

## Sistema.bio Sustainability Commitment & Suppliers' Code of Conduct

Sistema.bio is committed to achieving high environmental, social, and governance (ESG) standards across all parts of our business operations. We believe that the way we conduct business is as important as the products and services we provide. We are committed to maintain labor standards and business ethics that are in line with our company values. Accordingly, Sistema.bio complies with applicable laws, rules, and regulations and follows standards of business conduct consistent with those laid out below. We also seek to have our partners (customers, suppliers, contractors, resellers, agents, and consultants) follow these same standards.

### HUMAN RIGHTS AND LABOR (see details in our social and environmental policy)

Sistema.bio **shall not use any form of forced labor**. Sistema.bio shall not participate in the recruitment, transportation, transfer, harboring or receipt of any persons by means of threat, use of force, or any other forms of coercion, abduction, fraud, deception, abuse of power or position of vulnerability, or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person for the purpose of exploitation. Sistema.bio shall not retain any employees' government-issued identification, passports or work permits as a condition of employment and shall allow employees to resign from their positions at any time.

Sistema.bio **shall not use underage labor** and Sistema.bio employee **working hours** must be in compliance with all applicable laws and regulations.

Sistema.bio must have a system in place to verify and accurately record payroll, deductions and the hours worked by legally authorized employees. Sistema.bio must comply with all applicable wage and compensation requirements as defined

under applicable labor laws for regular work, overtime, maximum hours, piece rates, and other elements of compensation and employee benefits.

Sistema.bio must adhere to applicable laws regarding the right to affiliate with lawful organizations without interference.

Employment by Sistema.bio shall be based solely on an individual's ability and not personal characteristics. Sistema.bio shall maintain a workplace free of unlawful discrimination, which includes, but may not be limited to, race, gender, sexual orientation, age, pregnancy, caste, disability, union membership, ethnicity, religious belief or any other factors protected by applicable law. Verbal, physical, sexual or psychological abuse or any other form of mental or physical coercion in the workplace is prohibited, and employees shall be treated with respect and dignity.

#### ENVIRONMENT (see details in our social and environmental policy)

Sistema.bio shall be sensitive to impact on the environment (including but not limited to air emissions, water discharge, toxic substances and hazardous waste disposal) and local communities. Sistema.bio shall comply with environmental laws and standards within our facilities. We request that our Partners use care in handling hazardous materials or operating processes or equipment that use hazardous materials to prevent unplanned releases into the workplace or the environment (see below specific requirements for suppliers).

We encourage our Partners to consider the life cycle impacts of the products they manufacture and/or sell, and we promote the use of sustainably sourced, renewable, and/or recyclable materials wherever possible (see below specific requirements for suppliers).

#### ANTI-BRIBERY, ANTI-CORRUPTION, ANTI-MONEY LAUNDERING AND TERRORISM FINANCING

Sistema.bio has anti-bribery, anti-corruption, AML, ATF policies and shall not engage in any form of corrupt practices including without limitation, extortion, fraud, impersonation, false declarations, bribery, money laundering, supporting or involvement with terrorist or organized crime organizations or activities.



Sistema.bio shall not offer bribes, kickbacks, illegal political contributions or other improper payments to any customer, government official or third party, with the intention of obtaining or retaining a business or other improper advantage.

### CONSUMER PROTECTION, POSITIVE IMPACT ON COMMUNITIES

Sistema.bio aims to safeguard consumers against product, finance, and service risks that can accompany its commercial activities. We have Health and Safety policies and aim to conduct our collection activities in a professional manner and expect our partners to do the same.

As a global company, Sistema.bio is dedicated to having a positive impact on the businesses, communities, individuals, and natural places that our work touches. We hold ourselves accountable to ESG goals. To ask questions, or to learn more about ESG at Sistema.bio, see our contact us page.

## SUPPLIERS CODE OF CONDUCT

Sistema.bio procurement policy reflects our commitment of working together with our suppliers towards a long-term, sustainable, and successful future for all parties.

Our procurement policy includes a **set environmental, social, and governance considerations** which all our suppliers need to meet to be able to do business with Sistema.bio. We encourage our suppliers to establish actions to address any non-compliance. We are committed to work with our suppliers on a continuous improvement mind-set.

### I. Environmental considerations:

- A. We prioritize vendors who have a documented environmental policy and a track record of reducing their environmental impact.
- B. We prioritize vendors who offer products that are energy-efficient, have a low carbon footprint, and are made from sustainable materials.
- C. We evaluate suppliers' waste management practices and ensure that they meet or exceed local regulations.
- D. We encourage suppliers to reduce packaging waste and promote the use of reusable or recyclable packaging.
- E. We want our vendors to comply with ISO 14001 environmental management system by having a road map to establish it.
- F. We promote our suppliers to use renewable sources of energy/resources like Solar Power plants, Sewage treatment Plants etc.

### II. Social considerations:

- A. We select suppliers who have a code of conduct that includes labor and human rights standards.
- B. We look for suppliers who prioritize fair labor practices and are committed to ensuring safe working conditions for their employees.

- C. We consider the diversity of suppliers and aim to work with companies that promote diversity and inclusion in their workforce.
- D. We evaluate the impact of suppliers on local communities and ensure that they operate in a responsible and ethical manner.
- E. We ensure that our suppliers have Policies like POSCH (Prevention of Sexual Harassment), Safety , HR policy in practical use .
- F. We ensure that all our suppliers are following basic labor compliance as per factory act - ensuring their daily wages , PF , ESIC compliance .

### III. Governance considerations:

- A. We choose suppliers who have a strong record of ethical business practices and transparency.
- B. We consider suppliers who have implemented policies and procedures to prevent corruption and bribery.
- C. We ensure that suppliers comply with all applicable laws and regulations, including those related to data privacy and intellectual property.
- D. We conduct due diligence on suppliers to ensure they are financially stable and have a track record of delivering quality products and services.
- E. We ensure that suppliers comply with ISO 9001 quality management system requirements or have a road map to implement the same.

Additionally, to the above, Sistema.bio procurement process includes mechanisms for monitoring and measuring our supplier's compliance with ESG standards and ISO 9001 requirements, which include:

1. **Regular audits:** Sistema.bio conducts audits of its suppliers to ensure that they are complying with the facility's ESG and ISO 9001 requirements. The audits may include on-site visits to supplier facilities and a review of their policies, procedures, and documentation.
2. **Performance metrics:** Sistema.bio establishes performance metrics to measure supplier compliance with ESG and ISO 9001 requirements.

3. **Reporting requirements:** Sistema.bio requires its suppliers to provide regular reports on their ESG and ISO 9001 compliance. The reports include information on the suppliers' sustainability initiatives, labor practices, and quality control processes.
4. **Remediation plans:** If a supplier is found to be non-compliant with ESG or ISO 9001 requirements, Sistema.bio will require the supplier to develop a remediation plan to address the non-compliance. Sistema.bio can also work with the supplier to provide support and resources to help them improve their ESG and ISO 9001 compliance.
5. **Supplier evaluation:** Sistema.bio evaluates its suppliers on an ongoing basis to determine their overall ESG and ISO 9001 compliance. The evaluation considers factors such as the suppliers' adherence to Sistema.bio policies and procedures, their responsiveness to audits and reporting requirements, and their overall performance.
6. **Continuous improvement:** Sistema.bio works with its suppliers to continuously improve their ESG and ISO 9001 compliance. This involves providing training and resources to help suppliers improve their sustainability practices, or working collaboratively with suppliers to develop new processes and procedures that are more environmentally friendly and socially responsible.
7. Sistema.bio has also shared [Terms and Conditions](#) to its suppliers for every purchase order that they need to comply with.

By using these mechanisms for monitoring and measuring supplier compliance with ESG standards and ISO 9001 requirements, Sistema.bio ensures that its suppliers are meeting its high standards for sustainability, quality, and ethical business practices.