

Cardo Systems Ltd. - ESG Policy

At Cardo Systems Ltd. (“Cardo”) we understand the urgency for radical change when it comes to the environment, and therefore prioritize sustainability at the core of our business. Our focus on innovation manifests not only in our communication technology for riders, but also in our strategy for reaching environmental and social objectives that align with the United Nations Sustainable Development Goals (SDGs). Our bottom-line mission is to operate in a just and sustainable framework that balances the needs of the environment, society, and our business.

We are committed to doing our part to achieve these global SDGs while prioritizing transparency and accountability. In order to maximize our efforts, Cardo invests time and resources where it will make the greatest positive change. After analyzing our business practices and communicating with stakeholders, we have defined Cardo's focused SDGs:

- 4. Quality education
- 5. Gender quality
- 9. Industry, innovation and infrastructure
- 10. Reduced inequalities
- 11. Sustainable cities and communities
- 12. Responsible consumption and production
- 13. Climate action



The Cardo ESG policy outlines specific actions and commitments that will guide the short and long-term targets we aim to achieve. Our policy is informed by science- based evidence and research and will be updated accordingly with relevant information.

Applicability

This policy covers all operations of Cardo System Ltd.

Our ESG Objectives

Environmental

- ✓ To comply with all local and international legislation and policies regarding environmental protection.
- ✓ To openly discuss and analyze the risks and opportunities posed by the transition to a lower-carbon economy and use this information to inform our reduction of GHG emissions.
- ✓ To integrate climate data and forecasts into our business model so that we are best prepared to manage risks and take advantage of opportunities in innovation.
- ✓ To monitor our environmental performance, such as Greenhouse Gas (GHG) emissions, energy use, waste consumption, etc.
- ✓ To reduce waste throughout production and distribution.
- ✓ To ensure our suppliers are upholding our environmental expectations.
- ✓ To support circular economy initiatives by encouraging and engaging our suppliers to reduce environmental impact over the lifecycle of our products, from materials, packaging, manufacturing, and distribution to disposal and end of life.

Social

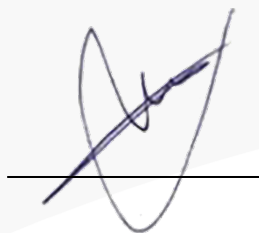
- ✓ To comply with local and international conventions on human rights.
- ✓ To ensure a respectful, fair and pleasant work environment.
- ✓ To protect the needs of our employees and suppliers by creating safe and healthy working environments, fair wages and working hours, and having a zero-tolerance policy for discrimination and harassment.
- ✓ To create an inclusive work culture and equal opportunities for progression within the business.
- ✓ To create positive social impact by investing time and resources in supporting local communities (encouraging employee volunteering, donations, etc.).
- ✓ To test and monitor the safety of our products, through continually innovating and designing products that facilitate safer communications whilst on the move, communicating how to use our products safely, etc.

Governance

- ✓ To increase the company's transparency, trust and credibility and create additional value for all of our stakeholders (employees, suppliers, customers, investors, and the communities in which we operate).
- ✓ Cardo has zero-tolerance approach when it comes to bribery and corruption, thus we fully comply with the company's anti-corruption and bribery policy, supported by annual employee training.
- ✓ To ensure high standards of business ethics by applying Cardo's Code of Ethics and Suppliers Code of Ethics to all employees and suppliers.
- ✓ To engage with our stakeholders along the entire supply chain and internalize their needs into our management practices.
- ✓ To create the internal infrastructure and governance necessary to oversee and lead social and environmental initiatives. The management members will conduct an annual discussion on ESG matters.

Follow-up and reporting

- ✓ We aim to publish a Cardo ESG report annually that includes updates on our goals and progress in our social and environmental initiatives.
- ✓ Cardo understands the importance of financial disclosure and is exploring reporting standards that are best fit for our business.



Adrian Farja

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Cardo Systems, Ltd.