

SOCIAL & ENVIRONMENTAL POLICY



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1. INTRODUCTION

At Sistema.bio, we are committed to doing business in a way that promotes social responsibility and environmental sustainability. This is not just a statement—it's at the core of everything we do. We recognize that our actions have a direct impact on the world around us, and we take full responsibility for minimizing that impact while making a positive difference through our products and services.

Our mission is to work with farmers to improve life on Earth. We believe that using renewable energy, reducing global greenhouse gas emissions, and adopting regenerative farming practices are essential to creating a healthy and thriving planet for both present and future generations. ***Our values — Farmer-Centric, Impact-Driven, Resourceful, and Ethical — guide every decision we make,*** ensuring that our work remains deeply rooted in sustainability and social equity.

Our Social and Environmental Policy reflects this commitment. It's not just a promise, but a clear plan for leaving a positive legacy. This policy ensures that every action we take aligns with the values of sustainability, ethics, and social justice. We aim to meet the needs of today's stakeholders while protecting the well-being of future generations.

This policy applies to all employees, partners, contractors, suppliers, and anyone involved in the Sistema.bio network globally. It serves as a guide to make sure we all work together for a brighter, more sustainable future.

2. SOCIAL RESPONSIBILITY

Sistema.bio strives to create a positive and inclusive environment for all employees, communities, and stakeholders, with a focus on the following commitments:

1. Human Rights

We are deeply committed to upholding and respecting internationally recognized human rights across all aspects of our operations. We strive to ensure fair treatment, non-discrimination, and freedom of association for every individual associated with our business.

We have a zero-tolerance policy that strictly prohibits forced labor, child labor, and any form of exploitation or endangerment of workers. We have a firm stance against employing children in any part of our supply chain and require our partners and suppliers to meet the highest labor standards. Our commitment aligns with key international conventions such as the ILO Convention No. 138 (Minimum Age),

ILO Convention No. 182 (Worst Forms of Child Labour), and the United Nations Convention on the Rights of the Child (UNCRC).

In situations where differing standards may arise, Sistema.bio will apply the highest level of human rights protection, ensuring that we consistently prioritize the well-being and dignity of all individuals.

2. Fair Working Conditions

We are committed to providing fair, safe, and healthy working conditions for all employees, fostering a workplace where everyone feels respected, valued, and empowered. Our goal is to create an environment that promotes well-being, professional growth, and a strong sense of belonging, ensuring that every individual has the opportunity to thrive.

We strictly adhere to labor laws and regulations, guaranteeing fair wages, reasonable working hours, and upholding the right to collective bargaining. Additionally, we ensure that employees have access to transparent employment policies, clear contracts, and grievance mechanisms to voice concerns without fear of retaliation (see the Safeguarding and Whistleblowing section).

Beyond legal compliance, we actively promote work-life balance by offering flexible working arrangements and mental health support where possible. We also prioritize workplace safety, continuously assessing and improving our occupational health and safety standards to minimize risks and create a secure environment for all (see the Health & Safety section).

To further strengthen our commitment, we encourage open communication and collaboration, fostering a culture of trust and mutual respect across all levels of the organization.

By continuously improving our policies and listening to employee feedback (through our annual Pulse Survey), we strive to create a fair, inclusive, and supportive workplace where every individual can reach their full potential.

3. Diversity, Equity and Inclusion

We are committed to fostering diversity, equity, and inclusion (DEI) in all aspects of our operations, ensuring equal opportunities for all individuals—regardless of gender, race, ethnicity, nationality, sexual orientation, disability, or any other characteristic.

Our commitment to equal employment opportunities extends across every stage of the employee journey, from recruitment and hiring to promotions, training, and career development. All employment decisions

are based solely on skills, qualifications, and performance, ensuring a workplace free from bias and discrimination.

Beyond policies, we take actionable steps to drive meaningful change. Our People Dashboard tracks key diversity & gender metrics—including workforce balance, promotions, pay equity, performance, and employee satisfaction—which we review quarterly to ensure continuous progress.

Our commitment to gender equality extends beyond our employees. We aim to actively empower women and girls, ensuring they have access to the same opportunities for growth and success. This aligns with Sustainable Development Goal 5 (SDG 5): *achieving gender equality and empowering all women and girls*.

Our products create a tangible impact in improving women's quality of life, economic opportunities, and safety:

- Time-Saving: Eliminates firewood collection, freeing time for education, work, or family.
- Health Benefits: Reduces smoke exposure from traditional cooking, lowering respiratory diseases.
- Cost Reduction: Saves money on firewood or LPG, enabling women to invest in their farms or households.
- Safety: Reduces risks linked to firewood collection, including long-distance travel and physical strain.

By embedding DEI principles into both our internal policies and community impact, we strive to create a more inclusive, equitable, and sustainable future.

For more details, a dedicated policy on diversity, equity and inclusion is available.

4. Safeguarding & Anti-Harassment

At Sistema.bio, we believe that every person we work with, no matter their age, gender, disability, sexual orientation, or background, has the right to be protected from harm, abuse, neglect, and exploitation. We strongly condemn any form of abuse or exploitation by our employees or anyone associated with us.

All employees, partners, contractors, and suppliers are expected to:

- Foster a safe, inclusive, and respectful environment that actively prevents safeguarding violations.
- Refrain from engaging in any safeguarding violations, as Sistema.bio enforces a strict zero-tolerance policy for such behaviors.
- Promptly report any concerns, suspicions, or witnessed safeguarding violations.

4.1. Safeguarding incidents

Safeguarding incidents can take many forms, each with its distinct warning signs. Below is a classification of safeguarding incidents:

- Verbal Harassment: Using words to harm, intimidate, or threaten someone like shouting, insulting, or bullying.
- Physical Abuse: Hurting someone with physical force, like hitting, kicking, or burning.
- Emotional Abuse: Actions that cause emotional distress, such as insults, threats, coercion, humiliation, or controlling behavior (including online abuse).
- Economic Abuse: Restricting access to money, resources, or opportunities (blocking access to financial aid, healthcare, or education) to cause economic harm.
- Serious Harm or Fatality: When a child, vulnerable person, or community member suffers a serious injury or death due to neglect, abuse, or failure to provide protection.
- Sexual harassment: Any form of unwanted verbal, non-verbal, or physical conduct of a sexual nature that makes someone feel uncomfortable, intimidated, or humiliated. Sexual harassment can be verbal, non-verbal and physical.
- Sexual abuse: Actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions, including any sexual activity with a child under 18.
- Sexual exploitation: The abuse of a position of vulnerability, power imbalance, or trust for sexual purposes. This includes, for example, offering sexual favors in exchange for jobs, contracts, promotions, bonuses, or other social or economic advantages.

4.2. Safeguarding Incidents Reporting

There are several accessible and confidential channels through which individuals can submit grievances:

Employees, Consultants, Volunteers, Interns, and Independent Contractors:

- Direct or Indirect Manager: Employees can report grievances to their direct or indirect manager, either verbally or in writing. A follow-up written summary is required after verbal reports.

- Designated Safeguarding Contact: Employees can report incidents to the designated safeguarding contact in their region or to a global safeguarding contact (globalhr@sistema.bio).
- [Anonymous Reporting Portal for Concerns and Complaints](#): Employees can submit grievances via the anonymous reporting portal.

Partners:

- Regional Partnership Manager: Partners can report grievances directly to the regional partnership manager, who will escalate the issue to the relevant safeguarding contact.
- [Anonymous Reporting Portal for Concerns and Complaints](#): Partners can submit grievances via the anonymous reporting portal.
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Customers:

- Technician in the field: Clients can report grievances directly to a technician who will relay the concern to the management team.
- Dedicated Call Center: Customers can contact the call center, as listed in their user manual and on our website (<https://sistema.bio/for-farmers/#customer-care>) to report any grievances.
- [Anonymous Reporting Portal for Concerns and Complaints](#): Clients can submit grievances via the anonymous reporting portal.

4.3. Our Response Protocol - Grievance Mechanism for Safeguarding Incidents

1. Acknowledgment: Upon receiving a grievance, we will acknowledge receipt within a set timeframe and begin an initial review of the issue.
2. Victim Support & Well-being: Immediate and tailored support is provided, including access to counseling, and other necessary resources. The victim's wishes, needs, and preferences are prioritized throughout the process to ensure a trauma-informed response.
3. Investigation Process: A dedicated team ensures impartial investigations by gathering testimonies and relevant documentation.
4. Documentation & Reporting: All incidents are recorded in a confidential incident register to track investigations and outcomes. Reports are shared with relevant stakeholders in a timely and appropriate manner, whether immediately, through quarterly reports, or as part of the annual safeguarding review.
5. Disciplinary Measures: Appropriate actions are taken based on the severity of the breach. These may include retraining, suspension, or termination to ensure accountability and prevent future incidents.

6. Continuous Improvement: An action plan is developed to prevent recurrence and strengthen safeguarding measures. Policies and procedures are reviewed and updated after each incident to enhance protection and response mechanisms.
7. Confidentiality & Security: Information is shared strictly on a need-to-know basis to protect the privacy of all involved. All records are securely stored to maintain confidentiality and compliance with safeguarding best practices.

For more details, a dedicated policy safeguarding and sexual harassment is available.

5. Health and Safety

At Sistema.bio, health and safety are our top priority. Our commitment is to provide a safe work environment for all employees, contractors, partners, and customers. We are committed to preventing injuries, illnesses, and hazards, making safety a priority in all our operations. Our goal is not just to follow safety rules but to create a workplace where everyone feels protected and cared for.

5.1. Our Commitment to Health & Safety

We are dedicated to maintaining the highest health and safety standards by adhering to all relevant local and international regulations, continuously improving our practices through feedback, audits, and training, and ensuring accountability at all levels.

To protect our teams, we provide clean, well-maintained facilities, including restrooms and access to safe drinking water, equip employees with protective gear when needed, and enroll all employees in health insurance for medical support in case of work-related injuries.

We prioritize training as a key component of prevention. All employees undergo mandatory Health & Safety training, which covers the basics of workplace safety and how to report incidents. Additionally, our TechOps, product & manufacturing and commercial teams receive specialized training

Additionally, we ensure our products and services are designed to be safe when used correctly.

5.2. Incident Reporting & Continuous Improvement

- We have a clear and structured reporting process for all incidents and near-misses.
- Employees and managers receive regular training on how to report and respond effectively.
- Every report is carefully reviewed, and corrective actions are taken to prevent future risks.

- We have a well-defined reporting and escalation structure to ensure leadership teams and external stakeholders are appropriately informed.
- We prioritize transparent communication, keeping all stakeholders updated while fostering a culture of accountability and continuous improvement.

A dedicated global Health & Safety policy provides more detailed information.

3. ENVIRONMENTAL RESPONSIBILITY

Sistema.bio is dedicated to reducing our environmental footprint and contributing to the protection of the planet through responsible practices. Our commitments are as follows:

1. Carbon Footprint Reduction

We are committed to reducing our carbon footprint across all areas of our operations. Our emissions come from company-owned vehicles, energy consumption, and our supply chain, with transportation and material sourcing being the largest contributors.

Every reduction counts. We have a travel policy that prioritizes trains over flights whenever possible, limits air travel to essential trips, requires economy class for lower emissions, and encourages employees to extend stays to avoid short, high-impact flights. Additionally, our teams make conscious efforts in their daily office routines by reducing waste, optimizing energy use, and adopting sustainable practices.

We follow international standards to measure our impact and continuously implement strategies such as optimizing logistics, improving energy efficiency, and exploring lower-carbon materials. Through these efforts and partnerships, we strive to minimize our environmental impact and contribute to a low-carbon future.

For more details, a dedicated carbon footprint reduction policy is available.

2. Waste Management and Pollution Prevention

We are committed to minimizing waste and promoting responsible disposal practices through a strategic approach centered on waste reduction, segregation, and recycling, while ensuring full compliance with environmental regulations.

To achieve this, we implement clear disposal guidelines, collaborate with authorized waste management partners, and actively engage employees, partners, and suppliers in sustainable practices. By embracing

circular economy principles, we aim to reduce our environmental footprint and contribute to a cleaner, more sustainable future.

Beyond our internal efforts, we support international sustainability initiatives and advocate for eco-friendly alternatives to discarding used merchandise. Additionally, we are committed to reducing pollution in all its forms—air, water, and soil—by minimizing emissions, hazardous waste, and prioritizing environmentally friendly materials across our operations.

For more details, a dedicated waste management policy is available.

3. Sustainable Product Design

We are committed to designing and producing products that have minimal negative impact on the environment, promoting sustainability through the lifecycle of each product—from sourcing raw materials to disposal or recycling.

We are committed to supporting its supply chain stakeholders, distributors and consumers to improve their environmental impact. Sistema.bio intends to have a positive impact on energy end-users by making affordable modern energy services and waste management solutions more widely available.

Sistema.bio designs products according to the following key principles:

- Circular economy
- Waste hierarchy

We are committed to designing durable, long-lasting products, with our core biodigester models backed by a 10-year warranty. To maximize product lifespan, we prioritize customer education and training, empowering users to identify and report issues early. Additionally, our dedicated field teams ensure timely repairs, minimizing waste and extending product usability. Disposal is considered only as a last resort, reinforcing our commitment to sustainability.

For our electronic products, we are dedicated to choosing low-toxicity, recyclable materials and conducting annual e-waste assessments to minimize environmental impact and promote responsible end-of-life management.

For more details, a dedicated Sustainable Product Design policy is available.

4. Biodiversity Protection

We are committed to protecting and enhancing biodiversity and natural ecosystems. Our projects carefully assess environmental impacts on local wildlife and habitats, implementing proactive measures to preserve and restore these areas. Beyond protection, we actively contribute to biodiversity improvement through our products and services, fostering a more sustainable and resilient environment.

4. BUSINESS ETHICS

1. Integrity, Transparency, Ethical Standards and Compliance

We are dedicated to conducting business with the highest level of integrity, adhering to both local and global standards of social and environmental responsibility. We believe ethical conduct is the foundation of long-term success and positive societal impact.

We strive to create a culture of transparency and accountability across all aspects of our operations. We are committed to ensuring that our stakeholders are regularly informed of our progress and the effectiveness of our initiatives, fostering trust and confidence in our actions.

To uphold our Environmental and Social Responsibility, Sistema.bio commits to:

- Adherence to Regulations: Fully complying with all applicable environmental, social, and governance regulations, ensuring that our operations reflect global best practices.
- Sustainability Standards: Complying with the International Finance Corporation (IFC) Performance Standards on social and environmental sustainability, alongside the World Bank Group's Environmental, Health, and Safety Guidelines, as part of our commitment to responsible growth.
- Continuous Improvement: Actively taking steps to ensure compliance with the highest standards, fostering ongoing improvements in our sustainability practices, and integrating these principles into every part of our operations.

2. Anti-Bribery and Anti-Corruption

Sistema.bio has a strict zero-tolerance policy towards bribery and corruption. We will not tolerate any form of bribery, corruption, or unethical business practices, whether they occur within the company or externally with suppliers, contractors, or third parties.

We are committed to complying with all applicable anti-bribery and anti-corruption laws in the countries in which we operate.

Employees, contractors, and partners are prohibited from offering, soliciting, or accepting bribes, kickbacks, or other improper financial incentives. Any violation of this policy will lead to disciplinary action, including immediate termination of employment or contracts and potential legal consequences.

For more details, a dedicated policy on anti-bribery and anti-corruption is available.

3. Whistleblowing

We are committed to maintaining the highest standards of ethics and integrity. Our Whistleblower Policy provides a secure and confidential mechanism for employees, contractors, and stakeholders to report concerns about misconduct.

3.1. Serious misconduct

Sistema.bio takes any form of serious misconduct very seriously and encourages the reporting of concerns that relate to the following issues:

- Fraud, Corruption, or financial mismanagement: Any act of dishonesty or misappropriation of funds, including fraudulent activities, manipulation of financial statements, bribery, or any financial mismanagement that negatively impacts the organization or its stakeholders.
- Conflicts of interest or ethical breaches: Any situation where personal interests, relationships, or financial interests interfere with one's ability to act in the best interests of Sistema.bio, or when ethical principles are compromised in decision-making or behavior.
- Legal or regulatory violations: Any violations of local, national, or international laws, including breaches of regulatory requirements, environmental laws, workplace safety regulations, or any other relevant legal obligations.
- Violation of Sistema.bio policies: Any failure to adhere to Sistema.bio's internal policies, procedures, or guidelines. This includes non-compliance with ethical, environmental, social, or governance policies, regardless of the scale or severity.
- Environmental or Human Rights concerns: Any act that harms the environment or violates human rights, including actions that damage ecosystems, exploit vulnerable groups, or violate the fundamental rights of individuals in any of our operations or supply chains.

3.2. Reporting Serious Misconduct

Individuals who become aware of suspected improper conduct within Sistema.bio should report it promptly. The report should be detailed, including the nature of the concern, individuals involved, relevant dates, and any supporting documentation. Reports can be made through the following channels:

- People Team: directly to the global people team (globalhr@sistema.bio)
- Anonymous Reporting: Via our [Anonymous Reporting Portal for Concerns and Complaints](#), which ensures confidentiality.

3.3. Response Protocol - Grievance Mechanism for Serious Misconduct

1. Acknowledgment: Upon receiving a grievance, we will acknowledge receipt within a set timeframe and begin an initial review of the issue.
2. Investigation Process: A dedicated team ensures impartial investigations by gathering testimonies and relevant documentation.
3. Documentation & Reporting: All incidents are recorded in a confidential incident register to track investigations and outcomes. Reports are shared with relevant stakeholders in a timely and appropriate manner, whether immediately, through quarterly reports, or as part of the annual safeguarding review.
4. Disciplinary Measures: Appropriate actions are taken based on the severity of the breach. These may include retraining, suspension, or termination to ensure accountability and prevent future incidents.
5. Continuous Improvement: An action plan is developed to prevent recurrence and strengthen safeguarding measures. Policies and procedures are reviewed and updated after each incident to enhance protection and response mechanisms.
6. Confidentiality & Security: Information is shared strictly on a need-to-know basis to protect the privacy of all involved. All records are securely stored to maintain confidentiality and compliance with safeguarding best practices.

For more details, a dedicated policy on whistleblowing is available.

5. IMPLEMENTATION AND MONITORING

1. Training and Awareness

All employees are required to sign and complete training on the principles of this policy, understanding its importance in their daily activities. We also regularly raise awareness about the environmental and social issues that affect our business and the world.

2. Continuous Improvement

Sistema.bio regularly reviews this policy and the effectiveness of its implementation, making adjustments as necessary to ensure continuous improvement. We set specific, measurable goals for both social and environmental impact and regularly report progress to stakeholders.

3. Accountability

Each employee, supplier, and partner is responsible for adhering to this policy. We hold all stakeholders accountable for upholding the standards outlined within it. Violations of this policy will be addressed promptly and may result in corrective actions or the termination of contracts, partnerships, or employment, depending on the severity of the breach.

Sistema.bio recognizes the critical role that businesses play in shaping the future of our planet and society. Through this Social and Environmental Policy, we demonstrate our commitment to sustainability, ethical practices, and social responsibility, ensuring that our actions today contribute to a better tomorrow for all.

