

## **Saksoft Limited**

### **SUSTAINABLE PROCUREMENT POLICY**

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### **Objective**

To achieve our goals and ensure ethical conduct, it is empirical that our suppliers share our values and vision; and raise the sustainability standards in our supply chain. We acknowledge that long-term sustainable development of our suppliers is critical to our joint success and we value our relationship with suppliers who share the same approach and vision towards doing business. In line with our commitment we have developed a Sustainable Procurement Policy (Policy), which is an extension of our values and is applicable to all our suppliers. We expect our suppliers to operate in accordance with the principles as outlined in this Policy and adhere to all applicable laws and regulations. This Policy goes beyond mere compliance with the law by drawing upon internationally recognized standards in order to identify and define best practices from across the globe.

### **Scope**

This Policy outlines our expectations with regards to ethics, business integrity, human rights, health and safety, environment, the local community and quality of product and operations. We will periodically review the policy to ensure that it continues to help us move towards our vision. We encourage our suppliers to review this information and ensure that the principles and practices outlined in the Policy will be reflected in the on-going business dealings with us. We expect you to communicate the Policy throughout your organization as appropriate. Let us move together towards an ethically driven, socially focused, green inspired and quality centric supply chain.

## Policy Statement

At Saksoft we are always driven by the ethical business values, our unwavering commitment to always do the right thing for our clients, our people and our communities. We are committed towards social impact and strive for sustainability across every function, including sourcing and procurement.

Through this procurement policy, we intend to make our operations more sustainable by:

- Upholding the laws and regulations of the respective states we operate in
- Endorsing highest standards of economic, social, ethical and environmental practices
- Identifying and moderating risks associated with our procurement process
- Communicating the policy with stakeholders (internal and external) and raising awareness among our suppliers

In accordance with our commitment to the highest standards, we also expect our suppliers to aspire to the same standards in their business operations, including but not limited to:

### Environment:

- Comply and adhere to all the applicable environmental laws in respective state /country
- Undertake initiatives to promote greater environmental responsibility such as:
  - ✓ Responsible waste management and disposal
  - ✓ Reduction of greenhouse gas and other emissions harmful to the environment
  - ✓ Conservation of non-renewable natural resources

### Business Ethics:

- Obey all relevant international and domestic laws regarding ethical business practices
- Demonstrate existence of procedures to prevent:
  - ✓ Money laundering
  - ✓ Fraud, bribery, corruption
  - ✓ Conflicts of interest
  - ✓ Data security issues

### Labor and Human Rights:

- Comply with all applicable laws, in accordance with the principles of the International Labor Organization, the UN Global Compact and the UN Universal Declaration of Human Rights.
- Prohibit slavery and the use of forced, bonded, or child labor across the supply chain
- Prohibit unlawful discrimination and harassment to provide a safe and inclusive work environment

### Community Development:

- Provide employees with a minimum wage as stipulated by law
- Partner with the local governments and communities to improve the education, cultural, economic, and social well-being of communities which they operate in

We understand that procurement performance improvement is a continuous process and recognize the contribution of our suppliers in our journey to become more sustainable. Our commitment to diversity, equality, and inclusion extends to the choices we make in suppliers of services and goods.

At Saksoft, we cherish the value that diversity brings to our employees, clients, and the communities we serve. That's why we're committed to developing an inclusive supplier base, encouraging our employees to prioritize diversity in every procurement decision they make. Our Supplier Diversity Program reflects our commitment to creating opportunities in our supply chain for companies owned by women, minorities, and other groups from historically disadvantaged populations. We plan to partner with advocacy organizations and chambers of commerce as required when a business situation presents itself to identify qualified businesses, then foster these relationships through coaching and mentoring. We believe that designing our procurement processes this way would help to strengthen our firm, create opportunities for economic empowerment in the communities where we operate, and become a source of competitive advantage.

Saksoft is committed to ensure that our ethical standards are complied with and the workforce maintain professional behaviour of high standards when working with others and treat them with utmost respect. The relationships with our suppliers are based on the principle of fair and honest dealings at all times and in all ways. We expect our suppliers to extend the same high standards to all others with whom they do business, including employees, sub-contractors and other third parties. We expect all of our business associates, joint venture and suppliers to adopt the same or equivalent standards as set out in the Ethics and Business Integrity Policy and we reserve the right not to do business with companies where it can be demonstrated that significant violations of the policy exist. Purchase procedure oriented towards sustainability on various metrics shall be followed to conduct any purchasing activity and ensure Sustainable Procurement objectives are upheld in the supply chain process. If any supplier notices any of the Saksoft employees colluding or influencing to solicit business or gain any undue advantage they may write to the head of procurements at Saksoft to report on the same. We also expect our Suppliers to undertake their business aligned with best industry practices in a fair and competitive manner. We shall require all the suppliers to undergo supplier approval and performance monitoring which will be monitored in a regular basis depending on the discretion of Saksoft management. The performance of the suppliers will be evaluated and any gaps or change requests shall be communicated for action and improvement.

### **Anti-Money Laundering Policy**

Money laundering is the act of converting money or other monetary instruments gained from illegal activity into money or investments that appear to be legitimate so that its illegal source cannot be traced. Domestic and international laws that apply to companies, whose customers can deposit and withdraw funds from their accounts, make it illegal for Saksoft, or its employees or agents, to knowingly engage, or attempt to engage in a

monetary transaction in criminally derived property. The objective of anti-money laundering procedures that Saksoft implements is to ensure that customers engaging in certain activities are identified to a reasonable standard, while minimizing the compliance burden and impact on legitimate customers. Saksoft is committed to assisting governments combat the threat from money laundering and terrorist financing activities around the world. For that purpose Saksoft conducts credit checks and economic standing review through use of digital and online that documents and verifies client identification records, and tracks and maintains detailed records of all transactions. Saksoft carefully tracks suspicious and significant transaction activities, and reports such activities providing timely and comprehensive advice to law enforcement. To uphold the Integrity of the reporting systems and provide protection to businesses, the legislative framework provides legal protections to providers of such advises. In order to minimize the risk of money laundering and terrorist financing activities, Saksoft does not accept cash deposits and does not pay out cash under any circumstances. Saksoft is also prohibited from informing a customer that they have been reported for suspicious activity.

Saksoft reserves the right to refuse to process a transfer at any stage, where it believes the transfer to be connected in any way to money laundering or criminal activity and may reject a withdrawal and require further information to verify if the person who requested the withdrawal is the real owner of the account. The customer will receive a communication by e-mail informing him or her that the withdrawal has been rejected by Saksoft specialists and the customer will be requested to join our support channels within the default trading platform to provide the requested details or to answer related security questions. Saksoft had implemented a compliance regime, as laws require from financial institutions, including appointment of a compliance officer, preparation of policies and procedures, periodic review of their effectiveness, and ongoing compliance training of our staff. Saksoft is committed to regularly update its electronic system for inspection of suspicious transactions and for verification of client identification records, in accordance with any new regulations as they are promulgated, as well as providing training for its employees on enhancements to anti-money laundering procedures that may be required by new regulations.

## **Conflicts of Interest**

All Saksoft employees must disclose or seek direction on any issues that could potentially conflict with their responsibilities to the company.

What is a conflict of interest? - Conflicts of interest may arise when two or more competing interests could impair the ability to make objective, unbiased business decisions, which are not necessarily in the best interests of Saksoft. Conflicts of Interest may take the form of financial interests in a competitor, supplier or customer business, recruiting a close family member, close or longstanding friendships or relationships with competitors, suppliers or customers or engaging in employment outside Saksoft.

## Fraud, Bribery and Corruption

Saksoft takes extremely seriously the effective prevention and detection of fraud, bribery and corruption and any other fraudulent or corrupt activity. It will not tolerate them in any form. The top management is fully committed to promoting a zero tolerance approach across the group. As well as being illegal, fraud, bribery, corruption and any other fraudulent or corrupt activity are damaging to all parties who engage in them.

**Corruption** usually occurs because some individuals are willing to use illicit means to maximize personal or corporate profit. Corruption includes bribery, extortion, fraud, deception, collusion, cartels, abuse of power, embezzlement, trading in influence and money laundering.

A **bribe** is not necessarily just a gift of money. It is an action where a person promises or gives a financial or other advantage which is designed to induce any party to perform a function improperly or reward them for having performed a function improperly. The payment or monetary value need not be of large value – for example it could be an invitation to a sporting event.

**Fraud** is an act of deception intended for personal gain or to cause a loss to another party. The general criminal offence of fraud can include deception whereby someone knowingly makes false representation, or they fail to disclose information, or they abuse a position.

We will not offer, give or receive bribes or improper inducements for any purpose whether directly or via a third party. This prohibition applies to employees, subsidiaries, business heads, suppliers, agents and anyone else acting for or on behalf of Saksoft. Our policy applies to every part of our business and to every part of the world in which we operate. We will endeavor to adopt best practice and aim not to do business with any party who breaches this policy

We expect all Saksoft employees to act honestly and with integrity to safeguard Saksoft and our customers' assets, including information, goodwill and property. We each have a responsibility for fraud prevention, detection and reporting and the Top management encourages anyone with reasonable suspicions of fraud or corruption to report them. All cases of attempted, suspected or proven fraud or corruption will be investigated and dealt with appropriately. No employee will suffer as a result of reporting reasonable suspicions.

## The Four Principles

### 1 Ethically Driven

We conduct our business activities in a fair and transparent manner with honesty, integrity, high ethical & moral standards and respect for human rights. We strongly

believe that high ethical standards are essential for sound business relationships. We expect our suppliers to share this commitment while conducting their business.

### **1.1. Business Integrity and Ethics**

#### **a. Conflict of interest**

Suppliers are expected to report any conflict of interest in any business dealings with Saksoft that supplier is aware of to allow us the opportunity to take appropriate action. It should be disclosed if any Saksoft employee or professional under contract with Saksoft may have significant ownership or interest in a supplier's business.

#### **b. Bribery, corruption, gifts and donations**

Suppliers in all commercial dealings with Saksoft or otherwise must not receive or offer to make any illegal payments, gifts, bribes, donations or other improper advantage in order to obtain unethical favour for the business. All suppliers must ensure that no action is taken to violate any applicable anti-bribery or anti-corruption laws and regulations in the locations of their operations and make every effort to eliminate all forms of corruption and bribery.

#### **c. Confidentiality**

Suppliers shall safeguard and respect Saksoft's intellectual property; trade secrets and other confidential, proprietary and sensitive information or data at all times and shall not disclose the same. The information provided by Saksoft should be used only for its intended and designated purpose as decided and agreed upon between Saksoft and the supplier.

#### **d. Anti-competitive and restrictive trade practices**

Suppliers must comply with applicable local and international laws to promote free and fair competition and to get business by offering competitive prices and innovative products.

### **1.2. Human Rights**

#### **a. Forced and child labour**

Suppliers shall prohibit use of child labour at any stage of their business process. We expect that our suppliers will not employ any person below the age of 15 (or as per local law, whichever is greater). The suppliers must not use forced labour including prison or debt bondage labour, human trafficking or modern-day slavery.

b. Compensation and working hours

We expect suppliers to comply with applicable wage and hour laws, regulations and mandatory industry standards pertaining to minimum wages, overtime pay, working hours and rest periods.

c. Non-discrimination

Suppliers must ensure there is no discrimination in their hiring and employment practices on the basis of race, colour, gender, age, nationality, religion, sexual orientation, marital status, citizenship, disability, veteran status, medical condition etc.

### **1.3. Accountability and Transparency**

a. Maintaining appropriate financial records

We expect suppliers to prepare and maintain accounts of business dealings fairly, accurately and in accordance with accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country of operation.

### **1.4. Legal and Regulatory Compliance**

We expect our suppliers to comply with all applicable laws and regulations within the country of operation. All other applicable international laws and regulations should also be complied with. Suppliers should follow guidelines of all the required permits and registrations to be legally compliant at all times.

## **2 Social Focused**

We are committed towards supporting sustainable development and business practices. Sustainable practices now have grown to encompass social performance criteria as well. We believe that an organization should play a significant and beneficial role within the local community and society in general. We are contributing towards social and economic

development of the communities in which we operate and expect our suppliers to take steps towards same.

## **2.1 Responsible Conduct with Stakeholders**

### **a. Fair dealing with vendors/suppliers**

We encourage our suppliers to conduct all transactions with their business partners in fair and transparent manner including fair evaluation, reasonable selection, equal opportunities, fair and free competition for all.

### **b. Diversity in workforce**

We suggest that suppliers should take initiatives to have a diverse and inclusive workforce in terms of age, gender, experience, ethnicity etc.

### **c. Engage and involve local communities where applicable**

We encourage our suppliers to address issues and concerns of the community impacted by operations of the supplier and minimize the impact.

## **2.2 Employee Health and Safety**

We expect our suppliers to adopt robust and relevant management practices in order to comply with applicable health and safety laws, rules, regulations and industry standards. The suppliers are also encouraged to conduct training and awareness activities for employees on health and safety. We also suggest suppliers to take reasonable actions to prevent accident and injuries by analyzing and minimizing risk exposure. We encourage our Suppliers to maintain adequate insurances with reputed insurers to address any eventuality.

## **2.3 Local Community Development**

We understand that our operations not only affect our own communities but also of those who are in contact of our supply chains and our suppliers. Therefore, we encourage our suppliers to undertake steps to collaborate and associate with the local community for economic and social development by providing employment, helping in eradicating poverty, helping in developing skills of local people etc. wherever relevant.



### 3 Green Inspired

Environmental concerns are no more issues of tomorrow, but are real challenges that need to be addressed today. We aim at making our value chain environmental friendly and responsible. We are committed to comply with the requirements of local laws and regulations related to environment in the countries and regions in which it operates and from where it sources any material, product or services. We realize that the scope and nature of operations of our suppliers vary and hence emphasis on these principles may vary accordingly.

#### 3.1 Green Products and Processes

##### a. Reducing emissions and water intake

We suggest that our suppliers identify sources of emissions (CO<sub>2</sub>, Other Greenhouse Gases, SOX, NOX and Particulate Matter) and make progressive efforts towards reducing these emissions. Opportunities for reduction in water usage should be identified and measures for water conservation should be implemented.

##### b. Efficient systems and process

Suppliers should strive towards enhancing the efficiency and performance of the equipment and processes by continual improvement, monitoring and assessment of technology. Good practices should be followed to ensure environmental resources are valued and protected.

##### c. Reducing usage of hazardous and toxic materials and substances

We expect our suppliers to assess their use of hazardous and toxic material and take necessary steps to reduce it, as much as possible. Appropriate substitutes and replacements should be introduced to minimize exposure to such material.

##### d. Disposal of toxic waste

Toxic waste should be handled with professional guidance and mechanism should be put in place to dispose-off the waste to authorized waste processors by the suppliers. Toxic waste should not be allowed outside the premise without proper approval.

#### e. Renewable energy

We recommend our suppliers to use renewable sources of energy wherever possible so as to become more energy efficient and energy independent. The suppliers should take steps to identify the scope of replacing conventional sources of energy with sustainable and renewable sources in their operations.

### **3.2 Reduce, Reuse and Recycle**

#### a. Zero waste to landfill

Waste to landfill should be analysed and suppliers should try and set targets to reduce the quantity of disposal to landfills. Alternate waste disposal techniques should be adopted in order to reduce the impact on the environment.

#### b. Responsible consumption of resources

We recommend our suppliers to minimize use of all resources, including origin and optimal use of raw material, in their processes. The supplier should look for opportunities to reduce resource consumption by improving efficiency, investing in advanced technology, reusing material by innovating products and processes. The supplier should minimize dependence on scarce natural resource by identifying and using appropriate replacements.

#### d. Packaging material

Suppliers should try and take steps to reduce the environmental impact of their packaging material by developing innovative, practical solutions to modify the design and disposal method to the best possible extent.

### **3.3 Adopting Green Initiatives and Practices**

In order to monitor the environmental performance and to become environmental friendly, practices to monitor and minimize environmental impact should be imbibed in organization's processes. We recommend that our suppliers inculcate such practices in their operations and start new initiatives to reduce their impact on the environment.

## **4 Quality Centred**

Ensuring quality and adherence to the relevant product and services standard is of prime importance to us.

### **4.1 Quality Management System**

We expect our suppliers to establish quality objectives, policies, manual, procedures and have in place a certified Quality Management System by competent authority like ISO. The suppliers should comply with local regulations, registrations, have trainings, management reviews and internal audits to ensure that the Quality Management System is effective.

### **4.2 Data Security**

We expect our suppliers to safeguard all the information / data exchanged with saksoft. The Suppliers should have a broad information security policy and framework that defines and address the robustness in internal design and operation of the IT infrastructure. We require our Suppliers to have Business Continuity plans, Disaster recovery process, Incident Management and Response plans as part of their information security guidelines. Furthermore we expect the Suppliers to create awareness amongst their teams on data privacy, GDPR protocols and maintain high standards of delivery while involved in Data processing activities for Saksoft and its clients.

### **4.3 Others**

The suppliers should have in place proper housekeeping and pest control to ensure hygiene, safety and security of its workforce. We expect our suppliers to have proper maintenance of records along with process controls and finish product release programme. We expect our suppliers to have in place established practices for storage, handling and transportation of raw material and to maximise the risk prevention measures through good warehousing practices and proper handling of rejected item.

## **Implementation of Policy**

### **Applicability and Implementation**

We understand that our suppliers fall under different categories in terms of their scale, the product/service they supply, the raw materials being used by them, their organization

structure and geographies of operation. Keeping these factors in mind, we have designed the Policy in a manner that it works for the whole supplier base, although the level and type of compliance will vary depending on the type of the supplier and the principles applicable to them. We expect our suppliers to set in place internal policies, governance structures, systems, processes and take any other relevant measures to ensure adherence with this Policy. The suppliers are expected to disclose to us the goals set by them and the measures undertaken by them for each of the various principles underlined in this Policy. We will work with our suppliers to identify issues that do not meet our expectations and help them in addressing the gaps identified, if any. Where required and advocated by end clients we shall discuss on specifics related to applicability of relevant principles and their implementation for a particular service and document them to act as Sustainable Procurement Guide between the parties.

### **Monitoring and Reporting**

We expect our suppliers to monitor and report the initiatives undertaken by them with regards to ensuring adherence to this Policy. We recommend our suppliers to place monitoring and reporting mechanisms and management systems, wherever required to effectively implement and manage such initiatives. The suppliers should focus on continuously improving their performance with regards to compliance with this Policy.

### **Reporting on Breaches**

We support and encourage those who report actual or suspected breaches without any fear of retaliation. Any failure to comply with this Policy (including any failure by a team member of Saksoft or anyone acting on behalf of Saksoft to so comply), of which the supplier is aware, should be immediately reported through our anonymous whistleblower process, the failure to do so will be considered a breach of this Policy.

### **Distribution list**

All Saksoft employees, Third party vendor resources

### **Annexure**

The following principles, standards and conventions were used in preparing this Sustainable Procurement Policy and may be a useful source of additional information:

1. International Labour Organization Conventions
2. Universal Declaration of Human Rights
3. Saksoft's Code of Conduct