by its nature or the circumstances in which the work is undertaken, involves the substantial risk of harm to the safety or health of the worker if adequate protections are not taken.

4.5 Wages & Remuneration

Workers should be able to earn fair wages and be compensated in accordance with all applicable labor laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In any event wages should always be enough to meet basic needs and to provide some discretionary income. Suppliers shall not make any unlawful deductions from wages.

5. ENVIRONMENTAL RESPONSIBILITY

The Supplier is expected to ensure that:

- Its operations comply with all applicable environmental laws, including laws and international treaties relating to (but not limited to) climate change, waste disposal, emissions, discharges, and hazardous and toxic material handling;
- The goods it manufactures (including the inputs and components that it incorporates into its goods) comply with all environmental laws and treaties; and
- It will only use packaging materials that comply with all applicable environmental laws and treaties.

Further to the minimum standards set by applicable legislation and regulation, Econolite prefers to work with Suppliers that can demonstrate evidence of their commitment to environmental protection and best practice going well beyond the minimum standards set by environmental legislation and regulation.

6. ETHICAL BUSINESS PRACTICE

6.1 Fair Competition & Antitrust Legislation

We are committed to fairness in our dealings with our business partners and support fair competition in accordance with competition laws and antitrust legislation.

Suppliers are obliged to comply with these rules. Suppliers shall comply with all applicable competition laws including but not limited to those relating to teaming and information sharing with competitors, price fixing, and rigging bids. This means, for instance:

- Supplier's employees or third parties acting on the Supplier's behalf shall not enter into any discussions with competitors at which prices or capacities are agreed upon;
- Agreements with business partners on non-competition or on the submission of phantom offers in respect of invitations to tender or on allocating customers, territories or production portfolios are prohibited; and
- Improper preferential treatment or exclusion of contractual parties is also prohibited.

We expect our Suppliers to fully embrace their responsibility to ensure fair competition.

6.2 Combatting Bribery & Corruption

Econolite does not tolerate bribery and corruption in any form. This means, for instance:

- Suppliers shall maintain the highest ethical standards and shall comply with all applicable laws, statutes, and regulations relating to the prevention of bribery and corruption.
- In particular, Suppliers shall not offer or grant nor attempt to offer or grant any bribe or other benefit in the form of payment or any other type of consideration with the hope of obtaining an undue business advantage, or to reward an undue business advantage already provided;
- Suppliers shall not make facilitation payments or permit others to do so on their behalf; and
- Suppliers shall comply with relevant statutory requirements in their dealings with governments, authorities, and public bodies.

6.3 Anti-Money Laundering & Counter-Terrorist Financing

Suppliers are to comply with all anti-money laundering and counter-terrorist financing regulations of the countries in which they operate.

Econolite is committed to combatting money laundering and terrorist financing. For this purpose, we remain vigilant in all our business activities. We only conduct business with suppliers and customers whose funds derive from lawful activities and are cautious not to engage with parties that might be involved in terrorist financing.

6.4 Financial and Economic Sanctions & Export Controls

Suppliers shall act in compliance with all applicable national and international foreign trade laws, in particular financial and economic sanctions regulations.

7. INFORMATION SECURITY

Econolite is committed to best practice industry standards in respect of information security, including protection of personal data and confidential information. Meeting such standards in respect of information security is fundamental to our business and operations given the evolving risk landscape and legislative and regulatory environment in this area. To ensure compliance with these standards, Econolite performs comprehensive checks on its IT service providers, as set out in **Appendix 1**.

We expect Suppliers to have in place policies, systems and/or procedures to meet respective standards in relation to information security. Further to the examples set out in Appendix 2, this may include:

- Holding an ISO 27001 certification or another comparable security standard;
- Implementing data protection concepts; and
- Providing information on data processing, e.g. in relation to data encryption, backup concepts, or storage location.

We further expect that Suppliers providing Cloud services and/or related services have implemented standards as illustrated above.

In addition, each Supplier shall act in compliance with all applicable laws, rules and regulations relating to information security.

8. REPORTING CONCERNS

Actual, or suspected, material violations by a Supplier of this Code should be reported to your Econolite contact in the first instance, or a report may be made by dialing (888) 893-9022 (US) and (800) 681-6931 (Mexico) or by submitting a report online by visiting this link:

<https://app.mycompliancereport.com/report?cid=ECONTE>

Similarly, if you are a Supplier to Econolite and suspect that an Econolite employee, or anyone acting on behalf of the firm, has engaged in illegal

or otherwise improper conduct, you should report the matter to the anonymous HR mailbox, <http://suggestions.econolitegroup.com> or a report may be made by dialing (888) 893-9022 (US) and (800) 681-6931 (Mexico) or by submitting a report online by visiting this link:

<https://app.mycompliancereport.com/report?cid=ENCNTE>

9. COMPLIANCE ASSURANCE

We reserve the right to monitor compliance with this Code using a reasonable and risk-based approach and framework that is suitable for small and diverse-owned businesses as well as larger businesses with more mature compliance programs. This may include verification of compliance through a Supplier's own Code of Conduct, requests to complete a self-assessment/questionnaire, on-site audits, or other means of due diligence. If requested, suppliers are expected to provide written information related to the topics in the Code, including policies and procedures to confirm compliance. Suppliers are expected to self-monitor their compliance and to inform us in a timely manner of any non-compliance.

Any supplier that does not fully comply with the principles of our Supplier Code of Conduct should remediate the non-compliance in a timely manner. Failure to adopt a remediation plan, or failure to implement it, could adversely affect the ability to continue to do business with us. We expect all suppliers to adhere to the standards set forth in

this Code. To the extent that suppliers subcontract any portion of their obligations, the standards set forth also apply to subcontractors.

10. GOVERNANCE

This document shall be reviewed and updated at least every two years, or as required to reflect any changes in business practice or related policies and procedures.

Policy owner	ESG Coordinators
Policy approved by	Management of Econolite Group, Inc.
Policy approval date	December 12, 2024
Policy history	V1.0.0 dated 12.12.2024

APPENDIX 1. CHECKS RELATED TO IT SERVICE PROVIDERS

Requirement	Standard	High <i>(plus standard requirements)</i>
Suitable for data classification schemes	<ul style="list-style-type: none"> public internal 	<ul style="list-style-type: none"> public internal confidential strictly confidential
Data Protection	<ul style="list-style-type: none"> Compliance with applicable data protection laws and regulations (e.g., GDPR). Transparent data privacy policies and practices from the provider. Controlled processing and storage of personal data. 	<ul style="list-style-type: none"> Strict control over the processing of sensitive business data. Capability for auditing data accesses and modifications.
Data Security	<ul style="list-style-type: none"> Encryption of data during transmission and storage. Access controls and permission management. Multi-factor authentication for enhanced security. Integration with SSO. 	<ul style="list-style-type: none"> Regular security audits and penetration tests. Detailed logging of security events.
Availability	<ul style="list-style-type: none"> Service Level Agreements (SLAs) for service availability (minimum of 95%). 	<ul style="list-style-type: none"> High SLA requirements with minimal downtime (minimum of 98%). Emergency recovery plans and data backup mechanisms.
Integration	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Rest APIs or connectors (preferably according to OpenAPI spec) Support for common authentication protocols and standards (SAML, oauth)
Backup	<ul style="list-style-type: none"> Weekly backups 	<ul style="list-style-type: none"> Daily backups Recovery tests
Common Controls	<ul style="list-style-type: none"> (Security) Incident procedure to inform us in case of incidents affecting the availability 	<ul style="list-style-type: none"> (Security) Incident procedure to inform us in case of incidents affecting the CIA attributes (confidentiality, integrity, availability) Change procedure to inform us in case of breaking changes

APPENDIX 2. STANDARDS IN RESPECT OF INFORMATION SECURITY

- Adequate Manufacturer Support – Ensure sufficient support is provided by the tool or service vendor.
- Timely Security Updates – Vendors must provide security updates promptly.
- Authentication Methods – Implement secure and appropriate methods for user authentication.
- User Management – Efficient and secure management of user accounts.
- Permissions Concepts – Clear and secure definition of user rights and permissions.
- Data Encryption – Ensure that stored data is encrypted to protect against unauthorized access.
- Data Transmission Security – Protect data transfers, especially over public or insecure networks.
- Transaction Security – Secure transactions particularly when transmitted over insecure networks.
- Activity Logging – Maintain logs of all user and system activities for auditing and monitoring.
- Interfaces and Their Protection – Secure APIs and other interfaces against unauthorized access.
- Fault Tolerance – System should be robust and maintain operations even under failure conditions.
- Compliance with Current Guidelines – Adhere to relevant regulatory and security guidelines.
- Consideration of Past Security Incidents – Learn from past incidents to inform current security practices.
- Necessary Performance – Ensure the performance meets the needs of the business processes it supports.