

# **Supply Chain Sustainability and Ethical Sourcing Policy**

**Nexus Intelligent Systems, Inc.**

## **1. Purpose and Scope**

1 This Supply Chain Sustainability and Ethical Sourcing Policy ("Policy") establishes the comprehensive framework for responsible procurement and vendor management at Nexus Intelligent Systems, Inc. (the "Company").

2 The Policy applies to all corporate procurement activities, vendor relationships, and supply chain interactions globally, covering direct and indirect suppliers, contractors, and strategic partners.

## **2. Guiding Principles**

### **1 Ethical Commitment**

The Company is committed to maintaining the highest standards of ethical conduct, environmental responsibility, and social accountability throughout its global supply chain.

### **2 Core Values**

Our supply chain management is founded on the following fundamental principles:

- a) Human Rights Protection
- b) Environmental Sustainability
- c) Labor Standards Compliance
- d) Transparent Business Practices
- e) Continuous Improvement

## **3. Supplier Requirements**

### **1 Mandatory Compliance Standards**

All suppliers must meet or exceed the following minimum requirements:

- a) Legal Compliance
  - Full adherence to applicable local, national, and international labor laws
  - Compliance with environmental regulations
  - Prohibition of child labor and forced labor practices

## b) Labor Practices

- Commitment to fair wages and working conditions
- Respect for workers' rights to collective bargaining
- Prohibition of discrimination in employment
- Maintenance of safe and healthy workplace environments

## c) Environmental Standards

- Demonstrated commitment to reducing carbon footprint
- Implementation of sustainable manufacturing processes
- Responsible waste management practices
- Transparent reporting of environmental impact metrics

## 2 Supplier Assessment and Monitoring

The Company will:

- Conduct comprehensive due diligence on potential suppliers
- Perform periodic audits and assessments
- Maintain a dynamic supplier scorecard evaluating sustainability performance
- Reserve the right to terminate relationships for non-compliance

## 4. Sustainability Performance Metrics

### 1 Supplier Evaluation Criteria

Suppliers will be assessed based on:

- Carbon emissions reduction efforts
- Renewable energy utilization
- Waste reduction initiatives
- Ethical labor practices
- Transparency in supply chain operations

### 2 Continuous Improvement Framework

Suppliers are expected to:

- Set progressive sustainability targets
- Provide annual sustainability reports
- Demonstrate year-over-year improvement in environmental and social metrics

## **5. Reporting and Accountability**

### **1 Whistleblower Protection**

The Company maintains a confidential reporting mechanism for supply chain ethics concerns, ensuring:

- Anonymous reporting channels
- Protection against retaliatory actions
- Thorough and impartial investigation procedures

### **2 Transparency Commitment**

The Company will publish an annual Supply Chain Sustainability Report detailing:

- Supplier compliance rates
- Sustainability achievements
- Ongoing improvement initiatives

## **6. Implementation and Governance**

### **1 Responsible Departments**

- Procurement Department: Primary implementation
- Sustainability Committee: Oversight and strategic guidance
- Legal Department: Compliance verification

### **2 Policy Review**

This Policy will be comprehensively reviewed and updated annually to reflect evolving global standards and best practices.

## **7. Legal Disclaimer**

1 This Policy represents a statement of current corporate principles and does not constitute a contractual obligation. The Company reserves the right to modify, interpret, and enforce these standards at its sole discretion.

## **8. Acknowledgment and Execution**

Approved and Executed:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024