



## SMC INTEGRATED FACILITY MANAGEMENT SOLUTIONS LIMITED

Plot No 18, 3<sup>rd</sup> Floors, DDA Community Centre, Okla. Phase 1,  
New Delhi - 110020, India.

## ESG – POLICY MANUAL



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Issue No : 02  
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Initial Issue : 5<sup>th</sup> July, 2023  
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### AMENDMENT SHEET

DATE	ISSUE NO	REV NO	REASON	REMARKS
5 <sup>th</sup> July, 2023	01	00	Initial Issue	-
4 <sup>th</sup> July, 2024	02	00	First Annual Review	-



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## ENERGY USAGE POLICY

### SMC/ESG/POLICY- 01

#### 1. Purpose


SMC is committed to reducing its environmental impact by enhancing energy efficiency, minimizing greenhouse gas emissions, and adopting sustainable energy practices. Through continuous monitoring and the integration of advanced technologies, SMC aims to lower its carbon footprint across operations. The company aligns its initiatives with national and international ESG frameworks, ensuring compliance and contributing to global climate goals. By promoting renewable energy, optimizing resource usage, and engaging stakeholders in sustainability efforts, SMC fosters a culture of environmental responsibility. These actions reflect SMC's dedication to building a greener future while maintaining operational excellence and long-term value for all stakeholders.

#### 2. Scope of Application

This water management policy applies to all employees, vendors, contractors, and partners engaged with SMC. It covers all business areas within our integrated facility management services, including housekeeping, technical services, manpower support, as well as digitization, automation, and mechanization activities that involve the use of water. The policy is applicable across all SMC operational sites throughout India, ensuring that water conservation, pollution prevention, and sustainable usage practices are uniformly followed. Every stakeholder is expected to contribute to responsible water use in alignment with this policy, supporting SMC's broader commitment to environmental sustainability and ESG principles.

#### 3. Governance of the Policy

The ESG Steering Committee, chaired by the Head of Sustainability and supported by Operational Heads, will oversee the implementation, compliance, and periodic review of this policy. The committee ensures alignment with ESG goals, monitors performance, and drives continuous improvement in sustainability practices across all operational areas of SMC.

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## 4. Definitions

### ➤ Energy Consumption

Energy consumption refers to the total use of electricity, fuel, and other energy sources required to operate machinery, vehicles, buildings, and processes. Monitoring and reducing energy usage is critical for improving efficiency, lowering operational costs, and minimizing environmental impact in alignment with sustainable development and ESG commitments.

### ➤ GHG Emissions

Greenhouse gas (GHG) emissions include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). These gases contribute to climate change, and tracking their emissions is essential for setting reduction targets and meeting regulatory and ESG-related environmental responsibilities.

### ➤ Scope 1, 2, and 3 Emissions

Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect, from purchased electricity, steam, heating, or cooling. Scope 3 emissions cover all other indirect sources, such as supply chain activities, business travel, and transportation. Identifying these scopes aids in comprehensive GHG accounting and reduction planning.


## 5. Roles and Responsibilities

### ➤ Operations Teams

Operations teams are responsible for actively monitoring and managing energy consumption at their respective sites. They identify inefficiencies, implement energy-saving measures, and ensure equipment is operated and maintained optimally. Their role is critical in driving site-level improvements and contributing to the organization's overall energy reduction goals.

### ➤ Procurement

The procurement team plays a key role by selecting energy-efficient products, equipment, and services. By prioritizing suppliers and technologies with lower energy footprints, they support the organization's sustainability objectives. Their decisions directly influence operational efficiency and long-term environmental performance, aligning procurement practices with ESG and energy conservation targets.

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### ➤ HR/Training

The HR and training departments facilitate energy-awareness programs to educate employees on sustainable practices. They promote behavioral changes that contribute to energy efficiency, such as responsible equipment use and reducing wastage. Through regular workshops and communications, they embed energy-conscious thinking across the workforce, supporting a culture of sustainability.

### ➤ Sustainability Officer

The Sustainability Officer ensures compliance with the organization's energy policy, monitors performance metrics, and manages internal and external reporting. They coordinate with departments to track energy usage and emissions, ensure alignment with ESG standards, and drive continuous improvement initiatives to meet energy and environmental objectives effectively.

## 6. Energy Usage Policy


### 6.1 HVAC Efficiency Systems

To reduce energy consumption and improve operational efficiency, SMC will invest in optimizing HVAC systems. New systems will feature high energy-efficiency ratings and variable speed drives for better control. Smart thermostats, occupancy sensors, and zone-based control systems will be installed to adjust cooling and heating based on real-time needs. Scheduled preventive maintenance will be strictly followed to ensure systems run at peak efficiency. In large facilities, SMC will explore thermal energy storage or chilled water systems to reduce peak load consumption. These efforts will not only lower energy bills but also improve comfort and environmental performance.

### 6.2 Transport Emissions Impact

SMC is dedicated to lowering greenhouse gas emissions arising from its transportation activities. This includes optimizing delivery and travel routes, reducing fuel consumption, and incorporating hybrid or electric vehicles into the company fleet wherever feasible. In addition, SMC will promote eco-driving practices such as maintaining optimal speed, reducing idling, and proper vehicle maintenance. Fleet performance and emissions will be continuously tracked using digital monitoring tools to improve efficiency. These initiatives are part of SMC's broader commitment to environmental stewardship and align with international ESG targets aimed at decarbonizing transport and mitigating the impact of climate change.



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### 6.3 Energy-Intensive IT Systems

SMC acknowledges that IT infrastructure contributes significantly to energy consumption. To address this, the company will implement several energy-saving strategies, including the use of energy-efficient servers and advanced data center cooling technologies. Server consolidation and virtualization will be adopted to reduce hardware footprint, and automatic shutdown features will be enabled for idle computers and peripherals. Cloud-based services may be utilized to enhance efficiency. IT teams will monitor system performance and energy use to identify further optimization opportunities. These actions will significantly reduce the carbon footprint of SMC's digital operations while maintaining high performance and data security.

### 6.4 Improper Equipment Disposal

SMC is committed to the environmentally responsible disposal of obsolete electrical and electronic equipment. The company will ensure that all such waste is managed through certified e-waste recyclers in compliance with the Waste Electrical and Electronic Equipment (WEEE) Directive and Indian E-Waste Management Rules. Proper tracking, documentation, and disposal protocols will be established to avoid environmental contamination and health risks. Whenever possible, components will be refurbished or reused before recycling. This policy reflects SMC's commitment to circular economy principles, pollution prevention, and sustainable resource management as part of its broader ESG strategy.


### 6.5 Audit Implementation

SMC will conduct comprehensive energy and carbon audits at regular intervals to assess its energy consumption and greenhouse gas emissions. These audits will cover office facilities, operational areas, and vehicle fleets. By identifying energy inefficiencies, leakages, and high-emission zones, SMC will be able to implement corrective actions that lead to tangible improvements in energy performance and emissions reduction. Audit findings will feed into strategic planning, help in setting measurable targets, and support compliance with environmental standards. Third-party experts may be engaged for audit verification and benchmarking, reinforcing the transparency and reliability of SMC's environmental performance data.

### 6.6 Outsourcing Emissions Footprint

SMC acknowledges that a portion of its environmental footprint originates from outsourced services and indirect activities. To reduce these emissions, SMC will collaborate closely with vendors and contractors to ensure their operations reflect the company's energy and environmental objectives. Procurement policies will mandate the use of energy-efficient technologies, low-emission practices, and compliance with sustainability standards. Regular assessments and audits will be conducted to verify alignment and encourage improvements.



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By extending sustainability expectations to its supply chain, SMC ensures that indirect emissions are managed proactively, supporting broader ESG goals and reinforcing responsible business practices across its value chain.

### 6.7 Inefficient Lighting Consumption

SMC is committed to enhancing energy efficiency by upgrading all lighting systems across its facilities. Traditional lighting will be replaced with high-efficiency LEDs, and smart technologies like occupancy sensors, daylight harvesters, and automatic dimmers will be installed to optimize usage. Lighting design will be aligned with green building standards, maximizing the use of natural light and reducing artificial lighting during daytime hours. Energy consumption from lighting will be regularly monitored and evaluated for performance improvements. These measures will significantly lower energy use, reduce operational costs, and contribute to SMC's ESG objectives on resource conservation and emissions reduction.

### 6.8 Employee Awareness Deficit


SMC understands that employee awareness and behavior play a critical role in achieving energy efficiency. To bridge existing gaps, comprehensive training programs will be implemented across all departments. These sessions will focus on simple yet impactful energy-saving techniques, such as switching off idle equipment, reducing unnecessary air conditioning use, and reporting energy inefficiencies. Employees will also be encouraged to participate in sustainability campaigns and provide feedback. Through ongoing education and engagement, SMC aims to build a workplace culture that values environmental responsibility, where every team member contributes to reducing the organization's overall energy footprint.

### 6.9 Renewable Energy Gap

To reduce dependency on fossil fuels and decrease Scope 2 emissions, SMC is committed to adopting renewable energy sources across its operations. The company will begin by purchasing certified green power from licensed renewable energy providers. In parallel, feasibility studies will be conducted to explore on-site renewable installations, such as rooftop solar panels at office buildings and industrial sites. Where technically and economically viable, these installations will be prioritized. SMC will also track renewable energy consumption to ensure progress is measurable. This proactive approach supports national clean energy targets and aligns with international ESG and climate commitments.

### 6.10 Regulatory Compliance Gaps

SMC fully commits to adhering to all relevant local and international regulations governing energy use and environmental protection.

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The company will comply with frameworks such as the Restriction of Hazardous Substances (RoHS) Directive, ISO 14001 Environmental Management Standards, the United Nations Global Compact (UNGC), and national energy guidelines. A structured compliance program will include regular audits, policy reviews, and corrective actions to ensure continuous alignment. SMC will also stay informed about emerging laws and trends to adapt its strategies proactively. This compliance-driven approach supports long-term operational integrity, legal accountability, and the company's ESG and sustainability commitments.

### 6.11 Energy Conservation Training

SMC recognizes that employee awareness is essential for successful sustainability initiatives. To address this risk, the company will implement regular training programs focused on energy conservation, climate change mitigation, and environmentally responsible behavior. Training will be tailored to roles, providing clear guidelines on how each employee can contribute to energy efficiency. Practical topics such as equipment shutdown protocols, optimal thermostat settings, and resource-saving habits will be covered. Additionally, employees will be encouraged to share innovative energy-saving ideas, which will be acknowledged and rewarded, thus fostering an engaged, responsible, and energy-conscious workforce aligned with SMC's sustainability goals.

### 6.12 Operational Energy Overuse

SMC recognizes that high electricity usage significantly impacts its environmental footprint. To address this, the company is committed to reducing consumption by investing in energy-efficient technologies such as LED lighting, energy management systems, and high-efficiency machinery. Operational processes will be reviewed and optimized to eliminate wasteful practices. SMC will conduct annual energy audits to assess energy performance, identify hotspots of excessive use, and implement targeted interventions. Staff at operational sites will be involved in energy-saving initiatives, ensuring ownership and accountability. These measures aim to lower costs, improve sustainability, and align with ESG goals related to responsible resource usage.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Inefficient HVAC Systems	Improve indoor air quality and reduce energy use	Percentage of energy-efficient HVAC systems	▲ 60%
2	Transport Emissions Impact	Reduce GHG emissions from staff and vendor travel	CO <sub>2</sub> emissions (kg)	▼ 50%



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3	Energy-Intensive IT Systems	Lower energy consumption of IT infrastructure	Power consumption (kWh)	▼ 50%
4	Improper Equipment Disposal	Enhance safe e-waste disposal	Number of properly disposed equipment	▲ 60%
5	Audits Implementation	Increase number of EHS and energy audits conducted	Number of audits	▲ 1 year 60%
6	Outsourcing Emissions Footprint	Monitor and reduce carbon impact of outsourced services	Partner emissions report (kg CO <sub>2</sub> )	▼ 25%
7	High Energy Consumption	Optimize energy efficiency in facility operations	Monthly energy use (kWh)	▼ 15%
8	Employee Awareness Deficit	Improve employee engagement on EHS and sustainability	Training participation (%)	▲ 100 %
9	Renewable Energy Gap	Increase use of clean and renewable energy	Renewable energy usage (%)	▲ 40%
10	Regulatory Compliance Gaps	Ensure full alignment with EHS regulations	Non-compliance cases	▼ 100%
11	Energy Conservation Training	Educate workforce on energy-saving practices	Number of trained employees	▲ 100%
12	Operational Energy Overuse	Identify and reduce excess energy in operations	Operational energy per sq. ft (kWh)	▼ 15%

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## 8. Reference to Applicable Standards, Laws, Acts

- ISO 14001 & 26000
- UNGC (Principle 7-9)
- GRI Standards (302, 305)
- RoHS, WEEE, REACH
- EC Regulation 2037/2000
- EU Directives on energy, hazardous substances, and electromagnetic exposure
- National Energy Conservation Act (India), CPCB Guidelines
- Carbon Disclosure Project (CDP)

## 9. Distribution and Annual Review


The policy will be distributed to all employees and made available on the internal portal for easy access. It will also be shared with key external partners to ensure alignment. An annual review will be conducted by the ESG Committee, with updates and revisions made as necessary to comply with evolving regulations, operational changes, or new industry standards. This process ensures that the policy remains relevant and effective in promoting energy conservation and climate action within the organization.

## 10. Disciplinary Action for Policy Violators

Violations of this policy, such as intentional wastage of energy, non-compliance with established procedures, or misreporting energy usage, will result in disciplinary action. The severity of the action will depend on the nature of the violation, ranging from verbal warnings to more serious consequences like termination. In cases where legal violations are involved, the company may pursue legal recourse to ensure accountability and maintain operational integrity.


## 11. Reporting Mechanism

Employees and stakeholders are encouraged to report any violations, inefficiencies, or suggestions for improvement through various channels. These include a confidential ESG Helpline that ensures privacy, an internal Energy Performance Feedback Portal for direct communication, and annual ESG feedback surveys to gather input from all relevant parties. These mechanisms empower individuals to contribute to the continuous improvement of energy management practices and help maintain a transparent and accountable organizational culture.

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## 12. Conclusion

This Energy Consumption Policy reflects SMC's strong commitment to sustainability and the integration of ESG principles into its operations. By emphasizing proactive energy management, emissions reduction, and fostering awareness among employees and stakeholders, SMC aims to significantly reduce its environmental footprint. The policy supports efficient resource use, encourages the adoption of energy-saving technologies, and aligns with global standards for climate responsibility. Through these initiatives, SMC contributes to a low-carbon future while ensuring responsible, efficient, and sustainable service delivery across India. This policy reinforces the company's dedication to continuous improvement and environmental stewardship as part of its long-term strategic vision.

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## EMPLOYEE GROWTH STRATEGY POLICY

### SMC/ESG/POLICY- 02

#### 1. Purpose


This policy reflects SMC's dedication to building a skilled, motivated, and future-ready workforce by implementing structured career development pathways, ongoing training, and inclusive learning programs. By fostering internal mobility and upskilling, SMC aims to enhance employee retention, boost morale, and ensure long-term organizational resilience. The policy supports a culture of continuous improvement, where employees are encouraged to take ownership of their professional growth. It aligns with ESG principles by promoting social equity, inclusivity, and fair access to opportunities, while simultaneously driving operational excellence and sustainable business outcomes. Through this approach, SMC empowers its people to grow alongside the organization.

#### 2. Scope of Application

This policy applies to all SMC employees, including full-time, part-time, temporary, and contractual staff, regardless of their role, designation, or length of service. It encompasses all departments and hierarchical levels within the organization, ensuring equitable access to career development and training opportunities. The policy covers core business areas such as Facility Management—including Housekeeping, Technical Services, and Manpower Services—as well as Corporate Functions like HR, Finance, and Administration. Geographically, it is applicable across all SMC operations and project sites within India. This inclusive coverage ensures a unified approach to workforce development aligned with SMC's operational goals and ESG commitments.

#### 3. Governance

The HR Department will oversee the implementation and governance of this Career Development and Training Policy, working in close coordination with Department Heads to ensure alignment with operational goals. ESG Compliance Officers will provide support by integrating relevant sustainability and equity considerations. Oversight responsibilities rest with the ESG Steering Committee, which will monitor implementation progress, review performance metrics, and recommend policy updates as needed. Strategic decisions related to workforce development, training priorities, and succession planning will be reviewed annually by senior management to ensure continued alignment with business objectives, evolving employee needs, and the broader ESG vision of the organization.

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## 4. Definition of Terms

### ➤ Career Management

Career Management at SMC refers to a structured and strategic approach to planning and guiding employees' professional journeys in alignment with both individual aspirations and organizational goals. It includes setting clear development paths, identifying competencies, and creating growth opportunities through mentoring, feedback, and targeted programs. The goal is to enhance employee engagement, increase retention, and build leadership pipelines. Through active participation, employees gain clarity on their career direction, while the organization ensures talent is developed and deployed effectively. This process supports long-term success by aligning workforce development with SMC's evolving business and sustainability priorities.

### ➤ Training

Training at SMC encompasses structured learning activities aimed at improving employees' job-specific knowledge, technical skills, and workplace behaviors. It includes induction programs, on-the-job training, workshops, certifications, and e-learning modules tailored to various roles. Training initiatives are designed to close performance gaps, support compliance, and prepare employees for changing operational demands. SMC prioritizes both functional and soft skill development, ensuring that staff are well-equipped to deliver quality outcomes. By fostering a culture of continuous learning, training contributes to operational excellence, safety, and ESG goals while enhancing employee satisfaction and competence across departments.


### ➤ Internal Mobility

Internal Mobility refers to SMC's commitment to enabling employees to explore and transition into new roles, departments, or geographical locations within the organization. It fosters career progression, cross-functional learning, and employee engagement by recognizing and utilizing internal talent. The policy encourages job rotations, promotions, lateral moves, and project-based assignments that match employees' skills and ambitions. By supporting internal career advancement, SMC reduces attrition, strengthens institutional knowledge, and enhances organizational agility. Internal mobility also aligns with the company's commitment to equal opportunity, diversity, and sustainable human capital management under its ESG framework.

### ➤ Professional Development

Professional Development at SMC is an ongoing process of learning and capability building that empowers employees to enhance their performance, advance their careers, and adapt to emerging industry trends.



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It includes external certifications, leadership programs, seminars, and access to knowledge platforms. SMC encourages a proactive approach to development by supporting learning goals that align with both personal growth and strategic business needs. This commitment not only strengthens individual potential but also reinforces organizational resilience, innovation, and productivity. Through professional development, SMC cultivates a high-performing, future-ready workforce aligned with its values and ESG-driven growth agenda.

## 5. Roles and Responsibilities

### ➤ HR Team


The HR Team plays a central role in the execution of SMC's career development and training initiatives. They are responsible for designing and implementing structured training programs tailored to various roles and departments. The team maintains comprehensive employee training records to monitor participation and impact. HR also conducts career planning sessions, offering guidance on growth paths and aligning employee aspirations with organizational needs. In collaboration with department heads, HR evaluates training effectiveness and updates learning strategies accordingly. By fostering a culture of continuous learning, the HR Team ensures that career development remains a strategic priority aligned with SMC's ESG commitments.

### ➤ Line Managers

Line Managers are key facilitators of career development within their respective teams. They are responsible for identifying skill gaps through regular performance assessments and operational needs analysis. Managers nominate suitable employees for relevant training programs and actively support their learning journeys. Additionally, they serve as mentors by providing feedback, coaching, and career growth advice. Their close interaction with employees enables personalized development planning and encourages team engagement. Line Managers ensure that individual learning goals align with departmental objectives, thus fostering a productive and skilled workforce. Their involvement is vital for integrating training into daily operations and driving long-term development outcomes.

### ➤ Employees

Employees at SMC are expected to take ownership of their personal and professional development by actively participating in training and upskilling opportunities. They should engage in learning sessions, apply acquired knowledge to their roles, and provide feedback to improve training effectiveness. Employees are also encouraged to seek mentorship, discuss career goals with managers, and explore internal mobility options. By embracing a growth mindset and contributing to the learning culture, employees help strengthen the organization's talent pool.

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## ➤ ESG Committee

The ESG Committee plays a governance role in ensuring that SMC's career development and training initiatives are aligned with environmental, social, and governance (ESG) frameworks. The committee monitors relevant Key Performance Indicators (KPIs), such as training hours, diversity in development programs, and internal mobility rates. It reviews program effectiveness, provides strategic direction, and recommends enhancements that support equity, inclusion, and sustainable growth. By embedding ESG principles into workforce development strategies, the ESG Committee ensures that learning opportunities contribute not only to operational excellence but also to the company's long-term social impact and ethical responsibility.


## 6. Employee Growth Strategy Policy

### 6.1 Employee Development Planning

SMC will institutionalize Individual Development and Career Plans (IDCPs) for every employee to facilitate structured career growth. These plans will be jointly developed by the employee and their supervisor during annual performance reviews and revisited mid-year. The IDCP will capture career aspirations, current competencies, improvement areas, training needs, and a roadmap for progression. It will also align personal goals with organizational needs, ensuring mutual benefit. Employees will be supported through coaching, mentoring, and access to targeted training opportunities. By formalizing career planning, SMC aims to enhance motivation, retention, and internal talent development, thereby advancing operational excellence and ESG performance.

### 6.2 Insufficient Onboarding Process

To ensure smooth integration of new hires, SMC will provide structured onboarding and induction programs within the first week of joining. These sessions will cover company values, policies, ESG commitments, code of conduct, and role-specific responsibilities. Induction will be customized by function and supported by mentors or team leads. The onboarding process will also include training on digital tools, safety protocols, and communication channels. Feedback from new employees will be collected to improve the program continuously. This approach is designed to accelerate productivity, foster engagement, and ensure that all recruits are well-prepared and aligned with organizational expectations from day one.

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### 6.3 Limited Learning Opportunities

SMC is committed to creating a learning-driven culture by ensuring that all employees have access to ongoing professional development opportunities. This includes periodic training in technical areas, soft skills, leadership development, and digital tools relevant to job functions. ESG-related learning will be embedded across all levels to promote sustainability and ethical conduct. Training calendars will be shared regularly, and learning needs will be assessed through manager feedback and performance reviews. By encouraging continuous learning, SMC will enhance adaptability, innovation, and employee engagement while ensuring its workforce remains future-ready and aligned with long-term organizational goals.

### 6.4 Internal Mobility Strategies


SMC will promote internal mobility as a core pillar of employee engagement and career development. Mobility pathways will include vertical promotions, horizontal role transitions, cross-functional projects, and inter-location assignments. These will be made transparent through internal job postings and guided by clear eligibility criteria. Employees will be encouraged to explore new challenges, supported by mentoring, onboarding, and relevant upskilling. Regular mobility audits will be conducted to ensure equity across departments and demographics. By strengthening internal talent pipelines, SMC enhances retention, workforce flexibility, and leadership readiness while supporting diversity and long-term organizational resilience.

### 6.5 Career Growth Stagnation

SMC will establish transparent career mobility frameworks to enable internal growth and prevent stagnation. This includes policies for internal job postings, cross-functional project assignments, and leadership development tracks. Performance reviews and career aspirations will be linked to individualized development plans and succession planning. Regular career conversations between managers and employees will help align personal goals with business needs. These efforts aim to recognize and retain talent, motivate employees, and build a resilient workforce. SMC's commitment to mobility will not only enhance employee satisfaction but also ensure long-term organizational agility and leadership continuity.

### 6.6 Unfocused Skills Development

SMC will adopt a dynamic, personalized skills development framework that aligns with individual job profiles and evolving organizational requirements. Skills assessments will be conducted periodically to identify specific employee training needs and future role competencies. Based on the results, customized learning paths will be designed, integrating digital, in-person, and blended training formats.

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These paths will cover technical, leadership, and ESG-related skills, ensuring holistic development. Employees will have access to a centralized learning platform, and participation will be monitored to evaluate effectiveness. This approach promotes employee engagement, career growth, and service excellence while aligning with long-term business and ESG goals.

### 6.7 Unequal Training Access


To promote inclusive development, SMC will ensure that training opportunities are accessible to all employees regardless of gender, job level, function, or location. A blended learning approach combining e-learning modules, in-person workshops, and mobile-accessible content will be adopted. Training materials will be developed in multiple languages and adapted for different literacy and technical levels. Local training champions may be designated to ensure relevance and engagement. This equitable approach will help build a unified, skilled workforce across geographies, promote diversity, and uphold SMC's ESG values of fairness and inclusion in professional development.

### 6.8 Sustainability Training Initiatives

Recognizing the growing importance of environmental and social responsibility, SMC will embed ESG and sustainability-focused training into all relevant learning programs. Employees will be trained on topics such as climate action, waste management, energy conservation, ethical practices, and human rights. Specialized sessions will be designed for teams in procurement, operations, and leadership to ensure they drive sustainable outcomes. Training materials will include case studies, real-life scenarios, and measurable learning outcomes. These programs will cultivate an ESG-aware workforce, strengthen compliance with national and international frameworks, and position SMC as a responsible and forward-thinking organization.

### 6.9 Inconsistent Performance Evaluation

To foster accountability and growth, SMC will implement a structured performance assessment system conducted biannually. These reviews will combine quantitative KPIs with qualitative behavioral feedback and ESG-aligned performance indicators. Managers and employees will jointly discuss results, identify skill gaps, and establish action-oriented development plans. A standardized evaluation format will ensure fairness and consistency across departments, with special attention to role-specific expectations and inclusive language. The system will also highlight high-potential employees for further development and internal mobility opportunities. Transparent performance reviews will build a culture of merit, support goal alignment, and enable strategic workforce planning.


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## 6.10 Existing Staff Skill Gaps

SMC recognizes the importance of addressing skill gaps to remain competitive and responsive to evolving industry standards. Annual skills gap assessments will be conducted across all departments to identify training needs and tailor learning programs accordingly. These upskilling initiatives will focus on both technical competencies and soft skills required for service excellence. Special emphasis will be placed on emerging technologies and ESG-related practices. By bridging identified gaps, SMC aims to enhance employee capability, job satisfaction, and overall service delivery, thereby strengthening client trust and retention. Results will be monitored through performance reviews and training outcome assessments.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Employee Development Planning	Implement structured development plans for all employees	Employees with IDP (Individual Dev. Plan)	▲ 80%
2	Insufficient Onboarding Process	Improve onboarding for better integration and retention	Onboarded employees with formal program	▲ 90%
3	Limited Learning Opportunities	Increase training modules and sessions available	Number of learning modules	▲ 100%
4	Internal Mobility Strategies	Promote job rotations and internal hiring	Internal role changes	▲ 100%
5	Career Growth Stagnation	Improve career progression visibility and support	Employees promoted	▲ 45%
6	Unfocused Skills Development	Provide role-specific skills training	Employees in skill-based training	▲ 100%
7	Unequal Training Access	Ensure equitable access to training across all levels	Training access ratio (entry vs mgmt)	▲ 100%

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8	Sustainability Training Initiatives	Increase awareness and responsibility on ESG principles	Employees trained on ESG	▲ 100%
9	Inconsistent Performance Evaluation	Standardize annual performance appraisal process	Employees with annual appraisal	▲ 40%
10	Existing Staff Skill Gaps	Identify and close critical skill shortages through upskilling	Identified gaps addressed	▼ 30%

## 8. Reference to Applicable Standards, Laws, and Acts


- Universal Declaration of Human Rights
- ILO Fundamental Conventions (C142 on Human Resource Development)
- ISO 26000 on Social Responsibility
- GRI 404: Training and Education
- United Nations Global Compact Principle 6 (Elimination of discrimination in respect of employment)
- OECD Guidelines for Multinational Enterprises (Human Capital Development)
- India's Factories Act (Training & Development for Workers)
- National Skill Development Mission (NSDM), India

## 9. Distribution and Annual Review

This policy will be disseminated to all employees via multiple channels to ensure maximum reach and engagement. These include internal emails, the company intranet, onboarding kits, and during HR briefings. All employees will receive a copy during induction, ensuring they are aware of the career development framework from day one. The policy will undergo an annual review by the ESG Committee in collaboration with the HR team. Feedback from employees, audit results, and any changes in regulations or best practices will be considered to make necessary updates. This process ensures the policy remains relevant, effective, and aligned with organizational goals.

## 10. Disciplinary Action for Violations

Non-compliance with training requirements or misuse of resources allocated for career development will be subject to disciplinary action. The severity of the violation will determine the consequences, ranging from formal warnings to suspension from internal promotions or potential termination. Employees who fail to complete mandatory training or engage in unethical practices will be reviewed by HR and management.

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The aim is to ensure fairness, accountability, and transparency, and to maintain a work environment where personal growth aligns with company objectives. Clear documentation will be maintained for all violations, and employees will be informed of the process in advance.


## 11. Reporting Mechanism

SMC encourages employees to report any concerns or suggestions related to training, career development, or policy violations through the HR Helpdesk or the ESG Portal. For confidentiality, employees also have the option to provide anonymous feedback via the internal grievance system. The company values transparency and openness and ensures that all reports will be addressed within 10 working days. Reports will be thoroughly reviewed by HR and the ESG Committee to implement corrective actions or improvements where needed. Employees will be kept informed of the resolution process, ensuring accountability and fostering trust within the organization.

## 12. Conclusion

SMC believes that career development and continuous training are essential to achieving operational excellence and fostering employee well-being. By aligning talent growth with ESG principles and sustainability commitments, the company not only empowers its workforce but also ensures long-term success. SMC's focus on skill-building, internal mobility, and development opportunities helps employees progress in their careers while contributing to organizational goals. This commitment enables SMC to stay ahead in a competitive industry, improve employee retention, and attract top talent, ensuring the organization remains resilient, innovative, and responsible in its approach to both business and social impact.



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## EMPLOYEE WELLBEING POLICY

### SMC/ESG/POLICY- 03

#### 1. Purpose

The purpose of this policy is to create and maintain a safe and healthy working environment for all employees at SMC. It aims to identify, assess, and mitigate risks associated with workplace injuries, illnesses, and stress. The policy ensures compliance with relevant health and safety regulations and fosters a culture of well-being by promoting proactive measures, such as safety training, hazard identification, and risk assessments. Continuous improvement efforts will be made to enhance workplace conditions, ensuring employee safety, health, and overall productivity. SMC is committed to providing a work environment where employees can thrive in good health and safety.

#### 2. Scope of Application

This policy applies to all employees of SMC, regardless of their role, employment type, or location. It encompasses all business areas, including housekeeping, technical services, and manpower services. The policy covers every facility where SMC operates, such as client sites, corporate offices, and other locations where employees may be required to work. Ensuring the health and safety of all employees, whether at company-managed sites or client locations, is a fundamental aspect of this policy. SMC is committed to maintaining consistent safety standards and promoting well-being across all environments in which its employees are engaged.


#### 3. Governance

The policy will be governed by the Health & Safety Committee, led by the Chief Safety Officer (CSO), who will oversee the implementation, monitoring, and reporting of health and safety initiatives. The Committee will meet quarterly to review incidents, assess policy effectiveness, and make improvements.

#### 4. Definition of Terms

##### ➤ Health and Safety Committee

A designated team tasked with regularly monitoring workplace safety risks, making recommendations for improvements, and implementing safety protocols. They ensure that health and safety standards are met, conduct regular inspections, and work with management to prevent accidents and improve overall employee safety.

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### ➤ Personal Protective Equipment (PPE)

Protective gear designed to safeguard employees from hazards that could lead to injuries or illnesses in the workplace. PPE includes items like helmets, gloves, goggles, and masks, and its use is mandatory in high-risk environments to ensure employee safety and compliance with health regulations.

### ➤ Risk Assessment

The process of identifying potential hazards in the workplace, evaluating the likelihood and severity of associated risks, and implementing control measures to reduce or eliminate those risks. Regular risk assessments help ensure that workplaces remain safe, compliant, and responsive to emerging safety challenges and industry standards.

### ➤ Stress Prevention

Strategies aimed at reducing the psychological impact of work-related stress. These measures include promoting workload balance, providing employee support systems, fostering a positive work culture, and ensuring clear communication, all of which help prevent burnout, improve well-being, and promote a healthier work environment.


## 5. Roles and Responsibilities

### ➤ Top Management

Responsible for demonstrating leadership in health and safety by allocating adequate resources, setting strategic objectives, and ensuring company-wide commitment. They foster a safety-first culture, support continuous improvement initiatives, and ensure alignment with legal and regulatory health and safety requirements across all operations.

### ➤ Health & Safety Committee

Charged with reviewing existing safety protocols, recommending improvements, and ensuring compliance with policies and legal standards. They conduct periodic audits, investigate incidents, and serve as a bridge between management and employees to promote a proactive and participatory approach to workplace safety.

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### ➤ Managers and Supervisors

Accountable for implementing and enforcing safety measures within their teams. They organize regular safety briefings, ensure the availability and use of PPE, monitor compliance with safety policies, and act immediately on identified risks or incidents to maintain a safe working environment.

### ➤ Employees

Expected to adhere to all safety procedures, correctly use PPE, and immediately report any unsafe conditions, hazards, or incidents. Active participation in health and safety training and initiatives is essential, as employees play a critical role in maintaining a safe and healthy workplace.

## 6. Employee Wellbeing Policy

### 6.1 External Worker Safety


SMC extends its health and safety policies to cover all non-employees and contracted personnel, including temporary, agency, and self-employed workers. These individuals undergo the same induction safety training and are provided with the necessary PPE and emergency contact information. They are included in all safety drills and are subject to the same risk assessments and reporting procedures as full-time staff. Supervisors are tasked with ensuring compliance among third-party workers. By maintaining uniform safety standards, SMC ensures a consistent and inclusive safety culture across its entire workforce, regardless of employment status or work location.

### 6.2 Workplace Safety Measures

SMC is committed to maintaining a safe work environment by proactively identifying and mitigating risks that could lead to physical injuries such as slips, falls, equipment failures, and vehicular incidents. Regular workplace inspections, job hazard analyses, and risk assessments will be conducted. Mandatory safety training will be provided for all staff, supported by the distribution and monitoring of appropriate personal protective equipment (PPE). In addition, incident reporting and investigation procedures will be established to prevent recurrence. All safety measures and procedures will be reviewed annually to ensure they remain effective and aligned with changing workplace conditions and legal requirements.

### 6.3 Hazardous Exposure Control

SMC ensures strict compliance with chemical safety standards by implementing robust controls for hazardous substances. All such materials are clearly labeled, stored securely, and handled using standardized protocols. Employees are trained on safe handling procedures and the importance of PPE usage.

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Material Safety Data Sheets (MSDS) are available at all points of use, and engineering controls such as proper ventilation and spill containment systems are in place. Regular audits and risk assessments are conducted to update controls as needed. These measures collectively aim to minimize exposure risks, protect employee health, and ensure regulatory compliance.

#### 6.4 Stress Management Strategies


To address workplace stress, SMC will implement proactive measures to ensure workloads are equitable and achievable. Job responsibilities will be clearly defined, and managers will be trained to identify early signs of stress among employees. Support tools such as stress management workshops, peer support groups, and time management training will be made available. Employees will be encouraged to take adequate breaks, utilize their leave entitlements, and maintain a healthy work-life balance. Regular employee performance reviews and feedback sessions will be used to detect and address stress-related issues, ensuring that interventions are timely and tailored to individual and team needs.

#### 6.5 Employee Health Screening

SMC prioritizes employee health by conducting regular health check-ups, including annual medical screenings and fitness-for-duty assessments. Special focus is placed on employees in high-risk roles involving noise, chemicals, or heavy machinery. Medical surveillance programs are implemented to detect occupational illnesses early and recommend preventive or remedial action. All health data is handled confidentially and used to enhance workplace conditions. Based on medical findings, SMC may reassign duties or improve protective measures. These proactive screenings help reduce absenteeism, boost productivity, and support long-term employee well-being across all departments and functions.

#### 6.6 Occupational Health Protection

SMC prioritizes the physical health of employees by conducting regular medical screenings and health check-ups, especially for those working in high-risk environments such as technical, housekeeping, and industrial operations. The company will implement preventive strategies, including ergonomic work practices, proper ventilation, hygiene protocols, and exposure control measures. Access to clean drinking water, sanitary facilities, and health-related education will be provided. In hazardous locations, employees will be given specific guidance and health monitoring tailored to their roles. Through proactive health management, SMC aims to detect issues early, reduce absenteeism, and maintain the overall physical well-being of its workforce.

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## 6.7 Workplace Well-being Measures

SMC acknowledges the importance of mental health and takes active steps to reduce workplace stress. Employees are supported through access to counseling services, mental health awareness programs, and flexible working arrangements. Workloads are managed to prevent burnout, and regular feedback sessions are conducted to identify stressors. The company promotes work-life balance and encourages participation in wellness initiatives. Team bonding, recognition programs, and open communication are fostered to create a positive workplace culture. Employee mental health is also monitored via surveys, allowing for timely interventions. These efforts help sustain a psychologically safe and resilient workforce.

## 6.8 Workplace Risk Evaluation


SMC is dedicated to systematically identifying and controlling workplace hazards through regular health and safety risk assessments. These assessments include thorough hazard identification, risk evaluation, and determination of necessary controls. Risk assessments are updated periodically or when significant operational changes occur. All findings lead to the creation of preventive and corrective action plans, ensuring that identified risks are effectively mitigated. The goal is to foster a proactive safety culture, prevent workplace injuries or illnesses, and maintain compliance with applicable safety standards and legal requirements. Each assessment is documented, reviewed, and monitored to verify the effectiveness of implemented control measures.

## 6.9 Radiation exposure control

In locations where ionizing radiation is present, SMC enforces strict radiation safety measures in line with national regulatory standards. Shielding materials, warning signage, and restricted access zones are implemented to minimize exposure. Employees working in such areas undergo specialized training and are equipped with dosimeters to monitor cumulative radiation levels. Routine equipment inspections and environmental monitoring are conducted to ensure safety. Radiation exposure data is reviewed regularly to identify trends or anomalies. These proactive measures ensure that workers remain within safe exposure limits while carrying out their duties in radiation-prone environments.

## 6.10 Workplace Mental Wellness

Recognizing the critical role of mental health in employee productivity and satisfaction, SMC is committed to supporting the psychological well-being of all staff. The company will promote open communication, respect, and inclusion in the workplace, and provide access to professional counseling services and mental health resources. Regular awareness programs on topics such as emotional resilience, mindfulness, and coping strategies will be offered.

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Work-life balance will be encouraged through flexible scheduling and workload management. SMC will also monitor mental health trends via anonymous surveys, feedback mechanisms, and consultations, using this data to enhance support systems and foster a mentally healthy workplace

### 6.11 RSI Prevention Strategies


SMC takes proactive steps to minimize the risk of Repetitive Strain Injuries (RSIs) by incorporating ergonomic design in workspaces. This includes adjustable workstations, chairs, and tools tailored to individual needs. Task rotation and micro-breaks are encouraged to reduce strain from repetitive motions and static postures. Ergonomic assessments are conducted regularly, especially in roles with high physical demands such as computer operation or manual handling. Training on posture, proper lifting techniques, and workstation setup is provided. These initiatives aim to reduce musculoskeletal disorders, enhance comfort, and improve employee performance through a healthier, ergonomically optimized work environment.

### 6.12 Safety Training Program

To ensure safety awareness, SMC provides comprehensive health and safety training to all employees during induction and at scheduled intervals. Training modules are tailored to job roles and risk exposure and include topics such as hazard identification, safe equipment operation, PPE use, emergency response, and incident reporting. Refresher training is mandatory annually or when job responsibilities or workplace risks change. Practical demonstrations, toolbox talks, and visual aids are used to reinforce learning. Records of all training sessions are maintained, and employee understanding is assessed. This continuous education ensures every team member is competent and confident in managing safety risks.

### 6.13 Incident Reporting Mechanism

SMC has established a transparent and accessible complaints procedure for reporting health and safety incidents or concerns. Employees can report issues anonymously through a dedicated helpline, internal portal, or directly to their supervisor or the Health & Safety Committee. Each report is logged, investigated promptly, and corrective actions are taken as needed. Investigations focus on root cause analysis to prevent recurrence. Employees are encouraged to report without fear of retaliation. Data from complaints is analyzed regularly to identify trends and areas for improvement. This mechanism supports a culture of accountability and continuous enhancement of workplace safety standards.

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## 6.14 Emergency Safety Plan

SMC maintains a robust Health and Safety Emergency Action Plan designed to respond to various workplace emergencies, such as fires, chemical spills, electrical failures, and machinery accidents. The plan outlines clear procedures for evacuation, first aid, containment, and communication during emergencies. All employees are trained on these procedures during onboarding and through regular refresher sessions. Periodic emergency drills are conducted to test response readiness and improve coordination among teams. Emergency contact numbers, assembly points, and roles of designated response personnel are clearly communicated. The plan is reviewed annually and after major incidents to ensure continued relevance and effectiveness.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	External Worker Safety	Ensure safety protocols are extended to external and contract workers	External workers trained in safety	▲ 100%
2	Workplace Safety Measures	Implement safety infrastructure and SOPs across sites	Number of sites with safety SOPs	▲ 100%
3	Hazardous Exposure Control	Minimize exposure to hazardous substances	Exposure incidents	▼ 100%
4	Stress Management Strategies	Promote mental well-being and reduce work-related stress	Stress management sessions held	▲ 80%
5	Employee Health Screening	Enhance preventive health through regular screenings	Employees screened	▲ 85%
6	Occupational Health Protection	Reduce occupational illness through targeted health programs	Illness cases reported	▼ 70%
7	Workplace Well-being Measures	Improve access to well-being programs	Employees using well-being services	▲ 60%



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8	Workplace Risk Evaluation	Conduct risk assessments periodically across all operational sites	Sites assessed	▲ 100%
9	Radiation exposure control	Monitor and control EMF/radiation risk from equipment	Radiation audits conducted	▲ 1Year
10	Workplace Mental Wellness	Support mental health through structured programs	Employees enrolled in mental wellness	▲ 95%
11	RSI Prevention Strategies	Prevent repetitive strain injuries via ergonomic interventions	RSI training sessions conducted	▲ 100%
12	Risks Safety Training Program	Build safety awareness through continuous training	Employees trained in safety	▲ 100%
13	Incident Reporting Mechanism	Improve incident reporting culture and responsiveness	Incidents reported	▲ 60%
14	Emergency Safety Plan	Strengthen emergency preparedness across all facilities	Sites with updated emergency plans	▲ 100%

## 8. Reference to Various Applicable Standards, Laws, Acts

- Universal Declaration of Human Rights (UDHR)
- International Labour Organization's (ILO) Fundamental Conventions
- OHSAS 18001 (Occupational Health and Safety Assessment Series)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- ISO 26000 (International Organization for Standardization)
- Factories Act, 1948
- Employees' State Insurance Act, 1948

## 9. Distribution and Annual Review

This health and safety policy will be distributed to all employees during their induction training and regularly reinforced through departmental safety meetings. Additionally, the policy will be made permanently accessible via the internal company portal for easy reference.

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To maintain its effectiveness and compliance, the Health & Safety Committee will conduct a formal review of the policy on an annual basis. This review will consider feedback from employees, audit results, and updates to legal and regulatory requirements. Necessary revisions will be implemented and communicated across the organization to ensure continuous improvement and relevance of the policy framework.

## 10. Disciplinary Action for Policy Violators

SMC adopts a zero-tolerance approach toward violations of its health and safety policy. Employees who neglect or breach safety protocols—including failing to wear personal protective equipment (PPE), disregarding safety signage, or not reporting known hazards—will be subject to disciplinary measures. These may include verbal or written warnings, mandatory retraining, suspension, or even termination, depending on the severity and recurrence of the violation.


Such enforcement is essential to maintain a safe working environment for all. The objective is to encourage accountability, deter negligence, and foster a proactive safety culture throughout the organization.

## 11. Reporting Mechanism

To ensure swift identification and resolution of potential health and safety issues, SMC provides multiple reporting channels. Employees may report safety concerns anonymously through a dedicated helpline, or directly to their immediate managers or members of the Health & Safety Committee. All reports, whether anonymous or direct, will be treated confidentially and with urgency. Each complaint or concern will be investigated promptly, with findings documented and necessary corrective actions implemented. This open and responsive mechanism helps reinforce a culture of transparency and continuous improvement in workplace health and safety.

## 12. Conclusion

SMC remains steadfast in its commitment to protecting the health, safety, and well-being of its workforce. Through regular risk assessments, employee training, and robust safety practices, the company aims to prevent workplace injuries and illnesses. This policy reflects SMC's belief that every employee has a right to a safe work environment and a responsibility to uphold safety standards. By aligning safety initiatives with organizational goals and regulatory obligations, SMC fosters a resilient and responsible workforce prepared to meet operational challenges while safeguarding employee welfare.

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## RESPECT AND DIGNITY POLICY

### SMC/ESG/POLICY- 04

#### 1. Purpose


SMC is dedicated to maintaining a work environment free from discrimination, harassment, and any form of abuse. This policy aims to create an inclusive, respectful, and equitable workplace that aligns with our ESG principles. It ensures that all employees, regardless of background, gender, age, ethnicity, disability, or other personal characteristics, are treated with fairness and dignity. SMC promotes a culture of respect, providing opportunities for all employees—whether temporary, part-time, or full-time—to thrive in a healthy and supportive work environment. The company is committed to upholding the rights of every individual and fostering a diverse and harmonious workforce..

#### 2. Scope of Application

This policy applies to all employees of SMC, including permanent, temporary, part-time, and contracted staff, as well as contractors, suppliers, and visitors within the workplace. It covers all business areas and operations within SMC, including Housekeeping, Technical Services, and Manpower Services, across all departments and functions. The policy is applicable to all geographical locations where SMC operates, including corporate offices, work sites, and any other areas where employees may be engaged in work activities. It ensures that all individuals involved in SMC's operations adhere to the standards set for a safe, inclusive, and respectful work environment.

#### 3. Governance

The policy is governed by the ESG Steering Committee, which provides overall direction and oversight, ensuring that SMC's commitment to a fair and inclusive workplace is met. The HR Department is responsible for the policy's implementation and ongoing compliance, including integrating it into company operations and culture. To maintain its relevance and effectiveness, the policy will undergo an annual review, considering any changes in local and international laws, industry standards, and SMC's evolving sustainability goals. The review process will ensure that the policy aligns with best practices, supports employee rights, and continues to promote a respectful and inclusive work environment.

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## 4. Definition of Terms

### ➤ Discrimination

Discrimination refers to the unfair or unequal treatment of an individual or group based on protected characteristics such as race, color, gender, sexual orientation, religion, disability, age, or any other factor recognized by law. It involves making decisions or creating an environment that disadvantages individuals based on these characteristics, denying them equal opportunities. Discrimination can occur at any level within the workplace, from hiring and promotions to day-to-day interactions. SMC is committed to ensuring that all employees are treated with respect and fairness, and that no one is subjected to discriminatory practices or behaviors within the workplace.

### ➤ Harassment


Harassment includes any unwelcome or inappropriate behavior that creates an intimidating, hostile, or offensive environment. It can take many forms, including verbal comments, physical actions, or visual displays that offend, demean, or belittle others. This behavior can be based on race, gender, age, disability, or any other characteristic, and can have a significant impact on an employee's ability to work. SMC is dedicated to preventing harassment by fostering an inclusive workplace culture, providing education, and offering clear channels for reporting such incidents, ensuring swift and appropriate action is taken to address complaints.

### ➤ Abuse

Abuse in the workplace involves any form of physical, verbal, emotional, or psychological harm inflicted on an individual. It may include acts of violence, threats, intimidation, bullying, or humiliation, which can severely affect the well-being and mental health of the victim. SMC is committed to maintaining a safe environment where such behavior is not tolerated. All employees are expected to treat each other with dignity and respect. Any abuse, whether it occurs between employees, managers, or contractors, will be investigated thoroughly and corrective actions will be implemented to prevent further incidents.

### ➤ Equal Treatment

Equal treatment refers to the principle of ensuring that all employees are treated with fairness and respect, with access to the same opportunities and resources regardless of their background, gender, age, race, or other protected characteristics. This means that no individual is given preferential or discriminatory treatment based on their personal attributes. SMC is committed to upholding equal treatment in every aspect of the workplace, from recruitment and training to promotions and daily interactions. By fostering an environment of fairness, we ensure that all employees have the opportunity to reach their full potential.

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## 5. Roles and Responsibilities

### ➤ SMC Leadership

SMC leadership is committed to ensuring that the company's culture aligns with the principles outlined in this policy. They are responsible for demonstrating a commitment to fairness, inclusion, and respect in all aspects of company operations. Leadership must allocate sufficient resources, including training, support systems, and tools, to effectively implement the policy. By leading through example, SMC's leadership fosters an organizational culture that discourages discrimination, harassment, and abuse. They must also regularly review the policy's effectiveness and make necessary adjustments to ensure continuous improvement and compliance with both internal and external standards.

### ➤ Managers and Supervisors


Managers and supervisors play a crucial role in enforcing this policy by actively monitoring workplace behavior and intervening when necessary to prevent discrimination, harassment, or abuse. They are responsible for creating a safe, inclusive, and respectful environment, addressing any issues promptly and fairly. Managers must ensure that employees understand their rights and obligations under this policy and provide support in resolving conflicts. They should be approachable, maintain open lines of communication, and ensure that all complaints are taken seriously and handled with confidentiality. Managers should also lead by example, promoting inclusive practices in daily operations.

### ➤ Employees

Employees are expected to fully adhere to the standards set forth in this policy by maintaining a respectful, inclusive, and fair environment. They should contribute to creating a workplace where discrimination, harassment, and abuse are not tolerated. Employees are encouraged to report any violations they witness or experience, whether through formal channels or informal discussions with HR or management. By respecting the rights of others and promoting diversity, employees help foster a collaborative and supportive work environment. Their participation in training, along with their commitment to this policy, ensures a healthier and safer workplace for everyone.

### ➤ HR Department

The HR department is responsible for maintaining the reporting system for complaints related to discrimination, harassment, or abuse, ensuring that employees have access to clear, confidential, and efficient ways to report incidents. HR is tasked with investigating complaints thoroughly, impartially, and in a timely manner. They provide training on discrimination and harassment prevention for all employees, managers, and leadership, ensuring everyone understands their responsibilities.

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Additionally, HR is responsible for following up on complaints to ensure proper resolution and implementing corrective measures where necessary. HR ensures that the company remains compliant with all relevant laws and standards.

## 6. Respect and Dignity Policy

### 6.1 Discrimination Complaint Process


SMC has established a confidential, non-retaliatory grievance mechanism for employees to report any incidents of discrimination or harassment. This system is accessible to all employees, including those from vulnerable or minority groups. The grievance process ensures that employees can report issues without fear of retaliation, with strict confidentiality maintained throughout. The mechanism is communicated to all stakeholders regularly, ensuring they are aware of how and where to report concerns. Our commitment to transparency and accountability ensures timely resolution of grievances, reinforcing trust in the company's commitment to a fair work environment.

### 6.2 Physical and Psychological Abuse

SMC takes any form of physical or psychological abuse seriously and is dedicated to providing a safe work environment where employees feel secure. Any acts of aggression, whether verbal, physical, or emotional, will not be tolerated. SMC will take immediate corrective actions, including disciplinary measures, to address incidents of abuse. Employees are encouraged to report any form of abuse through established channels, with the assurance of confidentiality and no fear of retaliation. Through ongoing awareness and training, SMC works to prevent abuse and fosters a workplace culture where employees feel respected and valued.

### 6.3 Workplace Pay Equity

SMC is committed to promoting wage equality across all levels of the organization. We regularly audit compensation structures to ensure that there are no discrepancies based on gender, ethnicity, or other protected characteristics. Our analysis includes a review of factors contributing to the wage gap, and corrective actions are taken to address any inequalities found. We ensure that all employees are compensated fairly for the work they perform, and that promotions or pay increases are based on performance and merit, not on discriminatory factors. Equality in compensation is a key pillar of our diversity efforts.

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#### 6.4 Harassment Prevention Measures

SMC is committed to maintaining a workplace free from harassment by fostering a culture of respect and dignity for all employees. We actively educate our staff on their rights and responsibilities to ensure harassment is recognized and prevented. Through training programs and clear policies, we provide employees with the tools to understand and address inappropriate behavior. Any complaints of harassment are treated seriously, with prompt and thorough investigations. SMC ensures that employees feel safe and supported when reporting incidents, and we take immediate corrective actions to address any harassment, maintaining a respectful and professional environment. SMC takes a proactive approach to preventing workplace harassment through clear policies and dedicated resources. We maintain an active anti-harassment committee to oversee the enforcement of these policies, investigate complaints, and ensure a timely response to any incidents. Regular audits are conducted to identify any areas of concern, and employees are encouraged to report harassment without fear of retaliation. We also promote open dialogue on the topic through workshops and discussions, ensuring all employees understand the company's zero-tolerance stance on workplace harassment and feel supported.


#### 6.5 Victim Support Mechanism

SMC has a robust remediation procedure in place for victims of discrimination or harassment. When violations occur, appropriate measures are taken based on the severity of the issue, ensuring a fair and proportional response. The process includes transparent communication, support for the affected individuals, and continuous monitoring to assess the effectiveness of implemented remedies. Our goal is to restore dignity to the victim and prevent recurrence. We remain committed to addressing any harmful behavior promptly, providing victims with the necessary support, and ensuring that corrective actions are carried out effectively.

#### 6.6 Discrimination in Hiring Practices

SMC is committed to ensuring that its hiring processes are free from discrimination, fostering a fair and inclusive environment for all candidates. We strive to eliminate biases related to race, gender, disability, religion, age, or any other characteristic that could influence hiring decisions. Our recruitment practices are designed to be transparent, providing equal opportunity to every applicant. All hiring decisions will be based on qualifications, experience, and merit, promoting diversity across all levels of the organization. SMC will continuously review its recruitment methods to identify any potential biases and work towards creating a more inclusive workforce.



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## 6.7 Minority Support Groups

SMC is committed to creating a supportive and inclusive work environment by establishing affinity groups for minorities and vulnerable employees. These groups offer a platform for employees to connect, share experiences, and receive peer support. They help foster an environment where diversity is valued and where underrepresented groups have a voice. We also offer mentorship programs, cultural awareness events, and initiatives that create an inclusive community, ensuring that all employees, regardless of background, feel included, supported, and empowered to thrive in their careers.

## 6.8 Equal Growth Opportunities


SMC is dedicated to providing equal opportunities in professional development and promotions. We ensure that all employees, regardless of background, have access to career advancement resources. HR personnel undergo regular training on non-discriminatory practices to eliminate bias in evaluations and promotions. Employees have equal opportunities for skill enhancement and progression within the organization, supported by clear, merit-based criteria. Through ongoing awareness, training, and equitable career development policies, we foster a culture where employees can thrive and grow without discrimination.

## 6.9 Promotion Discrimination Concerns

SMC is dedicated to providing equal opportunities for career advancement to all employees based on their skills, performance, and potential, regardless of personal characteristics such as race, gender, or age. We ensure that promotions and career development opportunities are based on merit, ensuring fairness and transparency throughout the evaluation process. SMC actively works to eliminate bias from performance assessments and promotion decisions by implementing clear, objective criteria. We encourage professional growth by offering mentorship, training, and development programs, aiming to provide all employees with the support they need to succeed and progress in their careers.

## 6.10 Disability Inclusion Efforts

SMC is committed to ensuring an accessible and inclusive work environment for employees with disabilities. We have implemented measures to make physical infrastructure accessible, such as ramps, wider doorways, and ergonomic workstations. Additionally, we provide specific training programs aimed at the psychological and emotional adaptation for employees with disabilities. Our efforts ensure that all employees, regardless of their abilities, can contribute effectively and are provided with the necessary tools and support to succeed. This inclusive approach fosters a diverse workforce and a positive, supportive culture.

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### 6.11 Mental Health Challenges

SMC recognizes the importance of mental well-being in the workplace and is committed to addressing employee stress and mental health concerns. The company provides resources such as confidential counseling services, mental health workshops, and stress management programs to help employees cope with work-related pressures. SMC encourages open discussions on mental health, reducing stigma and promoting a supportive environment. Employees are encouraged to take mental health days when needed, fostering a healthy work-life balance. By prioritizing mental health, SMC aims to create a work environment where employees feel supported and equipped to manage stress and mental well-being effectively.

### 6.12 Fair Recruitment Practices

SMC is committed to ensuring a fair, transparent, and merit-based recruitment process that eliminates any form of discrimination. We emphasize diversity in our hiring efforts, ensuring that all job candidates, whether internal or external, are given equal opportunities. Our recruitment policies and practices are regularly reviewed to prevent biases in selection, ensuring an equitable process for all applicants. SMC encourages diverse candidates and promotes an inclusive environment from the very beginning of the recruitment process to create a balanced and non-discriminatory workforce.

### 6.13 Women's Advancement Programs

SMC actively supports the development of women within the organization through tailored mentorship and sponsorship programs. These programs provide women with guidance, leadership training, and career advancement opportunities. We are committed to fostering female talent through strategic initiatives, including networking opportunities, targeted training programs, and female-specific leadership development sessions. Our goal is to create a workplace where women are empowered to pursue leadership roles and are supported in their professional journey, promoting gender equality in the workforce.

### 6.14 Diversity Training Programs

SMC provides comprehensive training on diversity, equity, and inclusion for all employees. This mandatory training is designed to promote a culture of respect, understanding, and inclusion. Employees are educated on preventing discrimination and fostering a workplace free from harassment and bias. Our training program includes workshops, discussions, and activities that help employees understand the importance of diversity and the value it brings to the organization. We aim to create a work environment where all employees feel safe, valued, and respected, contributing to an overall positive organizational culture.



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## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Discrimination Complaint Process	Establish a transparent, accessible complaint process	Discrimination complaints resolved	▲ 100%
2	Physical and Psychological Abuse	Prevent and eliminate abuse in the workplace	Abuse incidents reported	▼ 0 cases
3	Workplace Pay Equity	Ensure fair pay across roles, genders, and levels	Pay gap audit reports	▲ 1 year
4	Harassment Prevention Measures	Strengthen policies and training on harassment prevention	Employees trained in POSH	▲ 100%
5	Victim Support Mechanism	Provide support services to affected employees	Employees supported	▲ 100%
6	Discrimination in Hiring Practices	Eliminate bias in recruitment processes	Hiring audits conducted	▲ 1 audits/year
7	Minority Support Groups	Promote inclusion through support networks	Employee resource groups (ERGs) formed	2 groups
8	Equal Growth Opportunities	Promote equal access to training and promotions	Employees from underrepresented groups promoted	▲ 60%
9	Promotion Discrimination Concerns	Monitor fairness in promotion decisions	Promotions reviewed for equity	▲ 100%
10	Disability Inclusion Efforts	Improve infrastructure and hiring practices for persons with disability	PwD employees hired	▲ 100%



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11	Mental Health Challenges	Address mental well-being issues at work	Mental health consultations	▲ 80%
12	Fair Recruitment Practices	Implement unbiased hiring methods and diversity panels	Recruiters trained in fair hiring	▲ 100%
13	Women's Advancement Programs	Promote leadership and skill growth for female employees	Women in leadership roles	▲ 40%
14	Diversity Training Programs	Build awareness and commitment to workplace diversity	Employees completed diversity training	▲ 100%

## 8. Reference to Applicable Standards, Laws, Acts

- Universal Declaration of Human Rights (UDHR)
- International Labour Organization (ILO) Fundamental Conventions
- OHSAS 18001 (Occupational Health and Safety Assessment Series)
- United Nations Global Compact - 10 Principles
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI)
- ISO 26000 (International Standard Organization)
- Indian Constitution and applicable Indian labor laws (e.g., The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013)

## 9. Distribution and Annual Review

This policy will be distributed to all employees during their onboarding process, with annual reminders and updates provided through the company's intranet and email. All employees are required to acknowledge their understanding of the policy annually. The ESG Steering Committee will conduct an annual review of the policy to ensure it is in compliance with current regulations, best practices, and SMC's evolving objectives. This regular review process will help maintain the policy's effectiveness in addressing discrimination, harassment, and abuse, ensuring that it remains relevant and aligned with the company's commitment to fostering a respectful, inclusive work environment.

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## 10. Disciplinary Action for Policy Violators

SMC adopts a zero-tolerance approach to discrimination, harassment, and abuse. Any employee found violating this policy will face disciplinary action, including verbal or written warnings, suspension, or termination of employment, depending on the severity of the violation. In cases involving contractors or third-party vendors, violations of the policy may result in contract termination. The company takes these matters seriously, and corrective actions will be taken to ensure accountability and maintain a safe, inclusive environment. Employees are reminded that adherence to this policy is a condition of continued employment and engagement with SMC.


## 11. Reporting Mechanism

SMC provides multiple reporting channels to ensure that employees can easily report incidents of discrimination, harassment, or abuse. Direct reporting can be made to immediate supervisors, HR, or through the company's whistleblowing system, ensuring confidentiality. Additionally, an anonymous online reporting tool is available to promote a safe environment where employees feel free to report concerns without fear of retaliation.

If concerns are not addressed adequately, employees have the option to escalate matters to senior management or, if necessary, external authorities. SMC is committed to investigating all reports promptly and taking appropriate action to resolve issues.

## 12. Conclusion

SMC is dedicated to fostering a work environment where diversity, inclusion, and respect are paramount. The company's commitment to addressing and preventing discrimination, harassment, and abuse ensures that all employees have equal opportunities to thrive in a safe and supportive workplace. This policy serves as a cornerstone of SMC's broader organizational culture, reinforcing the importance of treating all individuals with dignity and respect. By adhering to this policy, SMC will continue to enhance its workplace environment, build stronger employee relationships, and promote a culture that values fairness and equality for all.

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## REMEDIAL ACTION PROCESS POLICY

### SMC/ESG/POLICY- 05

#### 1. Purpose

This policy is established to ensure that all incidents of discrimination or harassment within SMC are addressed promptly, fairly, and effectively. It provides a clear, transparent process for remediation that supports affected individuals, rectifies harm, and prevents future occurrences. The goal is to create a safe and respectful workplace where all employees feel valued and protected. This procedure upholds SMC's commitment to diversity, equity, and inclusion by ensuring that grievances are handled with integrity, confidentiality, and accountability. Through this policy, SMC reinforces its dedication to maintaining an inclusive culture that respects the rights and dignity of every individual.

#### 2. Scope of Application

This policy applies to all employees, contractors, and stakeholders engaged in SMC's operations. It covers all business areas, including housekeeping, technical services, and manpower services, as part of our integrated facility management framework. The policy is applicable across all geographic locations where SMC operates, both within India and internationally, maintaining consistent standards of fairness and inclusion.


#### 3. Governance

This is Overseen by the HR department, legal team, and ESG compliance officer to ensure alignment with ESG principles and regulatory requirements. These governing bodies are responsible for ensuring that all procedures are implemented fairly, transparently, and effectively across the organization.

#### 4. Definition of Terms

##### ➤ Discrimination

Discrimination refers to the unjust or prejudicial treatment of individuals or groups based on characteristics such as race, gender, age, disability, religion, sexual orientation, or any other trait protected by law. At SMC, we recognize that discrimination undermines workplace equality and employee morale. The company is committed to eliminating all forms of discrimination in its hiring practices, daily operations, and employee development opportunities. Any discriminatory actions, whether intentional or unconscious, will be investigated promptly.

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### ➤ Harassment

Harassment encompasses unwelcome conduct—verbal, physical, or visual—that creates a hostile, intimidating, or offensive work environment. This includes, but is not limited to, inappropriate comments, gestures, jokes, or physical advances. At SMC, harassment of any kind is strictly prohibited and will not be tolerated. All employees are expected to treat each other with dignity and respect. Harassment disrupts productivity, affects mental health, and creates a toxic atmosphere. Employees are encouraged to report any instances of harassment through designated channels. SMC is committed to investigating such reports impartially and taking corrective action to uphold a safe, professional, and respectful workplace.

### ➤ Remediation

Remediation refers to the structured response undertaken by SMC to address and resolve confirmed cases of discrimination or harassment. This process includes investigating the incident, supporting the victim, applying appropriate disciplinary actions, and implementing corrective measures. Remediation may involve offering apologies, adjusting roles or assignments, providing counseling support, or compensating for harm caused. The aim is to restore fairness, rebuild trust, and prevent future occurrences. All remediation efforts at SMC are guided by principles of transparency, confidentiality, and accountability, ensuring that affected individuals feel heard, protected, and empowered. Prompt and fair remediation strengthens the organizational commitment to equality and justice.

### ➤ Victims


Victims are individuals who experience harm—emotional, psychological, or physical—due to discriminatory or harassing behavior in the workplace. At SMC, victims are treated with utmost sensitivity and respect. The company provides various support mechanisms, including confidential reporting channels, counseling services, and protection from retaliation. Victims are encouraged to speak out without fear, knowing their concerns will be addressed swiftly and justly. SMC is committed to fostering a safe environment where every individual's dignity is preserved. Through our victim-support approach, we ensure that healing, empowerment, and fair treatment are central to our response to workplace misconduct and injustice.

## 5. Roles and Responsibilities

### ➤ HR Department

The HR Department plays a pivotal role in implementing SMC's anti-discrimination and harassment policy. It is responsible for maintaining confidentiality, managing the complaint process, and conducting thorough and unbiased investigations into any reported incidents.



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HR ensures that all complaints are addressed in a timely, fair, and respectful manner. Additionally, HR provides training and awareness programs to educate employees on their rights and responsibilities under the policy. The department must also track the effectiveness of resolutions, maintain relevant documentation, and support both victims and respondents throughout the process to uphold a safe, inclusive, and compliant workplace environment.

### ➤ Managers and Supervisors


Managers and supervisors are responsible for fostering a respectful, inclusive, and harassment-free workplace. They are expected to lead by example, reinforcing SMC's values and policies through their behavior. Managers must monitor team dynamics, intervene when inappropriate behavior arises, and promptly report any suspected incidents of discrimination or harassment to HR. They are also expected to support affected employees, maintain confidentiality, and assist with investigations when required. In addition, they should encourage open communication, promote policy awareness, and participate in training programs. Their proactive engagement is critical in building a workplace culture rooted in fairness, safety, and mutual respect.

### ➤ Employees

Employees at SMC are expected to uphold the principles of this policy by treating colleagues with dignity and respect at all times. Every employee shares the responsibility of maintaining a safe and inclusive workplace. This includes promptly reporting any observed or experienced instances of discrimination, harassment, or abuse to the appropriate channels. Employees are also required to cooperate fully during investigations, maintain confidentiality, and refrain from retaliation against complainants or witnesses. By understanding and adhering to the policy, employees contribute to a culture of accountability, fairness, and integrity, helping to reinforce SMC's commitment to diversity, equity, and inclusion.

### ➤ ESG Compliance Officer

The ESG Compliance Officer is responsible for ensuring that SMC's anti-discrimination and harassment policy aligns with Environmental, Social, and Governance (ESG) principles. They monitor the implementation and impact of the policy to ensure it supports sustainable and ethical practices across operations. The officer works closely with HR and senior management to evaluate the effectiveness of remediation measures, identify patterns or recurring issues, and recommend improvements. Additionally, the ESG Compliance Officer ensures that the policy complies with applicable legal standards and internal ethical commitments. Their oversight helps ensure the workplace remains fair, responsible, and aligned with broader organizational sustainability goals.

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## 6. Remedial Action Process Policy

### 6.1 Recruitment Discrimination Concerns

SMC is committed to upholding fair and inclusive recruitment practices that promote equal opportunities for all candidates, regardless of race, gender, age, disability, religion, or other protected characteristics. Our hiring decisions are based solely on merit, qualifications, and the requirements of the role. We incorporate structured interviews, diverse interview panels, and unbiased evaluation criteria to ensure a transparent selection process. The recruitment system is regularly audited to identify and eliminate any hidden biases. By embedding diversity and inclusion principles into every stage of recruitment, SMC fosters a workplace that values fairness, integrity, and equal opportunity for all.

### 6.2 Discriminatory Growth Opportunities


At SMC, professional development and career advancement opportunities are based on an individual's performance, capabilities, and potential—not on gender, ethnicity, or background. We regularly assess and update our HR policies to ensure promotion processes are transparent, equitable, and aligned with non-discriminatory practices. Managers are trained to recognize and mitigate unconscious bias in performance evaluations and succession planning. Through mentorship, upskilling programs, and regular reviews, we ensure all employees have a fair chance to grow. Our goal is to build a leadership pipeline that reflects the diversity of our workforce and promotes inclusiveness at every level of the organization.

### 6.3 Inclusion Awareness Gaps

SMC addresses discrimination proactively by mandating diversity, equity, and inclusion (DEI) training for all employees, from new hires to senior leadership. These training programs raise awareness of unconscious bias, respectful workplace behavior, and the importance of cultural sensitivity. DEI training is integrated into onboarding, annual compliance refreshers, and leadership development programs. The training equips employees with tools to identify and challenge discriminatory behavior while promoting inclusive language, practices, and team dynamics. By institutionalizing DEI learning, SMC fosters a culture of respect, empathy, and collaboration, creating an environment where every individual feels valued, safe, and empowered to contribute fully.

### 6.4 Grievance System Shortcomings

SMC is committed to maintaining a safe and respectful workplace through an effective, confidential grievance mechanism for reporting discrimination and harassment. The system offers multiple reporting channels—including anonymous tools—and ensures that complaints are handled impartially and without retaliation.

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Every report is promptly investigated, and outcomes are communicated transparently while maintaining confidentiality. The grievance system is regularly evaluated for accessibility, responsiveness, and fairness. Training is provided to HR and managers to ensure consistent and sensitive handling of complaints. This approach encourages employees to speak up confidently, knowing their concerns will be addressed with integrity and care.

### 6.5 Wage Gap Problems

SMC is firmly committed to eliminating wage disparities based on gender, ethnicity, or other non-performance-related factors. We conduct regular compensation audits and benchmarking to ensure our pay practices reflect fairness and market alignment. Transparent salary bands, standardized performance appraisals, and objective criteria for bonuses and promotions are integral to our compensation framework. We publish internal pay equity reports and engage with leadership to address any discrepancies. Equal pay for equal work is a cornerstone of our employee value proposition, and we actively promote financial equity as a means of fostering employee trust, engagement, and long-term organizational success.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Recruitment Discrimination Concerns	Eliminate bias in hiring and ensure equal opportunity	Diverse candidates hired	▲ 60%
2	Discriminatory Growth Opportunities	Ensure promotion and training access is inclusive	Underrepresented employees promoted	▲ 60%
3	Inclusion Awareness Gaps	Increase awareness through structured learning	Employees trained in DEI	▲ 100%
4	Grievance System Shortcomings	Strengthen the grievance redressal system for fairness and transparency	Grievances resolved within 30 days	▲ ▲ 95%
5	Wage Gap Problems	Identify and address wage disparities	Reduction in average wage gap	▼ 10% gap

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## 8. Reference to Applicable Standards, Laws, Acts


- Universal Declaration of Human Rights
- International Labour Organization's (ILO) Fundamental Conventions
- OHSAS 18001: Occupational Health and Safety Assessment Series
- United Nations Global Compact (UNGC) – 10 Principles
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000: Social Responsibility
- The Rights of Persons with Disabilities (RPD) Act, India
- Indian Constitution – Fundamental Rights and Equal Opportunity Laws
- Equal Remuneration Act, 1976 (India)

## 9. Distribution and Annual Review

This policy will be distributed to all employees, contractors, and key stakeholders upon induction and made continuously accessible via internal platforms such as email and the company intranet. To maintain its relevance and effectiveness, the policy will be reviewed annually by the ESG compliance officer in collaboration with the HR and legal teams. The review will incorporate feedback from employees and stakeholders to ensure alignment with evolving legal standards, organizational needs, and SMC's ESG objectives. Revisions will reflect best practices and regulatory updates, ensuring the policy continues to support a respectful, inclusive, and compliant work environment across all SMC operations.

## 10. Disciplinary Action for Policy Violators

SMC enforces a strict zero-tolerance policy for discrimination, harassment, and abuse. Any employee found violating the policy will face disciplinary measures based on the severity of the offense. These may include verbal or written warnings, mandatory counseling, suspension, demotion, or termination of employment. The disciplinary process will be fair, confidential, and conducted in accordance with due process. Contractors or third-party vendors violating the policy may face contract termination. All actions will be taken with a focus on maintaining a safe and inclusive workplace, reinforcing accountability, and upholding SMC's commitment to ethical conduct and ESG-aligned principles.


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## 11. Reporting Mechanism

SMC encourages prompt and transparent reporting of any incidents of discrimination or harassment. Employees can report concerns through multiple channels, including designated HR hotlines or email, anonymous reporting tools (if applicable), or directly to their managers or the ESG compliance officer. All reports will be treated confidentially and investigated promptly and impartially. SMC guarantees that no employee will face retaliation or adverse consequences for reporting in good faith. The reporting system is designed to empower employees to speak up without fear, ensuring that issues are addressed swiftly and fairly, thereby fostering a respectful and equitable work environment.

## 12. Conclusion

SMC is deeply committed to upholding a workplace culture rooted in respect, dignity, and equality. This remediation procedure ensures that any incidents of discrimination, harassment, or abuse are addressed fairly and effectively, promoting accountability and support for affected individuals. Through proactive implementation and ongoing evaluation of this policy, SMC aims to cultivate an environment where all employees feel safe, heard, and valued. Adherence to this procedure reflects our broader ESG commitments and supports continuous improvement across our operations. Ultimately, the policy reinforces our goal of maintaining a harmonious, inclusive, and legally compliant work environment for everyone.

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## WATER MANAGEMNET POLICY

### SMC/ESG/POLICY- 06

#### 1. Purpose


The purpose of this policy is to reaffirm SMC's commitment to responsible and sustainable water management across all its operations. This includes reducing overall water consumption, preventing water pollution, promoting the recycling and reuse of water, and safeguarding local water ecosystems. By implementing efficient water practices and technologies, SMC aims to contribute to the long-term sustainability of water resources. The policy aligns with ESG principles and supports both national and international water conservation objectives. Through this approach, SMC seeks to minimize its environmental impact, ensure regulatory compliance, and promote water stewardship as a core element of our sustainability strategy.

#### 2. Scope of Application

This water management policy applies to all employees, contractors, vendors, and partners engaged with SMC. It covers all areas of business operations where water is utilized, including integrated facility management services such as housekeeping, technical services, mechanized cleaning, and digitized operations. The policy is applicable across all current SMC locations in India and will extend to any future international sites. All stakeholders are expected to comply with the policy's objectives, ensuring responsible water usage, conservation, and management practices. The aim is to embed sustainable water practices throughout SMC's operations, aligning with environmental goals and regulatory requirements across all geographies.

#### 3. Governance

The ESG Committee at SMC holds overall responsibility for overseeing the implementation, monitoring, and continual improvement of this Water Management Policy. The committee ensures that the policy aligns with SMC's broader ESG goals and regulatory requirements. On a daily basis, the Environment Officer is accountable for ensuring operational compliance, promoting water conservation initiatives, and addressing any issues related to water usage. To maintain transparency and effectiveness, the internal ESG review team will conduct periodic audits and assessments. These reviews will help identify improvement areas, ensure policy adherence, and reinforce SMC's commitment to sustainable water management practices across all locations.

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## 4. Definition of Terms

### ➤ Water Stewardship

Water stewardship at SMC involves the responsible planning, management, and utilization of water resources across all operations. It emphasizes reducing consumption, avoiding contamination, and collaborating with stakeholders to protect water ecosystems. As part of our ESG commitment, SMC adopts a proactive approach to conserve water through monitoring, innovation, and education. Water stewardship ensures that our actions today do not compromise the availability of water for future generations. This includes promoting awareness among employees, engaging in local water initiatives, and adhering to relevant regulations. It is a cornerstone of our sustainable practices and environmental responsibility.

### ➤ Water Consumption

Water consumption refers to the total volume of water used by SMC across its integrated facility management services, including housekeeping, technical, and mechanized operations. We monitor and assess water use regularly to identify areas for reduction, efficiency, and optimization. Tracking water consumption helps SMC maintain accountability and supports data-driven decisions for sustainable water use. SMC commits to setting measurable reduction targets and investing in technologies like water-efficient fixtures and real-time monitoring systems. Reducing consumption not only conserves a vital resource but also reflects our dedication to ESG principles and long-term environmental sustainability.


### ➤ Water Pollution

Water pollution at SMC is addressed as a serious environmental concern, referring to the contamination of water bodies through any direct or indirect discharge of harmful substances resulting from operations. We strive to prevent pollutants such as chemicals, oils, and cleaning agents from entering water systems. Our operations follow stringent guidelines for effluent treatment and disposal to minimize the environmental impact. Regular water quality monitoring and compliance with local regulations are integral to our strategy. By preventing pollution, SMC protects biodiversity, community health, and the integrity of natural ecosystems in all operational areas.

### ➤ Greywater

Greywater at SMC is defined as lightly contaminated wastewater from non-toilet sources such as handwashing stations, floor cleaning, and certain technical processes. Unlike blackwater, greywater can be treated and reused for non-potable applications like landscaping, flushing, and cooling systems.



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SMC actively explores Greywater recycling technologies to reduce freshwater dependency and promote circular water usage. Incorporating greywater reuse aligns with our ESG goals and helps conserve water across our facilities. The company ensures safe treatment practices and periodic system audits to maintain hygiene and efficiency in greywater reuse systems.

### ➤ Effluent

Effluent refers to wastewater—treated or untreated—that is discharged from SMC’s operations into the environment. Managing effluent is critical to preventing environmental degradation and ensuring compliance with environmental regulations. SMC ensures that all effluent is treated to meet national and local water quality standards before discharge. Our wastewater treatment systems are regularly maintained, monitored, and upgraded to minimize environmental impact. We also invest in employee training and conduct periodic audits to ensure responsible effluent management. Proper effluent control demonstrates our commitment to water sustainability, pollution prevention, and our overall ESG strategy.


## 5. Roles and Responsibilities

### ➤ Employees

All employees of SMC are expected to actively contribute to sustainable water management by adopting water-saving behaviors in their daily tasks. This includes promptly reporting leaks, using water-efficient tools, and following standard operating procedures (SOPs) designed to reduce water consumption and prevent waste. Employees must also participate in awareness and training programs to understand the importance of water conservation in line with ESG objectives. By being mindful of their water use and adhering to established guidelines, employees play a crucial role in achieving SMC’s overall goal of responsible and sustainable water stewardship across all operations.

### ➤ Facility Managers

Facility Managers are responsible for overseeing water usage across all operational areas and ensuring that efficient water practices are consistently implemented. This includes regular monitoring of water consumption data, identifying areas of excessive use, and initiating corrective actions where necessary. They must ensure all infrastructure and systems are maintained to prevent leaks or wastage and that all teams follow the approved water management SOPs. Facility Managers also collaborate with other departments to introduce new water-saving technologies and participate in internal audits and reviews, thus ensuring continuous improvement and compliance with SMC’s ESG-driven water management goals.

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### ➤ ESG Committee

The ESG Committee at SMC is accountable for setting strategic water management goals and ensuring their effective implementation. The committee regularly reviews performance indicators related to water use, pollution prevention, and recycling across operations. It evaluates audit reports, recommends necessary changes, and promotes continuous improvement through policy updates and training initiatives. The ESG Committee also ensures that SMC's water management practices remain aligned with national and global sustainability commitments. Through leadership, governance, and active engagement with stakeholders, the committee reinforces the importance of responsible water stewardship as a core part of the company's ESG framework.

### ➤ Vendors/Contractors

All vendors and contractors engaged by SMC must comply with the company's water management policies and practices. They are required to follow SOPs related to water conservation, wastewater handling, and pollution prevention in all activities conducted on SMC premises. Vendors and contractors must also participate in orientation or training sessions, when required, and are subject to regular compliance checks. Non-adherence may result in contractual penalties or termination. By ensuring external parties uphold the same standards, SMC maintains consistency in water stewardship and reinforces its commitment to sustainable practices throughout its entire value chain.


## 6. Water Management Policy

### 6.1 Water Usage Excess

SMC is committed to reducing water usage through innovation and operational efficiency. We continuously assess consumption patterns to identify high-usage areas and adopt smart technologies such as sensor-based taps, low-flow fixtures, and automated metering systems. Water-saving practices are integrated into daily operations to ensure responsible usage. Our sustainability team monitors water data analytics to evaluate efficiency and identify improvement opportunities. By promoting a culture of conservation and leveraging technology, we aim to significantly reduce our water footprint, supporting environmental preservation while maintaining operational excellence across all SMC facilities and client sites.

### 6.2 Water Quality Degradation

SMC enforces strict controls to ensure that wastewater and cleaning effluents generated from our operations are treated in accordance with national and international environmental standards. We aim for zero untreated discharge into water bodies and ensure all effluents are monitored and tested before disposal.

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Where feasible, we invest in on-site treatment and reuse systems to reduce environmental impact. Our environment officers conduct regular audits and compliance checks to verify performance. Through these practices, we mitigate pollution risks, safeguard aquatic ecosystems, and uphold our responsibility to maintain clean and healthy water sources.

### 6.3 Water Reuse Deficiency


To reduce dependence on freshwater sources, SMC actively promotes water reuse through greywater recycling, rainwater harvesting, and closed-loop systems for industrial cleaning. These practices help minimize waste and optimize resource use across operations. Our strategic target is to implement such systems in at least 80% of large client locations by 2026. Engineering and sustainability teams collaborate to assess site feasibility, design reuse infrastructure, and monitor its effectiveness. By embedding recycling practices into our operations, we contribute to long-term water conservation and reinforce our leadership in sustainable water management.

### 6.4 Inadequate Staff Water Awareness

At SMC, we believe employee awareness is central to effective water stewardship. We provide regular training programs and workshops for staff and contractors on water conservation practices, pollution control, and emergency response protocols. These sessions are tailored to job functions and site-specific risks to ensure relevance and impact. Training materials are regularly updated in line with technological and regulatory developments. By empowering employees with knowledge and skills, we create a shared sense of responsibility and foster a water-conscious culture across the organization, ultimately enhancing our environmental performance and compliance.

### 6.5 Delayed Leak Response

SMC is investing in smart leak detection solutions using IoT-enabled sensors and digital monitoring systems. These tools allow for real-time identification of leaks in pipelines, storage tanks, and equipment. We have established a standard operating procedure for immediate investigation and resolution within 24 hours of leak detection. Maintenance teams are trained to respond swiftly and mitigate potential water losses. Regular inspections and system checks are conducted to ensure early detection. This proactive approach minimizes water waste, prevents infrastructure damage, and strengthens the reliability of our water management systems.

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## 6.6 Regulatory Breach Challenges


SMC is fully aligned with Indian and international regulations on water management. We obtain all required permits for water usage, discharge, and treatment, and maintain meticulous documentation for audits and inspections. Internal compliance teams regularly review operations to ensure adherence to legal and environmental standards. Water quality, usage, and discharge are systematically tracked and verified. In case of regulatory changes, policies and practices are promptly updated. This strong compliance framework not only avoids penalties but also demonstrates our commitment to legal responsibility, transparency, and sustainable operational practices.

## 6.7 Water-Related

SMC recognizes the importance of equitable access to water for local communities and is committed to ensuring our operations do not impair community water resources. We assess the local water context before starting any project and design operations to avoid adverse impacts. Open channels of communication are maintained with community representatives to address concerns and collaborate on sustainable water practices. In cases of disputes, we follow transparent resolution processes that prioritize fairness and mutual understanding. By respecting local needs and engaging stakeholders, we foster trust and contribute to long-term water security.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Water Usage Excess	Reduce excessive water consumption	Total water usage (litres/year)	▼ 5%
2	Water Quality Degradation	Ensure clean and safe water for all staff	Water quality tests passed	▲ 100%
3	Water Reuse Deficiency	Increase water recycling and reuse practices	Reused water (litres/year)	▲ 60%
4	Inadequate Staff Water Awareness	Improve staff knowledge and engagement on water conservation	Employees trained	▲ 100%
5	Delayed Leak Response	Reduce downtime and resource loss due to leaks	Avg. leak response time (hours)	▼ 30%

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6	Regulatory Breach Challenges	Ensure full compliance with water-related regulations	Compliance audits passed	▲ 1 audits/year
7	Water-Related Incident Reports	Minimize water-related incidents through preventive measures	Incidents reported	▼ 0 incidents


## 8. References to Standards, Laws, Acts

- ISO 14001 (Environmental Management Systems)
- ISO 26000 (Social Responsibility)
- GRI 303 (Water and Effluents)
- United Nations Sustainable Development Goals (SDG 6: Clean Water and Sanitation)
- United Nations Global Compact Principles
- OECD Guidelines for Multinational Enterprises
- The Environment (Protection) Act, 1986 – India
- Water (Prevention and Control of Pollution) Act, 1974 – India
- CRRU Code of Conduct (where relevant)
- EU WEEE, RoHS, and Wastewater Directives (applicable in case of electronic equipment operations)
- Carbon Disclosure Project (CDP) Water Security Questionnaire

## 9. Distribution and Annual Review

This Water Policy will be communicated to all employees, vendors, and stakeholders to ensure comprehensive understanding and implementation. It will be reviewed annually, or earlier in response to changes in legal or regulatory frameworks, operational practices, or environmental conditions. Any updates will be promptly shared with relevant parties.

ESG audits will include assessments of water usage, efficiency, and compliance with applicable laws. Findings and recommendations will be incorporated into SMC's annual ESG report. This approach ensures transparency, accountability, and continuous improvement in our water management practices, aligning with our commitment to sustainability and responsible resource use.

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## 10. Disciplinary Action for Policy Violators

SMC upholds strict accountability for water management. Employees, contractors, or vendors who violate the water policy—through negligence, misuse, or actions causing water pollution—may face disciplinary actions. These measures can range from verbal or written warnings to suspension or even termination of employment or contracts, depending on the severity and frequency of the violation. By enforcing consequences, SMC underscores the critical importance of water stewardship.


Disciplinary processes will be carried out fairly and transparently, in alignment with company policy and labor regulations, reinforcing the organization's zero-tolerance stance on water-related negligence or non-compliance.

## 11. Reporting Mechanism

Employees are encouraged to report any violations, concerns, or suggestions regarding water use via SMC's internal ESG reporting platform or dedicated ESG helpdesk. Reports can be submitted confidentially and anonymously, with full protection for whistleblowers to prevent retaliation. All reported incidents, especially those involving water pollution or misuse, will be thoroughly documented and investigated by the designated Environment Officer. Prompt and impartial follow-up will be ensured to maintain accountability and continuous improvement. This robust reporting mechanism empowers staff to actively participate in safeguarding water resources and strengthens SMC's commitment to transparent and ethical water management.

## 12. Conclusion

SMC recognizes water as a precious and limited resource vital to health, ecosystems, and economic development. Through this Water Policy, we affirm our commitment to responsible water stewardship. Our approach emphasizes efficient usage, pollution prevention, water recycling, and employee engagement in sustainability practices. Water management is not just a compliance issue but a strategic imperative integrated into our broader ESG goals. By fostering awareness, promoting accountability, and embedding sustainability into our operations, SMC aims to protect water for future generations and support the global agenda for environmental conservation and climate resilience.

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## WELLNESS ASSURANCE POLICY

### SMC/ESG/POLICY- 07

#### 1. Purpose

The purpose of this policy is to affirm SMC India's commitment to protecting the health and safety of its customers and consumers by embedding Environmental, Social, and Governance (ESG) principles across all operations. It seeks to proactively identify, assess, and manage potential risks associated with the health and safety impacts of our products and services. Through continuous improvement, compliance with relevant regulations, and stakeholder engagement, SMC India aims to ensure that its offerings are safe, sustainable, and aligned with global standards. This policy reinforces our dedication to responsible business practices that prioritize consumer well-being and environmental stewardship.


#### 2. Scope of Application

This policy applies to all employees, contractors, subcontractors, and partners engaged in delivering services on behalf of SMC India. It covers business areas and operations related to Digitization, Automation, and Mechanization within Integrated Facility Management, including Housekeeping, Technical, and Manpower Services. The scope of this policy extends across all operational regions within India where SMC India conducts its business activities. By applying a unified approach to health and safety, the policy ensures consistent standards and practices throughout all service lines and geographical locations, reinforcing SMC India's commitment to excellence, compliance, and ESG-aligned service delivery across the country.

#### 3. Governance

The ESG Committee, composed of senior management and department heads, is responsible for the implementation, monitoring, and periodic review of this policy. The committee will ensure that all activities align with applicable health, safety, and ESG-related laws, regulations, and standards. It will actively track performance, address non-compliance, and recommend improvements to enhance customer health and safety across all operations. Regular reports will be submitted to the Board of Directors, highlighting key ESG performance indicators, progress made, and any significant risks or incidents. This governance structure ensures accountability and continuous improvement in safeguarding customer health and safety through ESG integration.



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## 4. Definitions

### ➤ Customer Health and Safety

Customer health and safety refer to the proactive measures taken to prevent harm or adverse health effects to customers and consumers resulting from SMC India's operations, products, or services. This involves rigorous risk assessments, strict adherence to safety standards, product and service evaluations, and continuous improvement to ensure safety throughout the service lifecycle. By prioritizing customer well-being, SMC India demonstrates its commitment to delivering responsible and high-quality services. Regular training, compliance monitoring, and stakeholder engagement further strengthen the company's approach to mitigating potential health and safety risks and fostering a safe environment for all service recipients.


### ➤ ESG (Environmental, Social, and Governance)

ESG refers to the Environmental, Social, and Governance factors that guide SMC India's strategic and operational decision-making. Environmental aspects include resource efficiency, waste management, and reducing carbon emissions. Social components focus on employee welfare, customer health and safety, and community engagement. Governance involves ethical leadership, compliance, transparency, and accountability. Integrating ESG principles enables SMC India to build trust with stakeholders, enhance long-term sustainability, and ensure responsible business conduct. By embedding ESG into all facets of its operations, SMC India aligns with global best practices and creates value for customers, employees, partners, and the broader community.

## 5. Roles and Responsibilities

### ➤ ESG Committee

The ESG Committee plays a central role in overseeing the effective implementation, compliance, and continuous improvement of the Customer Health and Safety Policy. Comprising senior management and key departmental leaders, the committee ensures that ESG principles are embedded across all operations and that relevant health and safety regulations and standards are upheld. It reviews performance metrics, addresses non-compliance issues, and recommends corrective actions. The committee also facilitates interdepartmental coordination, promotes a culture of safety, and reports regularly to the Board of Directors on policy effectiveness and ESG-related health and safety outcomes, ensuring accountability and strategic alignment.

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### ➤ Department Heads

Department Heads are responsible for ensuring that their respective teams adhere to the Customer Health and Safety Policy. They must integrate health and safety considerations into all operational procedures and workflows within their departments. This includes conducting risk assessments, implementing preventive measures, ensuring staff training, and maintaining compliance with ESG standards and regulatory requirements. Department Heads act as a bridge between the ESG Committee and operational teams, translating strategic directives into actionable plans. They are also responsible for monitoring day-to-day performance, identifying potential risks, and initiating timely interventions to maintain a safe and healthy environment for customers and staff.


### ➤ Employees and Contractors

Employees and contractors are expected to comply fully with all health and safety protocols outlined in the policy and operational guidelines. Their responsibilities include following safe work practices, using protective equipment as required, participating in health and safety training, and immediately reporting any incidents, hazards, or unsafe conditions. By remaining vigilant and proactive, employees and contractors contribute to creating a safe service environment and help in minimizing risks to customers and consumers. Their active engagement in health and safety practices supports the broader ESG objectives of SMC India and reflects the company's commitment to responsible and ethical service delivery.

## 6. Wellness Assurance Policy

### 6.1 Exposure to Hazardous

SMC India is committed to protecting customers from the risks associated with hazardous substances. All chemicals and materials used in our service delivery will strictly comply with national and international health and safety standards. Regular assessments will be conducted to identify and evaluate the use of potentially harmful substances. Wherever possible, we will replace hazardous materials with safer, environmentally friendly alternatives. Employees handling such substances will receive proper training in safe usage, storage, and disposal. This approach ensures that the health and safety of customers are prioritized, while also aligning with our commitment to sustainability and ESG principles.

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## 6.2 Equipment Safety Measures

To safeguard customer health and safety, SMC India ensures that all equipment and machinery used in service delivery are properly maintained, regularly inspected, and compliant with safety regulations. Preventive maintenance schedules are established to minimize risks of malfunctions or accidents. Operators will undergo regular training and certification to ensure they are competent in using the equipment safely and effectively. Warning signs, protective barriers, and emergency shut-off procedures will be implemented where necessary. By prioritizing equipment safety, we aim to reduce incidents, enhance service quality, and provide a secure environment for customers in all facilities we manage.

## 6.3 Indoor Air Quality


SMC India is dedicated to maintaining high indoor air quality (IAQ) in the facilities we service to promote customer well-being. We will ensure proper ventilation systems are in place and functioning effectively to circulate fresh air and reduce indoor pollutants. Low-emission and environmentally safe cleaning agents will be used to minimize harmful airborne chemicals. Regular air quality assessments will be conducted to monitor levels of dust, allergens, and volatile organic compounds (VOCs). By proactively managing indoor air quality, we aim to create a healthier indoor environment for customers and support our ESG-driven approach to responsible facility management.

## 6.4 Noise Pollution

SMC India recognizes that excessive noise can negatively impact customer health and comfort. We are committed to minimizing noise pollution during our operations through strategic planning and sound management practices. This includes scheduling high-noise activities during non-disruptive hours, using noise-reducing equipment and materials, and maintaining machinery to operate at optimal sound levels. Where necessary, noise barriers or dampeners will be employed. We will also monitor noise levels regularly to ensure compliance with local regulations. Our goal is to provide a peaceful and safe environment for customers while maintaining operational efficiency in line with ESG standards.

## 6.5 Emergency Preparedness

To ensure the safety of customers during unforeseen events, SMC India will develop, implement, and maintain comprehensive emergency preparedness and response plans for all serviced facilities. These plans will cover a wide range of scenarios including fire, chemical spills, natural disasters, and security threats. Staff will receive regular training and participate in mock drills to ensure readiness and rapid response. Emergency exits, alarms, and communication systems will be clearly marked and regularly tested. Customers will be informed of basic emergency procedures as applicable. Our proactive approach ensures preparedness, minimizes risks, and demonstrates our commitment to customer safety and ESG excellence.

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## 6.6 Chemical Exposure Prevention

SMC India prioritizes customer safety in all pest-management practices by using certified, lowest-risk rodenticides and pesticides in accordance with the Campaign for Responsible Rodenticide Use (CRRU) Code of Practice. We follow Integrated Pest Management (IPM) principles that emphasize non-chemical controls and environmentally sensitive solutions. Chemical treatments are only applied when necessary, and strictly by trained and licensed professionals. All applications adhere to buffer-zone requirements and label instructions to prevent exposure risks. Regular audits and application reviews will ensure compliance and safety. This approach minimizes health hazards to customers while aligning with ESG principles and regulatory expectations.

## 6.7 Electrical and Fire Safety

To ensure the safety of our customers, SMC India mandates that all electrical systems, including wiring and portable equipment, comply with IS 732, IEC standards, and the EU RTTE Directive where applicable. We perform regular inspections, thermographic scanning, and Portable Appliance Testing (PAT) to detect potential electrical faults early. Fire detection and suppression systems in customer premises will be tested quarterly, and all operational staff will be trained in the use of firefighting equipment and safe evacuation procedures. This systematic approach minimizes the risk of electrical faults and fire incidents, enhancing both customer safety and regulatory compliance.

## 6.8 Hazardous Materials Disposal

SMC India handles Waste Electrical and Electronic Equipment (WEEE) and hazardous wastes such as batteries, lamps, and toner cartridges in full compliance with the EU WEEE and Batteries Directives, as well as India's E-waste Rules. We partner only with certified recyclers and ensure all waste streams are tracked with complete chain-of-custody documentation. Collection, transport, and disposal procedures are designed to prevent customer exposure to toxic substances like lead, mercury, and cadmium. By managing hazardous waste responsibly, we reduce environmental impact, protect public health, and align our operations with ESG standards and global best practices.

## 6.9 Electromagnetic Field Exposure

SMC India is committed to protecting customers from potential risks associated with Electromagnetic Field (EMF) exposure, as guided by Directive 2004/40/EC. We conduct assessments and continuous monitoring of EMF emissions from wireless devices, communication systems, and power electronics installed at client locations. All equipment must comply with International Commission on Non-Ionizing Radiation Protection (ICNIRP) exposure limits. Minimum separation distances will be maintained, and warning signage will be placed where required.



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Field strength measurements will be recorded periodically to ensure ongoing safety. This proactive approach reflects our commitment to customer health and adherence to international electromagnetic safety standards.

#### 6.10 Slip, Trip & Fall Hazards

To prevent slip, trip, and fall incidents, SMC India maintains all floors, corridors, and working areas in a safe condition. This includes the use of anti-slip coatings, prompt spill removal, clutter-free walkways, and sufficient lighting. Our housekeeping staff follow standardized cleaning checklists and conduct daily hazard-spot audits to proactively identify and correct risks. Wet-floor signage is used consistently during cleaning or in the event of spills. Any identified hazard is addressed immediately to avoid customer injury. This structured and preventive approach demonstrates our strong commitment to operational safety, customer protection, and ESG-compliant facility management.

#### 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Exposure to Hazardous Substances	Minimize employee exposure to hazardous materials	Hazard exposure incidents reported	▼ 0 incidents
2	Equipment Safety Measures	Ensure all equipment meets safety standards	Safety inspections conducted	▲ 12 inspections/year
3	Indoor Air Quality	Maintain healthy indoor air quality	Air quality tests passed	▲ 100% compliance
4	Noise Pollution	Reduce noise levels to safe limits	Noise level readings (dB)	▼ 10%
5	Emergency Preparedness	Strengthen emergency response readiness	Emergency drills conducted	▲ 1 drills/year
6	Chemical Exposure Prevention	Implement controls to prevent chemical exposure	Employees trained	▲ 100%
7	Electrical and Fire Safety	Reduce electrical/fire hazards	Safety incidents reported	▼ 0 incidents

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8	Hazardous Materials Disposal	Ensure safe and compliant disposal of hazardous materials	Disposal audits conducted	▲ 1 audits/year
9	Electromagnetic Field Exposure	Monitor and control EMF exposure levels	EMF exposure tests	▲ 100% tests completed
10	Slip, Trip & Fall Hazards	Minimize slip, trip, and fall accidents	Incidents reported	▼ 0 incidents

## 8. Reference to Applicable Standards, Laws, and Acts


- Occupational Safety, Health and Working Conditions Code, 2020 ([Wikipedia](#))
- Environment (Protection) Act, 1986 ([Mondag](#))
- Factories Act, 1948
- ISO 45001: Occupational Health and Safety Management Systems
- ISO 14001: Environmental Management Systems
- ISO 26000: Guidance on Social Responsibility ([Colliers](#))
- Global Reporting Initiative (GRI) Standards
- United Nations Global Compact Principles

## 9. Distribution and Annual Review

This health and safety policy will be distributed to all employees, contractors, and relevant stakeholders through onboarding, internal communications, and digital platforms. It ensures everyone is informed of their responsibilities and the company's commitment to safety. The ESG Committee will conduct an annual review of the policy to assess its effectiveness, update it as needed to align with evolving legal requirements, industry best practices, and feedback from employees and stakeholders. This review process guarantees that the policy remains current, relevant, and supports a safe working environment across all operations.

## 10. Disciplinary Action for Policy Violators

Any non-compliance with this health and safety policy will be taken seriously and may lead to disciplinary actions depending on the nature and severity of the violation. Possible consequences include formal warnings, retraining, suspension of duties, or termination of employment or contracts. These measures are designed to enforce accountability and encourage adherence to safety standards, ensuring a safe workplace for all. Disciplinary actions will follow due process and comply with local labor laws and company procedures to maintain fairness and transparency.

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## 11. Reporting Mechanism

SMC encourages all employees and stakeholders to report any health and safety concerns or policy violations through confidential channels such as designated hotlines, emails, or direct contact with the ESG or HR teams. The company guarantees prompt, impartial investigation of all reports, ensuring confidentiality and protection against retaliation. Timely corrective actions will be implemented to address identified issues and prevent recurrence. This reporting mechanism fosters a culture of openness and proactive risk management, empowering everyone to contribute to a safe and healthy workplace environment.

## 12. Conclusion

SMC India is firmly committed to integrating ESG principles into all aspects of our operations, prioritizing the health and safety of our customers, employees, and communities. By continuously monitoring safety practices, complying with all relevant regulations, and proactively managing risks, we strive to exceed health and safety expectations. Our dedication ensures a secure environment that supports operational excellence and sustainable growth. This policy forms the foundation of our commitment to safeguard wellbeing and foster a culture of responsibility and care throughout the organization.



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## WORKPLACE ENVIRONMENT POLICY

### SMC/ESG/ POLICY- 08

#### 1. Purpose


The purpose of this policy is to ensure that all employees of SMC India operate in fair, safe, and respectful working conditions that uphold human dignity and adhere to both national labor laws and international standards for decent work. The policy promotes employee well-being by fostering a healthy work-life balance, offering equitable wages and benefits, and ensuring a non-discriminatory, inclusive environment. It aims to support employee satisfaction, retention, and productivity by providing adequate social protection, encouraging open communication, and creating a culture of respect and continuous improvement, thereby aligning workplace practices with the company's ESG commitments and ethical responsibilities.

#### 2. Scope of Application

This policy applies to all full-time, part-time, contractual, and outsourced employees engaged in delivering services on behalf of SMC India. It covers all core business operations including Housekeeping, Technical Maintenance, Security, Digitization, Automation, and Manpower Services. The policy is applicable across all operational sites within India and aligns with international labor standards and benchmarks where global operations are involved. By ensuring consistent application of fair working conditions and human rights principles across its diverse workforce and services, SMC India demonstrates its commitment to ethical labor practices and sustainable business operations throughout its national and, where relevant, international engagements.

#### 3. Governance

Ownership of the policy rests with the HR Department and the ESG Compliance Officer, who maintain, update, and communicate policy requirements across SMC India. Oversight is provided by the ESG Committee, which reviews implementation progress and reports key findings and recommendations to Executive Leadership, ensuring strategic alignment and accountability. Implementation at the operational level is delegated to Site Managers, Facility Supervisors, and Department Heads, who integrate policy provisions into daily activities, conduct training, and monitor compliance within their areas. This governance structure fosters clear accountability, communication, and continuous improvement in managing employee welfare and ESG objectives.

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## 4. Definition of Terms

### ➤ Working Conditions

SMC India is committed to maintaining fair and legally compliant working conditions for all employees. This includes ensuring reasonable working hours, appropriate rest breaks, safe and healthy job environments, and equitable remuneration aligned with market standards. The company offers a comprehensive benefits package, fosters a respectful workplace culture, and provides support mechanisms to promote job satisfaction and mental well-being. By upholding these standards, SMC aims to attract and retain talent, promote productivity, and reinforce its commitment to human rights and ESG principles across all operations.

### ➤ Right to Disconnect


SMC India recognizes the importance of respecting employees' personal time and supports the right to disconnect outside of standard working hours. Employees are not obligated to respond to work-related communications during non-working hours, weekends, or official leave, unless explicitly agreed upon in advance. Managers are encouraged to model responsible communication practices and respect employees' boundaries. This policy fosters mental well-being, reduces burnout, and enhances work-life balance. By promoting this right, SMC aligns with best practices and demonstrates its commitment to employee dignity, autonomy, and a sustainable, human-centered workplace culture.

### ➤ Work-Life Balance

SMC India values the importance of maintaining a healthy equilibrium between professional responsibilities and personal life. The organization supports flexible work arrangements where feasible, encourages use of paid leave, and provides wellness initiatives to help employees manage stress and prevent burnout. Managers are trained to recognize and accommodate individual needs while maintaining productivity. SMC believes that employees who experience a good work-life balance are more engaged, loyal, and effective. This commitment reflects our ESG goals by fostering a supportive environment that respects personal well-being alongside operational excellence.

### ➤ Remuneration

SMC India ensures fair, competitive, and transparent remuneration practices for all employees, regardless of their employment status. Total compensation includes base salary, performance-based incentives, statutory contributions, and applicable benefits. Pay structures are reviewed periodically to align with industry benchmarks and evolving regulatory requirements.

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The company maintains equitable pay practices, addresses wage gaps, and ensures timely disbursement of salaries. Through consistent and fair remuneration policies, SMC fosters financial security, rewards contribution, and upholds labor rights, contributing to employee satisfaction and retention in alignment with our ESG framework.

### ➤ Social Benefits

SMC India provides a range of social benefits aimed at supporting the health, security, and long-term well-being of its employees. These include medical insurance, maternity and paternity leave, paid time off, retirement fund contributions, and access to mental health support programs. Leave entitlements are in line with statutory requirements and, where possible, enhanced to support diverse employee needs. These benefits not only fulfill legal obligations but also reflect the company's broader commitment to social responsibility, equity, and the welfare of its workforce, ensuring a stable and motivated employee base.


## 5. Roles and Responsibilities

### ➤ HR Department

The HR Department plays a central role in implementing the working conditions policy at SMC India. Responsibilities include organizing employee training programs, conducting regular internal audits to assess compliance, and managing the grievance redressal system to resolve workplace concerns effectively. HR ensures that all employment practices comply with legal requirements and ESG principles. Additionally, HR collaborates with department heads and site teams to integrate policy requirements into daily operations. By actively promoting fair practices and continuous improvement, the HR Department fosters a workplace culture that upholds employee rights, health, safety, and satisfaction.

### ➤ Site Supervisors

Site Supervisors are responsible for enforcing the policy at the ground level. They ensure that working conditions meet organizational standards and legal requirements on a day-to-day basis. This includes monitoring working hours, maintaining safe and hygienic environments, and ensuring staff receive appropriate rest and break periods. Site Supervisors also play a key role in identifying potential risks, reporting violations, and facilitating immediate corrective actions. By maintaining close engagement with employees, they help promote policy awareness and ensure consistent compliance. Their vigilance and hands-on involvement are vital to achieving safe and fair workplace practices across all operations.

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### ➤ Employees

Employees are expected to fully comply with the policy on working conditions, including observing safety rules, respecting working hours, and maintaining a professional work environment. They are encouraged to voice concerns, report any violations, and participate in training sessions to stay informed of their rights and responsibilities. Active employee participation ensures the policy's success and fosters a workplace based on mutual respect, transparency, and accountability. By following established protocols and using the grievance mechanism responsibly, employees contribute to a fair, compliant, and inclusive work culture that aligns with the organization's ESG goals.

### ➤ ESG Committee

The ESG Committee monitors key performance indicators (KPIs) related to employee welfare and ensures that the working conditions policy aligns with broader ESG objectives. It oversees compliance across departments, reviews audit findings, and ensures corrective and preventive actions are implemented promptly. The committee liaises with HR and operational leaders to evaluate performance trends, identify systemic issues, and recommend policy updates as necessary. By integrating employee well-being into the ESG strategy, the committee helps drive responsible governance, enhance transparency, and ensure the organization maintains ethical, safe, and socially responsible workplace practices.


## 6. Workplace Environment Policy

### 6.1 Employee Healthcare Benefits

SMC is dedicated to the health and well-being of its employees and their families. We provide comprehensive health care coverage that includes both work-related and non-work-related medical needs. Employees and their dependents are entitled to access insurance plans, reimbursement options, and preventive health services. The coverage ensures quick access to medical care when needed and is designed to promote a healthier workforce. Additionally, we offer wellness programs to prevent health issues and support employees in leading healthier lifestyles, contributing to a more productive and satisfied workforce.

### 6.2 Inadequate Employee Rewards

SMC is committed to providing fair and competitive compensation for all employees. We ensure that wages meet or exceed statutory minimums, and are paid promptly. Employees are entitled to key social benefits such as Provident Fund (PF), Employees' State Insurance (ESI), and comprehensive health insurance coverage. Compensation structures are benchmarked regularly against industry standards, with adjustments made to retain talent and reward performance.

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Critical roles receive enhanced benefit packages, including bonuses and skill-based pay. Transparent payroll processes, open communication, and easy access to benefits information ensure that all employees feel secure and adequately rewarded for their contributions.

### 6.3 Growth Incentive Program


At SMC, we believe in rewarding employees for their contributions to the company's success. Our bonus scheme is directly linked to both individual and company performance, ensuring that employees are motivated to perform to the best of their abilities. This system provides financial incentives based on the achievement of specific targets, driving accountability, and fostering a culture of performance excellence. The bonus scheme is designed to align individual efforts with company objectives, ensuring that employees feel valued and are rewarded for their role in driving company growth and success. These statements cover various aspects of working conditions that are crucial to ensuring a positive and supportive work environment for your employees. Each statement reflects a proactive approach to managing employee welfare, satisfaction, and rights in line with your ESG commitments.

### 6.4 Time Management Challenges

SMC recognizes the importance of balancing professional and personal responsibilities. To address poor work-life balance, we implement shift-based schedules, ensure a minimum 12-hour rest between shifts, and limit total weekly work hours per ILO standards. The right to disconnect outside of official working hours is actively supported. We also offer flexible work arrangements wherever feasible, such as remote work options, adjustable start-end times, and part-time models. These initiatives promote employee well-being, prevent burnout, and contribute to a more motivated and productive workforce. Continuous monitoring and feedback are used to refine work-life balance strategies across all departments.

### 6.5 Family Support Programs

SMC recognizes the importance of work-life balance and supports employees through Family Friendly Programs (FFPs) designed to help them manage their professional and personal responsibilities. These programs include paid parental leave, caregiving leave, and childcare support services, among others. Our aim is to provide an inclusive environment where all employees, regardless of their family responsibilities, feel supported. Additionally, we offer access to maternity protection and other social benefits to ensure employees are not penalized for taking time to care for their families. These initiatives promote well-being and long-term employee engagement.

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## 6.6 Work Shift Health Concerns

SMC acknowledges the increased physical and psychological risks associated with night and extended shifts, particularly in guarding and technical roles. We provide night shift allowances, ensure safe transport options, and designate rest areas with essential amenities, including nutritious refreshments. Employees working night or emergency shifts are rotated regularly to prevent fatigue, and compensatory off-days are granted where applicable. Extended shifts are discouraged unless necessitated by emergencies and require supervisor approval. These measures protect employee health, ensure compliance with labor standards, and uphold operational safety without compromising worker welfare, especially in high-risk roles.

## 6.7 Social Security Deficiency


SMC provides robust social protection mechanisms for all employees to safeguard them against health, income, and personal vulnerabilities. This includes health insurance, paid leave, maternity and paternity benefits, and access to emergency support programs. Our policies are aligned with Indian labor laws and international standards. Employees are educated about their entitlements, and we maintain transparent leave and claims processes. Special provisions are made for employees facing personal crises, including financial aid and wellness counseling. Through a proactive focus on social protection, SMC ensures that employees feel secure and supported throughout their employment journey.

## 6.8 Workplace Satisfaction Survey

SMC conducts regular, anonymous employee satisfaction surveys to gauge overall morale, job satisfaction, and any concerns employees may have about their work environment. These surveys provide valuable insights into employee sentiment and identify areas where improvements can be made to enhance the employee experience. The feedback collected is taken seriously, and action is taken based on the results to improve working conditions, benefits, and organizational culture. By fostering a feedback-driven culture, SMC ensures continuous improvement and strives to maintain a positive, engaging workplace for all employees.

## 6.9 Insufficient Rest Periods

To ensure optimal health and performance, SMC strictly complies with mandated daily and weekly rest periods. Employees are entitled to at least one full day of rest per seven-day work cycle and a minimum of 12 hours between shifts. Double shifts are discouraged and permitted only in emergencies with HR clearance. Mental wellness is promoted through Employee Assistance Programs (EAPs), which include counseling services, wellness workshops, and stress management sessions. Regular checks are conducted to monitor workload distribution and prevent overexertion. These practices create a healthier, more resilient workforce capable of sustaining productivity over the long term.

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### 6.10 Stock Ownership Program

SMC values the contributions of its employees and strives to make them stakeholders in the company's success. We offer an Employee Stock Ownership Plan (ESOP) that allows employees beyond the executive level to gain financial interest in the company's growth. This plan strengthens the connection between employee performance and company success, fostering a culture of ownership and accountability. Through this program, employees have a direct stake in the company's achievements, motivating them to contribute to the company's long-term success and enhancing their overall engagement with the business.

### 6.11 Satisfaction and Engagement Gaps

SMC prioritizes employee engagement as a key driver of productivity and workplace culture. We conduct annual anonymous satisfaction surveys to gather insights on employee needs and areas for improvement. The findings are used to shape HR policies, team-building programs, and workplace enhancements. Regular town halls, open-door leadership policies, and grievance redressal forums foster two-way communication. Employees are encouraged to voice concerns and share suggestions without fear of retaliation. These platforms ensure that all staff feel valued, heard, and included in decision-making processes, thereby enhancing morale, job satisfaction, and long-term organizational commitment.


### 6.12 Remuneration Process Communication

Transparency in remuneration is a cornerstone of SMC's commitment to fair treatment and employee satisfaction. We will clearly communicate the company's remuneration structure, including salary ranges, bonus criteria, and opportunities for career progression. All employees will have access to a salary grid and detailed information regarding the procedures for salary advancement, ensuring clarity around pay scales and advancement opportunities. This transparency helps employees understand their earning potential, motivating them to perform at their best and fostering trust between management and staff.

### 6.13 Two-Way Dialogue Framework

SMC is committed to fostering an open and inclusive culture where employees' voices are heard. To facilitate this, we will implement regular two-way communication channels such as town halls, feedback forums, suggestion boxes, and one-on-one discussions. These platforms allow employees to express concerns and share suggestions related to working conditions, benefits, and any issues they face. Management will actively listen, engage, and provide responses to feedback to ensure that employees feel valued and involved in decision-making. This approach helps strengthen trust and collaboration within the organization, promoting a positive work environment.



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#### 6.14 Inconsistent Work Information

SMC ensures complete transparency in employment terms through clear, written contracts outlining wages, working hours, overtime norms, rest periods, and associated benefits. Employees are informed about their entitlements during onboarding and have access to policies at all times. Any variation from standard conditions—such as extended hours or shift changes—requires prior HR approval and written employee consent. Digital attendance and shift-tracking systems are deployed to monitor compliance and prevent labor law violations. Transparency builds trust, reduces workplace disputes, and ensures employees are fully aware of and protected in their working arrangements.

#### 6.15 Flexible Work Options

At SMC, we understand that employees have diverse needs and responsibilities outside of work. To support them, we offer flexible working arrangements, including options for remote work, flexible hours, and part-time schedules. These arrangements are available to all employees, based on the needs of their roles. By providing flexibility, SMC allows employees to better balance their work and personal lives, reducing stress and improving overall job satisfaction. This approach helps us attract and retain top talent while maintaining high levels of productivity and employee engagement.

#### 6.16 Overtime Compensation Policy

SMC ensures that employees working overtime or during atypical hours, including weekends, holidays, or night shifts, receive fair compensation. We recognize the additional effort required for such work and will adhere to all legal and contractual obligations regarding overtime pay. Transparent systems for tracking and recording working hours will be implemented, ensuring that employees are compensated accordingly. This practice underscores SMC's commitment to fairness and employee satisfaction, ensuring that work outside of regular hours is rewarded appropriately while maintaining a healthy work-life balance.

### 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Employee Healthcare Benefits	Improve access to comprehensive healthcare	Employees covered	▲ 95%
2	Inadequate Employee Rewards	Enhance reward programs to boost motivation	Reward events held	▲ 100%



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3	Growth Incentive Program	Increase participation in growth incentives	Employees enrolled	▲ 70%
4	Time Management Challenges	Improve employee time management skills	Training sessions conducted	▲ 100%
5	Family Support Programs	Expand family support benefits	Employees using family programs	▲ 60%
6	Work Shift Health Concerns	Reduce health issues related to shift work	Health incidents reported	▼ 0 incidents
7	Social Security Deficiency	Ensure full social security coverage	Employees covered	▲ 95%
8	Workplace Satisfaction Survey	Increase employee satisfaction and feedback	Surveys completed	▲ 90%
9	Insufficient Rest Periods	Ensure adequate rest periods for employees	Average rest hours/day	▲ 100%
10	Stock Ownership Program	Boost employee engagement through stock ownership	Employees enrolled	▲ 50%
11	Satisfaction and Engagement Gaps	Close gaps in employee satisfaction and engagement	Satisfaction score (%)	▲ 85% score
12	Remuneration Process Communication	Improve transparency in remuneration communication	Communication sessions conducted	▲ 100%
13	Two-Way Dialogue Framework	Enhance two-way communication between management and staff	Dialogue meetings held	▲ 100%
14	Inconsistent Work Information	Ensure consistent and clear work-related information	Incidents of misinformation reported	▼ 0 incidents

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15	Flexible Work Options	Increase availability of flexible work arrangements	Employees utilizing flex work	▲ 80%
16	Overtime Compensation Policy	Ensure competitive and fair compensation	Compensation reviews conducted	▲ 1 reviews/year ▲ 100%

## 8. References to Standards, Laws, and Acts

- Universal Declaration of Human Rights
- ILO Fundamental Conventions (especially Nos. 1, 14, 100, 111)
- Occupational Health and Safety Assessment Series (OHSAS 18001)
- ISO 26000: Social Responsibility
- United Nations Global Compact (Principles 3-6)
- GRI Standards (GRI 401: Employment, GRI 403: Occupational Health & Safety)
- Indian Labour Laws: Factories Act, Shops and Establishment Act, Minimum Wages Act, Payment of Wages Act, Employees' State Insurance Act


## 9. Distribution and Annual Review

The Working Conditions Policy will be distributed to all employees, contractors, and stakeholders through multiple channels, including employee induction kits, the company intranet, and printed policy manuals placed at key locations. Regular awareness sessions will ensure all stakeholders understand the policy. To remain current with legal, operational, and industry developments, the policy will be reviewed annually or immediately following any significant change in regulations or organizational practices. Feedback from employees and audit findings will also be considered during each review to ensure continuous improvement and alignment with SMC India's commitment to fair and supportive working environments.

## 10. Disciplinary Action for Policy Violators

SMC India maintains a zero-tolerance stance towards violations of the Working Conditions Policy. Disciplinary actions will follow a structured, escalating process based on the severity and recurrence of the offense. This may include verbal warnings, written notices, temporary suspension, termination of employment or contract, and legal proceedings if required. Each case will be assessed impartially and documented thoroughly.

All disciplinary actions will be carried out in accordance with company policy and local labor laws to ensure fairness. By enforcing this policy consistently, SMC India upholds its commitment to a safe, respectful, and compliant workplace.


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## 11. Reporting Mechanism

Employees and stakeholders can report violations or concerns related to working conditions through internal and external channels. Internally, anonymous complaints can be submitted via the HR Helpline, a secure suggestion box, or the company's intranet portal. Externally, unresolved or severe concerns may be escalated to the ESG Ombudsman or the relevant labor department. All reports are logged, acknowledged, and addressed within 14 working days. Confidentiality is strictly maintained throughout the process, and no retaliation will be tolerated against individuals who report in good faith. This robust mechanism encourages transparency and supports continuous policy enforcement.

## 12. Conclusion

SMC India reaffirms its unwavering commitment to promoting fair, respectful, and healthy working conditions for all its employees. This policy is a reflection of the organization's values and its alignment with national laws, international standards, and ESG principles. We aim to build a workplace culture rooted in equity, transparency, and accountability. By continuously refining our practices through regular reviews, employee feedback, and industry benchmarking, we strive to meet evolving expectations. Through collective effort, SMC India seeks to ensure that all employees feel safe, valued, and supported, thereby contributing to the organization's long-term success and social responsibility.

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## ETHICAL LABOR PRACTICES POLICY

### SMC/ESG/POLICY- 09

#### 1. Purpose


SMC is committed to preventing child labor, forced labor, and human trafficking within our operations and across our value chain. We ensure that all workers, irrespective of age, nationality, or employment status, are treated with respect, dignity, and fairness. Our policy upholds the rights of every individual to work in a safe, healthy, and supportive environment. We take proactive measures to eliminate exploitation, and we strive to promote ethical labor practices, ensuring compliance with local and international labor standards. SMC is dedicated to fostering an inclusive, transparent, and responsible workplace for all employees and partners.

#### 2. Scope of Application

This policy applies to all employees, contractors, suppliers, and business partners engaged in SMC's operations, including those involved in digitization, automation, and integrated facility management services. It encompasses all business areas, such as housekeeping, technical services, and manpower services, across all regions where SMC operates. The policy sets expectations for ethical labor practices and compliance with local and international standards, ensuring the protection of workers' rights within our value chain. All parties must adhere to these principles, promoting a work environment free from child labor, forced labor, and human trafficking, while fostering fairness and respect across all operations.

#### 3. Governance

The SMC ESG Committee oversees this policy, ensuring its alignment with our commitment to ethical labor practices. The HR and Compliance Departments are responsible for the implementation, monitoring, and enforcement of the policy across all operations. They will ensure that all employees, contractors, suppliers, and partners comply with the standards outlined. A quarterly review will be conducted to assess the policy's effectiveness, identify areas for improvement, and ensure compliance with national and international labor regulations. This continuous review process helps maintain high standards of fairness, respect, and safety in the workplace, promoting ongoing improvements.

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## 4. Definition of Terms

### ➤ Child Labor

SMC strictly prohibits the employment of children below the legally permissible working age, in full compliance with national labor laws and international standards such as those set by the ILO. We do not engage in or support any form of child labor, including indirect engagement through suppliers or contractors. MC ensures that no child is employed in work that may harm their physical or mental health, interfere with their education, or hinder their overall development. Age verification procedures are followed during recruitment, and audits are conducted to monitor compliance. Violations result in immediate corrective and disciplinary actions.

### ➤ Forced Labor

SMC opposes all forms of forced, bonded, or involuntary labor. No employee shall be compelled to work through threats, coercion, or deception. Our recruitment and employment practices are based on free choice, and all employment relationships are entered into voluntarily. Workers have the right to terminate employment with reasonable notice. Retention of identity documents, withholding of wages, or restriction of movement are strictly forbidden. We conduct regular audits and provide training to prevent any instances of forced labor. Breaches are addressed through a zero-tolerance policy, with legal consequences for perpetrators and support for affected individuals.


### ➤ Human Trafficking

SMC maintains a zero-tolerance stance toward human trafficking in any form. We are committed to preventing the illegal recruitment, movement, or exploitation of individuals for labor or servitude. Our hiring processes include background checks and supplier due diligence to prevent trafficking-related risks. We require all business partners and contractors to adhere to anti-trafficking standards and conduct periodic reviews of their practices. Employees are educated on recognizing signs of trafficking and encouraged to report suspicions through confidential channels. SMC promptly investigates any reports and collaborates with legal authorities and support organizations where necessary.

## 5. Roles and Responsibilities

### ➤ SMC Management

SMC Management holds the ultimate responsibility for ensuring that all company operations and partnerships comply with national labor laws and international human rights standards, including ILO conventions and the UN Guiding Principles on Business and Human Rights.

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Management commits to fostering a work environment rooted in fairness, dignity, and non-discrimination. They allocate necessary resources for effective policy implementation, risk assessments, and remediation measures. Furthermore, management ensures that ethical labor practices are embedded across supply chains and that leadership sets an example by upholding the highest standards of labor rights and corporate social responsibility.

### ➤ HR and Compliance Team

The HR and Compliance Team plays a critical role in operationalizing this policy by conducting routine audits, facilitating awareness training on labor rights, and ensuring recruitment and employment practices align with both national regulations and global standards. They investigate potential violations, track remediation efforts, and maintain up-to-date documentation to support transparency and accountability. The team also collaborates with external auditors or legal experts when needed and reports significant findings to the ESG Committee and executive leadership. Corrective actions are swiftly implemented to mitigate risks, improve practices, and reinforce SMC's commitment to ethical and compliant labor practices.

### ➤ Employees and Contractors


All employees and contractors are expected to uphold the values and responsibilities outlined in this policy. This includes respecting the rights of co-workers, avoiding participation in or support for exploitative labor practices, and reporting any violations or concerns through the company's established reporting mechanisms such as the HR Helpline or anonymous whistleblower portals. Employees are also encouraged to complete any mandatory training programs related to labor rights and workplace ethics. By fostering a culture of shared responsibility, employees and contractors help ensure that SMC remains a workplace built on integrity, fairness, and respect for human dignity.

## 6. Ethical Labor Practices Policy

### 6.1 Exploitation Grievance Mechanism

SMC provides a confidential, accessible, and non-retaliatory grievance mechanism for employees, contractors, and third parties to report suspected violations of child labor, forced labor, or human trafficking. The mechanism supports anonymous reporting via hotline, online platforms, or direct communication with HR or Compliance. All grievances are documented, investigated promptly, and resolved with transparency and accountability. Whistleblowers are fully protected from retaliation, and regular awareness campaigns ensure all stakeholders understand how to access and use the system. SMC's grievance process is integral to promoting transparency, responsiveness, and continuous improvement in labor and human rights protections.



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## 6.2 Forced Labor and Coercion

SMC is resolute in preventing any form of forced labor, including bonded labor, involuntary prison labor, or servitude. We ensure that employment is freely chosen and that no worker is subjected to coercion, threats, or physical and psychological abuse. Identification documents and personal belongings must remain with the individual and not be withheld under any circumstances. All wages are paid in full and on time. Contracts are clear, fair, and understood by all employees. Regular audits and grievance mechanisms are in place to detect and correct any violations, promoting dignity, freedom, and respect in the workplace.

## 6.3 Security Conduct Guidelines


SMC enforces strict guidelines to prevent the excessive use of force or restriction of movement by security personnel. All security staff undergo mandatory training on human rights, conflict de-escalation, non-discrimination, and ethical conduct. We conduct regular behavior assessments, audits, and incident reviews to ensure compliance. Unauthorized detainment, physical abuse, or any form of movement restriction is strictly prohibited and subject to disciplinary action, including termination. Employees are informed of their rights and have access to grievance mechanisms for reporting abuse. This approach reinforces SMC's commitment to safety, dignity, and the protection of individual freedoms.

## 6.4 Child Labor in Operations

SMC maintains a zero-tolerance policy toward child labor in all aspects of its operations. We strictly prohibit the employment of individuals below the legal minimum working age as defined by national and international standards. In the event that any child labor is identified, immediate remedial actions will be taken to remove the child from hazardous conditions and provide access to education or rehabilitation. We work closely with suppliers and contractors to ensure compliance and conduct routine audits to prevent such occurrences. Our commitment extends to fostering a safe, ethical, and education-first environment for all children.

## 6.5 Document Retention Policy

SMC strictly prohibits the confiscation or withholding of employee identification documents such as passports, visas, or national IDs. All employees retain full control over their personal documentation. If secure storage is offered for convenience, it is entirely voluntary, based on informed written consent, and allows immediate access upon request. These practices are clearly communicated during onboarding and reinforced in training sessions. Compliance checks and spot audits are regularly conducted to prevent unauthorized document retention. This policy safeguards employee autonomy, prevents coercion or dependency, and aligns with international standards on ethical labor practices.

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## 6.6 Unsafe Working Conditions

SMC recognizes that safe and healthy working conditions are a fundamental human right. We maintain robust occupational health and safety (OHS) standards across all sites and require the same of our partners and contractors. This includes the provision of personal protective equipment (PPE), emergency preparedness plans, routine safety training, and scheduled workplace inspections. Identified hazards are addressed promptly with preventive and corrective actions. We encourage employees to report unsafe conditions without fear of retaliation. By promoting a proactive safety culture, SMC ensures that workplace environments support the physical and mental well-being of all workers.

## 6.7 Victim Support Process


SMC has developed a victim-centered remediation procedure to address cases of child labor, forced labor, and human trafficking. When such violations are confirmed, immediate protective measures are implemented, including removal from harm, safe shelter, and access to medical, legal, and psychosocial support. Victims are guided through reintegration options such as education, vocational training, or alternative employment aligned with their well-being and informed consent. All remediation efforts are documented, proportional to the harm, and assessed for long-term effectiveness. SMC ensures that remedies are rights-respecting, transparent, and designed to restore dignity and justice for those affected.

## 6.8 Migrant Worker Exploitation

SMC is committed to protecting migrant workers, who are often at higher risk of exploitation. We prohibit the use of deceptive recruitment practices, contract substitution, and excessive recruitment fees that may lead to debt bondage. All migrant workers must be provided with clear, translated employment contracts that fully explain their rights and obligations. SMC ensures freedom of movement, fair wages, and access to grievance mechanisms. We also monitor housing and working conditions to ensure dignity and compliance with labor standards. Our goal is to create an inclusive, equitable, and fair workplace for all migrant workers.

## 6.9 Ethical Labor Training

SMC mandates comprehensive training programs for employees and management focused on the identification and prevention of child labor, forced labor, and human trafficking. These sessions cover key human rights concepts, legal requirements, ESG commitments, and practical steps for ethical decision-making. Training incorporates real-life scenarios to improve risk recognition and response capabilities, as well as detailed guidance on reporting channels and whistleblower protection. Sessions are regularly updated and tailored by role, ensuring frontline workers, supervisors, and leadership.

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### 6.10 Stakeholder Engagement Initiative

SMC actively engages in stakeholder consultations with affected communities, worker representatives, NGOs, labor unions, and human rights experts. These dialogues are essential to understanding on-the-ground realities and shaping effective, responsive strategies to prevent child labor, forced labor, and human trafficking. Engagement is conducted through structured interviews, community meetings, and advisory panels to gather insights and co-develop meaningful action plans. This inclusive approach ensures that the voices of vulnerable and at-risk groups are heard and integrated into our policies, reinforcing SMC's commitment to ethical operations and sustainable human rights practices across all business activities and partnerships.

### 6.11 Compliance Monitoring Framework

SMC maintains a structured system of internal controls designed to monitor the effectiveness of our preventive measures against child labor, forced labor, and human trafficking. Regular internal audits, compliance reviews, and risk-based assessments are conducted to evaluate the integrity and implementation of policies. Cross-functional teams collaborate to identify gaps, recommend corrective actions, and ensure continual improvement. Performance metrics are tracked to measure effectiveness and accountability. Lessons learned are integrated into training and operational guidelines, reinforcing a proactive, data-driven approach to upholding labor standards and human rights obligations throughout SMC's operations and value chain.

### 6.12 Human Rights in Procurement

SMC is committed to identifying and eliminating any risk of human trafficking within its operations and extended supply chain. We rigorously screen all suppliers, recruiters, and labor intermediaries to ensure ethical practices in recruitment and employment. Any party found engaging in deceptive, coercive, or exploitative hiring practices will be subject to immediate termination of business relations. All workers must be hired transparently, without recruitment fees or promises that lead to abuse or entrapment. By implementing due diligence and regular audits, SMC aims to maintain an ethical supply chain free from modern slavery and trafficking.

### 6.13 Labor Risk Assessment

SMC conducts regular Human Rights Impact Assessments (HRIAs) to identify, assess, and prioritize actual or potential risks related to child labor, forced labor, and human trafficking. These assessments evaluate the severity and likelihood of adverse impacts on vulnerable groups, including women, children, and migrant workers. HRIAs are carried out internally and/or in partnership with independent third-party experts.



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Findings from these assessments shape our risk mitigation strategies, compliance frameworks, and ongoing human rights due diligence. The goal is to ensure that SMC's operations and supply chain uphold human dignity and comply with international labor and human rights standards.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Exploitation Grievance Mechanism	Establish accessible grievance channels for exploitation cases	Grievances resolved	▲ 100% resolution rate
2	Forced Labor and Coercion	Eliminate forced labor and coercive practices	Reported incidents	▼ 0 cases
3	Security Conduct Guidelines	Improve ethical behavior in workforce security teams	Security staff trained	▲ 100%
4	Child Labor in Operations	Ensure zero tolerance for child labor in any operation	Audits detecting child labor	▼ 0 audits with findings
5	Document Retention Policy	Strengthen compliance on employee documentation	Compliance checks completed	▲ 1 check/year
6	Unsafe Working Conditions	Identify and eliminate unsafe work environments	Safety violations recorded	▼ 0 violations
7	Victim Support Process	Establish support for victims of labor abuse	Victims supported	▲ 100%
8	Migrant Worker Exploitation	Protect migrant workers from unfair labor conditions	Migrant worker interviews conducted	▲ 20%
9	Ethical Labor Training	Provide training on ethical labor practices	Training sessions conducted	▲ 100%
10	Stakeholder Engagement Initiative	Engage stakeholders in labor rights improvement	Stakeholder meetings held	▲ 100%

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11	Compliance Monitoring Framework	Implement framework to monitor human rights compliance	Internal audits completed	▲ 1 audits/year
12	Human Rights in Procurement	Embed human rights criteria in vendor selection	Vendors screened	▲ 100%
13	Labor Risk Assessment	Conduct labor-related risk assessments annually	Risk assessments completed	▲ 1 assessment/year

## 8. Reference to Applicable Standards, Laws, and Acts


- Universal Declaration of Human Rights
- International Labor Organization's Fundamental Conventions
- OHSAS 18001 (Occupational Health and Safety Assessment Series)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 (International Standard on Social Responsibility)
- National Laws and Regulations relevant to child labor, forced labor, and human trafficking in the countries where we operate.

## 9. Communication and Review of the Policy

This policy will be actively communicated to all employees, contractors, and business partners through induction programs, ongoing training sessions, the employee handbook, and official communication channels such as email and the intranet. Its purpose and importance will be emphasized during onboarding and periodic refresher courses. To maintain its relevance and effectiveness, the policy will undergo an annual review, or more frequently if there are changes in national laws, international standards, or company operations. Updates will be disseminated promptly to all stakeholders, ensuring continuous alignment with SMC's ethical and legal commitments.

## 10. Disciplinary Action for Policy Violators

SMC enforces a strict zero-tolerance approach toward violations of this policy. Any employee, supplier, contractor, or business partner found to be engaging in or complicit with child labor, forced labor, or human trafficking will be subject to serious disciplinary action. This ensures accountability and reinforces SMC's commitment to upholding the highest standards of human rights and ethical business conduct throughout all operations and partnerships.


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## 11. Reporting Mechanism

Employees, contractors, and business partners are strongly encouraged to report any suspicions or confirmed cases of child labor, forced labor, or human trafficking. SMC provides a confidential reporting hotline, an anonymous whistleblower portal, and direct access to HR and Compliance personnel. All reports will be investigated promptly, fairly, and discreetly, with corrective action taken where necessary. Whistleblowers are protected under a strict non-retaliation policy, ensuring that anyone who reports concerns in good faith will not face any form of retribution or adverse consequences. Transparency and accountability remain central to this reporting framework

## 12. Conclusion

SMC reaffirms its unwavering commitment to ethical labor practices by standing against all forms of child labor, forced labor, and human trafficking. Through strict internal controls, responsible sourcing, and continuous employee training, we aim to eliminate any possibility of complicity in exploitative labor. Our policies are designed to adapt and improve in response to evolving laws, stakeholder expectations, and risk assessments. By fostering a culture of integrity, vigilance, and accountability, SMC pledges to lead by example and contribute to the global effort to promote decent work, human rights, and social justice.

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## UPHOLDING EXTERNAL RIGHTS POLICY

### SMC/ESG/POLICY-10

#### 1. Purpose

SMC is dedicated to ensuring that its business operations uphold and promote the human rights of all external stakeholders, including suppliers, contractors, customers, community members, and the general public. Our commitment is rooted in compliance with national laws and alignment with international human rights frameworks, such as the UN Guiding Principles on Business and Human Rights. We integrate human rights considerations into our procurement, community engagement, and customer service processes. SMC conducts due diligence, fosters transparent communication, and actively works to prevent, mitigate, and remediate any adverse impacts, promoting a culture of respect, fairness, and accountability across all external interactions.


#### 2. Scope of Application

SMC's commitment to respecting human rights extends to all external stakeholders, including suppliers, contractors, vendors, subcontractors, service partners, communities, customers, and other third-party stakeholders. This commitment applies across all key business areas such as Housekeeping, Technical Services, Manpower Deployment, and Digitization-based Facility Management. We ensure that all third-party engagements uphold ethical practices and comply with applicable laws and human rights standards. Geographically, this policy covers all regions of India where SMC operates or collaborates with external entities. Through due diligence, audits, and active engagement, SMC fosters responsible practices and drives a culture of accountability and respect throughout its extended value chain.

#### 3. Governance

The ESG Committee and Compliance Officer at SMC are responsible for the implementation, monitoring, and continuous improvement of the human rights policy across all operations and stakeholder engagements. They ensure that policy objectives are effectively integrated into daily business practices, conduct regular reviews, and recommend corrective actions where necessary. The Board of Directors provides strategic oversight, ensuring the policy aligns with SMC's broader ESG strategy and fulfills all human rights due diligence obligations. Together, these governance bodies foster accountability, transparency, and ethical conduct, reinforcing SMC's commitment to respecting and promoting human rights in every aspect of its business operations.



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## 4. Definitions

### ➤ External Stakeholders

External stakeholders are individuals, groups, or organizations outside of SMC who are directly or indirectly impacted by the company's operations, products, or services. These include suppliers, contractors, service partners, customers, local communities, civil society organizations, and regulatory authorities. SMC recognizes the importance of engaging with external stakeholders to understand their concerns and uphold their rights. We ensure transparency and open dialogue to mitigate any negative impacts of our business practices, aligning our operations with ethical standards and fostering long-term trust and collaboration with all external parties affected by our business activities.

### ➤ Human Rights

Human rights are the basic freedoms and protections to which all individuals are entitled, as defined by international frameworks such as the Universal Declaration of Human Rights, the International Labour Organization (ILO) conventions, and the UN Guiding Principles on Business and Human Rights. These rights include, but are not limited to, the right to life, freedom of expression, equality, fair working conditions, and protection from exploitation or discrimination. SMC is committed to upholding these rights in all areas of its business and actively works to prevent, address, and remediate any human rights violations connected to its operations.


### ➤ Due Diligence

Due diligence is a systematic and ongoing process that SMC undertakes to identify, prevent, mitigate, and account for potential or actual adverse human rights impacts resulting from its business operations. This involves risk assessments, stakeholder consultations, internal audits, training, and remediation mechanisms. The goal is to ensure that human rights risks are recognized early and addressed effectively, especially for vulnerable groups. SMC aligns its due diligence practices with international standards, such as the UN Guiding Principles on Business and Human Rights, to strengthen transparency, accountability, and ethical business conduct throughout its value chain.

## 5. Roles and Responsibilities

### ➤ Management

SMC's management team is responsible for ensuring that the company's commitment to respecting human rights is effectively implemented and integrated into all business operations. This includes setting strategic objectives, allocating adequate resources, and fostering a culture of accountability and ethical conduct.

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Management must also ensure that policies and procedures reflect international human rights standards and that all employees and business partners understand and adhere to them. Regular reviews, performance monitoring, and leadership engagement are essential to embed human rights considerations into everyday decision-making and to demonstrate a top-down commitment to protecting the rights of all external stakeholders.

### ➤ Procurement Team


The procurement team plays a critical role in upholding SMC's human rights standards by conducting thorough due diligence on vendors, suppliers, and contractors. This includes evaluating third parties for compliance with labor laws, ethical sourcing practices, and social responsibility standards. The team is responsible for incorporating human rights clauses into contracts, assessing supplier performance through audits or assessments, and taking corrective action when violations are found. By integrating human rights considerations into the procurement process, the team ensures that the supply chain is transparent, ethical, and aligned with SMC's broader ESG and human rights commitments.

### ➤ Employees

All SMC employees are responsible for upholding the organization's human rights standards and are encouraged to report any risks, incidents, or violations affecting external parties such as suppliers, contractors, or communities. Employees must be aware of the company's human rights policies and understand how their daily actions can impact external stakeholders. Reporting mechanisms such as hotlines or direct communication with HR or compliance teams are made accessible and confidential to support transparency and whistleblower protection. Employees play an essential frontline role in identifying early warning signs and supporting SMC's efforts to prevent harm and maintain ethical business practices.

### ➤ ESG Team

SMC's ESG Team is responsible for monitoring human rights performance, conducting impact assessments, and leading stakeholder engagement efforts related to external parties. The team gathers data, analyzes trends, and identifies areas for improvement across the company's operations and supply chain. It collaborates with internal departments and external stakeholders, including NGOs and community leaders, to assess risks and implement corrective actions. The ESG team also ensures that the company's human rights policies are up to date with international standards and national regulations. Their role is vital in embedding a proactive, data-driven, and transparent approach to human rights governance.

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## 6. Ethical Labor Practices Policy

### 6.1 Human Rights in Sourcing

SMC takes a proactive approach to eliminate human rights violations across its supply chain. We conduct due diligence to ensure our suppliers and partners do not engage in forced labor, child labor, unsafe work conditions, or discriminatory practices. All vendors are required to comply with international labor standards and national laws. SMC verifies compliance through regular audits, self-declarations, and contractual obligations. Suppliers found violating human rights policies face corrective action, up to and including termination of the business relationship. This commitment ensures our supply chain aligns with our values and ESG responsibilities, supporting ethical and fair labor practices.

### 6.2 Social Cost of Progress


SMC prioritizes the well-being and rights of communities near its operations. We commit to avoiding involuntary displacement, environmental degradation, or social disruption through rigorous impact assessments and stakeholder consultations. Before initiating new projects or expansions, we evaluate potential consequences on local communities and implement mitigation measures. SMC upholds the principle of Free, Prior, and Informed Consent (FPIC), particularly when engaging with indigenous groups or vulnerable populations. Through transparent dialogue, community participation, and socially responsible planning, we aim to foster trust and minimize any adverse effects our operations may have on neighboring populations and ecosystems.

### 6.3 Vendor Awareness on ESG

To bridge ESG knowledge gaps, SMC regularly educates its vendors on ESG principles and compliance requirements. We conduct workshops, issue handbooks, and provide guidance materials to ensure suppliers understand and implement our expectations regarding labor rights, environmental protection, and ethical practices. Vendors are required to adopt ESG-aligned practices, and their performance is periodically reviewed through assessments and reporting tools. By building capacity and reinforcing accountability, SMC ensures that its vendors operate in a manner consistent with our ESG strategy, promoting sustainability, transparency, and respect for human rights across all tiers of the supply chain.

### 6.4 Accessible and Fair Redressed

SMC ensures all external stakeholders, including suppliers, subcontractors, and community members, have access to a robust and confidential grievance redressal mechanism. The system allows individuals to report human rights concerns—such as exploitation, harassment, or unsafe conditions—without fear of retaliation. Complaints can be submitted anonymously and are handled in a timely, fair, and transparent manner.

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Investigations are conducted objectively, with corrective actions implemented where necessary. SMC's grievance system is a vital part of our human rights due diligence framework, ensuring that impacted stakeholders have a voice and that issues are addressed promptly and constructively.

### 6.5 Ending Third-Party Discrimination


SMC enforces a strict zero-tolerance policy toward discrimination and harassment by third-party personnel, including vendors, contractors, or temporary workers. All individuals engaged in our operations must adhere to our Code of Conduct, which emphasizes respect, dignity, and equality for all, including community members and clients. Any act of abuse—whether verbal, physical, or psychological—is subject to immediate investigation and disciplinary action, which may include contract termination or legal referral. SMC also provides training to third-party workers to build awareness and prevent such incidents, reinforcing a culture of inclusivity and accountability across all stakeholder interactions.

### 6.6 Responsible Subcontractor Management

SMC holds all subcontractors accountable for providing safe, fair, and humane working conditions. We enforce compliance with applicable labor laws and health and safety regulations by requiring documented policies, conducting periodic site inspections, and maintaining regular audits. Any signs of labor exploitation, unsafe practices, or denial of basic rights are promptly addressed through corrective action plans. SMC ensures subcontracted employees are treated with dignity, provided with necessary protective equipment, and allowed adequate rest and compensation. This approach aligns our supply chain operations with ethical labor standards and supports the health and well-being of all workers involved.

### 6.7 Accountability in Data Handling

SMC is committed to safeguarding the personal and sensitive information of external stakeholders such as clients, customers, and vendors. All third-party systems and partners we engage with must comply with international data protection laws, including the GDPR and applicable Indian regulations. Data is collected, processed, and stored with full consent and in a secure manner. Breaches or misuse of data are subject to strict internal investigation and legal consequences. Through robust data governance frameworks, periodic assessments, and awareness training, SMC protects privacy rights and upholds trust in all digital and information-related interactions.


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## 6.8 Environmental Harm to Surrounding Communities

SMC actively works to prevent environmental damage that may affect surrounding communities. We assess environmental risks during project planning and monitor emissions, water use, and waste management throughout operations. Compliance with environmental laws is strictly enforced, and any potential harm is mitigated through timely corrective actions. Community feedback is also considered in our environmental decisions. Our approach includes biodiversity preservation, pollution control, and responsible resource usage. By integrating environmental stewardship into our ESG commitments, SMC ensures that the rights and health of neighboring communities are protected, fostering sustainability and shared long-term prosperity.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Human Rights in Sourcing	Ensure all sourcing complies with human rights standards	Supplier audits conducted	▲ 100%
2	Social Cost of Progress	Evaluate and mitigate social impact of operational changes	Social impact assessments completed	▲ 1 assessment/year
3	Vendor Awareness on ESG	Promote ESG awareness among vendors and contractors	ESG awareness sessions held	▲ 100%
4	Accessible and Fair Redress	Establish grievance redress channels for all workers	Grievances resolved within SLA	▲ 95%
5	Ending Third-Party Discrimination	Prevent discrimination by third-party vendors or subcontractors	Reported incidents	▼ 0 incidents
6	Responsible Subcontractor Management	Monitor ESG compliance of subcontractors	Subcontractor ESG audits	▲ 100%

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7	Accountability in Data Handling	Protect personal and sensitive employee data	Data breaches reported	▼ 0 breaches
8	Environmental Harm to Surrounding Communities	Prevent negative environmental impacts from operations	Community complaints recorded	▼ 50%

## 8. Applicable Laws, Standards, and Guidelines


- Universal Declaration of Human Rights (UDHR)
- ILO Fundamental Conventions
- UN Guiding Principles on Business and Human Rights
- United Nations Global Compact (Principles 1–6)
- OECD Guidelines for Multinational Enterprises
- ISO 26000 – Social Responsibility
- OHSAS 18001 (Occupational Health & Safety)
- GRI Standards
- National Labor Laws (Factories Act, Contract Labour Act, Environmental Acts, etc.)

## 9. Distribution and Annual Review

SMC ensures this Human Rights Policy is effectively communicated to all employees, vendors, and external stakeholders. Distribution channels include contractual agreements, onboarding materials, training sessions, and public disclosures on the company's website or ESG reports. This approach promotes awareness and compliance across all levels of operation and engagement. The policy will undergo an annual review to assess its relevance, accuracy, and effectiveness. Revisions will be made proactively to reflect evolving laws, international standards, stakeholder expectations, and operational changes. Any updates will be communicated promptly to all relevant parties to ensure ongoing alignment and accountability.

## 10. Disciplinary Actions

SMC takes violations of this Human Rights Policy seriously. Any employee, supplier, contractor, or business partner found to be in breach may face disciplinary actions, which could include internal sanctions, suspension, termination of contracts, legal consequences, or permanent exclusion from future business opportunities with SMC. These measures are applied consistently and transparently, regardless of seniority or affiliation.

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The severity of the disciplinary response will depend on the nature and impact of the violation. By enforcing strict accountability, SMC reinforces its zero-tolerance stance on human rights abuses and upholds the integrity of its operations and supply chain.

## 11. Reporting Mechanism


SMC provides a secure, confidential, and accessible whistleblower mechanism for reporting human rights concerns involving external stakeholders. This includes issues related to abuse, exploitation, discrimination, or any form of unethical conduct. Reports can be made anonymously via hotline, email, or designated internal channels.

All submissions are handled sensitively and investigated thoroughly within 30 days, with follow-up actions taken where necessary. SMC guarantees protection against retaliation for all whistleblowers. The company encourages a speak-up culture, where all stakeholders feel safe and empowered to raise concerns, reinforcing transparency, trust, and accountability throughout its ecosystem.

## 12. Conclusion

SMC is unwavering in its commitment to upholding human rights in every facet of its operations and stakeholder relationships. This policy reflects the company's dedication to ethical conduct, social responsibility, and compliance with national and international human rights standards. By embedding human rights due diligence into its ESG framework, SMC ensures proactive identification, mitigation, and remediation of risks impacting external stakeholders. The policy serves as a foundation for fostering respectful, inclusive, and lawful business practices. Through continuous improvement, stakeholder engagement, and transparency, SMC contributes positively to society while safeguarding the dignity and rights of all individuals it interacts with.



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## WORKPLACE DIALOGUE POLICY

### SMC/ESG/POLICY-11

#### 1. Purpose

The purpose of this policy is to establish a framework for structured and constructive communication between SMC and its employees through recognized employee representatives, thereby ensuring harmonious labor relations, upholding workers' rights, minimizing disruptions, and aligning with global standards for decent work and responsible business conduct.

#### 2. Scope of Application

This policy applies to all SMC employees, employee representatives, recognized trade unions (if present), contractors' personnel, and third-party service providers engaged with the company. It covers all business operations under facility management, including housekeeping, technical services, and manpower deployment. The policy is applicable across all offices, project sites, and operational regions where SMC operates throughout India. By encompassing direct and indirect workforce interactions, the policy ensures that workplace rights, communication frameworks, and social dialogue standards are upheld consistently. SMC aims to maintain alignment with national labor laws and ESG principles across its entire operational and geographical footprint.


#### 3. Governance

The implementation of this policy will be overseen by the HR Department and the ESG Compliance Committee, ensuring consistent alignment with labor standards and social dialogue principles. The Managing Director provides top-level commitment, reinforcing the importance of structured communication, labor peace, and employee participation across all levels of the organization. A designated Social Dialogue Officer, appointed by the HR Department, will act as the primary liaison for continuous engagement with employee representatives and trade unions. This role involves coordinating meetings, addressing concerns, and ensuring transparency in employee-management interactions to foster a fair, inclusive, and respectful work environment across all operations.

#### 4. Definitions

##### ➤ Social Dialogue

Social dialogue refers to inclusive and structured communication between employers and employees or their representatives.

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It encompasses a range of interactions such as collective bargaining, consultation, and exchange of information on workplace matters including employment terms, rights, safety, and organizational changes. SMC recognizes social dialogue as essential for maintaining a harmonious work environment, enhancing employee engagement, and promoting mutual trust. Through regular dialogue mechanisms—such as meetings, surveys, and open forums—SMC ensures all voices are heard and grievances are addressed proactively, contributing to improved productivity, labor peace, and the integration of employee perspectives into decision-making processes.

### ➤ Collective Bargaining

Collective bargaining is a formal negotiation process between employers and recognized employee representatives—such as trade unions or elected worker groups—regarding terms and conditions of employment. This includes wages, working hours, benefits, safety standards, and grievance procedures. SMC acknowledges the legal and ethical right of employees to engage in collective bargaining and ensures a supportive environment for these discussions. By honoring mutually agreed outcomes, SMC fosters a culture of transparency, accountability, and fairness. Collective bargaining serves as a crucial tool for balancing organizational objectives with workforce well-being and plays a key role in maintaining stable labor relations.


### ➤ Employee Representatives

Employee representatives are individuals or groups—often elected or appointed—who advocate for the rights, interests, and concerns of the workforce in interactions with management. They serve as a bridge between employees and leadership, helping ensure that feedback, grievances, and suggestions are communicated effectively. SMC supports the fair election and participation of employee representatives in matters related to working conditions, company policies, and collective agreements. These representatives play a vital role in upholding transparency, encouraging dialogue, and promoting an inclusive workplace culture. Their involvement reinforces trust and collaboration, aligning workforce expectations with the company's operational and ethical commitments.

## 5. Roles and Responsibilities

### ➤ HR Team

The HR Team plays a critical role in enabling structured social dialogue across SMC. They are responsible for establishing and maintaining communication platforms such as open forums, grievance channels, and regular employee engagement sessions. HR ensures that all employees have the freedom to associate and voice their concerns without fear of retaliation. Additionally, they act as neutral facilitators in resolving grievances promptly and fairly.

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HR also supports the development of collective bargaining frameworks where applicable and ensures compliance with labor laws and internal policies. By fostering a respectful and open environment, HR strengthens employee trust and operational harmony.

### ➤ **Managers/Supervisors**


Managers and supervisors serve as the frontline enablers of social dialogue at SMC. They are responsible for maintaining transparent communication with their teams, actively listening to feedback, and escalating concerns when necessary. Supervisors are expected to uphold all agreements made during collective discussions and ensure that workplace practices align with agreed-upon terms. They help reinforce company policies and demonstrate respect for employee rights in daily operations. By fostering a respectful and inclusive culture, they help minimize conflict, boost morale, and support a healthy work environment. Managers are also key in translating leadership directives into meaningful workplace implementation.

### ➤ **Employee Representatives/Unions**

Employee representatives or union members act as the collective voice of the workforce. Their role is to engage constructively with management on behalf of employees, present concerns responsibly, and negotiate for fair working conditions. They must maintain open, professional, and honest communication while ensuring transparency and accountability to their constituents. Representatives are also expected to educate workers on their rights and responsibilities, promoting mutual respect and trust. At SMC, these representatives are integral to upholding democratic workplace values and ensuring social dialogue remains structured, fair, and solution-oriented. Their collaboration is essential in maintaining labor peace and productivity.

### ➤ **All Employees**

All employees at SMC are encouraged to actively and respectfully participate in social dialogue processes. This includes attending feedback sessions, using grievance channels appropriately, and contributing constructively to workplace discussions. Employees should feel empowered to express their views without fear of retaliation and are responsible for upholding the company's values of mutual respect and inclusiveness. Their participation ensures that the dialogue is well-rounded and representative of diverse perspectives. By engaging in transparent communication and supporting peer representatives, employees play a vital role in maintaining a collaborative work culture that aligns with SMC's commitment to employee well-being and ethical practices.

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## 6. Workplace Dialogue Policy

### 6.1 Work Hours Agreement


SMC upholds fair working conditions by institutionalizing them through formal agreements negotiated with employee representatives. These agreements address vital elements such as fair wages, working hours, overtime policies, leave entitlements, and welfare benefits. The agreements are aligned with applicable labor laws and include provisions for automatic renewal or scheduled renegotiations to avoid lapses. This approach promotes legal compliance, clarity, and continuity in working condition standards. By engaging representatives in structured dialogue, SMC ensures employees' concerns are incorporated into policy frameworks, strengthening organizational trust and productivity while also demonstrating respect for employee rights and workplace justice.

### 6.2 Dialogue Over Disputes

SMC proactively addresses labor concerns by fostering structured and transparent communication channels with employees and their representatives. We organize bi-monthly meetings, open forums, and maintain accessible grievance redressal systems to preempt issues and ensure mutual understanding. This approach minimizes the risk of labor disruptions such as strikes or lockouts and reinforces trust across all levels of the workforce. By maintaining open dialogue and promoting consistent communication, SMC creates a workplace where employee voices are heard and respected, enabling early resolution of concerns and strengthening industrial harmony in line with our ESG and ethical business commitments.

### 6.3 Framework for Fairness

SMC fully supports employees' rights to freedom of association and collective bargaining. We ensure all recognized unions and employee representatives are consulted on important employment-related matters, such as changes in compensation, working conditions, and company policies. These consultations occur in a respectful and collaborative environment, reflecting our belief in fair representation and inclusive decision-making. SMC is committed to providing adequate time, information, and support for effective dialogue, thereby strengthening workplace democracy and minimizing conflict. This framework promotes equity and enhances transparency in labor relations, ensuring that employee interests are considered in organizational planning and implementation.

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#### 6.4 Defend Union Members

SMC strictly prohibits any form of discrimination, intimidation, or retaliation against employees based on union membership or participation in collective bargaining activities. We uphold the right of all employees to freely join unions, participate in representative activities, and express their views without fear of adverse consequences. Allegations of anti-union behavior are investigated promptly, with disciplinary action taken against any confirmed violations. This commitment reinforces our culture of fairness, inclusiveness, and human rights protection, while promoting a positive climate for dialogue and cooperation between management and labor representatives. SMC provides a well-defined, accessible, and confidential grievance mechanism for both direct employees and third-party personnel. The system includes a tiered process—informal resolution through supervisors, formal written complaints, and escalation to the ESG Committee for unresolved matters.

#### 6.5 Career Growth Agreement


SMC encourages employee development through structured agreements on training, career advancement, and skill-building initiatives. These agreements are co-developed with employee representatives to ensure alignment with business needs and individual aspirations. They cover topics such as equal access to learning programs, technical upskilling, leadership development, and succession planning. The goal is to create a competent, future-ready workforce and foster long-term employee retention and motivation. Regular reviews and progress assessments are conducted to update strategies and address gaps. Through these partnerships, SMC reinforces its commitment to continuous learning and equitable growth opportunities across all job levels and departments.

#### 6.6 Aligning Contractor Values

SMC mandates that all external contractors and vendors align with its core principles of social dialogue and employee rights. We incorporate specific clauses in vendor contracts to uphold freedom of association, collective bargaining, and fair treatment of workers. Regular compliance assessments and audits ensure adherence to these standards. Contractors found in breach of our social dialogue expectations are subject to corrective measures or contract termination. By extending our values to third-party partners, SMC ensures consistent ethical labor practices across its supply chain and reinforces its ESG objectives in all operational relationships.

#### 6.7 Improving Workplace Morale

SMC is dedicated to creating a safe, inclusive, and respectful work environment that fosters employee well-being and open dialogue. We facilitate monthly feedback sessions, encourage participation through suggestion schemes, and promote mutual respect across departments and hierarchies. Managers are trained to engage constructively with employees and support an atmosphere of psychological safety.

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By valuing employee input and addressing concerns proactively, SMC improves morale and strengthens workplace culture. This commitment supports productivity, retention, and a positive employee experience, reinforcing our broader ESG goals and ensuring a sustainable and people-centered organization

### 6.8 Employee Representation Body


SMC fully acknowledges the right of employees to organize, form, or elect representative bodies such as labor unions, works councils, or committees. These bodies are vital to fostering collaborative communication between employees and management. SMC ensures that recognized representatives are actively involved in all employment-related discussions, including consultations on policies, organizational changes, and negotiations affecting terms and conditions. We operate in compliance with national labor laws and international human rights standards, providing equal access to dialogue for all workforce members. This inclusive approach strengthens mutual trust and enhances workplace harmony and employee engagement across all business operations.

### 6.9 Health & Safety Agreement

SMC prioritizes employee health and safety through formal collective bargaining agreements developed in partnership with recognized employee representatives. These agreements define clear safety protocols, reporting responsibilities, emergency procedures, and employee rights at every operational level. They are designed to be site-specific yet aligned with national occupational health and safety laws. These documents are legally binding, regularly updated, and signed with timelines and measurable indicators for compliance. Involving employee representatives in these discussions ensures practical and accepted safety solutions, reinforces shared responsibility, and contributes to a safer, healthier work environment across all company sites and functions.

### 6.10 Diversity & Inclusion Pact


SMC actively fosters an inclusive workplace by maintaining collective agreements that address diversity, equity, inclusion, and the prevention of harassment. These agreements are crafted in consultation with employee representatives and provide clear guidelines, reporting procedures, protections, and disciplinary actions. They are reviewed periodically to stay aligned with legal requirements and evolving best practices. By incorporating employee voices into these frameworks, SMC ensures that anti-discrimination policies are not only robust but also widely accepted and implemented. This collaborative effort helps cultivate a respectful, diverse, and psychologically safe workplace where all employees are treated with dignity and fairness.

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## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Work Hours Agreement	Ensure compliance with fair working hours across all departments	% compliance with work-hour policy	▲ 100%
2	Dialogue Over Disputes	Strengthen internal communication to resolve disputes amicably	Resolved disputes through dialogue	▲ 90%
3	Framework for Fairness	Establish policies ensuring fair treatment in all HR practices	Fairness policy roll-out across sites	▲ 100% sites covered
4	Defend Union Members	Protect unionized employees from discrimination	Union discrimination complaints	▼ 0 complaints
5	Career Growth Agreement	Facilitate agreed growth paths for all job roles	Employees with defined growth plans	▲ 80%
6	Aligning Contractor Values	Ensure contractors align with SMC's ESG and labor values	Contractors onboarded with ESG clause	▲ 100%
7	Improving Workplace Morale	Foster a positive and motivating work culture	Positive morale responses in surveys	▲ 85%
8	Employee Representation Body	Enable a recognized forum for employee representation	Active employee committees	▲ 100% sites
9	Health & Safety Agreement	Formalize health and safety obligations through written agreements	Signed H&S agreements	▲ 100%
10	Diversity & Inclusion Pact	Commit to a diverse and inclusive workplace through a formal pact	Sites with signed D&I commitments	▲ 100%



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## 8. Applicable Standards, Laws, and Acts

- International Labour Organization's (ILO) Core Conventions
- UN Global Compact Principles (Principle 3 – Freedom of Association)
- OECD Guidelines for Multinational Enterprises
- GRI Standards (GRI 402: Labor/Management Relations)
- ISO 26000 – Social Responsibility
- OHSAS 18001 – Occupational Health and Safety
- Indian Labor Laws: Industrial Disputes Act, Trade Unions Act, Contract Labour (Regulation & Abolition) Act, etc.

## 9. Distribution and Annual Review


This policy will be formally integrated into SMC's employee handbook, onboarding materials, and third-party contracts to ensure broad awareness and compliance. All staff, vendors, and service partners will be informed during orientation or contractual engagement. The policy will undergo an annual review, led by the HR and ESG teams, to incorporate changes in national labor laws, operational practices, audit recommendations, or stakeholder feedback. Early revisions may be conducted if significant legal or organizational shifts arise. Regular updates and clear communication of any revisions will ensure that all involved parties remain informed and aligned with SMC's labor relations standards.

## 10. Disciplinary Action for Violators

SMC enforces a zero-tolerance policy for any form of violation related to labor rights and social dialogue. Non-compliance, including obstructing lawful union or employee representative activities, intimidation, discrimination, or retaliatory actions, will lead to disciplinary measures. These actions may include verbal or written warnings, suspension, contract termination, or legal proceedings depending on the severity and recurrence of the violation. This applies to all employees, supervisors, and contractors. Ensuring accountability is vital to maintaining a respectful and lawful work environment. All disciplinary actions will be fairly investigated, documented, and aligned with company policy and applicable labor regulations.

## 11. Reporting Mechanism


SMC provides multiple channels for employees, union representatives, and contractors to report concerns related to social dialogue, labor disputes, or collective bargaining issues. A confidential grievance portal is available for secure submissions, alongside direct reporting options to HR or anonymous submissions to the ESG Compliance Cell. All reports are handled discreetly and are acknowledged within a fixed time frame.

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Investigations are conducted impartially, and resolution is pursued within 30 days wherever possible. Protection from retaliation is assured for anyone raising genuine concerns. These mechanisms ensure that employee voices are heard and labor rights are actively safeguarded.

## 10. Conclusion

SMC firmly believes that fostering structured social dialogue and recognizing labor rights is fundamental to business integrity, employee well-being, and operational resilience. By promoting open communication, respecting collective bargaining rights, and providing transparent mechanisms for dispute resolution, SMC ensures a work environment that values fairness, inclusivity, and dignity. This policy reflects our ongoing commitment to ethical business practices, alignment with national labor laws, and international standards. Through collaboration and respect between management and workforce, SMC builds a culture of mutual trust that drives long-term success and sustainability.

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## GRIEVANCE REDRESSAL SYSTEM POLICY

### SMC/ESG/POLICY-12

#### 1. Purpose


The purpose of this policy is to provide all employees with a fair, confidential, and easily accessible grievance mechanism for reporting incidents related to discrimination, harassment, or inequality in the workplace. It ensures that complaints are addressed promptly, impartially, and without fear of retaliation. By doing so, the policy upholds employee rights, reinforces a culture of transparency, and fosters a safe, respectful, and inclusive work environment. This mechanism supports SMC's commitment to ESG principles, promotes employee well-being, and strengthens trust and accountability within the organization through structured resolution pathways and continuous improvement in workplace practices.

#### 2. Scope of Application

This policy applies to all SMC employees, including full-time, part-time, temporary, and contractual staff, as well as vendors, consultants, subcontractors, and any external stakeholders interacting with SMC. It covers all business areas and operations within departments involved in Housekeeping, Technical Services, and Manpower Services under Integrated Facility Management. The geographical coverage extends to all SMC offices, project sites, and client locations across India. The policy aims to ensure that all individuals involved in SMC's operations are provided with clear channels for reporting grievances and that appropriate measures are taken to address and resolve any concerns promptly and effectively.

#### 3. Governance

The policy is governed by the ESG Compliance Committee, which works in coordination with the HR and Ethics & Integrity Office. This collaborative approach ensures comprehensive oversight of grievance handling, including the investigation of reported issues, appropriate follow-up actions, and strict enforcement of the policy. The ESG Compliance Committee ensures that all grievances are addressed in a timely, transparent, and fair manner, maintaining a consistent and ethical approach across all levels of the organization. This structure aims to uphold employee rights, foster a respectful work environment, and ensure compliance with SMC's ethical standards and ESG commitments.

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## 4. Definition of Terms

### ➤ Discrimination

Discrimination refers to any form of unfair treatment or prejudice based on characteristics such as gender, race, caste, religion, disability, age, sexual orientation, or other personal attributes. It undermines the dignity of individuals and violates principles of equality and fairness. SMC is committed to fostering an inclusive workplace where all employees are treated with respect and afforded equal opportunities regardless of their background or identity. We actively work to identify, prevent, and address any form of discrimination, ensuring that our policies and practices reflect our commitment to diversity, equity, and inclusion.

### ➤ Harassment


Harassment refers to any unwelcome conduct—whether verbal, physical, or visual—that creates a hostile, intimidating, or offensive work environment. It includes bullying, inappropriate comments, physical assault, or any behavior that undermines a person's dignity or creates an unprofessional atmosphere. SMC is committed to maintaining a safe and respectful workplace, free from harassment. We have clear policies and procedures in place to address and resolve complaints of harassment. Any employee found engaging in harassment is subject to disciplinary action, ensuring that such behavior is neither tolerated nor allowed to persist within the organization.

### ➤ Grievance Mechanism

A grievance mechanism is a formal, structured procedure that allows employees to report workplace complaints in a safe, confidential, and effective manner. It includes processes for lodging complaints, investigating them thoroughly, and ensuring timely and fair resolutions. SMC's grievance mechanism is designed to provide all employees with a clear and accessible avenue for addressing concerns related to workplace conditions, discrimination, harassment, or other issues. The system is impartial, transparent, and guarantees that every grievance is handled in accordance with our policies and commitment to employee well-being, ensuring fairness and protection for all parties involved.

### ➤ Non-retaliation

Non-retaliation refers to the protection given to employees who report grievances or raise concerns about workplace issues. SMC ensures that employees who file complaints related to discrimination, harassment, or any other violation of their rights are shielded from any form of retaliation, including threats, demotions, or unfair treatment. This protection fosters a safe environment where employees feel empowered to speak up without fear of negative consequences. Retaliatory actions are considered violations of company policy and will lead to immediate disciplinary measures. SMC is dedicated to ensuring that all employees can exercise their rights without fear of reprisal.

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### ➤ Accessibility

Accessibility in the grievance process means ensuring that all employees, especially those from marginalized or vulnerable groups, can report grievances without facing barriers. This includes providing multiple channels for reporting complaints (e.g., online, in person, anonymously) and ensuring that language, cultural, or physical barriers do not impede access to the grievance system. SMC is committed to making its grievance mechanism inclusive and accessible to every employee, regardless of their background or position within the company. We aim to create an environment where all voices can be heard and addressed, ensuring equitable treatment for all employees.

## 5. Roles and Responsibilities

### ➤ Employees


Employees are encouraged to report grievances through designated channels promptly and honestly. It is essential for employees to raise concerns as soon as they arise to ensure timely resolution and prevent issues from escalating. By reporting issues through official channels, employees contribute to a safe and supportive work environment. SMC values transparency and integrity and expects employees to be forthright in their reports. In return, the company guarantees a process that is fair, confidential, and free from retaliation, ensuring that all employees feel supported in addressing any grievances they may have.

### ➤ HR Department

The HR Department acts as the primary contact for grievance intake, investigation, and documentation. HR is responsible for receiving complaints, conducting investigations, maintaining thorough records, and ensuring that all grievances are handled with sensitivity, fairness, and confidentiality. HR serves as a neutral party, ensuring the grievance process is unbiased and transparent. The department also coordinates with other stakeholders such as management, the ESG committee, and the ethics officer to ensure that grievances are addressed in a timely and effective manner, in line with company policies and relevant legal requirements.

### ➤ ESG Committee

The ESG Committee ensures that grievance procedures align with sustainability principles and are periodically reviewed for effectiveness. The committee evaluates whether the grievance process is integrated into the company's overall ESG framework, ensuring it reflects SMC's commitment to ethical business practices, human rights, and environmental stewardship. By periodically reviewing the grievance process, the committee helps ensure continuous improvement, identifying areas where adjustments may be necessary to address evolving challenges.

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The committee also ensures that all grievance-related data is collected and analyzed to inform broader sustainability goals and business practices.

### ➤ Ethics Officer

The Ethics Officer is responsible for overseeing adherence to the non-retaliation and confidentiality clauses of the grievance procedure. Their role is to ensure that employees who raise grievances are protected from any form of retaliation, and that the entire grievance process is conducted with the utmost confidentiality. The Ethics Officer also ensures that ethical standards are upheld throughout the process, providing independent oversight. By fostering an environment of trust and integrity, the Ethics Officer helps maintain the credibility and effectiveness of the grievance mechanism, ensuring all employees feel safe and confident in using it.


### ➤ Supervisors/Managers

Supervisors and managers play a key role in promoting awareness of the grievance process and taking immediate action when issues arise. They are the first point of contact for employees who may have concerns or grievances. Managers are responsible for ensuring that grievances are addressed in accordance with company policy and escalating them to HR or the appropriate authorities when necessary. By fostering open communication and actively supporting employees, supervisors help create a work environment where grievances are dealt with promptly, ensuring timely resolution and preventing potential conflicts from escalating further.

## 6. Grievance Redressal System Policy

### 6.1 Respecting Diversity and Inclusion

SMC has a firm policy against all forms of discrimination in the workplace. We are committed to creating a diverse, inclusive, and equitable environment, where all employees have equal opportunities regardless of their race, gender, disability, or caste. Our recruitment, promotion, training, and compensation processes are designed to eliminate bias and ensure fairness. We actively integrate minority groups and individuals with disabilities into our workforce, providing the necessary accommodations and support. Through ongoing diversity and inclusion initiatives, SMC aims to foster a respectful, welcoming, and inclusive workplace for everyone.

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## 6.2 Ending Workplace Harassment

SMC maintains a strict zero-tolerance policy toward all forms of workplace harassment, including sexual, verbal, and psychological harassment. We ensure that all reported incidents are promptly and thoroughly investigated, following fair and confidential procedures. Our Prevention of Sexual Harassment (POSH) committee is proactive, well-trained, and gender-inclusive, ready to address sensitive complaints with the utmost care and discretion. We create a safe and respectful work environment by ensuring that every employee has the right to work free from harassment, and that any harassment, if it occurs, is swiftly addressed to prevent further harm.

## 6.3 Improved Awareness for Resolution

SMC ensures that all employees, including those in marginalized or geographically dispersed locations, are fully aware of our grievance redressal mechanisms. We conduct periodic training sessions and regular communications to ensure that every employee understands how to report issues or concerns. Our grievance procedures are designed to be accessible, inclusive, and easy to use, providing clear steps for resolution. We also ensure whistleblower protection and guarantee anonymity to maintain confidentiality and prevent any bias or intimidation in the process. All employees are encouraged to utilize these channels for any workplace-related concerns or grievances.


## 6.4 Retaliation Against Whistleblowers

SMC has a strict policy prohibiting retaliation against whistleblowers who report grievances or unethical practices in good faith. We recognize the importance of protecting employees who raise concerns, and therefore, provide multiple confidential reporting channels. Whistleblowers are assured of their protection from any retaliatory actions, and written assurances are provided to confirm non-retaliation. The Ethics Committee oversees the process to ensure fairness and transparency. This policy encourages employees to come forward with confidence, knowing that their concerns will be addressed without fear of any negative consequences or backlash.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Respecting Diversity and Inclusion	Promote and maintain a diverse and inclusive workplace	% of employees trained on D&I	▲ 100%
2	Ending Workplace Harassment	Eliminate all forms of workplace harassment	No. of reported harassment cases	▼ 0 cases



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3	Improved Awareness for Resolution	Increase employee awareness of resolution channels for conflict/issues	% of employees aware of grievance channels	▲ 95%
4	Retaliation Against Whistleblowers	Prevent retaliation against employees who report concerns in good faith	No. of retaliation complaints	▼ 0 complaints

## 8. Applicable Laws, Standards, and Guidelines


SMC's grievance policy adheres to both national and international standards to ensure compliance and fairness in addressing workplace issues. Nationally, the policy aligns with the POSH Act (2013), Rights of Persons with Disabilities Act (2016), and Articles 14-17 of the Indian Constitution, ensuring equality and non-discrimination. Internationally, SMC follows key frameworks such as the Universal Declaration of Human Rights, ILO Fundamental Conventions (No. 100, 111), ISO 26000, and UN Global Compact (Principle 6), which emphasize social responsibility and the elimination of discrimination. Additionally, the policy complies with GRI Standards, OECD Guidelines, and OHSAS 18001 for health and safety.

## 9. Distribution and Annual Review

SMC ensures the policy is effectively communicated and accessible to all employees. It is distributed during onboarding and is available digitally on the company intranet and notice boards for easy access. The policy undergoes an annual review to ensure its relevance, and any operational or legal changes, or significant incidents, may trigger updates to maintain alignment with best practices and compliance standards. The review process ensures that the policy remains current, adaptable, and reflective of the organization's ongoing commitment to equality, safety, and fair grievance handling.

## 10. Disciplinary Action for Policy Violators

Any employee or stakeholder found to have engaged in discrimination, harassment, or any violation of this policy will face disciplinary actions, ranging from formal warnings to suspension or termination of employment or contracts. In severe cases, legal action may be pursued. The company also takes a strong stance against false complaints made with malicious intent. Such individuals will be subject to disciplinary action, ensuring fairness in grievance resolution and preventing misuse of the reporting mechanisms. This ensures that the integrity of the grievance process is maintained.


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## 11. Reporting Mechanism

SMC's grievance mechanism is designed to be accessible, user-friendly, and inclusive for all employees. It is available in English and local languages to cater to diverse employee needs. Employees can report concerns through various channels, including email ([grievances@smcindia.com](mailto:grievances@smcindia.com)), a toll-free number suggestion boxes at all sites, or in-person meetings with HR or the Ethics Officer. Special support is provided for employees with disabilities or those working in remote locations. The mechanism guarantees confidentiality and ensures that all complaints are handled by authorized personnel in accordance with the company's non-retaliation policy.

## 12. Conclusion

SMC remains committed to fostering a workplace that is safe, inclusive, and free from discrimination and harassment. This grievance policy embodies our dedication to maintaining a respectful environment where all employees feel valued and protected. By promoting transparency and providing accessible grievance channels, we ensure that concerns are addressed promptly and effectively. The policy upholds human rights, aligns with global best practices, and strengthens stakeholder trust, reinforcing our commitment to social responsibility and a zero-tolerance approach to discrimination and harassment in the workplace.

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## GREENHOUSE GAS MANAGEMENT POLICY

### SMC/ESG/POLICY-13

#### 1. Purpose


The purpose of this policy is to effectively reduce and manage greenhouse gas (GHG) emissions arising from SMC's operational and transportation activities. It outlines the company's commitment to environmental sustainability by setting clear guidelines for monitoring, reporting, and minimizing emissions in alignment with national regulations and international standards. This policy promotes energy efficiency, adoption of low-carbon technologies, and emission-reduction strategies across all business functions. By implementing these measures, SMC aims to lower its carbon footprint, support climate action initiatives, and contribute to a healthier environment for current and future generations while reinforcing its role as a responsible and sustainable organization.

#### 2. Scope of Application

This policy applies to all SMC employees, contractors, suppliers, and external stakeholders involved in activities that contribute to greenhouse gas (GHG) emissions, particularly through energy use, transportation, and facilities management services. It covers all operational areas, including housekeeping, technical services, and manpower services, where energy consumption, fleet operations, and related processes may directly or indirectly impact GHG output. The policy is applicable across all SMC offices, project sites, and facilities throughout India, as well as any additional geographic locations where SMC conducts business. It ensures a unified approach to emission management and sustainability across the company's entire operational footprint.

#### 3. Governance

The governance of this policy lies with the ESG Committee, which will be supported by the Environmental Sustainability Department to ensure effective implementation and compliance. Oversight will be provided by the senior management team to align emission reduction efforts with broader business goals. A designated Sustainability Officer will be responsible for monitoring and tracking greenhouse gas (GHG) emissions across all operational areas. Emission data and progress reports will be submitted quarterly for internal evaluation. The ESG Committee will conduct an annual performance review, identify gaps, and recommend corrective measures to continually improve the organization's carbon footprint and sustainability outcomes.

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## 4. Definition of Terms

### ➤ Greenhouse Gas (GHG)

Greenhouse gases (GHGs) are atmospheric gases that trap heat and contribute to the warming of the planet, leading to climate change. The major GHGs include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). These gases result from both natural processes and human activities such as fossil fuel combustion, industrial operations, and agricultural practices. At SMC, identifying and managing GHG emissions is essential for meeting sustainability targets. This policy focuses on measuring, monitoring, and reducing emissions across operations to mitigate environmental impact and support global climate action goals.

### ➤ Scope 1 Emissions


Scope 1 emissions refer to direct greenhouse gas emissions from sources that are owned or controlled by SMC. These include emissions from the operation of company-owned fleet vehicles, generators, and equipment, as well as fuel combustion within SMC's offices, project sites, and other facilities. Monitoring Scope 1 emissions is a crucial part of SMC's environmental responsibility, as it allows the company to identify high-emission activities and implement reduction strategies such as transitioning to electric vehicles, using cleaner fuels, and maintaining energy-efficient systems. Accurate tracking of Scope 1 emissions ensures transparency and enables informed decision-making in sustainability planning.

### ➤ Scope 2 Emissions

Scope 2 emissions are indirect greenhouse gas emissions resulting from the consumption of purchased electricity, steam, heating, or cooling. Although these emissions occur at the facility where electricity or energy is generated, they are accounted for in SMC's carbon footprint because the energy is used to power its operations. Reducing Scope 2 emissions involves improving energy efficiency and increasing the use of renewable energy sources across all SMC sites. Strategies may include installing energy-efficient lighting and equipment, optimizing HVAC systems, and sourcing electricity from green energy providers. Managing Scope 2 emissions is key to lowering operational environmental impact.

### ➤ Energy Efficiency

Energy efficiency refers to the practice of using less energy to perform the same task or produce the same result. This can involve upgrading to energy-saving technologies, optimizing operational processes, and promoting energy-conscious behaviors among staff. At SMC, energy efficiency is central to reducing greenhouse gas emissions and lowering operational costs. Examples include using LED lighting, energy-efficient appliances, and automated building systems.

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The organization also encourages regular energy audits and employee training to identify improvement areas. Implementing energy efficiency measures contributes significantly to environmental sustainability and aligns with both national regulations and international climate commitments.

## 5. Roles and Responsibilities

### ➤ Employees


All SMC employees play a crucial role in supporting greenhouse gas (GHG) reduction efforts by adhering to energy-efficient practices in daily operations. This includes turning off unused electrical equipment, minimizing fuel usage, reducing waste, and actively participating in awareness initiatives. Employees are encouraged to report inefficiencies or excess energy usage to the appropriate personnel. Their proactive involvement ensures that sustainability becomes part of the organizational culture. Employees also contribute by complying with environmentally responsible travel guidelines and adopting energy-conscious behaviors. Their commitment is essential to the successful implementation of the company's GHG management strategy and long-term environmental goals.

### ➤ Sustainability Officer

The Sustainability Officer is responsible for implementing and overseeing GHG tracking and energy management across SMC's operations. This role includes collecting emissions data, analyzing performance trends, and preparing quarterly reports for internal and external stakeholders. The officer ensures compliance with environmental standards and regulations and supports the development of annual emission reduction targets. They also coordinate training, awareness campaigns, and performance reviews to promote a culture of sustainability. By aligning operational goals with GHG reduction objectives, the Sustainability Officer plays a pivotal role in minimizing environmental impact and steering the organization toward low-carbon, energy-efficient growth.

### ➤ ESG Committee

The ESG Committee provides strategic oversight for SMC's GHG management policy. It reviews the effectiveness of emissions reduction strategies annually and ensures alignment with national legislation and international standards such as the ISO 14064 and UN Sustainable Development Goals. The committee evaluates progress toward environmental targets, advises on corrective actions, and facilitates integration of sustainability into business planning. It also ensures cross-departmental coordination, particularly among operations, procurement, and facility teams, to enhance implementation. Through leadership and accountability, the ESG Committee ensures that SMC's GHG reduction initiatives are consistent, measurable, and contribute to long-term environmental performance improvement.

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### ➤ Procurement Department

The Procurement Department plays a key role in minimizing SMC's GHG emissions by sourcing energy-efficient products, services, and technologies. This includes prioritizing vendors who demonstrate sustainable practices and selecting equipment, vehicles, and systems with low environmental impact. Procurement decisions are guided by life cycle assessments, energy ratings, and alignment with company-wide sustainability criteria. The department collaborates with the ESG Committee and Sustainability Officer to ensure that purchases meet both operational needs and climate-related goals. By incorporating GHG considerations into the supply chain, the Procurement Department helps reduce indirect emissions and supports responsible resource use across the organization.

### ➤ Transport and Fleet Management

The Transport and Fleet Management team is responsible for overseeing vehicle operations in a manner that minimizes GHG emissions. This includes maintaining fuel-efficient vehicles, phasing in hybrid or electric models, optimizing routes, and monitoring fuel consumption. The department ensures regular servicing and driver training programs to enhance performance and reduce unnecessary idling or emissions. Collaborating with the Sustainability Officer, the team tracks vehicle-related emissions and supports data reporting. Their role is crucial in reducing Scope 1 emissions associated with SMC's transportation activities, thereby contributing to the company's overall carbon reduction targets and environmental sustainability goals.


## 6. Greenhouse Gas Management Policy

### 6.1 Harnessing Natural Daylight

SMC will design and optimize the use of natural daylight within its facilities, including maximizing window space, installing skylights, and employing architectural solutions that reduce the need for artificial lighting. This will reduce electricity consumption and contribute to a decrease in GHG emissions. The company will continually explore new ways to incorporate daylight capture into its building designs and renovations.

### 6.2 High Energy Consumption in Operations

To address high energy consumption, SMC will implement energy-efficient measures throughout its operational activities. This includes the phased replacement of outdated systems with energy-efficient equipment, such as LED lighting and optimized HVAC systems. Each department will be assigned specific energy reduction targets, reviewed and updated annually. Regular energy audits will be conducted to evaluate consumption patterns and identify areas for improvement.

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These steps are designed to reduce electricity usage, lower operational costs, and support the company's GHG emissions reduction objectives. By enhancing energy efficiency, SMC reaffirms its commitment to sustainable operations and environmental responsibility.

### 6.3 Energy Audit

SMC will conduct regular energy audits across its facilities, including office buildings, manufacturing sites, and transportation systems, to assess and identify opportunities for GHG emissions reduction. The audit results will provide insights into energy usage patterns and highlight areas where energy efficiency measures can be applied. Action plans will be developed based on audit findings to ensure targeted efforts to reduce GHG emissions.

### 6.4 Electricity Consumption

To address Scope 2 emissions, SMC will explore and implement strategies for reducing electricity-related indirect emissions. The company is committed to transitioning toward renewable energy by sourcing electricity from green energy providers and installing solar panels wherever feasible. Regular assessments will identify new opportunities to integrate renewable energy into operations. Simultaneously, SMC will monitor electricity consumption to ensure reductions align with its GHG targets. By actively pursuing low-carbon energy alternatives, the company will reduce its dependence on non-renewable energy sources, thereby minimizing its overall carbon footprint and advancing its sustainability agenda.


### 6.5 Green Systems for Efficiency

SMC will prioritize the purchase and installation of energy-efficient equipment across all operations, including air conditioning, heating, and ventilation systems. We will adopt technologies that reduce energy consumption and improve the overall efficiency of our facilities. Regular assessments will be made to replace older, inefficient equipment with new, energy-saving alternatives, contributing to the reduction of GHG emissions and operational costs.

### 6.6 Energy Conservation Training

SMC is committed to educating employees on energy conservation and GHG emissions reduction. We will regularly conduct training programs designed to raise awareness and equip employees with the necessary knowledge and skills to implement energy-saving practices. These programs will cover new processes, energy-saving guidelines, and best practices, ensuring that every employee understands their role in reducing GHG emissions. This approach aims to foster a culture of sustainability throughout the organization.



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## 6.7 Transportation and Fleet Operations

SMC will actively reduce transportation-related GHG emissions by promoting the use of hybrid and fuel-efficient vehicles across its fleet. Efficient driving behavior will be encouraged through training programs, focusing on techniques such as smooth acceleration, minimal idling, and proper vehicle maintenance. Route optimization technologies will be implemented to ensure the shortest and most fuel-efficient travel paths. Regular vehicle servicing schedules will be enforced to maintain optimal fuel performance. These combined efforts will significantly reduce fuel consumption and emissions from transportation activities, aligning with SMC's broader climate goals and commitment to reducing its environmental footprint.

## 6.8 Lighting Energy Reduction

SMC is dedicated to reducing energy consumption in its lighting systems by installing or adopting energy-efficient lighting technologies, such as LED lights, motion sensors, and dimmers. We will also maximize the use of natural daylight in all facilities to further reduce reliance on artificial lighting. These measures will help decrease the overall energy consumption of lighting systems, leading to a reduction in GHG emissions and enhanced sustainability.

## 6.9 Awareness on Energy Efficiency

SMC recognizes that employee behavior plays a critical role in achieving energy efficiency goals. To enhance awareness and promote sustainable practices, regular training sessions, workshops, and internal campaigns will be conducted.

These initiatives will educate employees on actionable steps they can take, such as turning off unused equipment, efficient use of lighting and HVAC systems, and reporting energy waste. Departmental champions may be appointed to lead energy-saving efforts. These awareness initiatives aim to embed a culture of sustainability across the organization, ensuring that every employee contributes to reducing energy use and supporting SMC's environmental commitments.

## 7. GHG Emission Reporting Frequency: Annually

## 8. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Harnessing Natural Daylight	Increase use of natural daylight to reduce artificial light	% of workspace utilizing daylight	▲ 85%



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2	High Energy Consumption in	Reduce overall energy consumption in	% reduction in energy usage	▼ 15%
3	Energy Audit	Conduct regular energy audits	No. of audits conducted	▲ 1 audits / Year
4	Electricity Consumption	Monitor and reduce electricity consumption	kWh reduction	▼ 15%
5	Green Systems for Efficiency	Implement green energy systems (e.g., solar, LED)	% of green energy systems installed	▲ 50%
6	Energy Conservation Training	Train employees on energy-saving practices	% employees trained	▲ 100%
7	Transportation and Fleet Operations	Optimize fleet for lower emissions and fuel consumption	% reduction in fleet emissions	▼ 5%
8	Lighting Energy Reduction	Reduce energy used in lighting systems	% reduction in lighting energy use	▼ 5%
9	Awareness on Energy Efficiency	Increase employee awareness of energy efficiency	% employees aware	▲ 100 %

## 8. Applicable Laws, Standards, and Guidelines

- Energy Conservation Act, 2001 (India)
- The Air (Prevention and Control of Pollution) Act, 1981 (India)
- Indian Green Building Council (IGBC) Guidelines
- ISO 14000 (Environmental Management Systems)
- ISO 14064 (Greenhouse Gas Management)
- ISO 26000 (Social Responsibility)
- UN Global Compact (Principles 7–9 on environment)
- Global Reporting Initiative (GRI) Standards
- Carbon Disclosure Project (CDP)
- OECD Guidelines for Multinational Enterprises
- EU Emissions Trading System (EU ETS) for operations in European regions, if applicable

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## 9. Distribution and Annual Review

This Greenhouse Gas (GHG) Management Policy is distributed to all employees during onboarding and remains accessible on SMC's intranet and notice boards at all key operational sites. The goal is to ensure that all personnel are informed and aligned with the company's environmental sustainability initiatives. An annual review of the policy will be conducted by the ESG Committee to evaluate its continued relevance, incorporate updates to national and international laws, and integrate emerging best practices in carbon management. Revisions will be communicated promptly to all stakeholders to maintain ongoing compliance and continuous improvement in GHG emissions reduction.

## 10. Disciplinary Action for Policy Violators


Employees and contractors are expected to fully comply with the provisions of this GHG Management Policy. Non-compliance may result in corrective actions such as formal warnings, mandatory sustainability training, or performance reviews that may influence incentives and career progression. Severe or repeated violations may lead to more serious consequences, including termination of employment or contractual agreements. This disciplinary structure ensures accountability and reinforces SMC's commitment to climate responsibility. Additionally, failure to meet legal requirements on emissions reporting or energy management may expose violators to legal action. This structured enforcement approach underlines the importance of shared responsibility for emissions control.

## 11. Reporting Mechanism

SMC collects GHG emissions data through fuel logs, electricity bills, and fleet reports, applying recognized national and international emission factors. The Sustainability Officer consolidates this information into quarterly internal reports, presented to the ESG Committee to monitor progress toward GHG reduction targets. Annually, SMC discloses emissions performance publicly via the CDP and other relevant frameworks to maintain transparency and stakeholder trust. Employees and stakeholders are encouraged to offer suggestions or report concerns regarding energy efficiency through surveys, feedback forms, and suggestion boxes. This integrated reporting framework ensures that SMC's climate actions are measurable, accountable, and continuously improved.

## 10. Conclusion

SMC is fully committed to reducing its greenhouse gas emissions through strategic energy management, sustainable procurement, and efficient transportation practices. This policy reinforces our mission to operate responsibly and contribute meaningfully to the global climate agenda. By promoting a culture of sustainability, monitoring progress through robust reporting systems, and aligning with ESG principles, SMC aims to achieve measurable environmental improvements.

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## POLLUTION CONTROL PLAN POLICY

### SMC/ESG/POLICY-14

#### 1. Purpose

The purpose of this Air Pollution Management Policy is to reduce the impact of air pollution from SMC's operations and facilities. This includes mitigating the release of non-GHG pollutants such as particulate matter (PM), nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), volatile organic compounds (VOC), dust, and other atmospheric emissions like odor, noise, and light. The company is committed to maintaining compliance with national and international regulations and minimizing environmental impact by adopting best practices, technological advancements, and sustainable operations.

#### 2. Scope of Application

This policy applies to all employees, contractors, and third-party service providers engaged in activities under SMC's operational scope. It covers all business areas, including integrated facility management services such as housekeeping, technical services, and manpower support, as well as transportation and logistics operations. The policy ensures that environmental standards and sustainable practices are embedded into daily operations across departments. It is applicable to all geographical locations where SMC conducts business, including offices, warehouses, transportation hubs, and client sites throughout India. This comprehensive coverage ensures consistency in environmental responsibility and compliance across the company's diverse operations.


#### 3. Governance

The governance of this policy lies with the Environmental, Social, and Governance (ESG) Steering **Committee** of SMC, which will oversee the implementation, monitoring, and compliance of this policy. The committee will consist of representatives from senior management, environmental health and safety (EHS) teams, and sustainability officers. The company will regularly review the policy to ensure its relevance and effectiveness.

#### 4. Definition of Terms

##### ➤ Non-GHG Pollutants

Non-GHG (Greenhouse Gas) pollutants are harmful emissions that do not directly contribute to climate change but pose significant risks to human health and the environment. These include sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), volatile organic compounds (VOCs), particulate matter (PM), and dust. These pollutants can result from combustion processes, industrial emissions, and construction activities.

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Their presence in the atmosphere contributes to smog, acid rain, respiratory illnesses, and environmental degradation. Managing non-GHG pollutants involves adopting cleaner technologies, emission control systems, and regulatory compliance to minimize their release and protect air quality, human well-being, and ecological balance.

### ➤ VOC (Volatile Organic Compounds)


Volatile Organic Compounds (VOCs) are a group of carbon-based chemicals that easily evaporate into the air at room temperature. Common sources include paints, solvents, cleaning products, and industrial emissions. VOCs are major contributors to the formation of ground-level ozone and smog, which negatively impact air quality and human health. Long-term exposure can cause respiratory problems, headaches, and even damage to internal organs. To manage VOC emissions, SMC promotes the use of low-VOC products, proper ventilation, and environmentally friendly substitutes. Monitoring VOC levels and ensuring compliance with environmental standards are vital to protecting both people and ecosystems.

### ➤ PM (Particulate Matter)

Particulate Matter (PM) refers to a mixture of solid particles and liquid droplets found in the air. These include dust, dirt, soot, and smoke, which can be classified by size—PM10 and PM2.5, with PM2.5 posing the greater health risk due to its ability to penetrate deep into the lungs. Sources include vehicle emissions, industrial activity, and construction sites. Exposure to PM can lead to serious health issues such as asthma, heart disease, and lung cancer. SMC mitigates PM through dust suppression techniques, filtration systems, and regular monitoring to ensure workplace safety and compliance with environmental regulations.

### ➤ Dust

Dust consists of fine solid particles that are suspended in the air, typically resulting from industrial operations, construction activities, or natural processes such as wind erosion. In occupational settings, dust exposure can lead to respiratory issues, eye irritation, and skin conditions. It can also settle on surfaces, affecting machinery efficiency and product quality. SMC takes a proactive approach to controlling dust by employing measures such as water spraying, enclosures, air filtration, and regular housekeeping. Employee training and personal protective equipment (PPE) are also used to ensure safety. Effective dust management supports health, safety, and regulatory compliance.

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### ➤ Noise Pollution

Noise pollution refers to excessive or disturbing sounds that negatively impact human health, productivity, and well-being. Sources may include machinery, transportation, construction activities, and industrial processes. Prolonged exposure to high noise levels can lead to hearing loss, stress, sleep disturbances, and reduced concentration. At SMC, noise pollution is addressed through engineering controls, regular equipment maintenance, use of sound barriers, and scheduling noisy activities during less disruptive hours. Employees are provided with hearing protection, and noise levels are routinely monitored. Mitigating noise pollution helps foster a safe, comfortable, and compliant work environment for all stakeholders.

### ➤ Odor Pollution

Odor pollution involves the release of unpleasant or offensive smells that affect air quality and quality of life. It typically arises from waste treatment, chemical use, industrial processes, or decomposition of organic matter. While not always harmful to health, persistent odors can cause discomfort, nausea, headaches, and complaints from the surrounding community. SMC addresses odor pollution by identifying and managing sources, using deodorizing systems, enclosing odorous operations, and ensuring proper waste management. Regular monitoring and prompt response to complaints are key components. Reducing odor pollution supports community relations, enhances workplace conditions, and ensures environmental compliance.


## 5. Roles and Responsibilities

### ➤ ESG Steering Committee

The ESG Steering Committee is responsible for overseeing the implementation and enforcement of the air pollution control policy. The committee ensures that all measures align with applicable environmental laws and ESG standards. It regularly reviews operational data, compliance reports, and performance metrics to evaluate policy effectiveness. The committee also provides strategic direction, approves corrective actions, and ensures that sufficient resources are allocated for air quality improvement initiatives. Additionally, it facilitates communication with senior management and external stakeholders by publishing regular updates on progress and achievements related to air pollution reduction, promoting accountability and transparency throughout the organization.

### ➤ Environmental Health and Safety (EHS) Team

The EHS Team plays a critical role in implementing air pollution control strategies. They conduct environmental impact assessments and air quality monitoring to identify pollution sources and evaluate risk levels.

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Based on findings, the team recommends and executes corrective measures to reduce emissions and ensure regulatory compliance. Their duties also include developing standard operating procedures, ensuring proper maintenance of pollution control equipment, and training staff on best practices. The EHS Team collaborates with facility managers, audits workspaces, and updates management on environmental performance, helping the organization maintain a proactive stance on environmental health and sustainable operational practices.

### ➤ Employees and Contractors

Employees and contractors are required to follow all air pollution control guidelines outlined in the policy. They must participate in training programs to understand the environmental impact of their activities and adopt practices that contribute to cleaner air, such as proper waste disposal, equipment use, and energy conservation. Individuals are encouraged to report any air quality concerns or violations to the EHS Team. By integrating environmentally responsible behavior into daily tasks and adhering to safety protocols, employees and contractors support SMC's commitment to reducing air pollution and upholding ESG values across all levels of operation.

### ➤ Facility and Operations Managers


Facility and Operations Managers are accountable for ensuring that day-to-day operations align with the air pollution control policy. They oversee the implementation of pollution reduction strategies such as emission controls, dust suppression systems, and energy-efficient practices. Managers ensure that all equipment is maintained regularly to minimize environmental impact and that staff are trained in environmentally responsible methods. They coordinate with the EHS Team and external auditors to monitor air quality, conduct inspections, and resolve any non-compliance issues. Their leadership ensures that environmental objectives are integrated into core operational processes, fostering a culture of sustainability across SMC's facilities.

## 6. Pollution Control Plan Policy

### 6.1 Air Quality Management

SMC is committed to reducing harmful air emissions, including particulate matter (PM), volatile organic compounds (VOCs), nitrogen oxides (NOx), and sulfur oxides (SOx), from all its facility operations. We will implement energy-efficient practices, transition to low-emission technologies, and maintain our equipment to minimize emissions. Routine monitoring and data tracking will be conducted to identify sources of pollution and evaluate reduction efforts. Our goal is to ensure that air quality around operational sites remains within regulatory limits and aligns with global best practices. Continuous improvement strategies will be adopted to progressively reduce our environmental impact.



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## 6.2 Reducing Transport Emissions

SMC recognizes that transportation is a key source of air pollution and commits to minimizing emissions from its vehicle fleet and logistics operations. We will promote fuel efficiency, regularly maintain vehicles, and gradually transition to hybrid or electric models. Drivers will be trained in eco-driving techniques to reduce unnecessary idling and fuel use. Emissions from company-owned and operated vehicles will be regularly monitored, with performance metrics guiding future improvements. Our objective is to reduce transportation-related CO<sub>2</sub>, NO<sub>x</sub>, and PM emissions, aligning with climate action goals and ensuring responsible environmental stewardship in our logistics.

## 6.3 Noise and Odor Pollution


SMC will actively prevent and reduce noise and odor pollution from all its operations. We will use low-noise machinery and install sound-dampening technologies where needed to reduce auditory impact on workers and surrounding communities. For odor control, proper storage, handling, and ventilation systems will be maintained, especially in waste-prone areas. Regular audits will be conducted to assess compliance with national noise and odor thresholds. Through stakeholder engagement and community feedback, we aim to identify hotspots and implement targeted mitigation strategies, ensuring our operations are respectful of both human well-being and local environmental quality.

## 6.4 Climate Impact Preparedness

SMC acknowledges that climate change presents material risks to business continuity and client operations. We will incorporate climate resilience into our planning and services, including conducting climate vulnerability assessments and identifying areas at risk from flooding, heatwaves, or storms. Our operations will adopt adaptive technologies and processes to withstand extreme weather events. Furthermore, we will work with clients to offer climate-smart facility management services. By aligning with frameworks like the Carbon Disclosure Project (CDP) and TCFD recommendations, we aim to strengthen long-term sustainability and contribute to global climate adaptation efforts.

## 6.5 Scarcity Response Plan

SMC is committed to addressing resource scarcity by promoting efficient use of water, energy, and raw materials in its facility management operations. Our digitization and automation solutions are designed to minimize wastage and optimize resource utilization. We will adopt smart metering, leak detection systems, and energy-efficient equipment. Employees will be trained in conservation practices, and customers will be offered green solutions tailored to their facilities. Regular audits will help identify inefficiencies and implement corrective actions. Our aim is to reduce resource consumption intensity while supporting clients in achieving their environmental sustainability goals.

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## 6.6 Electronic Waste Awareness


As a leader in digitized facility management, SMC is committed to responsible e-waste management. We will ensure that obsolete or non-functional electronic equipment is disposed of through authorized recyclers or returned to manufacturers for safe processing. Internal systems will track the lifecycle of digital assets to manage disposal timelines. In alignment with WEEE and RoHS directives, we will prevent environmental contamination and promote recovery of valuable materials. SMC will also raise awareness among customers about proper e-waste practices and offer guidance on sustainable IT asset disposal, minimizing negative impacts on human health and ecosystems.

## 6.7 Noise and Air Pollution

SMC will take a comprehensive approach to reduce both noise and air pollution from its operations. We will procure low-emission, low-noise equipment, ensure regular maintenance, and use sound insulation or barriers in high-noise areas. Ambient air quality will be monitored, especially in sensitive environments such as hospitals or educational institutions. Staff will be trained on pollution prevention and control measures. Compliance with national and international air and noise standards will be ensured. Through data-driven monitoring and stakeholder feedback, we will strive for continuous improvement in maintaining a clean and quiet operational environment.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Air Quality Management	Improve indoor and outdoor air quality	% reduction in air pollutants	▼ 15%
2	Reducing Transport Emissions	Minimize emissions from company transport	% reduction in transport emissions	▼ 5%
3	Noise and Odor Pollution	Control and reduce noise and odor pollution	% reduction in noise/odor reports	▼ 5%
4	Climate Impact Preparedness	Enhance readiness for climate-related risks	No. of preparedness drills	▲ 1 drills
5	Scarcity Response Plan	Develop and implement water/energy scarcity plan	% plan implementation	▲ 100%

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6	Electronic Waste Awareness	Increase awareness and proper disposal of e-waste	% employees trained	▲ 100%
7	Noise and Air Pollution	Overall reduction of noise and air pollution	% reduction in combined pollution	▼ 20%

## 8. Reference to Applicable Standards, Laws, and Acts


- National Regulations
- Air (Prevention and Control of Pollution) Act, 1981
- National Air Quality Standards, Ministry of Environment, Forest and Climate Change (MoEFCC)
- The Environment Protection Act, 1986
- Motor Vehicle Act, 1988 (for transportation emissions)
- International Regulations and Standards
- ISO 14000 (Environmental Management)
- ISO 26000 (Social Responsibility)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- Carbon Disclosure Project (CDP)
- EU Directives related to air emissions and environmental protection

## 9. Distribution and Annual Review

This policy will be distributed to all employees, contractors, and relevant stakeholders through email, internal platforms, and the company's website to ensure accessibility and awareness. The ESG Steering Committee will conduct a thorough annual review to maintain alignment with SMC's operational goals, legal compliance requirements, and advancements in air pollution control technologies. Adjustments will be made as needed to reflect legislative updates, new industry standards, or internal performance data. This systematic review process ensures that the policy remains effective, up-to-date, and capable of supporting SMC's commitment to environmental responsibility and improved air quality across all operations.

## 10. Disciplinary Action for Policy Violators

Violations of the air pollution policy by employees, contractors, or third-party service providers will be met with appropriate disciplinary measures. These actions may range from written warnings for minor infractions to suspension or termination of employment or contracts for severe or repeated violations. In cases involving legal breaches, fines or penalties may also be imposed.

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The severity of the response will be proportional to the nature and impact of the violation. All disciplinary actions will be conducted in accordance with SMC's internal procedures and relevant labor laws to ensure fairness, transparency, and enforcement of accountability.

## 11. Reporting Mechanism

SMC provides a structured and confidential reporting mechanism for employees, contractors, and stakeholders to raise concerns regarding air pollution or policy violations. The system guarantees anonymity to protect whistleblowers and assures non-retaliation to encourage honest communication. Reporting channels will be accessible in multiple formats, including email, online portals, and in-person options, ensuring inclusivity and ease of use for all personnel, regardless of location. This mechanism empowers individuals to take an active role in environmental stewardship, supports early detection of non-compliance, and reinforces SMC's dedication to transparency, ethical conduct, and continuous environmental performance improvement.

## 12. Conclusion

SMC is fully committed to reducing air pollution through responsible operational practices, employee engagement, and compliance with applicable environmental laws. By minimizing emissions of non-GHG pollutants like particulate matter (PM), volatile organic compounds (VOCs), and nitrogen oxides (NOx), the company aims to protect public health, enhance air quality, and uphold sustainability goals. This policy reflects SMC's proactive stance on environmental stewardship and its alignment with ESG principles.

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## LIVING PLANET POLICY

### SMC/ESG/POLICY-15

#### 1. Purpose

The purpose of this Biodiversity Management Policy is to minimize the environmental impact of SMC's operations on local ecosystems, species, and genetic resources. We are committed to preserving biodiversity by ensuring that our business activities do not harm the health, diversity, and abundance of local flora and fauna. The policy emphasizes the integration of sustainable management practices that respect biodiversity and support the conservation of natural habitats. Additionally, it ensures the ethical treatment of animals involved in operations. This policy aligns with both global and national biodiversity goals, promoting environmental stewardship and responsible business practices.

#### 2. Scope of Application

This Biodiversity Management Policy applies to all employees, contractors, and third-party service providers involved in SMC's operations. It covers all areas of SMC's business activities, including digitization, automation, and mechanization in integrated facility management services such as housekeeping, technical services, and manpower services. The policy is applicable to all operational locations within India, ensuring that biodiversity preservation is integrated into every aspect of the company's operations. Additionally, it extends to any new regions or locations where SMC may expand its operations in the future, ensuring consistent adherence to sustainable biodiversity practices across all sites.


#### 3. Governance

The governance of this policy will be overseen by the **Environmental, Social, and Governance (ESG) Steering Committee**. This committee will ensure the effective implementation of the policy and compliance with national and international biodiversity-related regulations. The committee will report to senior management and stakeholders, reviewing and updating the policy annually to ensure alignment with best practices and legislative requirements.

#### 4. Definition of Terms

##### ➤ Biodiversity

Biodiversity refers to the variety of life forms, including species, ecosystems, and genetic resources, within a specific area. It encompasses the complexity of life on Earth and is crucial for ecosystem stability and resilience.

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Maintaining biodiversity ensures that natural systems continue to provide essential services, including pollination, water filtration, and climate regulation, which are vital for human survival and development.

#### ➤ Species Diversity

Species diversity refers to the variety and abundance of species within an ecosystem, focusing on their distribution, interaction, and ecological roles. High species diversity supports ecosystem health, as different species contribute to the balance of food webs and ecosystem processes, ultimately enhancing resilience to environmental changes.

#### ➤ Ecosystem Services

Ecosystem services are the direct and indirect benefits that humans obtain from ecosystems, such as clean water, air, food, and natural resources. These services are vital for human health, agricultural productivity, and climate regulation. Preserving biodiversity ensures the continued provision of these services, which are foundational to human survival and economic well-being.

#### ➤ Genetic Resources

Genetic resources refer to the genetic material contained in plants, animals, and microorganisms, which are essential for breeding, food production, and conservation. The preservation of genetic diversity supports agricultural innovation, medicine, and sustainable environmental management, ensuring that ecosystems can adapt to changing conditions and that future generations have access to these vital resources.


#### ➤ Animal Welfare

Animal welfare refers to the ethical treatment and well-being of animals, particularly those used in operations or human interaction. This includes ensuring proper living conditions, preventing cruelty, and promoting humane treatment. In operational contexts, the welfare of animals is critical, not only from an ethical standpoint but also to ensure compliance with legal and environmental standards.

### 5. Roles and Responsibilities

#### ➤ ESG Steering Committee

The ESG Steering Committee is responsible for overseeing the successful implementation of the Biodiversity Management Policy. This includes monitoring the impact of SMC's operations on local ecosystems and ensuring that activities align with global environmental standards. The committee will regularly review progress, set targets, and recommend improvements to safeguard biodiversity.

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Additionally, it ensures that SMC's operations are compliant with national and international regulations, fostering a culture of environmental responsibility and sustainability across all levels of the organization.

#### ➤ Environmental Health and Safety (EHS) Team

The EHS Team is tasked with conducting regular environmental assessments and biodiversity impact studies to evaluate the effects of SMC's operations on ecosystems. They are responsible for implementing corrective actions if any adverse impacts are identified and ensuring that operations follow best practices for environmental management. This team will also collaborate with external experts to remain updated on biodiversity trends, ensuring that all actions taken align with SMC's sustainability goals and legal obligations. Additionally, they monitor ongoing compliance with both internal and external biodiversity preservation standards.

#### ➤ Facility and Operations Managers

Facility and Operations Managers play a critical role in implementing biodiversity protection measures at all SMC facility sites. Their responsibilities include ensuring compliance with local, national, and global environmental laws and regulations regarding biodiversity. They are tasked with integrating biodiversity conservation efforts into daily operations, from reducing habitat disruption to minimizing pollution and waste. Managers are also responsible for educating their teams about best practices in sustainability and biodiversity protection, ensuring that all operational activities are conducted in an environmentally responsible manner.

#### ➤ Employees and Contractors


Employees and contractors at SMC are expected to follow all established guidelines for minimizing operational impacts on biodiversity. This includes adhering to protocols designed to protect local ecosystems, species, and habitats during daily activities. Employees are also encouraged to participate in biodiversity training programs to understand the importance of conservation efforts in their work. Additionally, they must report any violations or concerns regarding biodiversity impacts or breaches of the policy. By following these guidelines and staying informed, they contribute to the company's broader commitment to sustainability and environmental stewardship.

## 6. Living Planet Policy

### 6.1 Habitat Conservation Strategy

SMC is dedicated to ensuring that facility expansions do not result in the destruction or degradation of natural habitats. Prior to development, comprehensive environmental and biodiversity assessments will be conducted to identify and mitigate ecological risks.



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Strategies such as avoiding high-biodiversity zones, implementing reforestation programs, and preserving natural vegetation will be prioritized. Where expansion is necessary, wildlife corridors and buffer zones will be established to minimize disruption to native flora and fauna. SMC aims to maintain ecological balance and protect sensitive ecosystems, aligning with our broader environmental sustainability commitments and biodiversity conservation goals.

## 2. Eco-Impact Reduction Plan


SMC recognizes the threat pollution poses to ecosystems and is committed to minimizing the environmental impact of its operations. We will adopt cleaner production technologies and implement strict controls on chemical usage, emissions, and waste disposal. Regular audits and monitoring systems will be used to ensure that pollutants do not enter surrounding environments. Effluent will be treated before discharge, and solid waste will be managed through recycling and responsible disposal methods. These efforts aim to preserve the health of local ecosystems, prevent biodiversity loss, and comply with applicable environmental regulations and international best practices.

## 3. Sustainable Animal Stewardship

SMC is committed to upholding high standards of animal welfare in all its operations. We ensure humane treatment of any animals involved in operational processes, strictly adhering to legal and ethical guidelines. This includes avoiding unnecessary harm, providing safe and comfortable living conditions, and using non-invasive procedures whenever possible. Training will be provided to staff on animal welfare protocols, and regular inspections will be conducted to monitor compliance. Our commitment extends to wildlife protection, where we implement measures to avoid disrupting native species. SMC strives to integrate compassion and responsibility into our biodiversity management practices.

## 4. Invasive Species Management

To safeguard local biodiversity, SMC is committed to preventing the introduction and spread of invasive species through its operations. We will conduct risk assessments and maintain strict biosecurity protocols at all operational sites. Monitoring systems will be established to detect invasive species early, enabling timely intervention and eradication. Preventive measures, such as equipment cleaning, site inspections, and sourcing guidelines, will be implemented to reduce the risk of unintentional introductions. SMC will collaborate with local environmental authorities and biodiversity experts to manage threats effectively and ensure that native ecosystems remain resilient and protected from biological invasions.

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5. Biodiversity Impact Mitigation


SMC acknowledges that its environmental footprint extends across the entire supply chain. We will engage with suppliers to promote biodiversity-friendly practices and ensure that their operations do not contribute to ecosystem degradation or species loss. Supplier selection will consider compliance with biodiversity conservation standards, sustainable resource sourcing, and ethical environmental practices. Regular audits and sustainability assessments will be conducted to verify supplier performance. Through collaboration and transparency, SMC aims to build a responsible supply chain that aligns with our biodiversity policy, mitigates ecological risks, and supports the preservation of diverse ecosystems.

7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Habitat Conservation Strategy	Implement strategies to protect local habitats	No. of conservation projects	▲ 2 projects
2	Eco-Impact Reduction Plan	Minimize environmental footprint of operations	% reduction in eco-impact	▼ 5%
3	Sustainable Animal Stewardship	Promote responsible treatment of animals	% compliance with stewardship	▲ 90%
4	Invasive Species Management	Control and reduce invasive species presence	No. of management actions	▲ 3 actions
5	Biodiversity Impact Mitigation	Reduce negative impacts on biodiversity	% mitigation effectiveness	▲ 85%

8. Reference to Applicable Standards, Laws, and Acts

- Biological Diversity Act, 2002 (India)
- Forest (Conservation) Act, 1980
- The Wildlife Protection Act, 1972
- Environmental Protection Act, 1986
- ISO 26000 (Social Responsibility)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises

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- Global Reporting Initiative (GRI) Standards
- Convention on Biological Diversity (CBD)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- EU Directive on Biodiversity

## 9. Distribution and Annual Review


This policy will be distributed to all employees, contractors, and relevant stakeholders through internal communication channels, including emails and intranet posts. It will also be accessible on the company website for transparency. To ensure its effectiveness, the ESG Steering Committee will review the policy annually. This review will focus on its alignment with evolving environmental standards, regulations, and best practices. If necessary, updates will be made to reflect any legislative changes, emerging sustainability trends, or organizational shifts, ensuring the policy remains relevant and impactful in minimizing biodiversity impacts and promoting responsible practices across operations.

## 10. Disciplinary Action for Policy Violators

Violations of the Biodiversity Management Policy, including actions that damage ecosystems or fail to follow animal welfare guidelines, will be subject to disciplinary actions. Minor infractions will result in written warnings, while severe violations may lead to suspension or termination of employment or contracts. Legal non-compliance, including environmental damage, may also incur fines or penalties. All disciplinary measures will be consistent with the company's established procedures and adhere to applicable local and international laws. This approach ensures accountability for maintaining the highest standards of biodiversity protection and operational integrity within SMC.


## 11. Reporting Mechanism

SMC will implement a robust reporting mechanism for employees, contractors, and stakeholders to confidentially report any biodiversity-related concerns or violations. This system will be accessible through online platforms, email, and internal communication tools, ensuring ease of use. The company guarantees that the identities of those who report will remain confidential and that there will be no retaliation against whistleblowers. This mechanism fosters an open, transparent environment where everyone is encouraged to contribute to maintaining biodiversity integrity, enhancing SMC's commitment to responsible environmental stewardship and ethical business practices.

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## 11. Conclusion

SMC acknowledges the critical role of biodiversity in maintaining the health of ecosystems and the well-being of all life forms. Through the implementation of this Biodiversity Management Policy, we are committed to minimizing our environmental impact, ensuring animal welfare, and protecting natural resources. We continuously strive to improve our operational practices, ensuring compliance with relevant laws and contributing to global sustainability goals. By promoting responsible resource management and biodiversity conservation, SMC aims to create a positive environmental footprint and support the long-term health of ecosystems for future generations.

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## ECO SERVICES POLICY

### SMC/ESG/POLICY-16

#### 1. Purpose

The purpose of this policy is to outline SMC's dedication to environmental sustainability through providing comprehensive environmental services and advocacy. Our goal is to minimize the environmental impact of our operations while fostering awareness and promoting responsible consumption. Through innovative solutions and alternatives, SMC seeks to reduce environmental harm and support clients in managing and mitigating their own environmental impacts. We are committed to integrating Environmental, Social, and Governance (ESG) principles into our business model, ensuring that our services contribute to sustainable practices, environmental conservation, and long-term ecological balance for both SMC and its stakeholders.

#### 2. Scope of Application

This policy applies to all employees, contractors, and third-party service providers engaged in SMC's operations, ensuring consistent environmental sustainability practices across the board. It covers all areas of SMC's business, including digitization, automation, and mechanization in integrated facility management services such as housekeeping, technical services, and manpower services. The policy is applicable to all locations where SMC operates within India and extends to any additional regions where SMC expands its operations in the future. It aims to align all stakeholders with SMC's environmental sustainability goals, promoting responsible practices and reducing the company's overall environmental impact.


#### 3. Governance

The Environmental Services and Advocacy Governance Committee will oversee the implementation of this policy. The committee will be responsible for ensuring that environmental services and advocacy initiatives are carried out effectively, monitoring their outcomes, and reporting to senior management. The committee will also ensure that the company complies with local and international environmental regulations and best practices.

#### 4. Definition of Terms

##### ➤ Environmental Services

Environmental services aim to reduce the negative impact of operations on the environment. These services include waste management, pollution control, energy efficiency, and resource conservation.

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By adopting sustainable practices in operations, businesses can minimize their environmental footprint, reduce operational costs, and contribute positively to ecological preservation. SMC's environmental services focus on providing solutions that support sustainability, such as efficient waste disposal systems, renewable energy solutions, and practices that ensure minimal environmental disruption while enhancing operational efficiency.

### ➤ Advocacy


Advocacy in environmental sustainability involves actively promoting the protection of the environment and encouraging sustainable practices. This includes raising awareness about the importance of environmental conservation, lobbying for stronger environmental protection laws, and encouraging individuals, businesses, and communities to reduce their ecological impact. SMC supports advocacy by educating employees, stakeholders, and the public on environmental issues and providing tools to implement sustainable practices. Through advocacy, SMC aims to inspire positive change in environmental policies and practices at local, national, and global levels.

### ➤ Sustainability

Sustainability refers to the practice of meeting present needs without compromising the ability of future generations to meet their own needs. In an environmental context, it involves conserving resources, reducing waste, and ensuring the responsible use of energy. Sustainability promotes long-term ecological balance by addressing critical issues like climate change, resource depletion, and pollution. SMC's commitment to sustainability involves integrating these principles into every aspect of its operations, ensuring that business growth does not come at the expense of the environment and future generations' ability to thrive.

### ➤ Carbon Footprint

A carbon footprint measures the total amount of greenhouse gases (GHGs), primarily carbon dioxide (CO<sub>2</sub>), emitted into the atmosphere as a result of human activities. It includes emissions from activities such as transportation, electricity consumption, industrial processes, and waste generation. Businesses and individuals track their carbon footprint to assess and reduce their environmental impact. SMC monitors its carbon footprint to implement strategies that lower GHG emissions, such as energy efficiency improvements, adopting renewable energy sources, and optimizing transportation systems, thereby contributing to global efforts to combat climate change.

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### ➤ Resource Efficiency

Resource efficiency is the ability to produce goods and services while using fewer resources, minimizing waste, and reducing energy consumption. It is a key aspect of sustainable development, aiming to maximize the value derived from natural resources while minimizing their environmental impact. SMC emphasizes resource efficiency by optimizing processes, using renewable materials, and employing energy-saving technologies. By adopting resource-efficient practices, SMC reduces operational costs, lowers its environmental impact, and ensures that resources are available for future generations, aligning with global sustainability goals and promoting responsible resource management.

## 5. Roles and Responsibilities

### ➤ Environmental Services and Advocacy Committee

The Environmental Services and Advocacy Committee is responsible for the development, implementation, and ongoing monitoring of the company's environmental services policy. This committee ensures that all environmental services align with SMC's Environmental, Social, and Governance (ESG) objectives and comply with local regulations. It oversees initiatives that promote environmental sustainability, including waste management, energy efficiency, and resource conservation. Additionally, the committee advocates for environmentally responsible practices both within the company and in the communities it serves, ensuring that SMC continuously works towards minimizing its ecological footprint while encouraging others to follow suit.


### ➤ Facility and Operations Managers

Facility and Operations Managers play a critical role in ensuring the effective implementation of environmental services at the operational level. They are responsible for overseeing initiatives such as waste reduction, energy efficiency improvements, and pollution control measures across company facilities. These managers ensure that day-to-day operations align with the company's sustainability goals, coordinating efforts to reduce energy consumption, optimize resources, and ensure compliance with environmental standards. Their role includes monitoring facility performance, leading training programs, and making adjustments to improve the environmental impact of operations on a continuous basis.

### ➤ Employees and Contractors

Employees and contractors are integral to the successful implementation of environmental services and sustainability practices within the company. They are expected to adhere to the guidelines set forth in the environmental policy, participate actively in training programs, and follow best practices for waste management, energy efficiency, and pollution control.



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Additionally, employees and contractors have a responsibility to report any potential violations of environmental standards, ensuring that the company maintains a high level of environmental responsibility. Their proactive involvement contributes to fostering a culture of sustainability and minimizing SMC's environmental footprint.

### ➤ ESG Steering Committee

The ESG Steering Committee is responsible for overseeing the effectiveness of the environmental services policy, reviewing its impact on the company's environmental footprint, and recommending improvements where necessary. This committee evaluates the performance of sustainability initiatives and ensures that SMC's operations are aligned with its long-term environmental goals. The committee monitors progress against ESG targets, ensuring the company remains committed to reducing its environmental impact. They also assess any emerging environmental risks and opportunities, ensuring that the company adopts innovative solutions to further its environmental and sustainability objectives.


## 6. Eco Services Policy

### 6.1 Green Energy Initiatives

SMC is committed to actively reducing energy consumption and associated carbon emissions throughout its operations. This will be achieved by integrating energy-efficient technologies, optimizing resource usage, and supporting the transition to renewable energy sources such as solar and wind power. The company will also focus on energy audits and continual monitoring to identify opportunities for improvement. Beyond internal efforts, SMC encourages its clients to embrace sustainable energy practices and carbon reduction strategies, fostering a collaborative approach to minimize environmental impact and contribute to global efforts against climate change.

### 6.2 Reducing Environmental Pollution

SMC prioritizes the reduction of waste generation across all its services and ensures responsible disposal practices for both hazardous and non-hazardous materials. The company promotes waste minimization through initiatives like recycling programs, reuse strategies, and waste-to-energy conversion solutions. Collaborating closely with clients, SMC supports the development of customized waste reduction plans that mitigate pollution risks. All waste handling adheres to local regulations and environmental best practices to prevent contamination, protect ecosystems, and promote circular economy principles. This comprehensive approach reinforces SMC's commitment to environmental stewardship and sustainable operational excellence.

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### 6.3 Chemical Safety Practices

SMC is dedicated to reducing reliance on hazardous materials and chemicals by seeking safer, non-toxic alternatives wherever feasible. The company implements strict protocols for the safe handling, storage, and disposal of all hazardous substances to prevent environmental contamination and ensure worker safety. Compliance with all relevant regulatory requirements is rigorously maintained, with ongoing training provided to employees and contractors to uphold best practices. SMC continually evaluates emerging safer technologies and materials to further minimize environmental and health risks associated with hazardous chemicals in its operations.

### 6.4 Educate for Environment


SMC actively promotes environmental advocacy by offering clients guidance and services aimed at reducing their environmental footprints. This includes recommending practical solutions for waste reduction, energy efficiency, and sustainable resource use tailored to each client's unique needs. SMC organizes educational initiatives, workshops, and awareness campaigns to inform clients and stakeholders about the benefits and implementation of eco-friendly practices. By fostering a culture of sustainability beyond its own operations, SMC helps clients align with global environmental goals and regulatory expectations, empowering them to make responsible, impactful decisions.

### 6.5 Compliance for Sustainability

SMC is fully committed to adhering to all applicable environmental laws, standards, and regulations at local, national, and international levels. The company maintains a proactive approach by regularly reviewing legislative changes and integrating them into operational practices to ensure ongoing compliance. This includes continuous internal audits, employee training, and collaboration with regulatory bodies. SMC's compliance framework also encompasses environmental reporting and documentation to demonstrate transparency and accountability. Through this commitment, SMC mitigates legal risks, protects natural resources, and upholds its reputation as a responsible and ethical service provider. Necessary updates will be implemented to align with new legislative requirements and to incorporate feedback and innovations in environmental management approaches.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Green Energy Initiatives	Increase use of renewable energy sources	% energy from green sources	▲ 40%

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2	Reducing Environmental Pollution	Minimize pollution emissions	% reduction in pollutants	▼ 5%
3	Chemical Safety Practices	Ensure safe handling and storage of chemicals	No. of safety audits	▲ 1 audits/ Year
4	Educate for Environment	Raise employee awareness on environmental issues	No. of training sessions	▲ 12 sessions
5	Compliance for Sustainability	Achieve regulatory compliance in sustainability	% compliance rate	▲ 100%

## 8. Reference to Applicable Standards, Laws, and Acts

- Environment Protection Act, 1986
- The National Green Tribunal Act, 2010
- The Hazardous Waste Management Rules, 2016
- The Air (Prevention and Control of Pollution) Act, 1981
- The Water (Prevention and Control of Pollution) Act, 1974
- ISO 14000 (Environmental Management)
- ISO 26000 (Social Responsibility)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- EU RoHS (Restriction of Hazardous Substances)
- EU WEEE (Waste Electrical and Electronic Equipment)
- EU Regulation No 2037/2000 on Ozone Depleting Substances
- Global Reporting Initiative (GRI) Standards
- Carbon Disclosure Project
- Nordic Swan and NF Environment Labels
- EC Regulation No 2037/2000 (Ozone Depleting Substances)
- Directive 2004/40/CE (Electromagnetic Waves)
- Directive on Batteries and Accumulators
- Directive on Radio and Telecommunication Terminal Equipment (RTTE)

## 9. Distribution and Annual Review

This policy will be shared with all employees, contractors, and relevant stakeholders through internal communication platforms such as email, intranet, and bulletin boards. It will also be accessible on the company's official website for broader visibility.

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The Environmental Services and Advocacy Governance Committee will be responsible for reviewing the policy on an annual basis. This review will ensure that the policy remains effective, relevant, and compliant with evolving environmental regulations, international standards, and industry best practices.

## 10. Disciplinary Action for Policy Violators


Any breach of this policy—whether through negligence, failure to implement required environmental measures, or disregard for legal obligations—will be addressed seriously by the organization. Disciplinary actions may include verbal or written warnings for minor infractions, suspension or termination of employment or contracts for severe or repeated violations, and legal penalties such as fines for non-compliance with environmental laws. All actions will be consistent with the company's disciplinary procedures and applicable labor or environmental legislation. SMC emphasizes accountability and expects all personnel to uphold environmental standards and contribute actively to the organization's sustainability and compliance objectives.

## 11. Reporting Mechanism

To support accountability and transparency, SMC will maintain a robust and accessible reporting mechanism for employees, contractors, and stakeholders to raise environmental concerns or policy violations. The system will guarantee confidentiality to protect the identity of whistleblowers, ensure ease of access through multiple reporting channels (email, online forms, or direct reports), and strictly prohibit retaliation against individuals reporting in good faith. This encourages a culture of openness and environmental responsibility. Timely investigation of reported concerns will be prioritized, and corrective actions will be taken where necessary. This mechanism reflects SMC's commitment to ethical conduct and continuous environmental improvement.

## 12. Conclusion

SMC reaffirms its commitment to delivering environmentally responsible services and advocating for sustainable practices across all levels of operation. Through this policy, the company pledges to comply with all applicable environmental laws, continuously monitor its environmental performance, and work collaboratively with employees, contractors, and stakeholders. By reducing environmental impact, enhancing resource efficiency, and supporting community well-being, SMC contributes to long-term environmental sustainability. This policy not only reflects the company's dedication to ESG principles but also serves as a cornerstone for driving positive change, fostering corporate accountability, and ensuring that its environmental efforts benefit both society and future generations.

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## WASTE MANAGEMENT POLICY

### SMC/ESG/POLICY-17

#### 1. Purpose


This policy demonstrates SMC's dedication to responsible waste management by focusing on minimizing waste generation at the source, encouraging reuse and recycling practices, and ensuring the safe handling and disposal of both hazardous and non-hazardous waste. It aims to reduce the environmental footprint of all operations while supporting sustainable resource utilization. SMC commits to complying with all relevant international and national regulations, as well as adopting industry best practices. Through continuous monitoring, employee training, and collaboration with stakeholders, this policy ensures effective waste management that protects the environment and promotes long-term sustainability.

#### 2. Scope of Application

This policy applies to all employees, contractors, and third-party service providers involved in SMC's operations. It covers all integrated facility management services, including housekeeping, technical services, and manpower management, with particular focus on areas where chemicals and consumables are utilized. The policy is enforced across all locations and sites where SMC operates within India, ensuring consistent waste management practices throughout the company's footprint. By applying uniformly to all personnel and business areas, the policy supports SMC's commitment to sustainable waste reduction, safe handling, and regulatory compliance, fostering environmental responsibility across all operational levels.

#### 3. Governance

The ESG Committee, led by the Sustainability Officer, provides overall oversight of the waste management policy. Operational responsibility lies with Facility Managers, Environment Coordinators, and Compliance Officers at each site, ensuring effective implementation and adherence to standards. These teams coordinate waste reduction, recycling, and safe disposal efforts. Regular reports on waste management performance and compliance are submitted to senior management and the Board, facilitating transparent monitoring, continuous improvement, and alignment with SMC's sustainability goals and regulatory requirements.

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## 4. Definition of Terms

### ➤ Hazardous Waste

Hazardous waste refers to materials that pose significant or potential risks to public health or the environment due to their toxic, corrosive, flammable, or reactive properties. Examples include chemical residues, solvents, batteries, and contaminated materials. Proper management of hazardous waste is critical to prevent environmental contamination, health hazards, and legal liabilities. This involves strict handling, storage, transportation, and disposal procedures in compliance with regulatory standards to minimize exposure and environmental harm. SMC commits to safely managing hazardous waste to protect employees, communities, and ecosystems.

### ➤ Non-Hazardous Waste


Non-hazardous waste consists of materials that do not pose immediate threats to human health or the environment under normal handling and disposal. Typical examples include general housekeeping waste such as paper, packaging, food scraps, and non-contaminated plastics. Although less dangerous, improper management of non-hazardous waste can still contribute to pollution and resource depletion. SMC promotes efficient segregation, collection, and disposal of non-hazardous waste to support environmental sustainability and maintain clean, safe work environments.

### ➤ Recycling

Recycling is the process of collecting, processing, and converting waste materials into new, reusable products. It conserves natural resources, reduces landfill waste, lowers energy consumption, and minimizes pollution. Effective recycling programs involve sorting waste at the source, partnering with certified recyclers, and educating employees on proper waste segregation. SMC emphasizes recycling as a core part of its waste management strategy to reduce environmental impact and promote circular economy principles within its operations and client services.

### ➤ Microfiber Cleaning Systems

Microfiber cleaning systems utilize fine synthetic fibers, often made from polyester and polyamide, that effectively trap dirt and bacteria while significantly reducing the need for chemical cleaners and water. These systems improve cleaning efficiency and sustainability by lowering chemical usage, decreasing waste generation, and enhancing overall hygiene. SMC incorporates microfiber cleaning technology in its housekeeping services to minimize environmental footprint, promote safer working conditions, and align with sustainable cleaning practices.

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## 5. Roles and Responsibilities

### ➤ Employees

All employees are responsible for adhering to waste segregation and disposal guidelines to ensure proper handling of materials. They should actively minimize waste generation by practicing resource efficiency and avoiding unnecessary waste. Participation in training programs on waste management is expected to foster awareness and compliance throughout daily operations.

### ➤ Facility Managers

Facility Managers play a key role in implementing waste reduction programs at their sites. They monitor compliance with waste management policies, oversee the safe handling and storage of hazardous materials, and coordinate with relevant teams to ensure proper disposal practices.

### ➤ ESG Committee

The ESG Committee is tasked with developing, reviewing, and updating the company's waste management policies. They also monitor key performance indicators (KPIs) related to waste reduction and sustainability, ensuring alignment with regulatory standards and company goals.

### ➤ Third-party Vendors


Third-party vendors must comply with SMC's waste management standards, providing responsible recycling, treatment, and disposal services. Their adherence supports the company's commitment to environmental stewardship and regulatory compliance.

## 6. Waste Management

### 6.1 Waste Sorting Practices

SMC implements comprehensive internal waste sorting practices to ensure materials are segregated effectively into distinct waste streams such as paper, plastic, metal, glass, organic, and hazardous categories. Color-coded bins, labels, and standardized guidelines are deployed at operational sites to support accurate segregation. Once separated, waste is directed to appropriate recycling, composting, or disposal channels based on regulatory and environmental considerations. This meticulous approach improves recovery rates, prevents contamination, and aligns with best practices in responsible waste management. SMC's internal waste sorting system enhances sustainability and compliance, contributing to reduced environmental footprint and resource conservation.



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## 6.2 Overconsumption of Inputs

SMC is focused on reducing the overuse of raw materials and chemicals by implementing efficient digitization and automation technologies. These innovations optimize resource consumption, prevent excess use, and promote sustainable operational practices. Continuous monitoring and improvement initiatives are embedded to minimize waste generation and lower the environmental footprint associated with material consumption. By encouraging sustainable procurement and usage strategies, SMC supports cost efficiency and environmental responsibility, fostering a culture of resource conservation aligned with corporate sustainability goals and regulatory requirements.

## 6.3 Hardware Reuse Program


SMC is committed to extending the lifecycle of its IT assets by refurbishing and internally reusing hardware wherever possible. This includes inspecting and cleaning devices, upgrading components, repairing faults, and reallocating equipment within departments. Refurbished items meet operational needs while avoiding unnecessary e-waste generation. SMC tracks IT asset conditions and maintains a refurbishment schedule to ensure timely updates and replacements without waste. These practices reduce procurement demands, support budget efficiency, and align with electronic waste reduction goals. By responsibly managing IT hardware, SMC contributes to digital sustainability and promotes a greener operational environment.

## 6.4 Waste Handling Deficiencies

SMC enforces strict waste segregation at the source, categorizing waste into hazardous, recyclable, and general waste streams. This ensures proper handling and prevents contamination across categories. To guarantee environmentally sound waste management, the company collaborates with certified third-party recyclers and waste disposal vendors who comply with relevant regulations. Regular audits and inspections are conducted to verify adherence to segregation protocols and evaluate disposal effectiveness. These measures minimize environmental harm and align with SMC's sustainability objectives, promoting responsible waste management throughout its operations.

## 6.5 Regulatory Compliance Gaps

SMC maintains strict compliance with all applicable local, national, and international waste management regulations, including those concerning hazardous substances and waste handling. Policies and procedures are regularly reviewed and updated to reflect changes in legislation and industry standards. Internal and external audits are conducted to ensure adherence and identify areas for improvement. Through comprehensive training and robust monitoring, the company fosters a compliance-driven culture that mitigates legal risks and promotes sustainable environmental practices. This commitment reinforces SMC's reputation as a responsible corporate citizen dedicated to environmental protection.

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## 6.6 Sustainable Material Adoption

SMC prioritizes the adoption of eco-friendly, biodegradable, and bio-based materials in its procurement and operational activities. From cleaning agents to packaging supplies, the company evaluates products for environmental impact, toxicity, and sustainability credentials. Replacing conventional inputs with safer alternatives reduces pollution, promotes compostability, and supports ecosystem health. Procurement teams are trained to select certified green products, and suppliers are encouraged to align with SMC's sustainability standards. This shift toward sustainable sourcing reduces harmful waste and strengthens the company's ESG performance, positioning SMC as a leader in responsible materials management.

## 6.7 Improper Electronic Disposal


SMC ensures responsible and compliant management of electronic waste generated from outdated automation and digital equipment. Adherence to WEEE (Waste Electrical and Electronic Equipment) and RoHS (Restriction of Hazardous Substances) directives is strictly maintained to prevent environmental contamination and promote recovery of valuable materials. Partnerships with authorized e-waste recyclers enable safe collection, treatment, and recycling of electronic components. This structured e-waste management supports circular economy principles while mitigating health risks, aligning with SMC's commitment to sustainable operations and regulatory compliance.

## 6.8 Waste Reduction Training

SMC emphasizes continuous training for all employees to instill effective waste reduction and sorting habits. Customized workshops, onboarding programs, and refresher sessions cover topics such as segregation protocols, minimizing waste at source, safe disposal of hazardous materials, and the environmental impact of waste. Visual aids and on-site signage support learning, while regular updates ensure alignment with current regulations and internal practices. These educational initiatives build a culture of environmental responsibility and empower employees to actively contribute to waste minimization goals, reinforcing SMC's ESG objectives and enhancing workplace sustainability through collective behavioral change.

## 6.9 Waste Safety Initiative

SMC is committed to minimizing hazardous chemical waste by substituting harmful chemicals with safer alternatives, such as microfiber cleaning systems, and optimizing chemical usage to reduce waste volume. Proper segregation, handling, and disposal of hazardous waste are strictly followed in line with applicable local and international laws, reducing risks to health and the environment.

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Employee training programs and monitoring systems are in place to ensure full compliance and continuous improvement in waste reduction efforts. This approach supports SMC's goal of protecting ecosystems while maintaining safe, sustainable operations.

#### 6.10 Internal Exchange Platform


SMC facilitates a dedicated internal platform that enables employees to exchange surplus office supplies, stationery, and minor equipment across departments. This resource-sharing initiative prevents redundant procurement and diverts usable items from becoming waste. Departments list available or needed items on a centralized dashboard, making redistribution simple and efficient. By promoting reuse, the platform supports circular economy principles and reduces material costs. Additionally, it encourages employee participation in sustainability efforts, reinforcing a culture of environmental stewardship and resource consciousness throughout the organization. The platform exemplifies low-cost, high-impact waste reduction through collaboration.

#### 6.11 Motivation Awareness Lapses

SMC actively promotes awareness and motivation programs targeting both employees and clients to encourage waste reduction and environmentally responsible behaviors. Training sessions, workshops, and communication campaigns emphasize the importance of sustainability and corporate responsibility. By fostering a culture of environmental stewardship, the company seeks to inspire proactive participation in waste management initiatives. Feedback mechanisms and incentive programs reinforce engagement and continuous behavioral improvement. These efforts are essential for achieving long-term sustainability goals and ensuring that all stakeholders contribute positively to reducing the environmental impact of SMC's operations.

#### 6.12 Material Usage Optimization

SMC focuses on minimizing material consumption through targeted process optimization initiatives across its service operations. This includes revising workflows, implementing lean management principles, and integrating automation and digital tools to reduce input usage without compromising output quality. Routine process audits identify inefficiencies and wastage, enabling corrective actions such as improved inventory control and precision resource allocation. These strategies help limit excess consumption of chemicals, paper, and other materials, lowering environmental impact while improving cost-effectiveness. SMC's approach to operational efficiency ensures sustainability is embedded in core business processes, supporting both ecological and economic objectives.

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### 6.13 Material Reuse Initiatives

SMC actively reduces internal waste by prioritizing the reuse, recovery, and repurposing of materials across all departments. The organization encourages replacing single-use items with reusable or compostable alternatives, and promotes paperless operations through digitization. Office supplies and IT equipment are assessed regularly for potential repair, refurbishment, or repurposing to extend their useful life. These measures significantly lower landfill waste, reduce procurement costs, and foster circular economy practices. Through structured programs and awareness, SMC integrates material efficiency into daily operations, supporting its broader environmental sustainability goals and commitment to responsible resource management.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025-2026
1	Waste Sorting Practices	Improve segregation and sorting of waste	% waste properly sorted	▲ 85%
2	Overconsumption of Inputs	Reduce excessive use of materials	% reduction in input usage	▼ 15%
3	Hardware Reuse Program	Promote reuse of hardware components	Percentage of reused hardware items	▲ 50%
4	Waste Handling Deficiencies	Address gaps in waste collection and disposal	No. of waste handling audits	▲ 1 audits
5	Regulatory Compliance Gaps	Ensure full compliance with waste regulations	% compliance rate	▲ 100%
6	Sustainable Material Adoption	Increase use of eco-friendly materials	% materials sustainably sourced	▲ 60%
7	Improper Electronic Disposal	Reduce improper disposal of electronic waste	% e-waste properly disposed	▲ 90%
8	Waste Reduction Training	Enhance employee knowledge on waste reduction	Percentage of training sessions	▲ 100%



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9	Waste Safety Initiative	Improve safety in waste handling	No. of safety incidents	▼ 0 incidents
10	Internal Exchange Platform	Facilitate internal reuse/exchange of materials	No. of exchanges	▲ 15 exchanges
11	Motivation Awareness Lapses	Increase employee engagement in waste programs	% employee participation	▲ 100%
12	Material Usage Optimization	Optimize material use efficiency	% material efficiency increase	▲ 20%
13	Material Reuse Initiatives	Encourage reuse of materials in operations	No. of reuse projects	▲ 8 projects

## 8. Reference to Standards, Laws, and Acts

- Code of Conduct CRRU (Campaign for Responsible Rodenticide Use)
- EC Regulation No 2037/2000 (Substances that Deplete the Ozone Layer)
- EU Directives on Batteries, WEEE, RoHS
- ISO 14000 Environmental Management Standards
- United Nations Global Compact Principles
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- Local and National Hazardous Waste (Management, Handling and Transboundary Movement) Rules, India
- Other applicable environmental laws and regulations.

## 9. Distribution and Annual Review

This waste management policy will be distributed to all employees, contractors, and partners via internal communication channels and will also be accessible on the company intranet. To maintain its relevance and effectiveness, the ESG Committee will conduct an annual review of the policy. This review will assess compliance with regulatory changes, evaluate operational performance, and identify opportunities for continuous improvement. Updates will be implemented as necessary to reflect advancements in waste management practices, evolving legislation, and the company's strategic sustainability goals, ensuring ongoing alignment with best environmental practices.

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## 10. Disciplinary Action


Non-compliance with waste management policies and procedures will trigger corrective actions to ensure accountability and improvement. Initial steps include retraining to reinforce awareness and understanding of proper waste handling practices. Repeated or severe violations will result in formal warnings and, where necessary, disciplinary measures aligned with company HR policies. These may range from suspension to termination, depending on the gravity of the offense. The company is committed to enforcing these measures consistently to promote a culture of responsibility and environmental stewardship across all levels of the organization.

## 11. Reporting Mechanism

All waste-related incidents, including spills, improper disposal, or policy violations, must be reported promptly through the company's designated incident reporting system. This ensures timely response and mitigation of any environmental risks. Additionally, quarterly waste management reports will be prepared and submitted to the ESG Committee to track progress and identify areas for improvement. External audits and feedback from clients will also be incorporated into the review process, fostering transparency and accountability while supporting continuous enhancement of waste management practices throughout SMC's operations.

## 12. Conclusion

SMC is dedicated to embedding sustainable waste management practices within all aspects of its operations. By minimizing waste generation, ensuring safe and compliant disposal, and promoting reuse and recycling, the company supports the circular economy and reduces its environmental footprint. This policy reflects SMC's commitment to responsible stewardship, regulatory compliance, and long-term sustainability. Through active collaboration with stakeholders and ongoing monitoring, SMC strives to uphold high environmental standards that contribute positively to society and the planet's health.

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## ETHICAL SUPPLY CODE POLICY

### SMC/ESG/POLICY-18

#### 1. Purpose

The purpose of this policy is to establish clear ethical, social, and environmental expectations for all suppliers, vendors, and subcontractors engaged with SMC. Through the Supplier Sustainability Code of Conduct, SMC commits to promoting integrity, respect for human rights, fair labor practices, and environmental responsibility throughout its supply chain. This policy ensures that all partners align with SMC's values and ESG principles, fostering transparency, accountability, and sustainable business operations. By adhering to these standards, SMC aims to build a responsible, compliant, and resilient supply network that supports long-term positive impacts for people, communities, and the environment.

#### 2. Scope of Application

This Supplier Sustainability Code of Conduct applies to all direct and indirect suppliers, contractors, vendors, and service providers working with or on behalf of SMC. It covers all products, services, equipment, labor, materials, and subcontracted services utilized in SMC's facility management operations. The policy is primarily applicable within India but also extends to international supply chains where suppliers support or operate in relation to SMC's activities. This ensures that sustainability, ethical practices, and compliance standards are consistently upheld throughout SMC's entire supply network, regardless of geographic location or scope of service.

#### 3. Governance


The ESG Committee, working closely with the Procurement and Compliance Departments, holds primary responsibility for governing this Supplier Sustainability Code of Conduct. Their duties include approving the policy, enforcing its provisions, conducting regular audits, reviewing its effectiveness, and reporting on compliance and any violations. This collaborative governance ensures that suppliers adhere to SMC's ethical, social, and environmental standards, maintaining integrity throughout the supply chain and promoting continuous improvement in sustainable and responsible procurement practices.

#### 4. Definition of Terms

##### ➤ Supplier

A supplier is any individual, company, or organization that provides goods, services, materials, or labor to SMC. Suppliers play a critical role in supporting SMC's operations and overall business objectives.



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This includes direct suppliers who deliver products or services directly to SMC, as well as indirect suppliers involved in subcontracting or supporting activities. Suppliers are expected to comply with SMC's policies, standards, and ethical guidelines to ensure quality, safety, environmental responsibility, and social accountability throughout the supply chain, helping SMC maintain sustainable and responsible business practices.

### ➤ Sustainability

Sustainability refers to the responsible management of resources and operations to meet the needs of the present without compromising the ability of future generations to meet theirs. It encompasses environmental protection, social equity, and strong governance practices, collectively known as ESG factors. Sustainability in business means reducing environmental impact, promoting fair labor practices, ensuring ethical conduct, and maintaining transparent governance. SMC integrates sustainability into procurement and operations to foster long-term value creation, minimize risks, and contribute positively to society and the planet.


### ➤ Code of Conduct

A Code of Conduct is a formal document that outlines the principles, ethical standards, and behaviors expected from suppliers and business partners. It serves as a guideline to ensure suppliers operate with integrity, respect human rights, adhere to labor laws, protect the environment, and comply with all applicable regulations. The Code promotes transparency, accountability, and responsible business practices across the supply chain. By adhering to the Code, suppliers align with SMC's values and commitment to sustainable and ethical operations, helping to build trust and long-term partnerships.

## 5. Roles and Responsibilities

### ➤ Supplier Responsibilities

Suppliers are required to fully comply with the Supplier Sustainability Code of Conduct and all relevant laws and regulations. They must promptly report any deviations, violations, or concerns related to the code. Suppliers are also expected to cooperate with SMC by participating in audits, assessments, and corrective action plans as requested. This ensures transparency, accountability, and continuous improvement. By adhering to these responsibilities, suppliers help maintain the integrity and sustainability of the supply chain, supporting SMC's commitment to ethical business practices, environmental stewardship, and social responsibility throughout all operations.

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### ➤ Procurement Team Responsibilities

The Procurement Team plays a critical role in ensuring suppliers understand and commit to the Supplier Sustainability Code of Conduct. They must distribute the code to all suppliers, secure formal acknowledgment of receipt, and obtain agreement to comply as a contractual requirement. The team also integrates sustainability criteria into supplier selection and evaluation processes. By actively managing supplier relationships and communication, the Procurement Team helps embed responsible sourcing practices and supports SMC's overall ESG objectives, fostering a compliant and sustainable supply chain.

### ➤ ESG Committee Responsibilities

The ESG Committee oversees the governance and enforcement of the Supplier Sustainability Code of Conduct. This includes monitoring supplier compliance, reviewing audit results, and addressing any reported violations or risks. The committee regularly reviews and updates the policy to reflect evolving regulations, best practices, and stakeholder expectations. Through this oversight, the ESG Committee ensures that SMC's supply chain remains aligned with corporate sustainability goals and maintains high ethical and environmental standards. Their role is pivotal in driving continuous improvement and fostering a culture of accountability across all supplier engagements.


### ➤ Third-Party Auditor Responsibilities

When engaged, third-party auditors conduct independent assessments to verify supplier compliance with the Supplier Sustainability Code of Conduct and applicable laws. They perform on-site audits, review documentation, and evaluate operational practices to identify risks, non-compliances, or opportunities for improvement. These auditors provide objective reports to SMC, enabling informed decision-making and corrective actions. Their involvement enhances transparency and credibility in the supply chain, ensuring that suppliers meet SMC's ethical, social, and environmental standards. Third-party verification is an essential component of robust supplier management and risk mitigation strategies.

## 6. Ethical Supply Code Policy

### 6.1 Supplier Ethics Guidelines

SMC distinguishes between its external Supplier Sustainability Code of Conduct and the internal Sustainable Procurement Policy. The Code of Conduct is shared with suppliers to communicate expected ESG behaviors and responsibilities. In contrast, the Sustainable Procurement Policy guides SMC's procurement team in integrating sustainability criteria into purchasing decisions and supplier evaluations.

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This clear separation clarifies roles and responsibilities across the organization and supply chain, ensuring consistent application of sustainability principles. Together, these documents reinforce SMC's commitment to ethical procurement and sustainable supply chain management.

## 6.2 Waste Handling Failures


Suppliers are required to implement effective waste management practices, including segregation, recycling, and safe handling of hazardous materials. Compliance with all applicable waste regulations is mandatory to prevent environmental harm. SMC encourages the reduction of packaging waste by adopting sustainable packaging materials and minimizing excess use. Suppliers should actively pursue waste reduction initiatives to support circular economy principles. Proper documentation and transparent reporting of waste management activities are expected. These measures align with SMC's commitment to environmental stewardship and sustainable operations, minimizing the ecological impact of its supply chain activities.

## 6.3 Promoting Eco Innovation

SMC actively encourages suppliers to innovate and implement sustainable solutions that minimize environmental impacts and enhance social benefits. We invite suppliers to share their best practices, successful sustainability initiatives, and innovative approaches aligned with SMC's ESG goals. This collaborative engagement promotes creativity and continuous advancement within the supply chain. By recognizing and supporting supplier innovation, SMC not only improves its sustainability performance but also drives broader positive change across the industry, fostering a culture of environmental responsibility and social progress.

## 6.4 Transparency Risk Exposure

SMC requires suppliers to maintain transparent and traceable records regarding sourcing, production processes, labor practices, and material origins. Complete documentation facilitates accountability and verifies adherence to sustainability and ethical standards. SMC reserves the right to request relevant information and conduct audits or assessments to ensure compliance. Transparent supply chains help identify and mitigate risks related to human rights abuses, environmental harm, and unethical behavior. This commitment to traceability supports responsible sourcing, builds stakeholder trust, and enables continuous monitoring and improvement within SMC's extended supply network.

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### 6.5 Substandard Working Conditions

Suppliers must guarantee safe and healthy workplaces, free from discrimination, harassment, and exploitation. Compliance with applicable laws on working hours, minimum wages, and overtime is mandatory. Suppliers are also expected to respect workers' rights to freely associate and engage in collective bargaining. SMC encourages the implementation of occupational health and safety management systems and fair grievance mechanisms to address employee concerns promptly. Ensuring dignified and equitable labor conditions protects employees and promotes productivity, aligning with SMC's commitment to responsible and ethical labor practices throughout its supply chain.

### 6.6 Transparent ESG Guidelines


SMC prioritizes transparent and ongoing communication with all suppliers regarding ESG expectations. We provide a comprehensive Supplier Sustainability Code of Conduct that clearly outlines our social, environmental, and ethical standards. This document ensures suppliers are fully informed about their responsibilities to uphold human rights, fair labor practices, environmental stewardship, and ethical business conduct. By setting clear expectations from the outset, SMC fosters mutual understanding and accountability, establishing a strong foundation for sustainable and responsible supplier partnerships that align with our corporate values and ESG commitments.

### 6.7 Environmental Supplier Violations

Suppliers must actively reduce environmental pollution by managing waste responsibly, minimizing emissions to air, water, and soil, and using renewable and sustainable resources. Adoption of environmental management standards such as ISO 14001 is strongly encouraged to systematically address environmental impacts. Suppliers should regularly monitor, measure, and transparently report their environmental performance, including pollutant emissions and resource consumption. SMC expects suppliers to continuously improve their environmental footprint by implementing innovative solutions that conserve natural resources, reduce pollution, and comply with all relevant environmental laws and regulations.

### 6.8 Acknowledgment of Standards

SMC requires all suppliers to formally acknowledge and commit to the Supplier Sustainability Code of Conduct before engaging in business. This formal acceptance underscores the importance of compliance with ESG standards and establishes mutual accountability. By securing supplier commitment, SMC ensures that partners recognize their role in upholding responsible labor practices, environmental protection, and ethical business conduct. This requirement fosters trust, strengthens partnerships, and aligns supplier actions with SMC's sustainability objectives, contributing to a resilient and responsible supply chain.

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## 6.9 Labor Rights Protection

SMC strictly prohibits any use of child labor or forced labor within its supply chain. All suppliers must adhere to local and international labor laws, ensuring that no individual under the legal working age is employed. Suppliers are required to implement and maintain robust age verification systems to confirm workers' eligibility. Additionally, all labor must be voluntary, free from coercion, trafficking, or exploitation. Regular monitoring and documentation are expected to demonstrate compliance. SMC is committed to partnering only with suppliers who uphold these fundamental human rights standards, fostering an ethical and responsible supply network.

## 6.10 Ethical Supply Training


SMC actively invests in building supplier capacity on ESG issues through tailored training programs and resources. We organize workshops, webinars, and provide educational materials to enhance suppliers' understanding of sustainability principles and best practices. These initiatives empower suppliers to implement effective ESG strategies, comply with standards, and improve their environmental and social performance. By strengthening supplier knowledge and capabilities, SMC promotes a collaborative approach to sustainability that benefits both the supply chain and broader community, ensuring continuous improvement aligned with SMC's sustainability goals.

## 6.11 Vendor Monitoring System

SMC conducts systematic assessments and audits of its suppliers to ensure adherence to the Supplier Sustainability Code of Conduct. These evaluations measure ESG compliance and identify areas for improvement. After assessments, SMC provides constructive feedback and collaborates closely with suppliers to develop corrective action plans. This process encourages transparency and accountability while fostering a culture of continuous improvement. By regularly monitoring supplier performance, SMC maintains high ESG standards throughout its supply chain, mitigating risks and strengthening sustainable practices that support responsible business growth.

## 6.12 Improper Business Behavior

SMC demands the highest standards of integrity and ethics from its suppliers. Zero tolerance is maintained toward bribery, fraud, corruption, conflicts of interest, and any unlawful or unethical conduct. Suppliers must maintain transparent accounting records, ensure accurate reporting, and comply fully with all anti-corruption laws and regulations. Ethical business practices include honesty in dealings, respect for intellectual property, and safeguarding confidential information. Suppliers are encouraged to establish robust compliance programs and train employees on ethical standards. Upholding these principles supports trust and long-term partnerships consistent with SMC's commitment to responsible business conduct.

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### 6.13 Ethical Supply Awareness

SMC recognizes that building supplier capacity on ESG (Environmental, Social, Governance) standards is essential for sustainable development. The company engages suppliers through training programs, regular communication, and performance assessments to raise awareness of ESG best practices. Suppliers are expected to develop internal ESG capabilities, including policy adoption, risk management, and sustainability reporting. Aligning supplier operations with SMC's sustainability objectives promotes improved social and environmental performance across the supply chain. This collaborative approach helps drive continuous improvement and shared accountability for responsible sourcing and sustainable business practices.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Supplier Ethics Guidelines	Implement supplier ethics compliance guidelines	% suppliers aligned	▲ 90%
2	Waste Handling Failures	Identify and correct supplier waste mismanagement	No. of resolved incidents	▼ 0 incidents
3	Promoting Eco Innovation	Encourage suppliers to adopt eco-innovative practices	% suppliers adopting innovation	▲ 80%
4	Transparency Risk Exposure	Reduce risks due to f transparency in supply chain	No. of risk incidents	▼ 0 cases
5	Substandard Working Conditions	Eliminate supplier sites with poor working conditions	% sites audited	▲ 60%
6	Transparent ESG Guidelines	Disseminate clear ESG expectations to all vendors	% vendors acknowledging guidelines	▲ 95%
7	Environmental Supplier Violations	Detect and address environmental breaches by suppliers	No. of violations	▼ 0 cases



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8	Acknowledgment of Standards	Ensure vendors sign off on ESG and labor standards	% vendors acknowledging	▲ 100%
9	Labor Rights Protection	Strengthen enforcement of labor rights across the supply chain	% compliance with labor rights	▲ 100%
10	Ethical Supply Training	Train procurement team on ethical sourcing	Percentage of employees trained	▲ 100%
11	Vendor Monitoring System	Implement regular review system for vendor compliance	No. of vendor audits	▲ 1 audits/ Year
12	Improper Business Behavior	Identify and eliminate unethical vendor practices	No. of unethical cases reported	▼ 1 case
13	Ethical Supply Awareness	Improve awareness of ethical sourcing across teams	% trained internal staff	▲ 85%


## 8. Reference to Applicable Standards, Laws, and Acts

- United Nations Global Compact – 10 Principles
- OECD Guidelines for Multinational Enterprises
- ISO 26000 – Social Responsibility
- Global Reporting Initiative (GRI)
- Indian Labor Laws (Factories Act, 1948; Minimum Wages Act, 1948)
- Environment Protection Act, 1986
- Child Labour (Prohibition and Regulation) Act, 1986

## 9. Distribution and Annual Review

This Supplier Sustainability Code of Conduct will be distributed to all current and new suppliers during onboarding to ensure clear communication of expectations. The ESG Committee will conduct an annual review to assess the policy's effectiveness and relevance, updating it as needed to reflect changes in regulatory requirements, industry standards, and evolving best practices. This ongoing review process ensures the policy remains aligned with SMC's sustainability goals and external compliance obligations. Suppliers will be notified promptly of any updates, reinforcing a continuous commitment to ethical, social, and environmental responsibility throughout the supply chain.



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## 10. Disciplinary Action for Policy Violators


Non-compliance with this policy will be taken seriously and addressed through a structured disciplinary process. Initial violations may result in written warnings and mandatory corrective action plans to rectify issues. Repeated or serious breaches could lead to suspension or termination of contracts, preventing continued business engagement. In severe cases, suppliers may be blacklisted from future SMC contracts to protect company integrity. Additionally, violations involving legal breaches will be reported to appropriate authorities. These measures ensure accountability and uphold SMC's commitment to responsible and sustainable supply chain management.

## 11. Reporting Mechanism

SMC provides multiple channels for reporting concerns or violations related to supplier conduct, ensuring transparency and accountability. Suppliers and stakeholders can report issues via a dedicated email address: [sustainability@smcindia.in](mailto:sustainability@smcindia.in). Additionally, a supplier grievance redressal portal is available for formal complaints or feedback. For confidential reporting, an independent ethics hotline operates 24x7, allowing anonymous submissions. These mechanisms encourage timely disclosure of potential non-compliances or unethical practices, enabling SMC to take prompt corrective actions. The reporting system supports a culture of integrity and continuous improvement within the supply chain.

## 12. Conclusion

SMC is firmly committed to fostering a sustainable supply chain that aligns with its core values and ESG principles. We recognize that responsible sourcing and supplier partnerships are fundamental to achieving long-term, sustainable growth. By setting clear expectations and working collaboratively with suppliers, SMC aims to safeguard the environment, uphold human rights, and promote ethical business conduct. This Supplier Sustainability Code of Conduct is a key tool in driving these goals, ensuring that all supply chain participants contribute positively to our collective impact on society and the planet.

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## FRAUD MITIGATION POLICY

### SMC/ESG/POLICY-19

#### 1. Purpose


The purpose of this policy is to establish a clear and enforceable framework that enables SMC to prevent, detect, and respond effectively to all forms of fraud across its operations. By fostering a culture of integrity, transparency, and accountability, SMC aims to safeguard its assets, reputation, and stakeholder trust. This policy guides employees, management, and partners in recognizing fraudulent activities and outlines measures for timely reporting and investigation. Through robust controls, training, and continuous monitoring, SMC is committed to minimizing risks related to deception and ensuring ethical business conduct at all levels of the organization.

#### 2. Scope of Application

This policy applies to all employees, contractors, suppliers, business partners, and third parties associated with SMC, ensuring comprehensive coverage across all stakeholders. It encompasses all business units, including housekeeping, technical services, manpower services, digitization, automation, and mechanization solutions, reflecting the full scope of SMC's integrated facility management offerings. The policy is effective across all geographical regions where SMC operates, with primary focus on India and extending to any international engagements. This wide applicability ensures consistent fraud prevention and response measures are maintained throughout the entire organization and its extended network.

#### 3. Governance

The Board of Directors holds ultimate responsibility for overseeing the Fraud Policy, ensuring alignment with SMC's ethical standards and strategic objectives. They are supported by the Compliance and Internal Audit teams, who manage day-to-day enforcement, monitoring, and investigation of fraud-related issues. Additionally, the Risk Management Committee plays a crucial role in ensuring effective policy implementation, regularly reviewing fraud risks, and driving continuous improvements to strengthen controls and safeguard the organization against fraudulent activities across all operations.

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## 4. Definition of Terms

### ➤ Fraud

Fraud refers to any intentional act of deception carried out to secure an unfair or unlawful advantage. This may involve misrepresentation of facts, concealment of information, or abuse of position within or outside the organization. Fraudulent activities can include financial manipulation, forgery, falsification of documents, or any other dishonest act aimed at gaining personal or organizational benefit. SMC is committed to preventing and addressing all forms of fraud by establishing strong internal controls, promoting transparency, and fostering a culture of integrity throughout all business operations and relationships.

### ➤ Bribery and Corruption

Bribery and corruption involve offering, giving, receiving, or soliciting anything of value—such as money, gifts, favors, or other benefits—to improperly influence decisions or actions in a business context. These unethical practices distort fair competition and undermine trust in the company's operations. SMC strictly prohibits all forms of bribery and corruption in line with international laws and standards. We promote ethical conduct and require all employees, suppliers, and partners to adhere to anti-bribery principles to ensure fair, transparent, and responsible business dealings across all activities.


### ➤ Whistleblower

A whistleblower is an individual, often an employee or associate, who reports observed fraudulent, unethical, or illegal behavior within the company in a confidential manner. This report is made without fear of retaliation or adverse consequences. Whistleblowers play a critical role in exposing misconduct that might otherwise go unnoticed, helping SMC uphold its values of integrity and transparency. SMC provides secure and anonymous channels for whistleblowing, ensures protection against retaliation, and commits to investigating all reports promptly and fairly to maintain a safe and ethical workplace environment.

## 5. Roles and Responsibilities

### ➤ Board of Directors

The Board of Directors holds the ultimate responsibility for approving and reviewing SMC's Fraud Policy to ensure it remains relevant and effective. They provide the necessary resources, including funding and personnel, to support anti-fraud initiatives. The Board ensures strong oversight of the company's risk management and compliance framework related to fraud prevention. Through periodic reviews, they evaluate the effectiveness of controls and policy enforcement.

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Their leadership fosters a culture of integrity and transparency at the highest level, setting the tone for ethical conduct throughout the organization.

### ➤ Management

Management is responsible for the day-to-day implementation of the Fraud Policy across all business units. They establish and maintain internal controls designed to prevent, detect, and respond to fraudulent activities. Managers promote an ethical culture by leading by example and ensuring employees understand the importance of fraud prevention. They coordinate training programs to increase awareness and equip employees with knowledge on recognizing and reporting fraud. Management also acts promptly to address suspected fraud and supports investigations to uphold the company's values and compliance standards.

### ➤ Employees


All employees at SMC are required to strictly adhere to the Fraud Policy and uphold the highest standards of integrity in their work. They must remain vigilant and promptly report any suspicions or evidence of fraudulent activities through the designated reporting channels. Employees are encouraged to participate actively in training and awareness programs to understand fraud risks and their role in prevention. SMC ensures protection against retaliation to foster a safe environment where employees feel confident to speak up, reinforcing the company's commitment to transparency and ethical behavior.

### ➤ Compliance Team

The Compliance Team plays a crucial role in monitoring adherence to the Fraud Policy throughout SMC's operations. They conduct thorough investigations into all reported allegations of fraud, ensuring impartiality and confidentiality. The team also analyzes fraud risk trends and evaluates the effectiveness of existing controls, recommending improvements where necessary. By providing regular reports to senior management and the Board, they help maintain transparency and accountability. Their proactive oversight ensures that the company complies with all relevant laws, regulations, and internal standards related to fraud prevention and detection.

### ➤ Internal Audit

The Internal Audit function is responsible for conducting periodic audits focusing on fraud risk areas within SMC's operations. They assess the adequacy and effectiveness of internal controls designed to prevent and detect fraudulent activities. Through independent and objective evaluations, Internal Audit verifies compliance with the Fraud Policy and identifies vulnerabilities that may expose the company to fraud risks.

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Their findings and recommendations are reported to management and the Board to facilitate continuous improvement. Internal Audit supports a culture of accountability by providing assurance on the robustness of the company's fraud risk management framework.

## 6. Fraud Mitigation Policy

### 6.1 Fraud Prevention Measures

SMC is dedicated to preventing financial fraud and embezzlement through robust internal controls and clear segregation of duties. Transparent financial reporting practices are maintained, ensuring all transactions are monitored and audited regularly. This oversight helps detect any irregularities early, deterring fraudulent activities. SMC's commitment to financial integrity supports trust among stakeholders and reinforces accountability within the organization. By implementing rigorous checks and balances, SMC safeguards company assets and upholds the highest standards of ethical financial management.

### 6.2 Anti-Corruption Initiatives


SMC enforces a strict zero-tolerance policy against bribery and corruption in all forms. The company's anti-bribery measures comply with international laws such as the Foreign Corrupt Practices Act (FCPA) and the United Nations Convention Against Corruption (UNCAC). All employees, suppliers, and third parties are required to adhere to ethical standards, refusing any improper payments, gifts, or inducements. SMC promotes a culture of integrity by providing training, clear guidelines, and reporting mechanisms to prevent corrupt practices, ensuring business decisions are made transparently and fairly.

### 6.3 Procurement Fraud Detection

SMC ensures that its procurement processes are transparent, competitive, and merit-based to prevent fraudulent activities. Supplier selection and contract awards strictly follow compliance with the Supplier Sustainability Code of Conduct and internal policies. Any manipulation, favoritism, or unfair influence is strictly prohibited. By maintaining clear and objective criteria, SMC fosters fair competition and accountability. This approach guarantees that procurement decisions are ethical and aligned with company values, promoting trust and sustainability throughout the supply chain.

### 6.4 Data and Cyber Fraud

SMC prioritizes the security of its digital assets and client information through comprehensive cybersecurity measures. The company implements advanced technologies, access controls, and monitoring systems to prevent data breaches, identity theft, and cyber fraud. Regular risk assessments and employee training ensure awareness and preparedness against cyber threats.

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By safeguarding sensitive information, SMC maintains customer trust and complies with data protection regulations. This proactive approach minimizes vulnerabilities and protects the integrity of SMC's digital infrastructure from fraudulent manipulation.

### 6.5 Labor Compliance Fraud

SMC prohibits any fraudulent activities involving employee records, payroll, recruitment, or other HR processes. All HR functions are conducted with transparency and strict internal controls to ensure fair treatment of employees. Verification systems and audits are in place to detect and prevent falsification or manipulation of personnel data. This commitment protects employee rights and fosters a trustworthy work environment. By enforcing ethical HR practices, SMC upholds labor laws and promotes fairness and equity within the organization.

### 6.6 Document Fraud Concerns


SMC maintains a strict prohibition against falsifying or manipulating any financial, operational, or compliance records. Accurate, complete, and timely data reporting is essential for transparent decision-making and regulatory compliance. Any attempt to alter records undermines trust and exposes the company to legal and reputational risks. SMC implements strong controls and audit mechanisms to ensure data integrity. Employees and third parties are expected to adhere to these standards, reinforcing a culture of honesty and accountability throughout all levels of the organization.

### 6.7 Combatting Kickbacks Effectively

SMC enforces a zero-tolerance policy on the solicitation or acceptance of kickbacks, illegal commissions, or payments intended to influence business decisions. Such practices compromise ethical standards and distort fair competition. All employees, contractors, and suppliers must strictly adhere to this policy. Any violations result in disciplinary actions, including contract termination. By maintaining this firm stance, SMC protects its reputation and promotes an environment of integrity and trust, ensuring that all business dealings are conducted honestly and transparently.

### 6.8 Fraudulent Report Mitigation

SMC expects all suppliers, contractors, and third parties to submit truthful and accurate reports related to their operations and compliance status. Any falsification, misrepresentation, or concealment of information undermines transparency and can lead to serious corrective measures, including contract termination and legal action. SMC promotes open communication and accountability in its extended network, emphasizing the importance of integrity in reporting. This policy ensures that all partners contribute to a reliable and ethical supply chain aligned with SMC's sustainability and governance commitments.

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## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Fraud Prevention Measures	Strengthen internal controls to reduce fraud risks	% departments audited	▲ 100%
2	Anti-Corruption Initiatives	Promote anti-corruption culture across operations	% employees trained	▲ 100%
3	Procurement Fraud Detection	Improve detection mechanisms for procurement fraud	No. of fraud cases	▼ 0 cases
4	Data and Cyber Fraud	Minimize incidents related to data and cyber fraud	No. of reported incidents	▼ 0 case
5	Labor Compliance Fraud	Identify and rectify labor documentation fraud	% of random audits conducted	▲ 0%
6	Document Fraud Concerns	Ensure document authenticity and traceability	% verified documents	▲ 95%
7	Combatting Kickbacks Effectively	Prevent illicit payments in supply chain transactions	No. of kickback cases reported	▼ 0 cases
8	Fraudulent Report Mitigation	Reduce falsified internal or vendor-submitted reports	% verified reports	▲ 100%

## 8. Reference to Applicable Standards, Laws, and Acts

- Foreign Corrupt Practices Act (FCPA), 1977
- United Nations Convention against Corruption (UNCAC)
- United Nations Global Compact (10 principles)
- OECD Guidelines for Multinational Enterprises
- ISO 26000 – Social Responsibility
- Indian Prevention of Corruption Act, 1988
- Companies Act, 2013 (India) – Section on Fraud and Corporate Governance



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## 9. Distribution and Annual Review

Upon approval, this Fraud Policy will be promptly distributed to all employees, contractors, suppliers, and relevant stakeholders to ensure comprehensive awareness. The Compliance team is responsible for coordinating this distribution and maintaining records of acknowledgment. The policy will undergo a formal annual review process to ensure it reflects current regulatory requirements, industry best practices, and operational feedback from audits and investigations. Updates and revisions will be communicated effectively to all concerned parties. This ongoing review process supports continual improvement and ensures that the policy remains relevant and effective in mitigating fraud risks across SMC's operations.

## 10. Disciplinary Action for Policy Violators


SMC enforces strict disciplinary measures for any violation of the Fraud Policy to uphold ethical standards and deter fraudulent behavior. Actions may include verbal or written warnings, suspension, termination of employment or contracts, and legal proceedings when warranted. Financial penalties or restitution may be sought in cases involving monetary loss. The severity of the disciplinary action will correspond to the nature and impact of the fraudulent act. SMC ensures that disciplinary procedures are conducted fairly, consistently, and in compliance with applicable labor laws and regulations, reinforcing the company's zero-tolerance stance on fraud.

## 11. Reporting Mechanism

SMC provides multiple confidential channels for employees, contractors, suppliers, and other stakeholders to report suspected fraud without fear of retaliation. These channels include a dedicated whistleblower hotline, secure email, and online reporting platforms monitored by the Compliance team. All reports are treated with strict confidentiality and are promptly investigated with impartiality. The company protects whistleblowers by maintaining anonymity and prohibiting any form of retaliation or discrimination. This transparent reporting mechanism encourages early detection of fraud and fosters a safe environment where ethical concerns can be raised openly and responsibly.

## 12. Conclusion

SMC is firmly committed to a zero-tolerance policy against all forms of fraud. This Fraud Policy embodies the company's dedication to fostering a culture of honesty, transparency, and accountability across all operations. By implementing robust prevention, detection, and response measures, SMC safeguards its reputation, assets, employees, and stakeholders from the damaging impacts of fraudulent activities.

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## GREEN MATERIALS POLICY

### SMC/ESG/POLICY-20

#### 1. Purpose


This policy establishes SMC's commitment to the responsible management of materials and chemicals used in its integrated facility management services, including housekeeping, technical, and manpower services. It ensures strict compliance with all relevant laws and regulations, prioritizing the safety and health of employees, clients, and the environment. The policy focuses on minimizing environmental and health impacts by promoting the reduction, proper handling, and safe disposal of hazardous waste. By fostering sustainable practices across all operations, SMC aims to enhance environmental stewardship, reduce risks, and support long-term sustainability in its service delivery.

#### 2. Scope of Application

This policy applies to all SMC employees, contractors, suppliers, and service providers involved in handling materials and chemicals within our operations. It covers business areas including housekeeping, technical services, laundry services, facility management, and related procurement activities essential to SMC's service delivery. The policy is enforced across all operational sites and offices throughout India where SMC conducts its integrated facility management services. By encompassing everyone and all relevant functions within this geographical scope, SMC ensures consistent, responsible management of materials and chemicals to safeguard health, safety, and the environment in all areas of operation.

#### 3. Governance

The ESG Committee, headed by the Chief Sustainability Officer (CSO), is responsible for overseeing the implementation and compliance of this policy across SMC. Department heads play a crucial role in ensuring adherence within their respective functions by integrating sustainable practices into daily operations. Regular internal audits and monitoring activities are conducted to assess compliance and policy effectiveness. The ESG Committee reviews audit findings and reports periodically, driving continuous improvement and ensuring the policy aligns with evolving environmental, health, and safety standards.

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## 4. Definition of Terms

### ➤ Hazardous Materials

Hazardous materials are substances that pose significant risks to human health or the environment due to their toxic, flammable, corrosive, or reactive properties. These can include chemicals such as solvents, pesticides, acids, and heavy metals. Proper identification, handling, storage, and disposal of hazardous materials are critical to prevent accidents, environmental contamination, and health hazards. Regulatory compliance, including adherence to safety data sheets (SDS) and local laws, is essential. SMC commits to minimizing the use of hazardous materials through safer alternatives and strict management practices to protect employees, clients, and the environment.

### ➤ Non-hazardous Materials


Non-hazardous materials refer to substances that pose minimal or no significant risks to human health or the environment under normal conditions of use and disposal. These materials include everyday items such as paper, plastics, and certain cleaning agents that are safe for handling without specialized protective measures. While generally safer, their disposal and management still require responsible practices to reduce environmental impact, such as recycling and waste reduction. SMC prioritizes the use of non-hazardous materials wherever possible to promote safer work environments and contribute to sustainable resource management across operations.

### ➤ Microfiber Cleaning Systems

Microfiber cleaning systems utilize extremely fine synthetic fibers designed to capture dirt, dust, and microbes efficiently with less water and fewer chemicals compared to traditional cleaning methods. This technology reduces environmental impact by minimizing chemical usage and water consumption, promoting sustainability and health safety. Microfiber systems improve cleaning effectiveness and durability of cleaning tools, leading to cost savings and waste reduction. SMC integrates microfiber cleaning systems as part of its commitment to eco-friendly housekeeping practices, ensuring cleaner facilities while supporting the reduction of hazardous chemical waste and resource conservation.

### ➤ Waste Management

Waste management encompasses the collection, segregation, recycling, treatment, and disposal of waste materials in a manner that minimizes environmental harm and health risks. Effective waste management ensures proper handling of hazardous and non-hazardous waste, promotes resource recovery, and complies with regulatory standards. SMC implements strict waste management protocols, including waste segregation at source, partnering with certified recyclers, and monitoring disposal processes.

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These efforts aim to reduce landfill contributions, prevent pollution, and support circular economy principles, reinforcing SMC's commitment to sustainable operations and environmental stewardship.

## 5. Roles and Responsibilities

### ➤ Management


Management holds ultimate responsibility for approving the Materials and Chemicals Policy and ensuring its effective implementation across all operations. They allocate necessary resources, including budget, personnel, and training, to support compliance initiatives. Management promotes a culture of safety and sustainability by setting clear expectations and integrating policy objectives into organizational goals. They oversee regular reviews and audits to ensure adherence to legal requirements and company standards. Through leadership and accountability, management drives continuous improvement in the responsible use and handling of materials and chemicals, safeguarding employee health and the environment.

### ➤ ESG Committee

The ESG Committee is tasked with developing, reviewing, and enforcing the Materials and Chemicals Policy. It monitors key performance indicators (KPIs) related to chemical management and environmental impact to track progress and identify areas for improvement. The committee coordinates with relevant departments to ensure policy alignment with evolving regulations and sustainability goals. It also facilitates communication and training initiatives, fostering awareness among employees and suppliers. By providing oversight and guidance, the ESG Committee ensures consistent compliance and supports SMC's commitment to responsible materials and chemical management throughout its operations.

### ➤ Employees

Employees are required to strictly adhere to safe handling, storage, and disposal procedures for materials and chemicals as outlined in the policy. They must participate in regular training programs to stay informed of best practices, potential hazards, and emergency response protocols. Employees are encouraged to report any unsafe conditions or incidents promptly to ensure workplace safety. By following these guidelines, employees help minimize health risks, prevent environmental contamination, and support the company's sustainability objectives. Their active engagement and compliance are vital to the successful implementation of the policy at all operational levels.

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### ➤ Suppliers

Suppliers play a critical role by providing products and chemicals that comply with SMC's environmental and safety standards. They must disclose detailed information regarding chemical hazards, including safety data sheets (SDS), and ensure that their products are eco-friendly and legally compliant. Suppliers are expected to collaborate with SMC on responsible sourcing and contribute to reducing environmental impacts across the supply chain. By aligning with SMC's sustainability goals, suppliers help maintain a safe and compliant operational environment while supporting the company's commitment to sustainable procurement and chemical management practices.

### ➤ Safety Officers

Safety Officers conduct regular risk assessments to identify hazards associated with the handling, storage, and use of materials and chemicals within SMC's operations. They ensure that all chemicals are stored properly in designated areas with appropriate labeling and containment measures. Safety Officers also oversee the implementation of safety protocols and emergency response plans. They provide guidance and training to employees on chemical safety and regulatory compliance. Through vigilant monitoring and proactive interventions, Safety Officers play a crucial role in preventing accidents, protecting employee health, and maintaining environmental safety in accordance with company policies and legal requirements.


## 6. Green Materials Policy

### 6.1 Chemical Safety Issues

SMC is dedicated to minimizing the use of hazardous chemicals by prioritizing safer alternatives such as eco-friendly cleaning agents and microfiber cleaning technologies. The company regularly reviews and evaluates its chemical usage to identify opportunities for reduction or substitution of harmful substances. This proactive approach aligns with international environmental standards and helps protect the health of employees and surrounding communities. By adopting greener solutions, SMC mitigates environmental risks, enhances workplace safety, and supports its commitment to sustainable facility management practices across all operations.

### 6.2 Unsafe Chemical Handling

SMC mandates strict compliance with safety standards for the storage and handling of all chemicals used within its operations. Chemicals must be stored securely in designated areas, clearly labeled to prevent misuse or accidental exposure. Only trained personnel equipped with appropriate personal protective equipment (PPE) are authorized to handle hazardous substances.

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These measures help prevent accidents, spills, and contamination, ensuring a safe work environment. Continuous monitoring and regular safety audits reinforce proper practices, demonstrating SMC's commitment to protecting employees, the environment, and operational integrity.

### 6.3 Hazardous Waste Controls

To reduce environmental impact, SMC enforces rigorous hazardous waste management protocols, including waste segregation, recycling, and responsible disposal. The company partners exclusively with certified third-party waste management firms to ensure all hazardous waste is treated and disposed of in compliance with environmental regulations. This collaboration minimizes landfill contributions and promotes resource recovery where possible. SMC's comprehensive waste strategy aims to prevent pollution, safeguard ecosystems, and maintain regulatory compliance, reflecting its dedication to sustainable operational practices and continuous improvement in environmental stewardship.

### 6.4 Raw Material Waste


SMC is committed to optimizing its processes to reduce excessive raw material and chemical consumption. Through the implementation of automation, mechanization, and innovative technologies, the company enhances operational efficiency and minimizes waste generation without compromising service quality. Continuous process evaluation allows SMC to identify inefficiencies and implement resource-saving measures, contributing to cost reduction and environmental protection. This focus on resource stewardship supports the company's sustainability goals and ESG commitments, reinforcing its leadership in responsible facility management.

### 6.5 Sustainable Waste Practices

SMC prioritizes regular training and awareness programs to educate employees on sustainable chemical use, waste segregation, and overall environmental responsibility. These initiatives ensure employees understand the importance of safe handling practices, proper disposal methods, and the company's environmental objectives. Enhanced awareness fosters a culture of safety, accountability, and sustainability, leading to safer operations and reduced environmental risks. By empowering its workforce with knowledge, SMC strengthens compliance with its chemical management policy and advances its ESG commitments throughout the organization.

### 6.6 Noncompliant Chemical Practices

SMC requires all suppliers to comply strictly with chemical safety regulations and sustainability standards, including the provision of environmentally friendly chemicals. Supplier adherence is regularly monitored through audits, assessments, and performance evaluations to ensure compliance.

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Non-compliant suppliers are subject to corrective actions, including contract reviews or termination if necessary. This rigorous supplier management ensures that SMC's sustainability commitments extend throughout its supply chain, minimizing risks related to hazardous chemicals and supporting responsible procurement practices aligned with the company's ESG objectives.


## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Chemical Safety Issues	Ensure all chemicals are labeled, stored, and handled safely	% safety compliance audits	▲ 100%
2	Unsafe Chemical Handling	Reduce incidents caused by improper chemical handling	No. of incidents reported	▼ 0 cases
3	Hazardous Waste Controls	Improve collection and disposal of hazardous chemical waste	% proper disposal compliance	▲ 100%
4	Raw Material Waste	Minimize raw material wastage in operations	% reduction in material wastage	▼ 10%
5	Sustainable Waste Practices	Promote sustainable chemical waste management practices	No. of awareness sessions	▲ 6 sessions
6	Noncompliant Chemical Practices	Eliminate noncompliant chemical usage/storage practices	% compliant chemical use	▲ 98%

## 8. Reference to Standards, Laws, and Acts

- Campaign for Responsible Rodenticide Use (CRRU)
- EC Regulation No 2037/2000 on ozone-depleting substances
- EU Directives: RoHS, WEEE, RTTE, 2004/40/CE
- ISO 14000 Environmental Management Standards
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 Social Responsibility
- Relevant Indian environmental and chemical safety regulations



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## 9. Distribution and Annual Review

This policy will be communicated effectively to all employees and suppliers through dedicated training sessions and by including it as a binding clause within contracts. The ESG Committee is responsible for overseeing the annual review of the policy to ensure it remains current and effective. During this review, the committee will consider changes in relevant regulations, industry best practices, and internal audit findings. Updates will be made as necessary to improve compliance, safety, and sustainability performance. This ongoing review process ensures that the policy evolves in alignment with SMC's commitment to responsible materials and chemical management.

## 10. Disciplinary Action for Violators


Any violation of this policy may result in disciplinary measures appropriate to the severity of the breach. Corrective actions may include mandatory retraining to address knowledge gaps or behavioral adjustments. For more serious or repeated offenses, consequences could escalate to suspension or even termination of employment or contracts. These actions will follow established company disciplinary procedures, ensuring fairness and transparency. The enforcement of this policy is essential to maintain workplace safety, environmental protection, and regulatory compliance, underscoring SMC's commitment to upholding the highest standards in materials and chemical management.

## 11. Reporting Mechanism

SMC provides secure and confidential channels for employees and other stakeholders to report any suspected violations or concerns regarding the materials and chemicals policy. Reports can be submitted anonymously through the company's dedicated compliance hotline or via the ESG Committee's official email. All reports are taken seriously and investigated promptly to ensure timely resolution. Confidentiality is strictly maintained to protect whistleblowers from retaliation. This transparent reporting mechanism fosters a culture of accountability and continuous improvement, enabling SMC to address issues proactively and uphold the integrity of its environmental and safety commitments.

## 12. Conclusion

SMC is firmly committed to the sustainable use and responsible management of materials and chemicals across all operations. By prioritizing human health and environmental protection, the company ensures full compliance with applicable laws and regulations. SMC continuously strives to minimize its environmental footprint through effective policies, training, and oversight. The organization believes that ongoing improvement in chemical and material management not only safeguards stakeholders but also strengthens its reputation as a responsible industry leader dedicated to sustainability and operational excellence.

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## CONFLICT DISCLOSURE POLICY

### SMC/ESG/POLICY-21

#### 1. Purpose


This policy reflects SMC's dedication to identifying, preventing, and effectively managing conflicts of interest to uphold transparency, integrity, and trust across all business activities. It aims to prevent any circumstance where personal interests might unduly influence professional decisions or actions, ensuring that all employees, contractors, and partners act impartially and ethically. By clearly defining expectations and providing guidance on disclosure and resolution of potential conflicts, SMC protects its reputation and reinforces a culture of ethical behavior. This commitment supports fair business practices and strengthens stakeholder confidence in SMC's operations.

#### 2. Scope of Application

This policy applies to all employees, directors, contractors, consultants, and third-party representatives acting on behalf of SMC, regardless of their role or seniority. It covers every business function within the organization, including procurement, operations, sales, finance, human resources, and management, ensuring a consistent approach to conflict of interest across all departments. The policy is effective throughout all SMC operations across India, reflecting the company's commitment to maintaining ethical standards and transparency nationwide. Everyone involved in SMC's business activities is required to understand and comply with these guidelines to uphold the company's integrity.

#### 3. Governance

The ESG Committee oversees the implementation, monitoring, and enforcement of the Conflict of Interest Policy, ensuring alignment with SMC's ethical standards. The Human Resources (HR) and Legal departments work closely to manage the disclosure process, review reported conflicts, and conduct thorough investigations when necessary. This collaboration ensures timely resolution and appropriate corrective actions. Together, these teams uphold transparency and integrity across the organization, reinforcing SMC's commitment to preventing conflicts that could compromise professional judgment or business decisions.

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## 4. Definition of Terms

### ➤ Conflict of Interest

A conflict of interest arises when an individual's personal, financial, or other interests have the potential to interfere with or influence their ability to perform their duties objectively and impartially on behalf of SMC. Such conflicts may compromise the integrity of decisions, leading to biased outcomes that benefit personal interests rather than the organization. Identifying and managing conflicts of interest is crucial to maintain transparency, trust, and ethical standards. Employees, contractors, and representatives must disclose any real, potential, or perceived conflicts to ensure appropriate actions are taken to mitigate risks.

### ➤ Financial Interest


Financial interest refers to any ownership stake, investment, or monetary benefit that an individual holds which might affect their judgment or actions related to SMC. This includes stocks, bonds, business ventures, loans, or any direct or indirect economic gain. Such interests can influence decision-making processes, procurement, contracts, or any transactions involving the company, potentially leading to favoritism or unfair advantage. SMC requires full disclosure of any financial interests that could pose a conflict, ensuring decisions remain fair, objective, and aligned with the company's ethical standards and compliance policies.

### ➤ Non-Financial Interest

Non-financial interest encompasses personal relationships, affiliations, or external activities that might affect an individual's impartiality in their professional role at SMC. This includes family ties, friendships, memberships in organizations, political activities, or other social connections that could bias decisions or actions. Even without direct monetary gain, such interests can create perceived or actual conflicts. Recognizing and disclosing these interests promotes transparency and prevents compromised integrity, ensuring all business dealings remain fair and objective. Employees and stakeholders must be vigilant about non-financial interests to uphold trust and ethical conduct.

### ➤ Disclosure

Disclosure is the formal process through which individuals inform SMC about any real, potential, or perceived conflicts of interest, whether financial or non-financial. Timely and honest disclosure enables the company to assess and manage conflicts effectively, safeguarding ethical standards and operational integrity.

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It involves completing conflict of interest forms or verbally reporting concerns to supervisors, HR, or the ESG Committee. Proper disclosure ensures transparency, facilitates informed decision-making, and helps implement mitigation measures such as recusal or monitoring, thereby protecting SMC's reputation and maintaining stakeholder trust.

## 5. Roles and Responsibilities

### ➤ Employees


Employees are required to promptly disclose any actual, potential, or perceived conflicts of interest to their supervisors or the designated compliance officers. They must proactively avoid engaging in activities or relationships that could create conflicts with their duties at SMC. Transparency in declaring conflicts helps maintain trust and ethical standards. Employees should participate in related training and adhere strictly to company policies to ensure that their personal interests do not compromise professional responsibilities. Failure to disclose conflicts may result in disciplinary actions as per company guidelines.

### ➤ Managers

Managers play a critical role in monitoring their teams for potential conflicts of interest. They must remain vigilant in identifying situations that could impair an employee's impartiality or objectivity. Managers are responsible for ensuring that team members understand the importance of disclosure and comply with company policies. They facilitate a transparent environment where employees feel comfortable reporting conflicts. Upon receiving disclosures, managers collaborate with relevant departments to escalate and address issues promptly, ensuring conflicts are effectively managed or mitigated to maintain organizational integrity.

### ➤ ESG Committee

The ESG Committee oversees the review and evaluation of all disclosed conflicts of interest. They assess the nature and severity of each conflict and determine appropriate mitigation or resolution strategies, such as recusal, reassignment, or enhanced monitoring. The Committee ensures that conflict management aligns with SMC's ethical standards and regulatory requirements. They also track trends, update policies as needed, and promote awareness across the organization. By maintaining oversight, the ESG Committee helps uphold transparency, protect SMC's reputation, and foster a culture of integrity and accountability throughout all business operations.

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### ➤ Legal/Compliance Team

The Legal and Compliance team provides expert guidance on conflict of interest matters and ensures that disclosures are handled in accordance with legal and regulatory frameworks. They support investigations into potential breaches and work with management and the ESG Committee to enforce appropriate disciplinary actions when necessary. This team also develops training programs, updates policies, and ensures compliance with anti-corruption and ethics laws. Their role is vital in mitigating legal risks and safeguarding the company's ethical standards by ensuring conflicts are managed effectively and transparently across all functions.

## 6. CONFLICT DISCLOSURE POLICY

### 6.1 Personal Interest Disclosure


SMC mandates that all employees involved in procurement must fully disclose any personal or financial relationships with suppliers to maintain transparency. Failure to disclose such interests can lead to biased decisions, favoritism, or corruption, undermining fair competition. By enforcing clear disclosure requirements, SMC ensures procurement activities remain impartial, compliant with company policies, and aligned with ethical standards. This safeguards the company's interests by promoting fairness and securing the best value for goods and services, ultimately reinforcing trust in procurement processes and supporting sustainable supplier relationships.

### 6.2 Recruitment Integrity Issues

SMC strictly prohibits nepotism and favoritism in all recruitment and promotion decisions. Employment and career advancements must be merit-based, objective, and free from personal bias to ensure equal opportunities for all candidates. Employees are required to disclose any personal relationships that could influence hiring or promotional outcomes. The company enforces transparent procedures to uphold diversity and fairness, strengthening workplace morale and inclusivity. These measures help cultivate a professional environment where talent and performance drive decisions, protecting the integrity of HR processes and fostering a culture of equal opportunity.

### 6.3 Data Misuse Concerns

Employees at SMC are strictly prohibited from using confidential, proprietary, or insider information for personal advantage or to influence external business transactions. Safeguarding sensitive data protects the company's competitive position and stakeholder interests. The policy requires adherence to confidentiality obligations and conflict of interest standards to prevent misuse.

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Unauthorized disclosure or exploitation of confidential information is considered a serious breach, potentially leading to disciplinary action or legal consequences. By maintaining strict controls and awareness, SMC ensures that confidential information remains secure, thereby upholding ethical conduct and trustworthiness within and outside the organization.

#### 6.4 Outside Business Conflict


SMC requires employees to disclose any external business ventures, side employment, or affiliations that may impair their objectivity or compete with the company's interests. Such outside engagements can create conflicts of interest by diverting focus or influencing decision-making. Approval processes are in place to assess potential risks, and ongoing monitoring ensures compliance. This policy prevents adverse impacts on performance and loyalty while maintaining transparency. By managing these external interests proactively, SMC protects its reputation and operational integrity, ensuring employees prioritize the company's objectives without conflicting obligations.

#### 6.4 Incentive Bias Concerns

SMC enforces a strict policy governing the acceptance of gifts, hospitality, or incentives to avoid conflicts of interest or the perception of undue influence. Employees must report any offers exceeding defined value thresholds and seek prior approval following company guidelines. This policy promotes ethical behavior by preventing bribery or favoritism in business dealings. Transparency around gifts and hospitality helps maintain impartiality in decision-making and protects the company's reputation. By regulating such interactions, SMC ensures that business relationships are conducted with integrity and that employees remain free from improper influence.

### 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Personal Interest Disclosure	Promote transparency in personal interests impacting work decisions	% of employees submitting disclosures	▲ 100%
2	Recruitment Integrity Issues	Ensure fair and ethical recruitment practices	No. of violations detected	▼ 0 cases
3	Data Misuse Concerns	Protect employee and client data integrity	No. of data misuse incidents	▼ 0 case

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4	Outside Business Conflict	Identify and manage conflicts from external business activities	% of conflict disclosures filed	▲ 95%
5	Incentive Bias Concerns	Prevent undue influence in incentive or reward systems	% of unbiased incentive reviews	▲ 100%

## 8. Reference to Applicable Standards, Laws, and Acts

- Foreign Corrupt Practices Act (FCPA), 1977
- United Nations Convention against Corruption (UNCAC)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 – Social Responsibility
- Indian Companies Act and relevant local regulations


## 9. Distribution and Annual Review

This policy is systematically distributed to all employees and contractors during onboarding sessions, periodic training programs, and through internal communication channels such as emails and intranet postings. The ESG Committee is responsible for an annual review to ensure the policy remains current, relevant, and compliant with any changes in legal requirements or industry best practices. Updates from the review process are communicated promptly to all stakeholders to reinforce understanding and adherence. This continuous evaluation process helps maintain the effectiveness of the conflict of interest management framework within SMC's operations.

## 10. Disciplinary Action for Violators

Any failure to disclose or properly manage conflicts of interest is taken seriously at SMC. Violations may result in disciplinary actions proportionate to the severity of the breach, ranging from formal warnings to suspension or termination of employment or contracts. In cases involving legal violations, SMC may pursue further legal action against the offending party. These measures reinforce the company's zero-tolerance stance on unethical conduct and protect the integrity of business operations. Employees and partners are reminded that adherence to this policy is mandatory to uphold trust and ethical standards.




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## 11. Reporting Mechanism

SMC provides a confidential and secure whistleblower hotline and a dedicated ESG compliance email address for employees and stakeholders to report any suspected conflicts of interest or policy breaches. Reports can be submitted anonymously to protect whistleblowers from retaliation. All concerns raised are treated with the utmost confidentiality and investigated impartially by the ESG Committee in coordination with Legal and Compliance teams. This transparent reporting system encourages a culture of openness, enabling timely identification and resolution of potential conflicts, thereby reinforcing ethical conduct throughout the organization.

## 12. Conclusion

SMC is committed to maintaining the highest standards of transparency, ethical behavior, and accountability by effectively managing conflicts of interest. This policy safeguards the company's reputation and fosters trust among employees, partners, and stakeholders. Through diligent disclosure, oversight, and enforcement, SMC ensures that personal interests do not interfere with professional duties, preserving integrity across all operations. Continuous education, monitoring, and reporting mechanisms support a culture where ethical conduct is a shared responsibility, ultimately strengthening SMC's long-term sustainability and stakeholder confidence.

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## HARASSMENT PREVENTION COMMITMENT POLICY

### SMC/ESG/POLICY-22

#### 1. Purpose


This policy affirms SMC's unwavering commitment to fostering a workplace that is free from all forms of harassment, abuse, and discrimination. We are dedicated to creating a safe, inclusive, and respectful environment where every employee feels valued and protected, regardless of gender, ethnicity, religion, age, disability, sexual orientation, or any other personal characteristic. SMC upholds a strict zero-tolerance approach toward any behavior that undermines the dignity of individuals. Through education, awareness, and accountability, we aim to promote equality, ensure fair treatment, and support the physical and emotional well-being of all employees across our operations.

#### 2. Scope of Application

This policy applies to all individuals and entities associated with SMC, including full-time, part-time, and contractual employees, interns, vendors, subcontractors, and relevant stakeholders. It encompasses all departments and operational units engaged in delivering integrated facility management services. The provisions outlined are mandatory and ensure consistent adherence to ethical, operational, and compliance standards across all functions. This policy is enforceable at all SMC offices and work locations throughout India, regardless of role or location. The organization is committed to upholding these standards to ensure safe, efficient, and sustainable operations across its nationwide footprint.

#### 3. Governance

The Human Resources (HR) Department and the ESG Compliance Committee are jointly responsible for implementing, monitoring, and ensuring adherence to SMC's Anti-Harassment Policy. They play a key role in fostering a safe and respectful workplace culture. Additionally, an Internal Complaints Committee (ICC), established in accordance with applicable legal requirements, is tasked with receiving, investigating, and resolving complaints related to sexual harassment. These bodies work collaboratively to ensure accountability, timely redressal, and compliance with all relevant laws and organizational values.

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## 4. Definition of Terms

### ➤ Harassment

Harassment refers to any unwelcome conduct—whether verbal, physical, psychological, or visual—that is intended to disturb, demean, intimidate, or offend an individual or group. This includes offensive jokes, slurs, unwanted touching, threats, or displays of discriminatory images or messages. Such behavior may occur in person, via email, or through digital platforms. At SMC, all forms of harassment are strictly prohibited. The policy applies regardless of intent; if the behavior causes discomfort or harm, it qualifies as harassment. Preventing harassment is essential to maintaining a respectful and inclusive workplace for all employees and stakeholders.

### ➤ Discrimination


Discrimination involves unfair or unequal treatment of individuals based on characteristics such as gender, race, religion, caste, age, disability, sexual orientation, or any other legally protected attribute. This includes bias in hiring, promotion, work assignments, pay, or disciplinary actions. Discrimination undermines merit-based processes, creates a toxic work environment, and violates SMC's ethical standards and legal obligations. The company ensures that all employment-related decisions are based on qualifications, performance, and business needs, not on personal characteristics. Promoting diversity, equity, and inclusion is fundamental to SMC's commitment to fairness and respect in the workplace.

### ➤ Sexual Harassment

Sexual harassment is defined under India's Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It includes any unwelcome sexual advances, requests for sexual favors, sexually colored remarks, showing pornography, or any other unwelcome physical, verbal, or non-verbal conduct of a sexual nature. SMC strictly prohibits such behavior and ensures a safe working environment for all employees. Complaints are handled by the Internal Complaints Committee (ICC), and confidentiality is maintained throughout the investigation process. Awareness, training, and prompt redressal mechanisms are in place to ensure compliance with the law and protect employee dignity.

### ➤ Psychological Abuse

Psychological abuse includes patterns of behavior that cause emotional harm or distress to an individual. Examples include verbal intimidation, bullying, exclusion, persistent criticism, spreading rumors, and deliberate undermining of a person's work or confidence. This form of abuse may not always be visible but can significantly affect mental health and job performance.

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At SMC, psychological abuse is treated as a serious violation of the Anti-Harassment Policy. All employees have the right to a work environment that is not only physically safe but also emotionally supportive. Measures are in place to report and address such behaviors promptly.

## 5. Roles and Responsibilities

### ➤ Employees


All employees at SMC are responsible for contributing to a respectful and inclusive work environment. They must avoid engaging in any form of harassment, discrimination, or abusive behavior and are encouraged to foster positive, professional interactions with colleagues. Employees are also expected to report any incidents or observations of inappropriate behavior—whether experienced directly or witnessed—through the proper channels, including the Internal Complaints Committee (ICC) or the ESG/HR teams. Timely reporting enables early intervention and resolution. By upholding these standards, employees help protect workplace dignity, ensure safety, and support the company's zero-tolerance stance against misconduct.

### ➤ Supervisors/Managers

Supervisors and managers play a key role in preventing and addressing harassment and discrimination within their teams. They are responsible for setting a positive example, monitoring workplace conduct, and promoting an atmosphere of trust and respect. Managers must act promptly on any complaints or signs of inappropriate behavior, ensuring concerns are escalated to the ICC or HR/ESG teams as needed. In addition, they should be aware of power dynamics and work to ensure fairness and equal opportunity in team decisions. Proper training and awareness are essential for managers to handle such responsibilities effectively and maintain a compliant workplace.

### ➤ Internal Complaints Committee (ICC)

The ICC is mandated by Indian law and is responsible for receiving and investigating complaints of sexual harassment and related issues. The committee conducts impartial, confidential investigations in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It ensures procedural fairness, protects the rights of all parties, and recommends corrective or disciplinary action when appropriate. The ICC also plays a role in building awareness by participating in training sessions and supporting preventive efforts. Its existence underscores SMC's commitment to upholding a harassment-free workplace and legal compliance.

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## ➤ ESG and HR Teams

The ESG and Human Resources teams are responsible for the implementation and oversight of the Anti-Harassment Policy across SMC. They provide training programs to educate employees on acceptable workplace behavior, legal rights, and reporting mechanisms. These teams also develop and track Key Performance Indicators (KPIs) related to workplace culture, complaints resolution timelines, and policy effectiveness. Additionally, ESG and HR collaborate to ensure compliance with national laws, company values, and industry best practices. They serve as a central support structure, offering guidance to the ICC, supervisors, and employees to uphold a safe, inclusive, and equitable workplace.

## 6. Harassment Prevention Commitment Policy

### 6.1 Inclusive Affinity Groups


SMC supports and promotes affinity groups designed to provide a platform for minorities and vulnerable employee populations such as working parents, gender minorities, and cultural communities. These groups foster peer support, networking opportunities, and advocacy within the organization. By offering a safe space for dialogue and collaboration, affinity groups help members share experiences, address challenges, and influence company policies. SMC actively facilitates the formation and ongoing operation of these groups, enhancing inclusion, boosting employee engagement, and contributing to the retention of diverse talent within the workplace.

### 6.2 Gender Safety Violations

SMC maintains a zero-tolerance policy toward sexual harassment and gender-based violence in the workplace. Fully aligned with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has established a trained Internal Complaints Committee (ICC) to receive and investigate complaints with sensitivity, impartiality, and confidentiality. We provide regular training and awareness sessions to prevent such incidents and empower employees to report misconduct. Victims receive full support throughout the process, and necessary action is taken against offenders. This ensures a safe, respectful, and equitable environment for all genders in the organization.

### 6.3 Wage Fairness Policy

SMC is committed to wage equality and regularly monitors compensation practices to identify and correct pay disparities. Through systematic audits and data analysis, we examine factors contributing to wage gaps related to gender, ethnicity, or other characteristics. Remediation measures include adjusting salaries, refining pay structures, and promoting transparent compensation policies. These efforts align remuneration with employees' roles, skills, and performance without bias.

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#### 6.4 Reporting Culture Deficiency

SMC actively cultivates a strong culture of awareness and transparency where employees feel safe and empowered to report any form of harassment, discrimination, or abuse. We conduct regular workshops, training sessions, and awareness campaigns to educate all personnel about their rights, company policies, and reporting procedures. Anonymous and confidential whistleblower channels are available to eliminate fear of retaliation. Our leadership reinforces the importance of ethical conduct and responsible communication. By promoting a speak-up culture and reinforcing the importance of accountability at all levels, SMC strives to create a workplace where concerns are addressed promptly and respectfully.

#### 6.5 Legal and Reputation


Failure to address harassment or discrimination poses significant legal and reputational risks for SMC. Such violations can result in lawsuits, regulatory penalties, employee turnover, and damage to brand integrity. To mitigate these risks, we ensure strict compliance with local and international laws, backed by comprehensive internal audits and transparent documentation of incidents and resolutions. Regular ESG reporting, policy reviews, and leadership accountability help prevent oversight. SMC also promotes a culture of proactive risk identification and response, reinforcing our position as a responsible and ethical employer committed to protecting the rights and dignity of every stakeholder.

#### 6.6 Healing and Resolution

SMC implements transparent and fair remediation procedures to support victims of discrimination and harassment. Corrective actions are tailored to the severity of the incident and may include counseling, disciplinary measures, or mediation. The process ensures open communication with affected individuals, providing updates and opportunities for feedback. Ongoing monitoring evaluates the effectiveness of remediation to restore trust and dignity. By prioritizing victim support and accountability, SMC fosters healing, reinforces ethical standards, and ensures the workplace remains safe and respectful for all employees.

#### 6.7 Diversity Rights Breach

SMC is committed to a work environment that values diversity and inclusivity. Discrimination in any form—whether based on gender, religion, caste, age, disability, sexual orientation, or any other personal characteristic—is strictly prohibited. Employment decisions regarding hiring, compensation, promotion, and training are solely merit-based. We continuously review and update our policies to ensure alignment with national laws and global ESG standards.

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Awareness campaigns, employee sensitization programs, and clear grievance redressal mechanisms are integral to reinforcing our zero-discrimination stance. By fostering an equitable environment, SMC aims to build a culture of fairness, respect, and mutual opportunity for all.

#### 6.8 Elevate Women Initiative

SMC invests strategically in women's career advancement through mentorship and sponsorship programs aimed at nurturing female talent. These initiatives offer personalized guidance, leadership training, and access to professional networks to help women overcome barriers to growth. Mentors and sponsors support women in developing critical skills, expanding influence, and preparing for leadership and technical roles. By fostering an environment that champions gender diversity, SMC works to increase women's representation at all levels, enhance organizational performance, and promote equitable career opportunities across the company.


#### 6.9 Toxic Workplace Behavior

SMC strictly prohibits psychological abuse, bullying, and verbal harassment in all its forms. We believe in fostering a workplace rooted in civility, empathy, and professionalism. Any form of intimidation, name-calling, exclusion, or derogatory language is considered a serious breach of our Code of Conduct. Preventive efforts include regular employee training, clearly communicated behavioral expectations, and accessible grievance channels. Managers are trained to recognize signs of toxic behavior and respond proactively. Through continuous monitoring, team-building initiatives, and a strong support system, SMC ensures a mentally healthy work culture that respects the dignity and emotional well-being of every employee.

#### 6.10 Employee Rights Portal

SMC maintains an accessible, confidential, and non-retaliatory grievance mechanism to address discrimination and harassment concerns. Communication efforts ensure that all employees, regardless of location, language, or social barriers, understand how to report incidents safely and confidently. Multiple reporting channels, including anonymous whistleblower systems, provide secure avenues for lodging complaints. The grievance process emphasizes timely investigation, fairness, and transparency while safeguarding complainants from retaliation. This robust mechanism underpins SMC's commitment to a respectful workplace and helps maintain trust between employees and management.



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### 6.11 Diverse Talent Acquisition

SMC is dedicated to a recruitment process that is open, transparent, and strictly merit-based, eliminating bias and discrimination. All candidates, whether internal or external, are assessed solely on their skills, qualifications, and experience relevant to the role. Recruitment panels undergo mandatory training on equal opportunity principles to ensure fairness and impartiality throughout the hiring process. We actively promote diversity by providing equal access to employment opportunities regardless of gender, ethnicity, disability, or any other protected characteristic, fostering a workforce that reflects inclusivity and fairness in every hiring decision.

### 6.12 Supporting Every Ability


SMC prioritizes accessibility and inclusion for employees with disabilities by providing necessary infrastructure, assistive technologies, and specialized training programs to support workplace adaptation. We ensure physical and digital environments are barrier-free and that reasonable accommodations are made to empower employees to perform effectively. Our inclusion efforts extend to recruitment, retention, and career development initiatives that recognize and value the unique contributions of employees with disabilities. By fostering a supportive culture, SMC creates opportunities for professional growth and ensures all employees can thrive and contribute to organizational success.

### 6.13 Disability Inclusion Issues

SMC is fully committed to the inclusion of persons with disabilities and other marginalized or vulnerable groups in its workforce. We ensure physical and digital accessibility, provide reasonable accommodations, and actively support inclusive recruitment practices. Collaboration with NGOs and government agencies helps us identify, onboard, and retain talent from underrepresented communities. Awareness sessions and diversity training ensure a supportive and respectful environment. Through inclusive policies and equitable practices, we not only comply with accessibility laws but also strengthen our commitment to social equity, enabling all individuals to contribute meaningfully and thrive within the organization.

### 6.14 Anti-Harassment Framework

SMC has established a dedicated Anti-Harassment Committee responsible for proactive monitoring and prevention efforts. We conduct regular workplace climate audits and anonymous surveys to assess employee experiences and identify potential issues early. Open dialogue initiatives encourage transparent conversations about harassment risks, while confidential reporting channels enable safe and timely complaint submissions.

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Training programs raise awareness of acceptable behaviors and consequences of violations. This multi-faceted approach ensures that harassment is addressed promptly, creating a workplace where all employees feel safe, respected, and supported in their roles.

### 6.15 Career Equality Commitment

SMC ensures equal access to professional development and promotion opportunities for all employees. Our HR team is trained to recognize and eliminate bias in performance appraisals and career advancement decisions. By focusing on merit and potential, we foster an environment where career growth is based on ability and achievements, not personal characteristics. This approach strengthens diversity within leadership and supports the retention and progression of underrepresented groups across the organization.

### 6.16 Inclusive Culture Training

SMC mandates comprehensive diversity, equity, and inclusion training for all employees to cultivate an inclusive and respectful workplace culture. Training covers cultural sensitivity, unconscious bias, and effective communication to reduce discrimination and hostile behaviors. These sessions empower employees with awareness and practical skills to contribute positively to team dynamics and decision-making. Regular refresher courses and workshops are held to reinforce DEI values and ensure alignment with company policies. Through this ongoing education, SMC fosters mutual respect, strengthens collaboration, and creates a welcoming environment that values diverse perspectives and equitable treatment.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Inclusive Affinity Groups	Establish support groups for underrepresented employees	No. of active support groups	▲ 2 groups
2	Gender Safety Violations	Prevent gender-based safety breaches	No. of reported violations	▼ 0 cases
3	Wage Fairness Policy	Ensure equal pay for equal work across gender and categories	% pay equity audit completion	▲ 100%
4	Reporting Culture Deficiency	Strengthen reporting culture and safe disclosures	% employees aware of reporting channels	▲ 95%



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5	Legal and Reputation	Avoid legal cases and reputational loss due to bias or unfair practices	No. of legal complaints	▼ 0 cases
6	Healing and Resolution	Provide timely and confidential support to workplace victims	No. of victims assisted	▲ 7 employees
7	Diversity Rights Breach	Prevent breach of employee diversity rights	No. of reported incidents	▼ 0 cases
8	Elevate Women Initiative	Promote women into leadership and technical roles	% female participation	▲ 40%
9	Toxic Workplace Behavior	Eliminate toxic behavior across teams	No. of complaints resolved	▲ 100%
10	Employee Rights Portal	Strengthen investigation and resolution of discrimination cases	Complaint closure rate (%)	▲ 100%
11	Diverse Talent Acquisition	Implement unbiased hiring procedures	% diverse hires	▲ 35%
12	Supporting Every Ability	Improve access and inclusion for differently-abled employees	No. of inclusive infrastructure updates	▲ 5%
13	Disability Inclusion Issues	Identify and resolve physical/attitudinal barriers	No. of complaints received	▼ 0 cases
14	Anti-Harassment Framework	Build awareness and readiness to act against harassment	% trained employees	▲ 100%
15	Career Equality Commitment	Offer fair promotions and learning access	% employees receiving training	▲ 100%
16	Inclusive Culture Training	Sensitize employees on DE&I best practices	No. of programs conducted	▲ 5 programs

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## 8. Reference to Applicable Standards, Laws, Acts

- Universal Declaration of Human Rights
- International Labour Organization (ILO) Fundamental Conventions
- Sexual Harassment of Women at Workplace Act (India), 2013
- Equal Remuneration Act (India)
- United Nations Global Compact (Principle 6: Elimination of discrimination in respect of employment)
- OECD Guidelines for Multinational Enterprises
- ISO 26000 (Social Responsibility)
- GRI Standards
- OHSAS 18001 and ISO 45001 (Occupational Health & Safety)

## 9. Distribution and Annual Review


SMC ensures widespread awareness of the Anti-Harassment Policy by distributing it to all employees during onboarding, reinforcing it through regular internal communications, and displaying it prominently at all workplaces. This guarantees that every employee is aware of their rights and responsibilities under the policy. The HR and ESG Compliance Committees jointly conduct an annual review of the policy to assess its effectiveness and ensure alignment with evolving legal standards, organizational goals, and industry best practices. Feedback from employees and case learnings are also considered during reviews to ensure the policy remains dynamic, relevant, and impactful.

## 10. Disciplinary Action for Violators

Any individual found violating the Anti-Harassment Policy will face strict disciplinary consequences, proportionate to the severity and impact of the misconduct. Actions may include verbal or written warnings, suspension from duties, termination of employment or contract, and in extreme cases, legal proceedings. The disciplinary process is designed to be impartial, transparent, and consistent, with the aim of upholding SMC's core values of integrity, respect, and accountability. Disciplinary outcomes are determined after a thorough investigation by the Internal Complaints Committee (ICC), supported by HR and legal advisors, in accordance with company procedures and applicable laws.

## 10. Reporting Mechanism


SMC provides multiple confidential avenues for employees to report harassment or related misconduct. These include anonymous whistleblower channels, such as a dedicated email and hotline, and direct access to the Internal Complaints Committee (ICC). The ICC is responsible for investigating all complaints within legal timelines and ensuring fair treatment for all parties involved.

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A strong non-retaliation policy is enforced, offering protection to anyone who reports or participates in an investigation. These mechanisms are intended to encourage open communication, protect victims, and promote early resolution of incidents, reinforcing SMC's commitment to transparency and ethical workplace practices.

## 11. Conclusion

SMC reaffirms its unwavering commitment to fostering a workplace where every individual is treated with dignity, respect, and fairness. The Anti-Harassment Policy reflects the organization's broader ESG principles and its dedication to building an inclusive, safe, and productive environment. By empowering employees with knowledge, encouraging responsible conduct, and addressing violations decisively, SMC promotes a culture of zero tolerance towards harassment and discrimination. Our people are our greatest asset, and their safety and well-being are essential to our success. Together, we strive to uphold the highest standards of professional behavior and organizational ethics.

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## DATA SECURITY PROTOCOLS POLICY

### SMC/ESG/POLICY-23

#### 1. Purpose


SMC India is dedicated to protecting the confidentiality, integrity, and availability of all information assets under its care, including sensitive third-party data. This Information Security Policy aims to reduce risks related to unauthorized access, data breaches, and other threats that could lead to operational disruptions, legal penalties, financial losses, or damage to reputation. We commit to implementing robust security controls, employee awareness programs, and continuous monitoring to safeguard information. Compliance with relevant national and international laws, regulations, and industry standards is a fundamental part of our approach to maintaining a secure and trustworthy information environment.

#### 2. Scope of Application

This policy applies to all employees, contractors, vendors, and third-party service providers who handle SMC's information assets. It covers every business function involved in Digitization, Automation, and Mechanization services within Integrated Facility Management, including Housekeeping, Technical, and Manpower Services. The policy is enforced across all SMC locations in India and extends to any international collaborations or operations. Everyone within these groups is expected to adhere to the policy to protect sensitive data, ensure operational continuity, and maintain compliance with relevant legal and regulatory requirements, fostering a secure and responsible information environment throughout the organization.

#### 3. Governance

The Information Security Governance Committee, chaired by the Chief Information Security Officer (CISO), is responsible for implementing this policy, conducting periodic reviews, and ensuring compliance through audits. The committee monitors adherence to information security standards and addresses emerging risks. It reports regularly to senior management and the ESG Steering Committee, ensuring that security practices align with SMC's broader corporate sustainability and governance goals. This oversight fosters a strong security culture supporting the organization's operational integrity and stakeholder trust.

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## 4. Definition of Terms

### ➤ Information Security

Information security involves protecting all information and related systems from unauthorized access, use, disclosure, disruption, modification, or destruction. It ensures the confidentiality, integrity, and availability of data, supporting operational continuity and trust. Effective information security encompasses technical controls, policies, and procedures designed to mitigate risks such as cyberattacks, insider threats, and accidental data loss. At SMC, information security safeguards both company and third-party data to prevent harm to business operations, reputation, and compliance with legal and regulatory requirements.

### ➤ Confidential Information

Confidential information includes sensitive data entrusted to SMC by third parties or generated internally that requires protection from unauthorized access or disclosure. This includes personally identifiable information (PII) of employees, intellectual property belonging to clients, trade secrets, proprietary business strategies, financial data, and other business-sensitive materials. Protecting confidential information is critical to maintaining competitive advantage, honoring contractual obligations, and complying with data protection laws. All personnel must handle confidential information responsibly and follow prescribed security protocols to prevent leaks or misuse that could harm SMC or its stakeholders.


### ➤ PII (Personally Identifiable Information)

Personally Identifiable Information (PII) refers to any data that can directly or indirectly identify a specific individual. This includes names, addresses, phone numbers, email addresses, government-issued identification numbers, biometric data, and other personal details. Protecting PII is essential to safeguard individual privacy and comply with data protection regulations such as the GDPR and India's IT Act. At SMC, strict policies and controls govern the collection, storage, processing, and sharing of PII to prevent unauthorized access, misuse, or breaches, ensuring respect for individual privacy rights and maintaining stakeholder trust.

### ➤ Breach

A breach is any confirmed incident where unauthorized parties gain access to, lose, or disclose confidential information in a manner that violates security policies or legal requirements. Breaches can result from cyberattacks, insider negligence, system vulnerabilities, or accidental exposure. The consequences of a breach include operational disruption, legal penalties, financial losses, reputational damage, and loss of stakeholder trust.



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SMC has established procedures to detect, report, and respond to breaches promptly, including containment, investigation, notification, and remediation, minimizing impact and ensuring compliance with applicable regulations.

## 5. Roles and Responsibilities

### ➤ Employees


All employees must comply fully with SMC's information security policy by following established protocols for handling and protecting information assets. They are required to complete mandatory security awareness training to stay informed about current threats and best practices. Employees must remain vigilant and promptly report any suspected or actual security breaches, unauthorized access, or suspicious activities to their managers or the IT security team. By actively participating in maintaining security, employees play a critical role in protecting the organization's data, reputation, and compliance with legal and regulatory obligations.

### ➤ Managers

Managers are responsible for ensuring that their teams understand and adhere to all information security policies and procedures. They must enforce compliance by regularly communicating security expectations and monitoring team behavior. Managers serve as the first point of contact for any suspected security incidents within their departments and must escalate these issues immediately to the IT Department or CISO for prompt investigation and resolution. By fostering a security-conscious culture and leading by example, managers help minimize risks and ensure that the organization's information assets remain protected.

### ➤ IT Department

The IT Department is tasked with implementing and maintaining technical security controls, including firewalls, encryption, access controls, and intrusion detection systems to protect SMC's information systems. They continuously monitor security infrastructure to detect and respond to potential threats or vulnerabilities. The IT team regularly conducts vulnerability assessments, penetration testing, and system audits to identify weaknesses and improve defenses. Additionally, the IT Department supports incident response efforts by investigating breaches, coordinating containment measures, and assisting in recovery. Their expertise is critical to maintaining the confidentiality, integrity, and availability of all organizational data.

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### ➤ Chief Information Security Officer (CISO)

The CISO leads SMC's information security governance, overseeing the development, enforcement, and continual improvement of security policies and procedures. They coordinate incident management efforts, ensuring timely detection, reporting, and resolution of security breaches or threats. The CISO is responsible for compliance reporting to senior management and regulatory bodies, aligning security strategies with corporate objectives and ESG principles. They also facilitate security training programs and promote a security-aware culture across the organization. By leading risk assessments and audits, the CISO helps safeguard SMC's information assets against evolving cyber threats.

### ➤ Third Parties

All third parties—including contractors, vendors, and service providers—who access or handle SMC's information assets must comply with the company's information security requirements as stipulated in contractual agreements. These agreements mandate adherence to SMC's security policies, confidentiality obligations, and incident reporting protocols. Third parties are subject to security assessments and audits to verify compliance and identify risks. By enforcing these requirements, SMC ensures that external partners uphold the same standards of information protection, mitigating risks that could arise from third-party access and maintaining the integrity of the company's data ecosystem.


## 6. Data Security Protocols Policy

### 6.1 Data Protection Audits

SMC India undertakes regular audits—both internal and external—to verify the effectiveness of its information security controls. Each audit is planned with a defined scope, schedule, and responsible authority. The process involves evaluating current controls, identifying any weaknesses, and assessing compliance with corporate policies and legal requirements. Findings and recommendations are reported to senior management for corrective action. Retrospective analyses are also conducted to learn from past incidents. These audits support continuous improvement and reinforce a culture of accountability and transparency in managing information security risks.

### 6.2 Information Security Training

SMC mandates comprehensive and ongoing information security awareness and training programs for all employees, contractors, and relevant third parties. These sessions cover best practices for data handling, recognizing and preventing phishing and social engineering attacks, secure password management, and proper incident reporting procedures. Training is tailored to roles and updated regularly to address emerging threats. This empowers personnel to become active defenders of information security and reduces human-related vulnerabilities.

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By fostering a culture of security mindfulness, SMC strengthens overall risk management and ensures that all stakeholders understand their responsibilities in protecting sensitive information. SMC India promotes a security-conscious workplace by delivering periodic, role-specific training programs for all employees and contractors. Training covers key topics such as threat identification, phishing prevention, secure data handling, and incident reporting. Materials include interactive slide decks, training summaries, and assessments to reinforce learning. Participation is tracked via progress reports and completion certificates to ensure accountability. Regular updates keep the content relevant to emerging threats and changes in policy. This structured training approach empowers employees to act as the first line of defense in protecting sensitive company and third-party information assets.

### 6.3 Third-Party Data Safeguards


To safeguard third-party data, SMC implements robust technical and organizational controls. These include role-based access controls, password policies, two-factor authentication, encryption of data at rest and in transit, and restricted access zones in physical facilities. Firewalls, intrusion detection systems, and continuous monitoring tools are used to detect and prevent unauthorized access attempts. Data access logs are regularly reviewed, and any anomalies are promptly investigated. All personnel handling sensitive data are trained in confidentiality protocols. These layered defenses ensure third-party data remains secure, reducing the likelihood of breaches or inadvertent disclosure.

### 6.4 Information Security Breach Impact

SMC recognizes that information security breaches can significantly damage its reputation and stakeholder confidence. To mitigate this risk, the company maintains transparent communication regarding its security policies, practices, and breach response procedures. Proactive engagement with clients, regulators, and employees fosters trust and demonstrates accountability. In the event of an incident, timely disclosure combined with clear action plans reassures stakeholders of SMC's commitment to resolving issues responsibly. This openness, along with continual investment in security controls, helps preserve the company's integrity and market standing in an increasingly security-conscious environment.

### 6.5 Stakeholder Data Consent

SMC ensures transparency and accountability in data handling by implementing a robust consent management system. Prior to collecting personal or business data from clients, partners, or employees, SMC clearly communicates the purpose, methods of processing, data-sharing partners, and retention timelines. Consent is documented electronically or in writing and is revisited periodically to confirm continued agreement.

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Mechanisms are in place for stakeholders to review or withdraw consent at any time. This practice not only complies with legal and regulatory requirements but also strengthens stakeholder confidence in how SMC manages personal and sensitive information

## 6.6 Access and Data Breaches

SMC enforces robust access control mechanisms such as role-based access, multi-factor authentication, and encryption protocols to protect sensitive third-party and company information from unauthorized access. Regular vulnerability assessments, penetration tests, and system audits are conducted to identify and remediate potential security gaps. These proactive measures ensure resilience against cyber threats like hacking, malware, and insider misuse. By continuously monitoring access logs and security events, SMC promptly detects suspicious activities to prevent data breaches and safeguard confidentiality, thereby minimizing risks to operational integrity and stakeholder trust.

## 6.7 Records Retention Policy


SMC maintains a formal records retention schedule to manage the lifecycle of internal and third-party data. This schedule defines retention periods based on operational needs, regulatory mandates, and legal requirements. Data is securely stored during the retention phase and is appropriately destroyed—using methods such as digital wiping or shredding—once the retention period expires. Regular audits are conducted to ensure adherence to the schedule. By managing data systematically and securely, SMC minimizes legal risks, prevents data clutter, and upholds its commitment to responsible data stewardship and information security compliance.

## 6.8 External Partner Security Flaws

Before onboarding, SMC performs rigorous due diligence and risk assessments on third-party vendors to evaluate their security controls and data protection measures. Contractual agreements mandate compliance with SMC's information security standards and relevant laws, including requirements for breach notification and remedial actions. Ongoing monitoring and periodic reassessments ensure vendors maintain adequate safeguards throughout the partnership. This proactive approach reduces the risk of vulnerabilities stemming from external service providers, securing the entire information supply chain and preserving the confidentiality, integrity, and availability of shared data.

## 6.9 Security Risk Evaluation

SMC conducts comprehensive, periodic information security risk assessments to proactively identify, analyze, and address vulnerabilities in systems and processes. These assessments are conducted across business units and consider both internal and external threats. Each risk is evaluated based on likelihood and impact, with corrective actions developed accordingly.

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The results are documented in a risk register that is reviewed and updated annually or when significant changes occur, such as new technology deployments or regulatory updates. These assessments guide strategic investments in cybersecurity and reinforce SMC's commitment to maintaining a resilient and secure operational environment.

### 6.10 Data Security Oversight


SMC strictly complies with all applicable data protection laws and regulations across the jurisdictions where it operates, including India's IT Act, GDPR, and other regional frameworks. The company ensures that the collection, processing, storage, and transfer of third-party and employee data are lawful, transparent, and secure. Compliance audits are regularly conducted to evaluate adherence and identify areas of improvement. By maintaining updated privacy policies and contractual safeguards, SMC mitigates legal risks and protects individuals' privacy rights, reinforcing its commitment to ethical data management and regulatory compliance.

### 6.11 Confidentiality Breach Response

SMC's Incident Response Plan (IRP) outlines a structured approach to managing information security breaches. It includes procedures for identifying, containing, analyzing, and eradicating threats, along with clear roles and responsibilities for response teams. Communication protocols ensure timely notifications to internal stakeholders, clients, and regulatory authorities as required. The plan includes predefined escalation paths and post-incident review mechanisms to assess root causes and implement preventive measures. Periodic drills are conducted to test IRP effectiveness. By ensuring rapid and organized response, SMC minimizes disruption, protects data integrity, and maintains client and stakeholder trust.

### 6.12 Response and Recovery Gaps

SMC maintains a comprehensive incident response plan designed to swiftly detect, contain, investigate, and remediate information security incidents. This includes clear roles, communication protocols, and escalation procedures to minimize damage and operational disruption. Regular drills and updates to the plan ensure readiness against evolving cyber threats. Post-incident reviews identify lessons learned to enhance future responses. The plan also covers data recovery strategies, ensuring business continuity and minimizing data loss. By establishing a resilient and responsive incident management framework, SMC protects sensitive information and maintains trust with clients and stakeholders.

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### 6.13 Third-Party Security Review

SMC India implements a structured due diligence framework for all third parties, including vendors, brokers, contractors, and distributors, to ensure compliance with its information security standards. The process involves risk-based screening, collection of cybersecurity documentation, and evaluation against internal benchmarks. Contractual clauses enforce data protection obligations and breach notification procedures. Ongoing assessments are conducted throughout the engagement lifecycle to ensure sustained compliance. Only those entities demonstrating acceptable security posture are approved, mitigating the risk of external vulnerabilities. This approach ensures third-party relationships do not compromise SMC's information security integrity or legal responsibilities.

### 6.14 Data Integrity and Loss

SMC implements stringent data backup policies and integrity verification mechanisms to protect against data corruption, loss, or unauthorized modification. Regular automated backups are securely stored with redundancy across multiple locations to ensure availability in case of hardware failure or cyberattack. Integrity checks using hashing and audit logs detect inconsistencies or tampering. These controls guarantee that critical business and third-party data remain accurate, complete, and accessible when needed. By prioritizing data reliability, SMC supports uninterrupted operations and informed decision-making while complying with regulatory data retention and security requirements.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Data Protection Audits	Ensure regular audits to verify data safety compliance	No. of audits conducted	▲ 1 audits/year
2	Information Security Training	Improve employee awareness on data handling and risks	% of employees trained	▲ 100%
3	Third-Party Data Safeguards	Secure sensitive data shared with vendors	% of vendors assessed	▲ 100%
4	Information Security Breach Impact	Minimize impact of potential data breaches	No. of breach incidents	▼ 0 cases



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5	Stakeholder Data Consent	Ensure informed consent for all stakeholder data collected	% of records with valid consent	▲ 100%
6	Access and Data Breaches	Control and track internal access to confidential data	No. of unauthorized access cases	▼ 0 cases
7	Records Retention Policy	Enforce policy for timely disposal and secure storage of records	% compliance with retention schedule	▲ 95%
8	External Partner Security Flaws	Identify and address third-party system vulnerabilities	No. of partner flaws reported	▼ 2 issues
9	Security Risk Evaluation	Conduct regular assessments of internal and external data risks	No. of risk assessments conducted	▲ 1/year
10	Data Security Oversight	Establish dedicated oversight mechanisms	No. of oversight meetings held	▲ 8/year
11	Confidentiality Breach Response	Respond promptly to any breach in data confidentiality	Avg. response time (hours)	▼ 3 hours
12	Response and Recovery Gaps	Minimize downtime and recovery inefficiencies post-incident	No. of unaddressed gaps	▼ 0 %
13	Third-Party Security Review	Mandate security compliance from external service providers	% vendors reviewed annually	▲ 100%
14	Data Integrity and Loss	Prevent data corruption and unintentional loss	No. of data loss incidents	▼ 0 cases



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## 8. References to Standards, Laws, and Regulations

- Foreign Corrupt Practices Act (FCPA), 1977
- United Nations Convention against Corruption (UNCAC)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 Guidance on Social Responsibility
- Local Indian IT and Data Protection laws (e.g., IT Act, 2000)
- Relevant data privacy regulations (e.g., Personal Data Protection Bill, India)

## 9. Distribution and Annual Review


The Information Security Policy is communicated to all employees, contractors, and relevant stakeholders during onboarding and regularly reinforced through internal communications such as emails, newsletters, and intranet postings. The Information Security Governance Committee conducts an annual review to assess the policy's effectiveness and relevance. Updates are made to incorporate new technological developments, changes in applicable laws and regulations, or shifts in business operations. This ensures the policy remains current, practical, and aligned with industry best practices, supporting SMC's commitment to maintaining strong security controls and protecting sensitive information across all operations.

## 10. Disciplinary Actions for Policy Violators

Violations of the Information Security Policy are taken very seriously at SMC and may lead to disciplinary measures based on the severity and nature of the offense. Consequences can include verbal or written warnings, suspension, termination of employment or contractual relationships, and legal action when warranted. Disciplinary procedures comply with applicable laws and internal human resources guidelines to ensure fairness and due process. By enforcing strict penalties, SMC aims to deter negligent or malicious behavior, uphold the integrity of its information systems, and protect the organization's reputation and assets from harm.

## 11. Reporting Mechanism


SMC provides multiple secure and confidential channels for employees, contractors, and stakeholders to report suspected information security incidents or breaches. These channels include anonymous options such as hotlines, dedicated email addresses, and internal reporting portals designed to protect whistleblowers from retaliation. All reports are promptly and thoroughly investigated by the Information Security Governance Committee and relevant teams.

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The investigation process is transparent, ensuring timely communication of findings and corrective actions to affected parties. This encourages a culture of vigilance and accountability, strengthening SMC's overall security posture and compliance with regulatory requirements.

## 12. Conclusion

SMC India is committed to continuously enhancing its information security framework to safeguard both company and third-party data. Recognizing that information security is critical to sustainable growth, stakeholder confidence, and regulatory compliance, the organization integrates security best practices into daily operations. By fostering a culture of awareness, accountability, and resilience, SMC ensures that data confidentiality, integrity, and availability are maintained at all times.

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## FINANCIAL CRIME FRAMEWORK POLICY

### SMC/ESG/POLICY-24

#### 1. Purpose

The purpose of this policy is to establish a robust framework for the prevention, detection, and response to money laundering activities within SMC's operations. It reflects SMC's commitment to maintaining the highest standards of integrity, transparency, and compliance with applicable anti-money laundering (AML) laws and regulations. By implementing stringent controls and due diligence procedures, SMC aims to prevent the misuse of its systems and processes for the concealment of illicit funds. This policy supports ethical business conduct, aligns with ESG principles, and ensures adherence to international AML standards to protect the company's reputation and stakeholders' trust.

#### 2. Scope of Application

This policy applies to all employees, contractors, suppliers, business partners, and third parties engaged with SMC, regardless of their role or location. It encompasses all business functions, including housekeeping, technical, and manpower services, ensuring comprehensive coverage of SMC's operational scope. The policy is applicable across all locations within India and extends to any international operations, collaborations, or partnerships. All individuals and entities associated with SMC are expected to understand, comply with, and uphold the principles of this anti-money laundering policy to safeguard the organization's integrity, ensure legal compliance, and promote responsible business conduct in line with ESG commitments.


#### 3. Governance

The Board of Directors holds ultimate responsibility for the implementation and oversight of this policy. The Chief Compliance Officer (CCO) is tasked with managing daily compliance activities, risk assessments, employee training, and ensuring adherence to all applicable laws and standards. Regular audits and reviews will be conducted by the Internal Audit team to ensure effectiveness.

#### 4. Definition of Terms

##### ➤ Money Laundering

Money laundering is the process of disguising the origins of funds obtained through illegal or criminal activities, such as fraud, corruption, or drug trafficking. This process typically involves three stages: placement (introducing illicit funds into the financial system), layering (conducting complex transactions to obscure the money's origin), and integration (reintroducing the laundered money into the economy).

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as seemingly legitimate assets). Criminals often use foreign banks, shell companies, or legitimate businesses to move money undetected. SMC is committed to preventing all forms of money laundering by establishing internal controls, conducting due diligence, and adhering to local and international legal standards.

#### ➤ Beneficial Owner

A beneficial owner is the individual or individuals who ultimately own or control a customer, entity, or asset, even if the ownership or control is exercised indirectly or through intermediaries. Beneficial ownership includes the natural person(s) who have significant influence over a legal entity or on whose behalf transactions are conducted. Identifying beneficial owners is critical for ensuring transparency, combating money laundering, and assessing risk. SMC requires disclosure of beneficial ownership during onboarding of vendors, partners, and clients to ensure that no hidden or high-risk entities are part of its operations or financial transactions, in line with global compliance requirements.


#### ➤ Politically Exposed Persons (PEPs)

Politically Exposed Persons (PEPs) are individuals who currently hold or have previously held prominent public positions—such as heads of state, government officials, military leaders, judiciary members, or senior executives in state-owned enterprises—and their immediate family members or close associates. Due to their influence and access to public funds, PEPs pose a higher risk for involvement in corruption, bribery, or money laundering activities. SMC enforces enhanced due diligence for all PEP-related transactions to identify potential red flags, assess associated risks, and maintain transparency. This approach helps ensure ethical business conduct and compliance with anti-corruption and anti-money laundering regulations.

## 5. Roles and Responsibilities

#### ➤ Board of Directors

The Board of Directors at SMC holds ultimate responsibility for the governance and oversight of the company's anti-money laundering (AML) framework. They review and approve the AML policy, ensuring it aligns with regulatory requirements and corporate values. The Board monitors the effectiveness of policy implementation through regular reports and audits. They foster a culture of integrity and compliance by supporting management's efforts to mitigate money laundering risks. Their leadership ensures that resources are allocated for AML initiatives and that strategic decisions reflect commitment to legal compliance and ethical business practices.

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### ➤ Chief Compliance Officer


The Chief Compliance Officer (CCO) is responsible for the day-to-day implementation and enforcement of SMC's anti-money laundering policy. This role includes conducting regular risk assessments to identify vulnerabilities, developing and delivering AML training programs, and continuously monitoring adherence to policy and regulatory requirements. The CCO oversees investigations into suspicious transactions, ensuring timely reporting to relevant authorities. They maintain documentation, coordinate audits, and provide regular compliance updates to senior management and the Board. The CCO plays a critical role in fostering a culture of compliance and protecting SMC from legal and reputational risks.

### ➤ Managers and Supervisors

Managers and supervisors at SMC play a key role in ensuring their teams comply with the company's anti-money laundering policies and procedures. They act as the first line of defense by promoting awareness, guiding employees on policy requirements, and reinforcing ethical behavior. Managers are responsible for promptly reporting any suspicious activities or potential money laundering risks identified within their departments. They support training initiatives, help embed compliance into daily operations, and collaborate with the Compliance Officer to address gaps. Their vigilance helps safeguard the organization from exposure to illicit financial activities.

### ➤ Employees

All employees at SMC must adhere strictly to the anti-money laundering policy, ensuring that their actions align with legal and ethical standards. They are required to participate actively in mandatory AML training sessions to stay informed about evolving risks and compliance obligations. Employees have a responsibility to remain vigilant for any signs of suspicious activity or money laundering within their scope of work. When encountering potential concerns, they must report these immediately and confidentially through designated channels, without fear of retaliation. Employee commitment is vital to maintaining SMC's integrity and protecting the company from financial crimes and regulatory penalties.

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## 6. Financial Crime Framework Policy

### 6.1 Business Finance Contamination

SMC strictly forbids accepting or processing funds derived from illegal or unethical activities. To prevent becoming a channel for money laundering, we conduct comprehensive due diligence on all financial transactions and business partners. This involves verifying the legitimacy and transparency of funds involved, ensuring that all operations comply with regulatory standards. By maintaining rigorous financial scrutiny, SMC safeguards its operations, protects stakeholders, and upholds the integrity of its business processes against the infiltration of illicit money, thus supporting our overall commitment to lawful and ethical business conduct.

### 6.2 Ownership Concealment Issues


SMC requires full verification of beneficial ownership for all new clients, suppliers, and joint venture partners to prevent hidden illicit interests. Enhanced due diligence applies especially to Politically Exposed Persons (PEPs) and entities identified as high-risk. This process helps reveal the true owners behind entities and avoids unknowingly engaging with parties who might use the company to obscure illegal activities. By enforcing strict ownership transparency, SMC mitigates risks related to money laundering and complies with legal obligations, thereby fostering trust and accountability in all business relationships.

### 6.3 Anti-Money Laundering Breach

SMC is dedicated to full adherence to all applicable anti-money laundering laws and international standards. We continually update our internal controls, monitoring systems, and employee training programs to reflect regulatory changes and industry best practices. This proactive approach ensures that our policies remain effective and compliant, minimizing legal and operational risks. Through ongoing vigilance and commitment to regulatory compliance, SMC protects itself from penalties and reputational damage while contributing to the global fight against financial crime and reinforcing the company's role as a responsible corporate citizen.

### 6.4 Internal Laundering Support

All SMC employees and contractors are strictly prohibited from using company assets or influence to support money laundering or associated illegal activities. The company implements robust internal controls and oversight mechanisms designed to detect and prevent any misuse of resources. This includes monitoring financial transactions and employee conduct to identify suspicious behavior early.

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By enforcing these controls, SMC protects its operations and maintains a culture of integrity, ensuring that its resources are used solely for legitimate business purposes and not exploited as instruments in criminal financial schemes.

### 6.5 Money Laundering Fallout

SMC is committed to protecting its reputation by actively identifying and managing risks linked to money laundering. The company prioritizes transparency in its reporting and maintains open communication with stakeholders to build and sustain trust. Any potential association with illicit financial activities can severely harm credibility and stakeholder confidence. Through diligent risk management and ethical business practices, SMC strives to mitigate reputational damage, uphold its public image, and demonstrate unwavering commitment to responsible, lawful operations aligned with its values and ESG principles.

### 6.6 Reporting System Failure

SMC ensures that employees and stakeholders have access to a confidential, safe, and user-friendly reporting system for any suspicions or violations related to money laundering. The company guarantees protection from retaliation for whistleblowers who report concerns in good faith, fostering a speak-up culture. This commitment encourages early detection of potential risks and supports compliance with legal requirements. By promoting transparency and safeguarding those who come forward, SMC strengthens its internal controls and demonstrates leadership in ethical governance and accountability.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Business Finance Contamination	Prevent mixing of personal and company finances	No. of finance discrepancies	▼ 0 cases
2	Ownership Concealment Issues	Ensure full transparency of ownership structures	% of entities with full disclosure	▲ 100%
3	Anti-Money Laundering Breach	Avoid all breaches in AML compliance	No. of AML breaches	▼ 0 cases





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4	Internal Laundering Support	Detect and eliminate internal collusion in money laundering	No. of cases identified	▼ 0 cases
5	Money Laundering Fallout	Minimize operational and reputational damage from laundering	% of incidents with action taken	▲ 100%
6	Reporting System Failure	Build robust systems to flag suspicious transactions	% system uptime for reporting tools	▲ 99%

## 8. Reference to Applicable Standards, Laws, and Acts

- Foreign Corrupt Practices Act (FCPA) of 1977 (USA)
- United Nations Convention against Corruption (UNCAC)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 Social Responsibility Standard
- Prevention of Money Laundering Act (PMLA), India
- Prevention of Corruption Act, India
- Other applicable national and international anti-money laundering and anti-corruption laws and regulations.

## 9. Distribution and Annual Review

This policy will be provided to all employees, contractors, and relevant third parties during their induction and distributed annually thereafter. It will be accessible on the company intranet to ensure easy reference. The policy will undergo a formal review at least once a year or sooner if there are changes in legislation or operational requirements. This review process ensures that the policy remains current, effective, and aligned with evolving regulatory standards and business practices, supporting the company's commitment to transparency and compliance.

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## 10. Disciplinary Action for Policy Violators


Any breach of this policy, including failing to report suspicious activities, will lead to disciplinary measures that may escalate to termination of employment or contracts. Legal action may also be pursued where appropriate, alongside reporting violations to relevant authorities. The company enforces this strictly to uphold compliance, ethical conduct, and protect the organization's integrity. Employees and contractors are reminded that adherence is mandatory, and violations will be dealt with decisively to deter misconduct and maintain a trustworthy and compliant business environment.

## 11. Reporting Mechanism

Employees and stakeholders are strongly encouraged to report any suspicions or breaches of this policy confidentially through the company's whistleblower system or by contacting the Chief Compliance Officer directly. The organization ensures protection from retaliation for those who report in good faith, fostering a safe environment for transparency and accountability. This mechanism is vital to detect and prevent money laundering activities early, supporting the company's ethical standards and legal obligations while empowering individuals to contribute to the company's integrity without fear of adverse consequences.

## 12. Conclusion

SMC is steadfast in its commitment to the highest standards of integrity and transparency by actively combating money laundering. This policy supports robust governance, continuous risk management, and employee awareness initiatives. Compliance with all relevant laws and international frameworks is mandatory and central to our operational ethos. Through these efforts, SMC reinforces its dedication to responsible business conduct and advancing ESG objectives, ensuring that our practices protect the company, stakeholders, and broader community while promoting a culture of ethical responsibility and sustainable success.

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## INTEGRITY REPORTING POLICY

### SMC/ESG/POLICY-25

#### 1. Purpose

This policy establishes a secure, confidential, and accessible whistleblower mechanism that empowers all stakeholders—including employees, contractors, suppliers, and customers—to report incidents or suspicions of corruption and bribery. SMC commits to fostering a culture of transparency and accountability by ensuring reports are thoroughly investigated, anonymity is protected, and no retaliation occurs against whistleblowers. This supports SMC’s commitment to ethical business practices and compliance with global ESG standards and anti-corruption regulations.

#### 2. Scope of Application

This policy applies to all SMC employees, contractors, suppliers, clients, and stakeholders engaged in any business activities across all service lines, including housekeeping, technical, and manpower services. It extends to all geographical regions where SMC operates, both domestically and internationally. Special attention is given to jurisdictions identified as having elevated corruption risks. The policy ensures consistent application of anti-corruption standards across all operations, reinforcing SMC’s commitment to ethical conduct, legal compliance, and alignment with global anti-bribery and anti-corruption frameworks.


#### 3. Governance

The Board of Directors is responsible for oversight of the whistleblower program and ensuring compliance with applicable laws and ESG commitments. The Chief Compliance Officer (CCO) manages the whistleblower mechanism’s operation, investigation procedures, and protection of whistleblowers. The Internal Audit and Legal teams provide periodic independent reviews and ensure corrective actions are implemented.

#### 4. Definition of Terms

##### ➤ Whistleblower

A whistleblower is any individual—such as an employee, contractor, or stakeholder—who, in good faith, reports suspected unethical, illegal, or improper conduct within or related to SMC operations.

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This includes issues such as corruption, bribery, fraud, or any violations of company policies and ethical standards. Whistleblowers play a critical role in maintaining transparency and accountability by bringing attention to actions that could harm the company's reputation or legal standing. SMC ensures the confidentiality of all whistleblower reports and protects whistleblowers from any form of retaliation, in line with its commitment to fostering a culture of integrity and openness.

### ➤ Corruption


Corruption refers to the abuse of entrusted authority or position for personal or organizational gain. It includes a wide range of unethical activities such as bribery, embezzlement, nepotism, extortion, favoritism, and misuse of confidential information. At SMC, corruption undermines trust, erodes ethical culture, and poses serious legal and reputational risks. This policy defines corruption broadly to ensure that all forms of unethical conduct are discouraged and reported. SMC takes a zero-tolerance approach to corruption and expects all employees, third parties, and partners to act with integrity and in compliance with both internal policies and relevant anti-corruption laws.

### ➤ Bribery

Bribery is defined as the act of offering, promising, giving, accepting, or soliciting something of value—such as gifts, money, favors, or services—with the intention of influencing the actions or decisions of another individual, typically in a position of power. Bribery is a criminal offense under many national and international laws. At SMC, all forms of bribery, whether direct or indirect, are strictly prohibited. This includes facilitation payments, kickbacks, and bribes made through third parties. All employees and stakeholders are required to report any suspected instances of bribery and avoid any behavior that could be perceived as bribery.

### ➤ Retaliation

Retaliation refers to any adverse action taken against an individual for reporting suspected misconduct or participating in an investigation related to unethical behavior. This may include dismissal, demotion, harassment, intimidation, or any other form of punishment or discrimination. At SMC, retaliation against whistleblowers or participants in compliance-related investigations is strictly prohibited. Ensuring protection from retaliation encourages openness and fosters a safe environment for ethical reporting. SMC is committed to promptly investigating all claims of retaliation and taking appropriate corrective action, including disciplinary measures against those who engage in retaliatory conduct.

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## 5. Roles and Responsibilities

### ➤ Board of Directors

The Board of Directors is responsible for approving and overseeing the whistleblower policy, ensuring it is robust, effective, and aligned with regulatory and ESG standards. The Board plays a strategic role in setting the tone for a transparent organizational culture. It ensures that adequate resources—financial, technological, and human—are allocated to support the functioning and sustainability of the whistleblower mechanism. The Board also monitors the policy's implementation and outcomes through regular reporting from the Chief Compliance Officer (CCO), ensuring corrective actions are taken and whistleblower protections are upheld without bias or delay.

### ➤ Chief Compliance Officer


The Chief Compliance Officer (CCO) is responsible for administering the whistleblower system, ensuring it operates fairly, confidentially, and efficiently. The CCO coordinates the intake, documentation, and investigation of reports, ensuring they are handled impartially and in a timely manner. The CCO prepares detailed reports on whistleblower cases for the Board of Directors, ensuring policy violations are addressed and rectified. Furthermore, the CCO is responsible for guaranteeing the protection of whistleblowers from retaliation, providing support where needed, and fostering a culture of trust. The CCO ensures compliance with national laws and internal governance standards.

### Managers and Supervisors

Managers and supervisors are responsible for creating an open and supportive environment where employees feel safe and encouraged to report misconduct. They are expected to promote awareness of the whistleblower policy, clarify reporting channels, and uphold a zero-tolerance approach to retaliation. Managers must take any reported concerns seriously and escalate them through the appropriate channels promptly. They play a key role in supporting investigations by facilitating access to information and witnesses while maintaining confidentiality. Managers must model ethical conduct and reinforce the importance of speaking up as part of SMC's integrity-driven work culture.

### ➤ Employees and Stakeholders

Employees and stakeholders—including contractors, suppliers, and partners—are responsible for promptly reporting any suspected incidents of corruption, bribery, retaliation, or unethical conduct using designated whistleblower channels. They must act in good faith, providing accurate information and cooperating fully with investigations while maintaining confidentiality. Employees are expected to familiarize themselves with the whistleblower policy and understand their right to report without fear of reprisal.

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Their active participation in identifying and preventing misconduct contributes to a transparent, ethical, and law-abiding organizational environment. Stakeholders are encouraged to support SMC's values by reporting any violations impacting ethical business practices.

## 6. Integrity Reporting Policy

### 6.1 Whistleblower Protection Policy


SMC is dedicated to treating all whistleblower reports concerning corruption and bribery with the highest level of confidentiality. The personal information of whistleblowers is rigorously protected during both reporting and investigation phases to prevent unauthorized disclosure. This assurance of confidentiality is fundamental to fostering an environment where employees and stakeholders feel secure in reporting unethical behavior without fear of exposure or reprisal. By maintaining strict confidentiality, SMC encourages transparency and honest communication, which are critical to detecting and addressing misconduct while supporting the company's broader sustainability and governance commitments.

### 6.2 Retaliation Impedes Whistleblowing

SMC guarantees comprehensive protection against retaliation for whistleblowers who report concerns in good faith. We actively foster a speak-up culture where employees and stakeholders feel safe and supported to disclose unethical behavior without fear of negative consequences. This protection includes safeguarding whistleblowers' confidentiality and ensuring no adverse actions arise from their reports. By eliminating barriers to reporting, SMC encourages transparency and early detection of misconduct, strengthening ethical governance and reinforcing the company's commitment to integrity and compliance with anti-retaliation laws and best practices.

### 6.3 Inadequate Report Handling

SMC pledges to conduct timely, thorough, and transparent investigations of all whistleblower reports. Where feasible and without compromising confidentiality, regular updates will be provided to the whistleblower to maintain engagement and trust throughout the process. This transparency demonstrates accountability and reinforces confidence in the company's commitment to ethical conduct. Effective follow-up is essential to resolve issues promptly, prevent recurrence, and uphold the integrity of SMC's governance framework, aligning with our sustainability goals and reinforcing stakeholder trust.

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#### 6.4 Corruption Penalty Exposure

SMC is committed to providing secure, accessible whistleblower channels to encourage prompt reporting of suspected corruption or bribery. We ensure that every report is thoroughly investigated by qualified compliance personnel to detect and address unethical conduct early. By maintaining robust monitoring and follow-up processes, we reduce the risk of undetected wrongdoing that could result in significant legal and financial penalties. This proactive approach helps protect the company's assets, reputation, and compliance standing, while reinforcing a culture of transparency and accountability throughout the organization.

#### 6.5 Trust Erosion Impact

Transparency in managing corruption and bribery reports and protecting whistleblowers helps SMC build and sustain trust among employees, clients, suppliers, and regulators. When stakeholders see that concerns are taken seriously and addressed fairly, confidence in the company's ethical standards strengthens. This trust is essential for fostering long-term relationships and maintaining active stakeholder engagement. By demonstrating accountability and commitment to ethical business conduct, SMC protects its reputation and encourages collaboration, contributing to a positive corporate culture and sustainable business success aligned with ESG principles.


#### 6.6 Fear Suppresses Reporting

SMC enforces a strict non-retaliation policy that protects whistleblowers who report suspected corruption or bribery in good faith. Any form of retaliation, whether direct or indirect, is prohibited and may result in disciplinary measures, including termination. This policy ensures a safe and supportive environment where individuals feel empowered to report unethical conduct without fear of adverse consequences. By actively promoting protection against retaliation, SMC strengthens trust, encourages ethical behavior, and reinforces a culture of accountability essential to sustainable business practices and robust corporate governance.

#### 6.7 Reporting Procedure Ignorance

To combat insufficient awareness, SMC commits to ongoing communication and training efforts aimed at all employees and stakeholders. These initiatives ensure that everyone understands the whistleblower policy, knows how to access reporting channels, and recognizes the importance of timely reporting. Regular awareness campaigns, workshops, and accessible informational materials help demystify the process and encourage active participation. By equipping stakeholders with knowledge and confidence to use these channels effectively, SMC promotes a culture of vigilance and responsibility critical to preventing corruption and maintaining ethical standards.



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## 6.8 Whistleblower System Ignorance

SMC commits to ongoing awareness campaigns and comprehensive training programs to ensure all stakeholders understand whistleblower channels, confidentiality assurances, and non-retaliation policies. Clear, consistent communication raises awareness and demystifies the reporting process, empowering employees and partners to engage confidently. Regular reminders and educational initiatives help embed these principles into the company culture. This commitment to education and transparency fosters trust, encourages proactive reporting of unethical conduct, and strengthens the overall integrity and sustainability of the organization.

## 6.9 Insecure Report Handling

SMC commits to handling all whistleblower reports with strict confidentiality and impartiality. Designated compliance professionals conduct thorough investigations while safeguarding the privacy and security of whistleblower information. The company adheres to the highest standards of data protection to prevent unauthorized access or disclosure. This approach builds trust in the reporting process and ensures that complainants feel safe coming forward. Proper handling of reports is essential to fair investigations and maintaining organizational integrity, reinforcing SMC's commitment to ethical practices and legal compliance in addressing allegations of corruption or misconduct.

## 6.10 Reporting Accessibility Gap

To maximize stakeholder confidence and accessibility, SMC offers multiple dedicated reporting channels for corruption and bribery concerns. These include a confidential internal email system, a third-party managed hotline, and designated contact persons, all available 24/7. The channels are user-friendly and accommodate anonymous reporting to protect whistleblowers' identities. By providing these accessible and secure avenues, SMC ensures that all employees and stakeholders have reliable options to report wrongdoing, supporting timely detection and resolution of ethical issues while advancing the company's sustainability and compliance objectives.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Whistleblower Protection Policy	Strengthen protection mechanisms for whistleblowers	% of employees aware of policy	▲ 100%



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2	Retaliation Impedes Whistleblowing	Eliminate retaliation against whistleblowers	No. of retaliation complaints	▼ 0 cases
3	Inadequate Report Handling	Ensure timely and fair resolution of reports	% of cases resolved within SLA	▲ 95%
4	Corruption Penalty Exposure	Reduce exposure to penalties through early whistleblower intervention	No. of penalties	▼ 0 cases
5	Trust Erosion Impact	Rebuild trust through transparent reporting	% employee confidence in system (survey)	▲ 90%
6	Fear Suppresses Reporting	Encourage safe and anonymous reporting	No. of anonymous reports submitted	▲ 20 reports/year
7	Reporting Procedure Ignorance	Increase employee understanding of how to report	% trained on reporting process	▲ 100%
8	Whistleblower System Ignorance	Promote awareness of whistleblower system	% of employees aware of system	▲ 100%
9	Insecure Report Handling	Ensure confidentiality of all whistleblower reports	% reports handled confidentially	▲ 100%
10	Reporting Accessibility Gap	Improve access to multiple reporting channels	No. of channels implemented	▲ 3 channels

## 8. Reference to Applicable Standards, Laws, and Acts

- Foreign Corrupt Practices Act (FCPA), USA
- UK Bribery Act, UK
- United Nations Convention against Corruption (UNCAC)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 Social Responsibility Standard

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## 9. Distribution and Annual Review

This policy is distributed to all employees, contractors, and relevant stakeholders during their induction. It is also made readily accessible on the company intranet to ensure ongoing awareness. The Compliance and Audit teams will conduct a formal review of the policy annually to ensure it remains current and effective. This review process includes updating the policy to reflect any changes in applicable laws, regulations, industry standards, or best practices. Through these measures, SMC ensures continual compliance and alignment with evolving governance requirements, supporting a strong culture of integrity and accountability across the organization.

## 10. Disciplinary Action for Policy Violators


Individuals found to have engaged in corruption, bribery, or retaliation against whistleblowers will be subject to disciplinary action. This can include termination of employment or contractual agreements, depending on the severity of the violation. Additionally, legal proceedings may be pursued where appropriate. SMC enforces these measures rigorously to deter unethical behavior and uphold a culture of zero tolerance for corrupt practices. Protecting whistleblowers and maintaining ethical standards are essential to preserving the company's integrity, reputation, and compliance with all relevant laws and regulations.

## 11 Reporting Mechanism

SMC provides a confidential and anonymous whistleblower system available 24/7 through a hotline and an online platform accessible to all employees and stakeholders. Reports can be submitted anonymously, ensuring the safety and comfort of whistleblowers. All complaints are investigated impartially and thoroughly to maintain fairness and transparency. The company guarantees protection against retaliation for those who report in good faith, fostering a supportive environment that encourages the reporting of unethical behavior. This mechanism is vital for early detection and prevention of corruption and bribery within the organization.

## 12. Conclusion

SMC is committed to zero tolerance toward corruption and bribery by establishing strong whistleblower protections and transparent reporting procedures. Encouraging ethical conduct and protecting those who report wrongdoing reinforce our dedication to integrity and transparency. This commitment supports our ESG goals and ensures compliance with international and national anti-corruption laws and standards. By embedding these principles into our operations, SMC strengthens trust with stakeholders and contributes to a responsible, sustainable business environment built on accountability and ethical governance.

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## WHISTLEBLOWER CYBER POLICY

### SMC/ESG/POLICY-26

#### 1. Purpose


This policy aims to establish a secure, confidential, and accessible whistleblower procedure that empowers all stakeholders—including employees, contractors, vendors, and clients—to report concerns related to information security. It ensures that individuals can disclose potential breaches, data misuse, unauthorized access, or unethical conduct without fear of retaliation. The policy underscores SMC's commitment to safeguarding confidential third-party data, intellectual property, and personal information. By promoting transparency and accountability, it helps minimize operational disruptions, financial loss, and reputational damage. This mechanism aligns with regulatory requirements and ESG principles, reinforcing SMC's dedication to responsible and ethical information security practices.

#### 2. Scope of Application

This policy applies to all SMC employees, contractors, suppliers, business partners, and stakeholders who handle or have access to third-party or company information in any capacity. It encompasses all business functions under SMC's Integrated Facility Management Solutions, including digitization, automation, mechanization, housekeeping, technical, and manpower services. The policy ensures that every individual involved in SMC's operations adheres to the highest standards of information security, confidentiality, and data protection. It applies uniformly across all geographical locations in India where SMC operates, reinforcing the organization's commitment to safeguarding sensitive information and complying with applicable legal, regulatory, and ESG requirements.

#### 3. Governance

The Governance Committee, chaired by the Chief Information Security Officer (CISO) and the ESG Compliance Officer, is responsible for overseeing the effective implementation, monitoring, and continuous enhancement of this policy. The committee ensures that all whistleblower reports and information security concerns are addressed promptly and transparently. It conducts regular evaluations of compliance practices and risk mitigation efforts. Biannual reports detailing whistleblower activities, policy breaches, corrective actions, and overall compliance status are submitted to the Board of Directors for review and strategic guidance.

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## 4. Definition of Terms

### ➤ Whistleblower

A whistleblower is any individual—employee, contractor, vendor, or stakeholder—who, in good faith, reports an actual or suspected information security concern or breach within SMC’s operations. Whistleblowers play a critical role in protecting the integrity and confidentiality of third-party and company data. Reports may include unauthorized access, data misuse, or potential cyber threats. SMC encourages prompt and honest reporting through established channels and assures individuals that all disclosures will be treated seriously, confidentially, and without fear of retaliation. Whistleblowers are vital to our proactive defense against evolving information security threats.

### ➤ Information Security Concern


An information security concern refers to any actual or suspected incident that compromises the confidentiality, integrity, or availability of third-party or company data. This may include unauthorized access, phishing attacks, accidental data exposure, malware infections, policy violations, or ethical breaches related to data handling. Prompt identification and reporting of such concerns are essential to minimize operational, reputational, legal, and financial risks. All stakeholders must remain vigilant and immediately escalate any signs of information misuse or system vulnerabilities. SMC treats every reported concern with urgency and ensures thorough investigation and appropriate corrective action.

### ➤ Third-party Data

Third-party data includes any sensitive or proprietary information provided to SMC by employees, customers, suppliers, contractors, or other external parties. This encompasses personal identification information (PII), financial data, intellectual property, trade secrets, and other forms of confidential data entrusted to SMC for business purposes. Safeguarding third-party data is not only a legal obligation but also a core ethical responsibility. SMC employs encryption, access controls, secure storage, and data minimization principles to ensure that such data is used lawfully, stored securely, and protected from unauthorized disclosure or breach.

### ➤ Confidentiality

Confidentiality refers to the obligation to protect sensitive information—particularly the identity of whistleblowers and the contents of their reports—from unauthorized disclosure. At SMC, all whistleblower submissions are handled with the utmost discretion to prevent retaliation, maintain trust, and encourage future reporting. Data shared during investigations is only accessible to authorized personnel on a strict need-to-know basis.

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Confidentiality also extends to the management of third-party information, ensuring that data entrusted to SMC is protected throughout its lifecycle. Upholding confidentiality is vital to our ethical standards and compliance with data protection laws.

## 5. Roles and Responsibilities

### ➤ Whistleblowers


Whistleblowers are individuals—employees, contractors, vendors, or partners—who report suspected information security breaches or unethical handling of data in good faith. They are expected to act with integrity, ensuring that the concerns raised are genuine and not driven by malice, personal grievance, or misinformation. SMC values the courage and responsibility of whistleblowers and encourages a culture of transparency. All whistleblowers are entitled to protection from retaliation, and their identity is kept confidential. By responsibly reporting incidents, whistleblowers contribute to a secure and compliant operating environment, helping SMC uphold its commitment to information security and ethical business practices.

### ➤ Managers/Supervisors

Managers and supervisors play a critical role in fostering a safe and open reporting environment for whistleblowers. They are responsible for promoting awareness of whistleblower rights, emphasizing the importance of reporting information security incidents or policy violations without fear. Managers must lead by example, maintain confidentiality, and actively protect employees from any form of retaliation. They must escalate reported concerns through proper channels and support investigation processes. Additionally, managers should integrate regular discussions about information security and ethical behavior into team communications, reinforcing a culture of vigilance, accountability, and trust across all levels of the organization.

### ➤ CISO & IT Security Team

The Chief Information Security Officer (CISO) and the IT Security Team are responsible for promptly investigating all reported information security concerns. Their role includes identifying the root cause of security breaches, assessing the impact, and implementing corrective and preventive measures to mitigate risks. Investigations must be handled with discretion, confidentiality, and technical accuracy. The team ensures all digital assets, systems, and data are secure and aligned with SMC's policies and regulatory requirements. In coordination with the Governance Committee, they provide regular updates on findings and recommend improvements to strengthen SMC's information security framework and resilience.

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### ➤ HR Department

The Human Resources (HR) Department is tasked with managing disciplinary actions related to confirmed information security violations and ensuring whistleblowers are protected from retaliation. HR works closely with the CISO and Governance Committee to address misconduct, enforce accountability, and uphold organizational ethics. They also provide support to whistleblowers who may face workplace challenges after reporting concerns. HR ensures that all disciplinary processes are fair, confidential, and consistent with company policy. In addition, HR promotes training and awareness programs that encourage ethical behavior and highlight the importance of responsible data handling among all employees.

### ➤ Governance Committee

The Governance Committee is responsible for overseeing adherence to the whistleblower and information security policies. Led by the Chief Information Security Officer and the ESG Compliance Officer, the committee evaluates reported risks, reviews investigation outcomes, and ensures that corrective actions are implemented. They meet regularly to monitor trends, assess organizational vulnerabilities, and update protocols based on evolving threats. The committee also prepares biannual reports for the Board of Directors, summarizing key whistleblower cases, policy improvements, and overall system effectiveness. Their role is central to maintaining ethical operations and aligning security practices with ESG principles and compliance standards.

## 6. Whistleblower Cyber Policy


### 6.1 Whistleblower Reporting Mechanism

SMC guarantees strict confidentiality for all whistleblowers reporting information security concerns. The identity of the whistleblower and details of the report will be protected at all stages of the process to prevent unauthorized disclosure. Only authorized personnel directly involved in the investigation will have access to this information. This approach creates a safe reporting environment where stakeholders feel secure in disclosing breaches or vulnerabilities. Maintaining confidentiality is essential to building trust and encouraging timely, honest reporting, which is vital to identifying threats early and safeguarding the integrity and confidentiality of critical information assets.

### 6.2 Uninformed Staff Exposure

SMC conducts mandatory and ongoing training programs designed to increase employee awareness of information security risks, whistleblower rights, and reporting procedures. These programs aim to build a security-conscious workforce capable of identifying threats and understanding their roles in safeguarding company assets.



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Regular training ensures employees stay updated on emerging risks, regulatory requirements, and internal policies. By fostering knowledge and vigilance, SMC strengthens its overall security posture, reduces human error-related vulnerabilities, and supports a culture of proactive risk management and ethical responsibility throughout the organization.

### 6.3 Timely Incident Review


SMC guarantees the prompt, impartial, and transparent investigation of all whistleblower reports related to information security. Each report is acknowledged and reviewed immediately by authorized personnel, with confidentiality preserved throughout the process. Whistleblowers are kept informed of progress and outcomes where appropriate, without compromising sensitive information. Investigations include thorough documentation of findings and implementation of corrective actions to address root causes. These records are reviewed periodically to support systemic improvements. This disciplined and transparent approach ensures that all concerns are taken seriously, reinforces accountability, and helps build a culture of trust and continuous learning within SMC.

### 6.4 Retaliation Against Whistleblowers

SMC enforces a strict non-retaliation policy to protect whistleblowers who report security breaches or unethical conduct in good faith. Any form of retaliation, whether direct or indirect, is strictly prohibited and triggers immediate disciplinary action. This firm stance supports a safe and supportive reporting environment, encouraging employees and stakeholders to speak up without fear of adverse consequences. By protecting whistleblowers, SMC reinforces its commitment to transparency, ethical conduct, and continuous improvement in information security governance, thereby strengthening the organization's resilience against internal and external threats.

### 6.5 Non-Retaliation Guarantee

SMC enforces a robust non-retaliation policy that strictly prohibits any form of retaliation, harassment, or discrimination against whistleblowers who report information security issues in good faith. This guarantee is reinforced through well-defined disciplinary measures and consistent oversight by compliance teams. All reported incidents of retaliation will be investigated promptly and dealt with appropriately, including disciplinary action when necessary. By protecting the rights of whistleblowers, SMC fosters a culture of ethical conduct and accountability, ensuring employees and stakeholders can report concerns without fear. This environment encourages responsible reporting and enhances the company's resilience against security threats.

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## 6.6 Delayed Incident Response

SMC mandates the timely reporting and thorough investigation of all information security incidents. Employees and stakeholders are trained to recognize potential breaches and report them immediately to facilitate swift containment and remediation. Prompt action minimizes operational disruptions, limits damage, and ensures compliance with legal notification obligations. SMC's incident response protocols include root cause analysis and corrective measures to prevent recurrence. This proactive approach enhances the company's ability to manage risks effectively, maintain regulatory compliance, and protect the integrity of its information systems and sensitive data assets.

## 6.7 Data Security Breach


SMC is dedicated to preventing unauthorized access to third-party data by enforcing stringent access controls, conducting regular vulnerability assessments, and utilizing advanced encryption technologies. Employees receive comprehensive training to promptly identify and report any suspicious activities, ensuring early detection of potential threats. These measures safeguard the confidentiality, integrity, and availability of all information assets, minimizing the risk of data breaches. By maintaining a proactive security posture, SMC not only protects sensitive information but also reinforces stakeholder trust and complies with relevant data protection regulations and industry best practices.

## 6.8 Whistleblower Support Framework

SMC is committed to ensuring that all employees, contractors, and business partners are well-informed about whistleblower procedures, their rights to confidentiality and protection, and how to access reporting channels. Regular awareness campaigns, onboarding sessions, and training programs are conducted to promote understanding and encourage responsible reporting. These initiatives are tailored to ensure accessibility and comprehension across all organizational levels and geographies. By enhancing awareness, SMC empowers stakeholders to take an active role in safeguarding information security and upholding ethical standards, ultimately strengthening the company's culture of transparency, accountability, and continuous improvement.

## 6.9 Corrupt Advantage Practices

SMC strictly prohibits the offering, promising, or acceptance of any illegal or unethical advantage in relation to information security or business operations. This zero-tolerance policy extends to all employees, contractors, and stakeholders. Whistleblowers are encouraged to report any attempts to gain undue benefits through secure and confidential channels. The company investigates all allegations thoroughly and enforces appropriate disciplinary actions when violations are confirmed. Upholding ethical business practices safeguards SMC's reputation, ensures compliance with laws and regulations, and fosters a culture of integrity critical to long-term sustainability and stakeholder confidence.

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### 6.10 Sensitive Disclosure Risk

SMC guarantees full confidentiality for all whistleblower reports related to information security concerns. The identities of whistleblowers and the contents of their reports are strictly protected to encourage open and honest reporting without fear of exposure or retaliation. Confidential handling of these reports is essential for fostering a culture of trust and accountability. By safeguarding sensitive information throughout the reporting and investigation process, SMC ensures that employees and stakeholders feel secure in raising concerns, which is critical to identifying and mitigating information security risks effectively and upholding the company's ethical standards.

### 6.11 Dedicated Reporting Channels

SMC offers multiple secure and easily accessible channels for reporting information security concerns. These include an internal email address monitored by the Governance Committee, a third-party managed 24/7 hotline, and designated whistleblower officers at operational sites. All channels support anonymous submissions and are designed to be user-friendly, confidential, and responsive. Each report is acknowledged promptly and handled according to established procedures. By offering diverse and reliable communication channels, SMC ensures that all stakeholders have the means to report concerns conveniently, which strengthens the company's information security governance and promotes proactive risk management.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Whistleblower Reporting Mechanism	Establish a secure and anonymous whistleblower system	% of system availability	▲ 100%
2	Uninformed Staff Exposure	Ensure all staff are informed about reporting rights and tools	% trained employees	▲ 100%
3	Timely Incident Review	Improve speed of whistleblower case review	Avg. days to review incident	▼ 2 days
4	Retaliation Against Whistleblowers	Eliminate retaliation against reporters	No. of retaliation incidents	▼ 0 cases



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5	Non-Retaliation Guarantee	Publicly commit to protect whistleblowers	% of policies including clause	▲ 100%
6	Delayed Incident Response	Reduce delay in taking corrective action	Avg. days for incident resolution	▼ 1 day
7	Data Security Breach	Prevent exposure of whistleblower identity	No. of data breaches in system	▼ 0 cases
8	Whistleblower Support Framework	Provide legal and psychological support to whistleblowers	% cases supported with resources	▲ 90%
9	Corrupt Advantage Practices	Identify unethical advantage through reporting	No. of reported advantage cases	▲ 10 cases/year
10	Sensitive Disclosure Risk	Protect integrity of sensitive disclosures	% of reports handled securely	▲ 100%
11	Dedicated Reporting Channels	Deploy varied and accessible reporting methods	No. of channels (email, hotline, etc.)	▲ 2 channels

## 8. Reference to Applicable Standards, Laws, and Acts

- Foreign Corrupt Practices Act (FCPA), 1977
- United Nations Convention Against Corruption (UNCAC)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- ISO 26000: Social Responsibility
- ISO/IEC 27001: Information Security Management
- Information Technology Act, 2000 (India)
- Personal Data Protection Bill, India (pending legislation)
- General Data Protection Regulation (GDPR) (for international dealings)

## 9. Distribution and Annual Review

This policy will be distributed to all employees, contractors, and relevant stakeholders through multiple channels including email, the company intranet, and onboarding materials. To ensure the policy remains current and effective, the Governance Committee will conduct a comprehensive annual review.

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Any necessary updates resulting from changes in regulations, business operations, or risk environment will be incorporated promptly. Following review and approval, updated versions will be communicated company-wide to guarantee awareness and adherence. This structured approach promotes continual alignment with best practices and regulatory requirements, reinforcing SMC's commitment to robust governance and compliance.

## 10. Disciplinary Action for Policy Violators


Any employee, contractor, or stakeholder found to violate this policy—including acts of retaliation against whistleblowers—will be subject to strict disciplinary action. Consequences may include termination of employment or contractual agreements, as well as legal prosecution when applicable. SMC takes such violations seriously to maintain an ethical work environment and to protect the integrity of the whistleblower process. This zero-tolerance stance deters misconduct, supports accountability, and ensures that individuals understand the serious repercussions of policy breaches. Upholding these standards is essential for fostering trust and safeguarding organizational values.

## 11. Reporting Mechanism

SMC offers multiple secure and confidential whistleblowing channels to ensure ease of reporting and protection for all stakeholders. These include a 24/7 dedicated hotline managed by a trusted third party, an internal secure email address monitored by the Governance Committee, and designated whistleblower officers stationed at each operational site. Reports can be submitted anonymously, with full guarantees of confidentiality and protection from retaliation. This multi-channel approach maximizes accessibility and encourages timely reporting of concerns, enabling effective detection and resolution of information security issues while fostering a safe and transparent reporting culture throughout the organization.

## 12. Conclusion

SMC is committed to cultivating a transparent, secure, and ethical workplace culture where stakeholders feel empowered to report information security concerns without fear. The whistleblower procedure established supports proactive identification and management of risks, enabling continuous improvement in safeguarding critical information assets. By assuring confidentiality, non-retaliation, and thorough investigation of reports, SMC strengthens trust and accountability across all levels of the organization. This commitment aligns with our broader governance and sustainability objectives, reinforcing the company's dedication to integrity, compliance, and resilience in today's complex operational environment.

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## GREEN PROCUREMENT POLICY

### SMC/ESG/POLICY-27

#### 1. Purpose


This policy aims to embed environmental sustainability into SMC's procurement processes and supplier engagement strategies. It guides purchasing decisions to minimize adverse environmental impacts, encourage resource efficiency, and support sustainable production practices. By aligning procurement activities with our Environmental, Social, and Governance (ESG) commitments, SMC promotes the selection of products and services that are environmentally friendly, energy-efficient, and sourced from responsible suppliers. The policy fosters collaboration with vendors who share our environmental values, encouraging innovation and continuous improvement in sustainability practices across the supply chain. Ultimately, it reinforces our dedication to responsible sourcing and environmental stewardship.

#### 2. Scope of Application

This policy applies to all SMC employees involved in procurement, supply chain management, facility operations, and contractor oversight. It governs the purchase of chemicals, cleaning products, machinery, vehicles, and other supplies essential to SMC's core services, including digitization, automation, mechanization, and integrated facility management. The policy ensures that sustainability considerations are embedded throughout the procurement lifecycle. It is applicable across all SMC operations within India and extends to all regional and international suppliers and contractors engaged with SMC. All stakeholders are expected to align with the environmental standards and objectives defined under this procurement sustainability framework.

#### 3. Governance

Oversight of this policy is provided by the Head of Procurement and the ESG Steering Committee, who are responsible for setting strategic direction and ensuring alignment with SMC's sustainability and ESG goals. Implementation is carried out by the Procurement Team, Facility Managers, and Environmental Officers, who integrate environmental criteria into purchasing decisions and supplier evaluations. Monitoring and reporting responsibilities lie with the SMC Sustainability Head, who compiles data on compliance, progress, and impact, and submits periodic reports to Senior Leadership. This structured governance ensures that environmental procurement practices are consistent, measurable, and aligned with SMC's broader sustainability commitments.

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## 4. Definition of Terms

### ➤ Sustainable Procurement

Sustainable procurement involves incorporating environmental, social, and economic considerations into all procurement decisions and processes. This approach ensures that products and services purchased by SMC meet not only operational needs but also align with long-term ESG goals. It includes evaluating suppliers on their labor practices, energy usage, waste management, carbon footprint, and lifecycle impacts of goods. By integrating sustainability into procurement, SMC promotes responsible consumption, reduces negative environmental impact, and supports suppliers committed to ethical practices. This strategy not only enhances brand reputation but also contributes to regulatory compliance, risk reduction, and overall value creation for stakeholders and the environment.

### ➤ Eco-friendly Products

Eco-friendly products are designed to cause minimal harm to the environment throughout their lifecycle—from production and use to disposal. These products are typically energy-efficient, recyclable, biodegradable, or made from sustainable materials. SMC prioritizes eco-friendly products that comply with international standards such as REACH and RoHS to ensure safety and sustainability. By sourcing such products, SMC reduces carbon emissions, conserves resources, and minimizes hazardous waste. The preference for eco-friendly goods reinforces our commitment to sustainable procurement and responsible business practices, while encouraging suppliers to innovate and offer greener alternatives that align with our environmental and operational goals.


### ➤ REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)

REACH is a comprehensive European Union regulation that governs the use of chemicals to ensure human health and environmental protection. Under REACH, manufacturers and importers must register the chemical substances they produce or market within the EU, including their properties and safe usage. SMC considers REACH compliance essential when evaluating suppliers, particularly for chemical-based products used in housekeeping, maintenance, and facility operations. Adherence to REACH ensures transparency in chemical composition, promotes safer alternatives, and aligns with SMC's policy on sustainable procurement. It also helps avoid supply chain disruptions due to non-compliance and contributes to reducing environmental and health risks.

### ➤ RoHS (Restriction of Hazardous Substances)

RoHS is a European Union directive that restricts the use of specific hazardous substances in electrical and electronic equipment. The directive limits substances like lead, mercury, cadmium, hexavalent chromium, and flame retardants such as PBB and PBDE.



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SMC mandates that all electronic and electrical products procured—including automation equipment and tools—comply with RoHS to prevent environmental contamination and protect user safety. This compliance reduces toxic e-waste, supports cleaner recycling, and fosters a safer workplace. Incorporating RoHS into SMC’s procurement policies demonstrates our dedication to sustainability and helps ensure that our suppliers uphold high environmental and safety standards.

## 5. Roles and Responsibilities

### ➤ Evaluate Suppliers Based on Environmental Criteria


SMC’s procurement and sustainability teams are responsible for evaluating suppliers using clearly defined environmental criteria. This includes assessing suppliers' environmental management systems, sustainability certifications, carbon footprint reduction initiatives, waste management practices, and resource efficiency. Suppliers are expected to demonstrate compliance with regulations like REACH and RoHS, as well as SMC’s internal ESG standards. Regular audits, questionnaires, and performance reviews are conducted to ensure ongoing environmental compliance and encourage continuous improvement. Preference is given to suppliers with documented commitments to environmental stewardship, promoting a responsible supply chain that supports SMC’s goal of reducing its environmental impact.

### ➤ Maintain Eco-product Databases

SMC is committed to maintaining an up-to-date and accessible database of environmentally preferred products and equipment. This database includes detailed information about eco-label certifications, compliance with environmental regulations (such as REACH and RoHS), and lifecycle impact assessments. It serves as a reference point for procurement decisions across all departments, ensuring that purchasing aligns with sustainability objectives. The database is reviewed and updated periodically to reflect market innovations, regulatory updates, and supplier changes. This centralized system supports informed decision-making and streamlines the procurement of products that meet SMC’s environmental performance and sustainability targets.

### ➤ Ensure Procured Products

It is the responsibility of the procurement and operations teams to verify that all products and equipment sourced by SMC comply with environmental standards. This includes confirming that items are energy-efficient, low-emission, recyclable, and free from hazardous substances. Product documentation, supplier certifications, and third-party verifications are reviewed during procurement to ensure compliance with relevant environmental and safety guidelines. Non-compliant or unverified products are not approved for purchase. This proactive approach ensures that all procured items support SMC’s sustainability objectives and contribute to a safer and more environmentally responsible working environment.

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### ➤ Track KPIs, Support Trainin

The ESG Steering Committee and relevant department heads are tasked with tracking key performance indicators (KPIs) related to sustainable procurement, such as the percentage of eco-friendly purchases and supplier compliance rates. They also coordinate regular training for procurement and facility teams to build awareness and capability in sustainable sourcing. As environmental regulations evolve, policies and procedures are reviewed and updated accordingly to maintain compliance and operational relevance. This continuous improvement cycle ensures SMC's procurement practices remain aligned with current best practices, legal requirements, and the organization's commitment to responsible environmental stewardship.


### ➤ Ensure Alignment with National and International Sustainability Regulations

SMC ensures that all procurement activities adhere to applicable national and international environmental regulations, including those established by bodies such as the EU, ISO, and national environmental authorities. The procurement and compliance teams regularly monitor regulatory changes and assess their implications on sourcing strategies and supplier engagement. Compliance is validated through audits, supplier declarations, and certifications. By staying aligned with global standards, SMC reduces legal risk, enhances environmental performance, and reinforces its position as a responsible organization committed to ESG excellence and sustainable development across all operational areas.

## 6. Green Procurement Policy

### 6.1 Supplier Development Program

SMC invests in capacity-building initiatives to support suppliers in managing and mitigating environmental risks. Programs include training sessions, sharing best practices, upgrading facilities, and enhancing environmental management systems. These efforts are tailored to supplier needs, whether proactively or as corrective measures following risk assessments or audits. By strengthening suppliers' capabilities, SMC fosters sustainable operational improvements and reduces environmental impacts. Capacity building promotes long-term partnerships based on shared sustainability goals, enhances compliance with environmental regulations, and contributes to the resilience and responsible performance of the entire supply chain.

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## 6.2 Detergent Impact Assessment

SMC mandates the exclusive use of environmentally friendly cleaning agents, including detergents, softeners, and disinfectants, across all operations. Suppliers must provide credible certifications or laboratory test reports proving biodegradability and the absence of harmful substances such as phosphates, chlorine, or carcinogens. By prioritizing green cleaning chemicals, SMC reduces water pollution, protects biodiversity, and ensures safer working conditions for employees and clients. This approach aligns with national environmental regulations and international best practices, fostering healthier indoor environments and contributing to the company's broader sustainability and ESG objectives.

## 6.3 Supplier ESG Review


SMC requires suppliers to complete detailed sustainability questionnaires that evaluate their environmental management systems, compliance with regulations, and efforts to prevent or mitigate adverse impacts. These assessments may be supplemented by third-party audits or self-assessments to verify supplier claims. Ongoing monitoring encourages transparency and continuous improvement, ensuring that suppliers adhere to SMC's environmental standards. The process supports risk management and strengthens supplier partnerships by fostering accountability. It also enables SMC to identify gaps and provide targeted support, promoting sustainable practices and enhancing overall supply chain environmental performance aligned with company and ESG objectives.

## 6.4 Non-Green Procurement

SMC is committed to minimizing environmental harm by prioritizing the procurement of products and services with the least ecological footprint. We actively seek suppliers who offer eco-labeled, biodegradable, energy-efficient, or recyclable alternatives. The procurement of hazardous, toxic, or non-compliant products is strictly restricted to safeguard environmental and human health. This policy ensures that all sourcing decisions align with SMC's sustainability goals and ESG commitments. Suppliers are required to demonstrate adherence to environmental standards, promoting responsible sourcing that supports circular economy principles and reduces waste and pollution throughout the product lifecycle.

## 6.5 Supplier Feedback Channels

SMC promotes transparency and accountability in its supply chain by supporting anonymous worker voice surveys and active grievance mechanisms within supplier operations. These tools enable workers to report environmental, social, or human rights concerns confidentially without fear of retaliation. By listening to workers, SMC gains valuable insights into potential risks and operational challenges related to sustainability and labor rights.

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This engagement fosters continuous improvement and responsible supplier behavior. Grievance mechanisms ensure issues are identified and addressed promptly, reinforcing SMC's commitment to ethical sourcing, stakeholder engagement, and compliance with ESG principles across the supply chain.

## 6.6 Green Equipment Usage


SMC commits to procuring cleaning equipment and machinery that are energy-efficient, emit low levels of pollutants, and incorporate water-saving technologies. Products with certifications such as ENERGY STAR or equivalents are prioritized to reduce carbon footprints and operational costs. Additionally, equipment must operate with low noise levels to minimize noise pollution in client facilities. This policy supports cleaner production methods and advances SMC's commitment to sustainable operations. Vendors are evaluated on the environmental performance of their machinery to ensure procurement decisions align with global sustainability standards and contribute to a healthier environment.

## 6.7 Supplier Compliance Audits

SMC conducts both announced and unannounced on-site or virtual audits of suppliers to evaluate adherence to mandatory sustainability requirements. These audits assess environmental risk mitigation measures, compliance with regulations, and implementation of corrective actions. Findings identify non-conformances that require prompt remediation, supporting continuous improvement. Audits strengthen supplier accountability and transparency, ensuring that environmental standards are upheld throughout the supply chain. This robust oversight mechanism mitigates risks of environmental harm and aligns supplier operations with SMC's ESG commitments, reinforcing the company's dedication to responsible procurement and sustainable supply chain management.

## 6.8 Contract Sustainability Clauses

SMC incorporates specific environmental and sustainability clauses in all supplier contracts to set clear expectations on compliance with its environmental standards. These clauses mandate suppliers to manage and mitigate adverse environmental impacts actively throughout their operations. Non-compliance triggers penalties, including possible contract termination, ensuring accountability. This contractual framework aligns suppliers with SMC's ESG commitments and encourages continuous improvement in environmental performance. By embedding these clauses, SMC strengthens responsible sourcing and promotes sustainable practices across its supply chain, reinforcing its leadership in environmental stewardship and minimizing risks related to supplier sustainability failures.

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## 6.9 Transport Carbon Footprint

SMC aims to reduce its carbon footprint by prioritizing low-emission and electric vehicles for its operational fleet. Vehicle suppliers are assessed based on fleet emissions, fuel efficiency, and compliance with local and international environmental standards. This initiative supports SMC's commitment to mitigating climate change impacts by reducing greenhouse gas emissions associated with transportation. The policy encourages innovation in clean mobility solutions and seeks partnerships with suppliers advancing sustainable vehicle technologies. Monitoring and reporting of fleet emissions form part of ongoing efforts to optimize vehicle procurement decisions and meet ESG targets.

## 6.10 Sustainable Supplier Incentives


SMC rewards suppliers who demonstrate exemplary environmental performance through incentive programs such as supplier awards, preferred supplier status, or priority consideration for future contracts. These incentives motivate continuous improvement and innovation in sustainable practices. Recognizing and rewarding high-performing suppliers fosters collaboration, drives competitive advantage, and reinforces shared ESG commitments. By promoting a culture of excellence, these programs encourage all suppliers to enhance their environmental management and align with SMC's sustainability objectives. Incentives contribute to building a resilient, responsible supply chain that supports broader corporate sustainability goals and mitigates environmental risks.

## 6.11 Supply Chain Evaluation

SMC performs regular, comprehensive risk assessments to identify environmental, social, and governance risks across its supply chain. These assessments prioritize suppliers and purchasing categories based on the severity and probability of adverse impacts. The findings guide targeted interventions such as audits, corrective action plans, or supplier development programs. This proactive risk management approach enables SMC to mitigate environmental and sustainability risks effectively, reduce supply chain vulnerabilities, and comply with regulatory and ESG commitments. Continuous reassessment ensures responsiveness to evolving risks, fostering resilience and transparency throughout the procurement ecosystem.

## 6.12 Supplier Audit Lapses

To uphold environmental responsibility, SMC conducts rigorous environmental due diligence on all key suppliers. This process involves evaluating supplier compliance with relevant environmental laws, certifications, and sustainable practices. A comprehensive supplier assessment checklist measures eco-performance across factors such as waste management, emissions, resource use, and pollution controls. Suppliers must demonstrate commitment to continuous improvement in environmental management.

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This due diligence minimizes risks related to supply chain environmental violations, strengthens supplier accountability, and supports SMC's ESG goals by ensuring that procurement partners align with the company's sustainability standards.

### 6.13 Sustainable Procurement Targets

SMC incorporates sustainability-related objectives into the performance evaluations of procurement staff. Buyers are assessed on their success in selecting and managing suppliers who comply with environmental standards and contribute to the company's ESG goals. This approach ensures accountability and encourages procurement professionals to prioritize sustainability in their decision-making. Integrating these objectives into reviews aligns individual performance with organizational sustainability commitments, fostering a culture of responsibility and continuous improvement within the procurement team. This strategic alignment supports SMC's broader environmental targets and reinforces sustainable sourcing practices throughout its operations.

### 6.14 Untrained Procurement Personnel

SMC requires all employees involved in procurement to participate in regular environmental training programs. These workshops cover relevant environmental regulations, methods for assessing product life cycle impacts, and frameworks for evaluating supplier sustainability performance. Training enhances staff awareness of eco-friendly purchasing practices and equips them to integrate environmental considerations into procurement decisions effectively. Continuous education fosters a culture of sustainability, ensures compliance with evolving standards, and empowers procurement teams to drive responsible sourcing. This commitment supports SMC's broader ESG objectives by embedding environmental stewardship in everyday procurement activities.

### 6.15 Buyer ESG Training

SMC provides continuous training programs for procurement professionals focused on integrating environmental considerations into supplier selection, contract negotiations, and supplier management. These programs enhance buyers' knowledge of environmental risks, sustainable sourcing practices, and relevant regulatory requirements. Equipping buyers with these skills ensures procurement decisions align with SMC's ESG goals and sustainability policies. Training also encourages proactive identification and mitigation of supply chain environmental risks. By fostering environmental awareness and competence within the procurement team, SMC strengthens its capacity to drive responsible purchasing and contribute positively to its sustainability commitments.



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## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Supplier Development Program	Enhance capacity building for key suppliers	% suppliers engaged in program	▲ 80%
2	Detergent Impact Assessment	Minimize environmental harm from chemicals used by suppliers	No. of detergent assessments	▲ 1/year
3	Supplier ESG Review	Evaluate suppliers based on ESG criteria	% of suppliers reviewed	▲ 90%
4	Non-Green Procurement	Reduce purchase of non-sustainable materials	% of non-green items purchased	▼ 10%
5	Supplier Feedback Channels	Establish feedback channels for continuous improvement	No. of functional feedback platforms	▲ 2 channels
6	Green Equipment Usage	Promote adoption of eco-friendly equipment	% of green equipment in operations	▲ 80%
7	Supplier Compliance Audits	Ensure regular ESG audits of suppliers	No. of audits conducted annually	▲ 7 audits
8	Contract Sustainability Clauses	Include ESG terms in supplier contracts	% of contracts with ESG clauses	▲ 100%
9	Transport Carbon Footprint	Reduce carbon footprint from supplier transportation	CO <sub>2</sub> emissions (tons/year)	▼ 5%
10	Sustainable Supplier Incentives	Reward suppliers meeting ESG standards	No. of incentive plans introduced	▲ 1 plans





## SMC INTEGRATED FACILITY MANAGEMENT SOLUTIONS LIMITED

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Okhla Phase 1, New Delhi - 110020, India.

Issue No : 02

Rev. No : 00

Doc No.:  
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11	Supply Chain Evaluation	Conduct end-to-end ESG supply chain evaluations	% of supply chain evaluated	▲ 100%
12	Supplier Audit Lapses	Minimize missed or delayed supplier audits	No. of audit lapses	▼ 0
13	Sustainable Procurement Targets	Set annual procurement goals for sustainable products	% sustainable products procured	▲ 65%
14	Untrained Procurement Personnel	Eliminate ESG awareness gaps among procurement staff	% trained procurement staff	▲ 100%
15	Buyer ESG Training	Provide annual ESG training to all buyers	No. of ESG training sessions/year	▲ 3 sessions

## 8. References to Applicable Standards, Laws, Acts

- United Nations Global Compact (Principles 7, 8, 9)
- OECD Guidelines for Multinational Enterprises
- GRI Standards – GRI 308: Supplier Environmental Assessment
- ISO 26000 – Social Responsibility
- REACH and RoHS Directives
- Indian Environmental Protection Act, 1986
- Hazardous Waste Rules, 2016

## 9. Distribution and Annual Review

This policy is distributed through multiple internal channels, including the SMC intranet, departmental training sessions, and official procurement manuals to ensure that all relevant employees understand their responsibilities. Awareness initiatives and induction programs for new staff emphasize the importance of sustainable procurement. The ESG Steering Committee conducts an annual review of this policy to align it with evolving regulatory requirements, emerging best practices, and changes in SMC's strategic direction. The committee updates the policy as necessary to ensure continued relevance, effectiveness, and compliance, and communicates any amendments to all stakeholders through updated documentation and refresher training programs.

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## 10. Disciplinary Action for Policy Violators


Any violation of this sustainable procurement policy, such as knowingly procuring non-compliant materials, circumventing approved vendor selection processes, or failing to verify environmental compliance, will be taken seriously. Employees found violating the policy may be subject to disciplinary actions, including verbal or written warnings, mandatory re-training, suspension, or termination depending on the severity of the breach. Suppliers or contractors that breach sustainability standards may face penalties, up to and including contract suspension or termination. SMC is committed to upholding environmental integrity across its value chain and expects all internal and external stakeholders to act in accordance with this policy.

## 11. Reporting Mechanism

SMC provides clear and accessible channels for reporting procurement-related environmental concerns, violations, or suspected breaches of this policy. Employees and stakeholders can report issues via email to [procurement.esg@smc.in](mailto:procurement.esg@smc.in) or through an anonymous hotline managed by the ESG team to ensure confidentiality and protect whistleblowers. An Incident Report Form is also available on the company intranet for convenient reporting. All reports are investigated in a fair and timely manner, and corrective actions are taken where appropriate. This mechanism promotes transparency, accountability, and continuous improvement in sustainable procurement practices across all levels of the organization.

## 12. Conclusion

SMC is committed to embedding environmental sustainability across its procurement practices and broader operations. By integrating sustainability criteria into supplier selection and product sourcing, we aim to minimize environmental risks and support green innovation. This policy reflects our dedication to making responsible choices that positively impact the environment and future generations. Our collaboration with eco-conscious vendors and continuous monitoring of compliance ensure that environmental stewardship remains a core component of our business strategy. Through collective effort, SMC strives to lead by example in the facility management industry, championing sustainable growth and environmental accountability throughout its supply chain.

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## BRIBERY PREVENTION POLICY

### SMC/ESG/POLICY-28

#### 1. Purpose


The purpose of this policy is to reinforce SMC's zero-tolerance approach to corruption, bribery, and unethical conduct. It is designed to ensure full compliance with national and international anti-corruption laws and standards, including the FCPA, UK Bribery Act, and UNGC principles. By promoting transparency, integrity, and ethical behavior across all business activities, supply chains, and third-party engagements, the policy supports SMC's ESG commitments and corporate values. It aims to protect the company's reputation, build stakeholder trust, and foster a culture of accountability, ensuring that all actions taken are lawful, fair, and aligned with responsible business practices.

#### 2. Scope of Application

This policy applies to all individuals and entities associated with SMC, including permanent, temporary, and contract employees, directors, consultants, subcontractors, vendors, agents, and any third parties acting on behalf of the company. It covers all business areas and operations such as facility management services, digitization and automation solutions, supply chain management, procurement, sales, public tenders, and financial transactions. The policy is applicable across all geographical regions where SMC operates or engages in business, including India and any international territories. Compliance with this policy is mandatory to ensure ethical conduct and adherence to anti-corruption laws and ESG principles globally.

#### 3. Governance

The policy is governed by the SMC Board of Directors and administered by the Compliance and Ethics Officer, who is responsible for day-to-day management and enforcement. Internal audits, regular compliance reviews, and oversight by the ESG committee ensure effective implementation and monitoring. These governance mechanisms support continual improvement, risk mitigation, and alignment with national and international anti-corruption standards. Accountability is reinforced through structured reporting, timely updates, and transparent review processes led by the leadership and compliance functions.

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## 4. Definition of Terms

### ➤ Bribery

Bribery involves offering, giving, receiving, or soliciting anything of value—such as money, gifts, favors, or services—with the intent to improperly influence the actions, decisions, or judgment of an individual, organization, or public official. This unethical practice aims to gain unfair advantage or preferential treatment in business dealings, contracts, or regulatory approvals. SMC strictly prohibits bribery in all forms to maintain transparency, fairness, and legal compliance. Employees and stakeholders must avoid any behavior that could be perceived as bribery and report suspected incidents promptly through designated channels.

### ➤ Corruption


Corruption refers to the misuse or abuse of entrusted power by individuals or organizations for private gain, which may manifest as fraud, extortion, bribery, nepotism, or embezzlement. It undermines trust, distorts fair competition, and damages corporate reputation. SMC is committed to combating corruption by enforcing a zero-tolerance policy and adhering to all applicable anti-corruption laws and standards. This policy covers all employees, contractors, and partners and includes preventive measures such as training, monitoring, and enforcement actions to ensure integrity in all business operations.

### ➤ Whistleblowing

Whistleblowing is the act of reporting unethical, illegal, or non-compliant behavior witnessed within the company or its supply chain by employees, contractors, or other stakeholders. This process empowers individuals to confidentially raise concerns about misconduct, including corruption, fraud, harassment, or safety violations, without fear of retaliation. SMC supports and protects whistleblowers by providing secure, anonymous reporting channels, such as hotlines and email, ensuring that reports are thoroughly investigated and addressed. Encouraging whistleblowing promotes transparency, accountability, and a culture of ethical conduct across the organization.

### ➤ Facilitation Payments

Facilitation payments are small, unofficial payments made to government officials or employees to expedite routine, non-discretionary actions such as processing permits, issuing licenses, or clearing goods through customs. While common in some regions, these payments are considered unethical and illegal under many anti-corruption laws and regulations. SMC strictly prohibits facilitation payments as they can encourage corruption, undermine fair business practices, and expose the company to legal and reputational risks. Employees must refrain from making or authorizing such payments and report any requests or attempts to solicit facilitation fees immediately.

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## 5. Roles and Responsibilities

### ➤ Employees

All employees of SMC, whether permanent, temporary, or contract-based, are required to fully comply with the anti-corruption policy. They must act with integrity and avoid any behavior that could be construed as bribery, corruption, or unethical conduct. Employees have a responsibility to stay informed about the policy, participate in relevant training, and remain vigilant in their day-to-day activities. Importantly, employees must promptly report any suspected or actual violations of this policy through designated reporting channels, ensuring confidentiality and protection from retaliation for whistleblowers.

### ➤ Managers/Supervisors


Managers and supervisors play a critical role in fostering an ethical work environment by leading through example and promoting adherence to the anti-corruption policy within their teams. They are responsible for facilitating anti-corruption awareness and ensuring that their team members receive appropriate training. Supervisors must actively monitor compliance and encourage open communication regarding ethical concerns. When corruption or bribery issues arise, managers must promptly escalate these matters to the Compliance Officer or other designated authorities to ensure proper investigation and resolution.

### ➤ Compliance Officer

The Compliance Officer is responsible for overseeing the implementation and enforcement of SMC's anti-corruption policy. This includes developing and maintaining procedures, conducting regular compliance monitoring and audits, and investigating any reported breaches or suspicious activities. The officer coordinates ongoing training programs to educate employees and management about corruption risks and regulatory requirements. They also act as the primary point of contact for whistleblower reports and ensure that investigations are conducted impartially and confidentially, while maintaining compliance with relevant laws and corporate governance standards.

### ➤ Procurement and Legal Teams

The Procurement and Legal teams are responsible for conducting thorough due diligence on suppliers, contractors, and partners to identify and mitigate corruption risks. They must integrate clear anti-corruption clauses and sustainability commitments into all contracts and agreements to set binding expectations for ethical conduct. These teams ensure compliance with applicable anti-corruption laws and help manage the risk of bribery or unethical practices throughout the supply chain.

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## 6. Bribery Prevention Policy

### 6.1 Corruption Risk Analysis

SMC regularly conducts thorough corruption risk assessments across all business functions and geographic areas to identify vulnerabilities. These assessments include detailed descriptions of potential risks and the formulation of targeted corrective action plans to mitigate identified issues. Risk management efforts prioritize areas with the highest likelihood and impact of corruption, enabling efficient allocation of resources and control measures. By systematically evaluating risk exposure, SMC enhances its ability to prevent, detect, and respond to corruption threats, reinforcing its commitment to ethical conduct and regulatory compliance throughout its operations worldwide.

### 6.2 Third-Party Misconduct


All third parties acting on SMC's behalf must comply with the company's Anti-Corruption Policy. Before onboarding, third parties undergo rigorous due diligence to assess corruption risks and ethical standards. Anti-corruption clauses are incorporated into all contracts and agreements, clearly outlining expectations and consequences for misconduct. This accountability framework ensures that suppliers, vendors, agents, and contractors uphold SMC's commitment to ethical business practices. Ongoing monitoring and periodic reassessments maintain vigilance against corrupt activities within the extended network of business relationships.

### 6.3 Sensitive Transaction Oversight

SMC enforces a strict approval process for sensitive transactions involving external parties, such as hospitality, travel, or gifts. All such transactions require documented, prior approval from authorized personnel based on established criteria, including the nature and monetary value of the transaction. This approval procedure increases transparency and accountability, mitigating the risk of corruption or undue influence. By formalizing the oversight of these transactions, SMC ensures compliance with ethical standards and regulatory requirements while safeguarding the integrity of business relationships and protecting the company's reputation.

### 6.4 Facilitation Payments

SMC maintains a strict prohibition against facilitation payments, which are small bribes made to expedite routine governmental actions. Employees, agents, and third parties are required to refuse and report any solicitation or attempt to solicit such payments. The company provides clear training modules to help personnel identify these unlawful requests and handle them appropriately. This firm stance supports compliance with global anti-bribery laws and promotes transparency.

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## 6.5 Corruption in Procurement

SMC enforces transparent procurement processes reinforced by digital tools that ensure auditability and oversight. All procurement activities follow strict approval workflows to prevent unauthorized decisions and conflicts of interest. Personnel involved in procurement must disclose any personal interests that could influence vendor selection. These measures mitigate risks of corruption and favoritism. Additionally, periodic reviews and audits of procurement transactions help identify and address any irregularities, maintaining integrity and compliance with regulatory and company standards while promoting fair competition.

## 6.6 Fraud Control Audits

SMC conducts routine audits of its ethics and compliance control systems to evaluate the effectiveness of anti-corruption measures. These audits include both internal reviews and external assessments, covering the scope and design of controls, roles and responsibilities, and historical control performance analysis. Findings from audits help identify control weaknesses and gaps, informing the development of corrective actions and improvements. This ongoing auditing process promotes accountability, strengthens governance, and ensures continuous enhancement of corruption prevention practices, supporting SMC's commitment to maintaining a robust compliance environment.


## 6.7 Employee Awareness

To combat corruption risks, SMC regularly conducts mandatory training sessions and awareness campaigns for all employees. These programs educate staff on identifying bribery and corruption, understanding reporting channels, and recognizing the legal and reputational consequences of misconduct. Training is tailored to specific functional roles to ensure relevance and effectiveness. Ongoing awareness initiatives, such as newsletters and workshops, further embed anti-corruption principles in everyday business practices. This comprehensive approach ensures employees are well-informed and empowered to uphold the company's ethical standards.

## 6.8 Inadequate Monitoring and Auditing

To uphold anti-corruption and ESG commitments, SMC conducts regular internal audits and engages third-party auditors to review compliance with policies and legal requirements. Monitoring processes include reviewing transaction records, control effectiveness, and risk mitigation actions. Any gaps or weaknesses identified during audits prompt corrective action plans and are followed up through performance evaluations. This proactive approach ensures continuous improvement in governance and risk management, reinforcing SMC's dedication to transparency, accountability, and ethical business conduct across all operations.



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### 6.9 Third-Party Screening

SMC implements a stringent due diligence program for third parties, including suppliers, vendors, agents, and contractors, focusing on identifying and mitigating corruption risks. The program employs a risk-based approach, collecting comprehensive data and benchmarking third-party profiles against industry standards. Entities assessed as high risk undergo enhanced scrutiny, including background checks, monitoring, and periodic reviews to prevent corrupt practices. Detailed due diligence documentation, risk profiles, and ongoing monitoring results are maintained for transparency and compliance purposes. This proactive approach ensures responsible third-party engagement aligned with SMC's commitment to ethical business practices.

### 6.10 Bribery in Public Contract Bidding

SMC strictly prohibits offering, soliciting, or accepting any bribes, kickbacks, or undue advantages in public or private contract bidding. The company ensures that all tenders and contract awards are based on merit, fairness, and full transparency. Employees involved in the bidding process receive specialized training to recognize and report unethical behaviors or irregularities. By maintaining a strict zero-tolerance policy, SMC promotes integrity and fair competition, safeguarding the company's reputation and fostering trust with clients, partners, and regulatory authorities.

### 6.11 Employee Ethics Training

SMC is committed to delivering regular, comprehensive training programs focused on anti-corruption and bribery prevention for all employees. The training includes interactive materials such as slide decks, real-world case studies, and quizzes to reinforce understanding of corruption risks, legal requirements, and ethical standards. Completion rates are closely tracked and documented to ensure full participation. This ongoing education fosters a culture of integrity and compliance, empowering employees to recognize and respond appropriately to potential corruption risks. Continuous knowledge reinforcement strengthens organizational defenses against unethical conduct and supports SMC's zero-tolerance stance on corruption.

### 6.12 Retaliation Against Whistleblowers

SMC is committed to protecting whistleblowers from any form of retaliation. Employees or third parties who report suspected corruption or unethical behavior in good faith are guaranteed confidentiality and protection. Retaliatory actions such as dismissal, demotion, or harassment are strictly prohibited and lead to immediate disciplinary measures. An independent ethics committee investigates all reports objectively and confidentially. This protective environment encourages transparency and accountability, fostering a culture where employees feel safe to speak up without fear, which is crucial for effective anti-corruption enforcement.



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## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Corruption Risk Analysis	Strengthen risk identification and prevention strategy	No. of risk analyses conducted/year	▲ 4 %
2	Third-Party Misconduct	Minimize risks from vendors and contractors	% of third parties screened	▲ 100%
3	Sensitive Transaction Oversight	Ensure transparency in high-risk transactions	% of transactions reviewed	▲ 95%
4	Facilitation Payments	Eliminate unofficial payments in any form	No. of facilitation payments recorded	▼ 0 %
5	Corruption in Procurement	Prevent corrupt practices in procurement processes	% of procurement cases audited	▲ 90%
6	Fraud Control Audits	Increase frequency and quality of fraud audits	No. of fraud audits/year	▲ 4%
7	Employee Awareness	Enhance awareness of anti-corruption practices	% of employees trained	▲ 100%
8	Inadequate Monitoring and Auditing	Improve internal controls and oversight mechanisms	% of departments audited	▲ 100%
9	Third-Party Screening	Conduct due diligence for all vendors and service providers	Percentage of screenings conducted/year	▲ 40%

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10	Bribery in Public Contract Bidding	Safeguard integrity in public tenders	No. of bribery cases reported	▼ 0%
11	Employee Ethics Training	Promote a culture of ethical conduct and transparency	No. of ethics sessions conducted/year	▲ 4%
12	Retaliation Against Whistleblowers	Prevent retaliation and ensure whistleblower protection	No. of retaliation complaints	▼ 0 %

## 8. Reference to Standards, Laws, and Acts


- Foreign Corrupt Practices Act (FCPA) – USA
- UK Bribery Act – UK
- Prevention of Corruption Act – India
- United Nations Convention against Corruption (UNCAC)
- United Nations Global Compact (Principle 10)
- OECD Guidelines for Multinational Enterprises
- ISO 26000 – Social Responsibility
- GRI Standards (e.g., GRI 205: Anti-Corruption)

## 9. Distribution and Annual Review

The policy is distributed to all employees and business partners to ensure widespread awareness and adherence. It is accessible via the company intranet and the ESG portal, providing easy and transparent access to relevant stakeholders. An annual review is conducted by the Compliance Officer in coordination with the ESG Steering Committee to ensure the policy remains current and effective. Updates occur promptly to reflect changes in laws, regulations, or internal risk assessments. This ongoing review process guarantees the policy's continued alignment with evolving compliance requirements and supports SMC's commitment to ethical business practices.

## 10. Disciplinary Action for Policy Violators

Violations of this policy, including failure to report known misconduct or engaging in corrupt activities, carry serious consequences. Disciplinary actions may include warnings, demotion, or termination of employment, ensuring accountability at all levels. In cases involving legal breaches, civil or criminal penalties under applicable laws may apply. Additionally, contracts with vendors or partners found violating the policy may be terminated to protect the company's integrity.

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These measures demonstrate SMC's zero-tolerance approach to unethical conduct and reinforce the importance of compliance in sustaining trust and protecting stakeholder interests.

## 11. Reporting Mechanism

SMC has established a robust, anonymous, and non-retaliatory whistleblower system to encourage reporting of ethical concerns without fear. The system includes a 24/7 multilingual hotline and an online anonymous reporting portal, making it accessible globally and at all times. Whistleblower protection is guaranteed, ensuring confidentiality and safeguarding reporters from retaliation. All reports are handled discreetly by an independent ethics committee that investigates concerns impartially and thoroughly. This mechanism fosters a culture of transparency and accountability, enabling early detection of misconduct and reinforcing SMC's commitment to integrity and ethical business conduct.

## 12. Conclusion

SMC is firmly committed to maintaining the highest standards of integrity and ethical conduct across its operations. Corruption and bribery undermine trust, damage reputations, and violate fundamental human rights. This policy reinforces SMC's dedication to embedding due diligence, transparency, and accountability throughout its business practices. By aligning with our long-term ESG vision, it supports sustainable growth and responsible corporate citizenship. SMC's unwavering stance against unethical conduct protects stakeholders, promotes a fair marketplace, and contributes positively to the global community, ensuring long-term success based on trust and ethical principles.

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## SUPPLIER ETHICS POLICY

### SMC/ESG/POLICY-29

#### 1. Purpose


The purpose of this policy is to reaffirm SMC's dedication to promoting ethical, socially responsible, and sustainable labor practices throughout its supply chain. Recognizing that suppliers play a critical role in influencing social outcomes, the policy sets clear expectations on fair wages, safe working conditions, non-discrimination, and the elimination of child and forced labor. It emphasizes ethical business conduct and accountability while fostering transparent and long-term supplier relationships. Additionally, this policy serves as a risk mitigation tool, ensuring compliance with national laws and international frameworks, such as the ILO standards and UN Guiding Principles on Business and Human Rights.

#### 2. Scope of Application

This policy applies to all suppliers, subcontractors, service providers, consultants, and third-party vendors conducting business with SMC. Internally, it is applicable to SMC's procurement and contract management teams responsible for supplier engagement. The scope of business operations covered includes procurement, logistics, facility management services (such as housekeeping, technical, and manpower services), digitization and automation initiatives, vendor selection, and subcontracting activities. Geographically, the policy extends across all regions where SMC operates or maintains supply chain relationships, including India and international locations. This ensures consistent application of ethical, social, and labor standards across SMC's entire global supply chain.

#### 3. Governance

The ESG Committee, in collaboration with the Procurement Department and Compliance Officer, is responsible for overseeing the governance and implementation of this policy. Their role includes setting expectations, monitoring supplier practices, and ensuring alignment with ethical and sustainability standards. Compliance will be verified through periodic internal and third-party audits. Any non-compliance identified will result in mandatory corrective actions, with follow-up monitoring to ensure resolution. This governance structure promotes accountability and continuous improvement across SMC's supply chain.

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## 4. Definition of Terms

### ➤ Supplier Social Practices

Supplier social practices encompass the labor, wage, working conditions, health and safety, ethics, and human rights policies adopted by suppliers. SMC evaluates and monitors these aspects to ensure that suppliers uphold fair treatment of workers, offer safe workplaces, comply with legal wage standards, and demonstrate respect for basic human rights and ethical business conduct. These practices form a core part of SMC's supplier assessment and risk management framework. By enforcing high standards, SMC fosters socially responsible partnerships and minimizes the risk of violations related to labor laws, exploitation, discrimination, and unsafe working environments in its supply chain.

### ➤ Living Wage


A living wage is defined as the remuneration received by a worker for a standard workweek that is adequate to afford a decent standard of living for themselves and their family. This includes access to food, housing, education, healthcare, and other essential needs, along with some discretionary income. SMC encourages and, where possible, requires suppliers to pay a living wage, going beyond minimum wage laws. Supporting living wages contributes to employee well-being, reduces poverty, and enhances worker productivity and retention, aligning with SMC's broader ESG commitments to social responsibility and fair labor practices across all levels of the supply chain.

### ➤ Forced Labor

Forced labor involves any work or service extracted from individuals under threat of penalty and performed involuntarily. This includes situations involving coercion, physical or psychological pressure, withheld wages or documents, or restriction of movement. SMC strictly prohibits forced labor in any form within its operations and supply chain. All suppliers are required to uphold this standard, with due diligence checks and audits conducted to ensure compliance. Any form of forced labor is considered a serious breach of contract and may lead to termination and legal action. SMC aligns with ILO conventions and international human rights laws in combating forced labor.

### ➤ Child Labor

Child labor refers to the employment of children below the legal minimum age as defined by applicable national laws or international standards. SMC maintains a zero-tolerance policy for child labor in its operations and supply chain. Suppliers are required to verify the age of their workforce and implement systems to prevent child labor, including appropriate hiring and documentation processes. Regular audits and site inspections are conducted to ensure compliance.

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SMC's commitment to ethical labor extends to promoting access to education and protecting the rights of minors, in alignment with the UN Convention on the Rights of the Child and ILO guidelines.

### ➤ Supplier Code of Conduct

The Supplier Code of Conduct is a formal document outlining SMC's expectations for ethical, social, and environmental conduct from all suppliers. It sets standards for labor practices, human rights, occupational health and safety, environmental stewardship, anti-corruption, and business integrity. All suppliers are required to acknowledge and adhere to the Code as a condition of doing business with SMC. The Code is regularly reviewed and updated to reflect evolving legal requirements and ESG priorities. Compliance is monitored through self-assessments, audits, and performance reviews, ensuring suppliers align with SMC's values and contribute to responsible and sustainable global operations.

## 5. Roles and Responsibilities


### ➤ SMC Employees

SMC employees play a critical role in ensuring ethical supply chain practices. They are expected to understand and abide by procurement and sourcing policies, and to actively report any suspected or observed supplier violations related to labor standards, ethics, or human rights. Employees must complete mandatory training on supplier code compliance and uphold the company's commitment to responsible sourcing. By maintaining vigilance and integrity in supplier interactions, employees help prevent unethical behavior and reinforce accountability. Their engagement supports a transparent procurement process and strengthens SMC's efforts to align operations with ESG principles and international labor standards.

### ➤ Procurement Team

The Procurement Team is responsible for implementing due diligence procedures, conducting supplier risk assessments, and ensuring supplier compliance with SMC's ethical standards. Their duties include onboarding suppliers, integrating ESG criteria into selection processes, and including social responsibility clauses in contracts. They facilitate supplier training programs, monitor performance, and take corrective actions when violations occur. By aligning procurement practices with SMC's Supplier Code of Conduct, the team mitigates social and reputational risks. Additionally, the team collaborates with the ESG Committee and Compliance Officer to enforce accountability, foster sustainable vendor relationships, and promote transparent, socially responsible procurement across the organization.



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### ➤ Compliance Officer


The Compliance Officer is tasked with monitoring the implementation and enforcement of SMC's supplier labor policy and related standards. This role involves reviewing supplier practices, investigating reported violations, and ensuring corrective actions are taken promptly. The Compliance Officer collaborates with procurement and ESG teams to assess risk and compliance gaps, and ensures policies reflect current regulations and industry best practices. Regular training, policy updates, and stakeholder communication fall under their oversight. By fostering a culture of integrity and accountability, the Compliance Officer plays a vital role in maintaining ethical sourcing and aligning operations with SMC's ESG and human rights commitments.

### ➤ Suppliers

Suppliers are required to adhere to SMC's Supplier Code of Conduct, which mandates ethical labor practices, fair wages, safe working conditions, and respect for human rights. They must implement systems that prevent child labor, forced labor, and workplace discrimination, while ensuring transparency and traceability of labor practices. Suppliers must participate in audits and training programs, and provide documentation upon request. Continuous compliance is expected throughout the contract duration. Suppliers found in violation of SMC's policies may face corrective measures or contract termination. By aligning with these expectations, suppliers contribute to sustainable business practices and responsible global supply chain management.

### ➤ Third-party Auditors

Third-party auditors conduct independent social and labor audits to assess supplier compliance with SMC's ethical sourcing standards. These audits focus on high-risk suppliers and cover areas such as working conditions, wages, health and safety, child and forced labor, and legal compliance. Auditors provide objective assessments, identify non-compliance areas, and recommend corrective actions. Their findings are shared with SMC's procurement and compliance teams to ensure issues are addressed promptly. Third-party assessments enhance transparency, validate due diligence efforts, and provide assurance to stakeholders. These audits form a crucial part of SMC's broader risk management and ESG governance framework in the supply chain.

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## 6. Supplier Ethics Policy

### 6.1 Supplier Worker Engagement

SMC provides channels for supplier workers and affected communities to confidentially report grievances and share feedback, enhancing transparency and trust. Tools include anonymous surveys, digital platforms, and hotlines, enabling direct communication of social concerns related to labor conditions, discrimination, or safety issues. These mechanisms facilitate early identification and resolution of problems, promoting respect for worker rights and community engagement. By encouraging open dialogue, SMC strengthens supplier accountability and responsiveness, helping to create safer, fairer workplaces and supporting its commitment to inclusive and responsible supply chain management.


### 6.2 Supplier Ethical Audit

SMC recognizes that supplier awareness is essential to upholding ESG and human rights standards. To bridge knowledge gaps, we conduct regular training and awareness sessions, provide educational materials, and promote two-way dialogue with our suppliers. Our capacity-building programs focus on labor rights, ethical conduct, and environmental responsibility. By sharing best practices and aligning expectations, we foster a collaborative approach that strengthens compliance with international frameworks such as the UN Global Compact and ISO 26000. These efforts empower suppliers to proactively manage social risks and support SMC's goal of responsible, sustainable, and ethical supply chain management.

SMC implements a comprehensive supplier assessment framework to evaluate social practices and ensure compliance with its standards. This includes supplier self-assessment questionnaires, independent third-party audits, and verification of adherence to SMC's Supplier Code of Conduct. The assessments focus on labor rights, health and safety, wage practices, and ethical business conduct. Findings inform risk mitigation strategies and corrective actions. This structured approach ensures that suppliers actively address social risks and continuously improve their performance, supporting SMC's goal of fostering an ethical, responsible, and sustainable supply chain.

### 6.3 Poor Living Wage

SMC advocates for living wage principles and expects its suppliers to provide wages that allow workers and their families to afford a decent standard of living. Beyond mere legal compliance, we encourage fair compensation practices that reflect cost-of-living benchmarks. Our procurement team prioritizes vendors who demonstrate wage transparency and responsible payroll systems.

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Wage compliance is monitored through audits and supplier assessments. Non-compliant suppliers are required to implement corrective measures. By championing living wages, SMC contributes to worker well-being, improved productivity, and long-term supplier partnerships built on respect for human dignity and sustainable economic development.


#### 6.4 Social Violations Undetected

SMC mitigates the risk of undetected social violations through a robust audit and monitoring framework. We conduct third-party CSR audits, use supplier self-assessment questionnaires, and employ risk-based screening tools to identify non-compliance in labor practices. Suppliers operating in high-risk geographies or industries undergo frequent evaluations. Any issues found trigger detailed corrective action plans, which are tracked through follow-up audits and performance reviews. Social audits form an essential part of supplier onboarding and renewal processes. This rigorous approach ensures transparency, accountability, and alignment with SMC's commitment to human rights and ethical business practices.

#### 6.5 Social Compliance Training

SMC recognizes that effective implementation of labor and ESG policies begins with internal capability. Our procurement professionals receive regular training on social issues, including labor law compliance, ethical sourcing, supplier due diligence, and ESG risk assessment. These programs are tailored to functional roles and include case studies, regulatory updates, and scenario-based learning. By building awareness and competence, the training empowers staff to identify red flags, engage with suppliers meaningfully, and make procurement decisions aligned with our values. Well-informed procurement teams are central to driving responsible supply chain practices and maintaining SMC's reputation for ethical and sustainable operations.

SMC provides ongoing training to procurement professionals on social sustainability, labor laws, human rights, and responsible sourcing. These programs build buyers' capacity to identify and manage social risks when selecting and monitoring suppliers. Training covers ethical procurement practices, ESG risk screening, and case studies to enhance decision-making aligned with SMC's values. By empowering buyers with knowledge and tools, SMC ensures that social criteria are integrated into procurement processes, promoting transparency and accountability. This strengthens supplier relationships and supports the company's commitment to sustainable and ethical supply chain management.

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## 6.6 Supplier Social Incentives

SMC rewards suppliers who demonstrate strong social performance, including compliance with labor laws, positive audit outcomes, and initiatives that promote worker well-being. Incentives include preferred vendor status, eligibility for long-term contracts, and public recognition through awards or case studies. These programs motivate suppliers to maintain high standards, encourage continuous improvement, and foster a culture of responsibility and transparency. By linking social performance to tangible benefits, SMC aligns business incentives with ethical practices, strengthening supplier commitment to sustainable and socially responsible operations.

## 6.7 Social Compliance Contracts


SMC incorporates explicit social clauses in all supplier and subcontractor contracts to ensure adherence to human rights, fair labor practices, and ethical conduct. These clauses represent binding commitments that extend beyond core deliverables to promote sustainability throughout the supply chain. Violations of these clauses will trigger corrective actions, including contract suspension or termination, to uphold accountability. Embedding these provisions ensures that suppliers understand SMC's expectations regarding social responsibility and comply with international labor and ethical standards, reinforcing the company's dedication to responsible procurement and sustainable business relationships.

## 6.8 Supplier Capacity Building

SMC is committed to strengthening suppliers' ability to manage social and sustainability risks through targeted capacity-building initiatives. These include training workshops, knowledge-sharing forums, and technical support focused on labor rights, human rights, and ethical business conduct. By enhancing supplier understanding and capability, SMC promotes proactive risk prevention, better compliance, and improved ESG performance. This collaborative approach fosters long-term supplier partnerships, drives sustainable improvements, and helps embed responsible social practices throughout the supply chain, advancing SMC's overall sustainability objectives.

## 6.9 Procurement Sustainability Metrics

SMC embeds sustainability metrics into procurement staff performance evaluations. Buyers are assessed not only on cost efficiency and timely delivery but also on their success in selecting suppliers who uphold strong social and ethical standards. This integration ensures accountability for ESG goals within procurement decisions. By incentivizing responsible sourcing, SMC promotes a culture where social and environmental considerations are fundamental to supplier management. This alignment drives organizational commitment, improves supplier diversity and sustainability, and helps the company meet its broader corporate responsibility and supply chain objectives.

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## 6.10 Supply Chain Sustainability

SMC conducts thorough risk assessments to identify and evaluate potential negative social, labor, and environmental impacts in its supply chain. This process includes mapping all supply tiers, engaging with stakeholders, and analyzing risk indicators related to human rights violations, poor labor conditions, and environmental harm. By prioritizing high-risk suppliers and product categories, SMC ensures focused due diligence and mitigation efforts. The risk assessment is dynamic, regularly updated to reflect evolving risks, enabling proactive management and reinforcing SMC's commitment to sustainable and responsible sourcing practices.

## 6.11 Inclusive Supplier Contracts

SMC enforces strict adherence to national and international labor standards across its supply chain. All suppliers are required to comply with legal norms related to wages, working hours, health and safety, and minimum employment age. We have a zero-tolerance policy for forced or child labor. These requirements are embedded in our Supplier Code of Conduct and reinforced through supplier onboarding, audits, and periodic reviews. Any violations trigger immediate corrective actions or contract termination. By promoting fair labor practices and decent working conditions, SMC strengthens social responsibility and ensures ethical sourcing throughout its value chain.

## 6.12 Supplier Social Assessments

SMC conducts regular on-site and virtual audits of suppliers to verify compliance with social standards. Both announced and unannounced audits evaluate labor conditions, wage fairness, working hours, non-discrimination policies, and grievance mechanisms. These inspections help detect non-conformities and assess corrective measures. Identified issues result in follow-ups, improvement plans, or supplier disengagement if necessary. Audits reinforce accountability, encourage continuous improvement, and ensure suppliers align with SMC's social responsibility commitments. This rigorous oversight is crucial for maintaining ethical practices and protecting worker rights across the supply chain.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Supplier Worker Engagement	Improve worker voice and engagement mechanisms in supplier operations	% of suppliers with engagement programs	▲ 90%



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2	Supplier Ethical Audit	Enhance visibility into ethical practices across supply chain	No. of supplier audits conducted/year	▲ 1 /Year
3	Poor Living Wage	Reduce cases of suppliers not paying living wages	% of non-compliant suppliers	▼ 0%
4	Social Violations Undetected	Detect and address hidden social compliance issues	% of violations reported	▲ 100%
5	Social Compliance Training	Build supplier capacity on labor standards and ethical practices	Percentage of training sessions/year	▲ 100%
6	Supplier Social Incentives	Promote ethical behavior through incentives	% of suppliers incentivized	▲ 60%
7	Social Compliance Contracts	Embed social responsibility clauses in supplier contracts	% of contracts with social clauses	▲ 100%
8	Supplier Capacity Building	Strengthen suppliers' ability to meet ESG standards	Percentage of suppliers trained	▲ 100 %
9	Procurement Sustainability Metrics	Measure and monitor ESG performance in procurement	No. of ESG metrics implemented	▲ 6 0%
10	Supply Chain Sustainability	Improve ESG integration across supply chain	% of ESG-compliant suppliers	▲ 85%
11	Inclusive Supplier Contracts	Eliminate supplier violations of labor laws	No. of breaches reported	▼ 0 %
12	Supplier Social Assessments	Regularly assess suppliers' social compliance	% of suppliers assessed annually	▲ 100%

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## 8. Reference to Standards, Laws, and Acts

- United Nations Global Compact (UNGC – 10 Principles)
- OECD Guidelines for Multinational Enterprises
- ISO 26000: Guidance on Social Responsibility
- GRI Standards (Global Reporting Initiative)
- Indian Labour Laws (Factories Act, Minimum Wages Act, etc.)
- ILO Conventions (on forced labor, child labor, freedom of association)

## 9. Policy Distribution and Annual Review

SMC ensures that this Supplier Labor Policy is effectively communicated and accessible. Internally, the policy is shared via the company intranet and explained during staff training. For external stakeholders, including suppliers and service providers, it is embedded in contracts and onboarding documents. To maintain relevance and alignment with evolving regulations and best practices, the ESG Committee conducts an annual review. This includes incorporating updates based on regulatory changes, audit outcomes, stakeholder feedback, and performance data. The updated policy is re-circulated and reinforced through training sessions, ensuring continuous engagement and compliance across the organization and its global supply chain.


## 10. Disciplinary Action for Policy Violators

SMC enforces strict consequences for violations of the Supplier Labor Policy. Employees found breaching the policy may face disciplinary measures, including warnings, suspension, or termination, depending on the severity of the offense. For suppliers, violations can result in contract suspension, mandated corrective actions within a set timeframe, or permanent blacklisting from SMC's approved vendor list. These consequences reinforce SMC's zero-tolerance approach to unethical labor practices, emphasizing accountability and integrity. The organization is committed to upholding fair and safe working conditions across its supply chain and will act decisively against any conduct that undermines these values or legal obligations.

## 11. Reporting Mechanism

SMC maintains a secure, accessible, and anonymous reporting mechanism for employees, suppliers, and third parties to raise concerns or report violations of the Supplier Labor Policy. The 24/7 grievance mechanism and whistleblower hotline are managed by a dedicated team that ensures confidentiality and impartiality throughout the investigation process. Retaliation against whistleblowers is strictly prohibited, and full protection is guaranteed to those who report in good faith.




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This mechanism fosters a culture of transparency, accountability, and ethical behavior. Reports are taken seriously, investigated promptly, and followed by appropriate actions to address any confirmed breaches of policy or misconduct.

## 12. Conclusion

SMC reaffirms its commitment to building and maintaining a responsible, ethical, and sustainable supply chain. By collaborating with suppliers who share our values and comply with our labor standards, we mitigate ESG risks, enhance brand integrity, and drive positive social impact. This policy underscores our dedication to human rights, fair labor, and inclusive growth, ensuring that all business operations support long-term development goals. Through continuous monitoring, training, and stakeholder engagement, SMC aims to lead by example and inspire broader change across the supply chain landscape. Together, we can foster resilience, equity, and sustainability across all levels of our operations.

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## DISCRIMINATION-FREE WORKPLACE

### SMC/ESG/POLICY-30

#### 1. Purpose


SMC is dedicated to creating an inclusive, respectful, and diverse work environment that prohibits discrimination, harassment, and any form of abuse. This policy ensures equal treatment and fair opportunities for all employees, contractors, and stakeholders, aligning with international human rights principles and relevant national laws. We strive to uphold dignity and respect for every individual, fostering a culture where diversity is valued and everyone has equal access to career growth and employment opportunities. Our commitment extends across all organizational levels to promote fairness, equity, and a supportive workplace for all.

#### 2. Scope of Application

This policy applies to all individuals involved with SMC, including permanent, temporary, part-time employees, contractors, interns, suppliers, and subcontractors. It covers all Integrated Facility Management services such as Digitization, Automation, Mechanization, Housekeeping, Technical, and Manpower services. The policy is enforced across all SMC operational sites within India, ensuring consistent adherence regardless of location or role. Every person engaged with SMC's operations is expected to uphold the principles of inclusion, respect, and non-discrimination, fostering a safe and equitable workplace environment throughout the organization's geographical footprint.

#### 3. Governance

The ESG and Human Resources departments collaboratively oversee the implementation, monitoring, and ongoing enhancement of this policy. They ensure that all practices align with SMC's values and regulatory requirements. The Board of Directors provides strategic oversight and allocates necessary resources to support these efforts. Additionally, a dedicated Non-Discrimination Committee meets quarterly to review policy compliance, investigate reported incidents, and recommend corrective actions, ensuring a fair, respectful, and inclusive workplace culture is maintained throughout the organization.

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## 4. Definitions

### ➤ Discrimination

Discrimination refers to any unfavorable or unjust treatment of an individual or group based on characteristics such as race, gender, ethnicity, religion, disability, age, sexual orientation, or other protected attributes under law. It manifests as unequal opportunities, exclusion, or bias in recruitment, promotion, pay, or workplace interactions. SMC is committed to preventing discrimination by promoting fairness, inclusivity, and respect in all employment practices and interactions. Ensuring equal treatment supports a healthy, diverse workforce and aligns with international human rights and anti-discrimination standards.

### ➤ Harassment


Harassment includes any unwelcome behavior or conduct that demeans, humiliates, or creates an intimidating, hostile, or offensive work environment. This can involve verbal, physical, or visual actions based on personal characteristics or identities, such as sexual harassment, bullying, or other forms of mistreatment. Harassment undermines dignity and psychological safety at work. SMC condemns harassment in all forms and fosters a culture where employees feel safe to work without fear of harassment, with clear policies and reporting channels to address complaints swiftly and confidentially.

### ➤ Abuse

Abuse encompasses physical, psychological, or verbal mistreatment that negatively impacts an individual's well-being, safety, or dignity. It may include acts such as assault, intimidation, coercion, or verbal insults that cause harm or distress. Abuse can occur between employees, supervisors, or external parties connected to SMC operations. The company strictly prohibits abuse of any kind and promotes a supportive workplace environment. Procedures are in place to identify, report, and address abuse incidents promptly, protecting victims and ensuring appropriate disciplinary or remedial actions are taken to prevent recurrence.

### ➤ Diversity

Diversity refers to the intentional inclusion and valuing of different types of people within the workplace, encompassing variations in race, ethnicity, culture, gender, age, abilities, sexual orientation, and other dimensions of identity. SMC believes that a diverse workforce enriches creativity, innovation, and decision-making by bringing varied perspectives and experiences. The company actively promotes diversity through recruitment, retention, and inclusive practices that respect and celebrate individual differences. Embracing diversity supports a more equitable and dynamic work environment aligned with global human rights principles and business excellence.

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### ➤ Whistleblowing

Whistleblowing is a confidential reporting mechanism enabling employees and stakeholders to raise concerns about unethical behavior, misconduct, or violations of company policies without fear of retaliation. SMC provides secure channels for anonymous or named reporting of issues such as discrimination, harassment, corruption, or safety risks. Whistleblower protections ensure that those who come forward are safeguarded against adverse actions, fostering transparency and accountability. The company investigates all reports thoroughly and fairly, maintaining confidentiality throughout the process and taking corrective measures as necessary to uphold organizational integrity.

## 5. Roles and Responsibilities

### ➤ Management


Management at SMC is responsible for leading by example in upholding the non-discrimination policy. They enforce compliance by ensuring that all employees understand and follow the policy. Managers are tasked with creating an inclusive work environment, addressing any issues promptly, and taking corrective or disciplinary actions when violations occur. They also ensure that staff receive appropriate training on diversity, equity, and anti-discrimination practices. By actively promoting respectful behavior and accountability, management plays a crucial role in embedding the policy into everyday workplace culture and maintaining a safe, equitable environment.

### ➤ HR Department

The HR Department at SMC is responsible for developing and delivering awareness and training programs related to non-discrimination, harassment, and abuse prevention. They manage grievance processes by receiving complaints, conducting thorough and impartial investigations, and ensuring confidentiality. HR maintains detailed records of all incidents and their resolutions to track trends and improve policy implementation. Additionally, HR supports managers and employees by providing guidance and resources related to workplace conduct. Their role is vital in fostering understanding, compliance, and trust, while ensuring that the organization meets legal and ethical obligations.

### ➤ Employees

Employees at SMC are expected to comply fully with the non-discrimination policy and uphold the values of inclusion and respect. They must actively participate in awareness and training sessions to understand their rights and responsibilities. Employees are encouraged to promptly report any violations or concerns through designated channels, contributing to a safe and respectful workplace.

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By practicing respectful communication and behavior, employees help maintain a positive work environment. Their engagement is key to preventing discrimination, harassment, and abuse, ensuring that everyone enjoys equal treatment and fair opportunities within the company.

### ➤ Non-Discrimination Committee

The Non-Discrimination Committee at SMC plays a critical oversight role in monitoring the implementation and effectiveness of the policy. It conducts regular audits and reviews of reported incidents, investigations, and corrective actions to ensure compliance and continuous improvement. The committee evaluates trends and feedback to recommend policy updates or enhancements. It also supports the organization in addressing systemic issues related to discrimination or harassment. By maintaining transparency and accountability, the committee helps uphold SMC's commitment to a discrimination-free workplace where all individuals are treated with dignity and respect.


## 6. Discrimination-Free Workplace

### 6.1 Harassment Reporting System

SMC maintains a robust grievance mechanism to report discrimination or harassment safely and confidentially. Employees can raise concerns through multiple accessible channels, including a dedicated email, anonymous hotline, or direct contact with HR or the Non-Discrimination Committee. All complaints are addressed promptly, and the process ensures impartiality, transparency, and protection against retaliation. Regular training ensures all employees are aware of their rights and the available reporting systems. This mechanism demonstrates SMC's commitment to accountability, justice, and the creation of a workplace where everyone feels respected, secure, and heard.

### 6.2 Safe Workplace Standards

SMC adopts a zero-tolerance policy toward all forms of harassment and abuse, whether physical, psychological, or verbal. Such behavior undermines personal dignity and violates the company's core principles of respect and ethical conduct. We ensure robust prevention and response mechanisms are in place, including awareness training, confidential reporting systems, and timely redressal procedures. Affected individuals are provided support, and any reported incident is investigated fairly and discreetly. Disciplinary action is taken against offenders as per company policy and local law, underscoring SMC's commitment to maintaining a safe, respectful, and harassment-free workplace environment.

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### 6.3 Inclusive Career Advancement

SMC is committed to fair and transparent processes for professional development and promotion. All decisions are guided by clear performance indicators, measurable achievements, and the potential of each employee. Training is provided to managers and HR personnel on equitable assessment and career progression criteria. Regular audits are conducted to evaluate promotion patterns and identify potential disparities. Employees are encouraged to pursue development opportunities, and equal access is provided regardless of gender, background, or other personal attributes. These practices ensure that merit is the sole factor influencing career growth and advancement at SMC.


### 6.4 Equal Compensation Strategy

SMC actively promotes wage equality by conducting annual pay equity audits to identify and rectify disparities across gender, job roles, and other demographics. Compensation frameworks are standardized, ensuring that salaries and incentives reflect qualifications, responsibilities, and performance. Transparent salary bands and periodic benchmarking help maintain fairness across departments. HR reviews promotion and appraisal records to detect and correct any biases in compensation decisions. These measures are complemented by leadership accountability and policy oversight to ensure fair and equal pay for equal work across all levels of the organization.

### 6.5 Inclusive Culture Building

To promote a culture of inclusion and prevent discriminatory behavior, SMC invests in regular training programs focused on non-discrimination, unconscious bias, diversity, and inclusive practices. These programs target all employees, including senior management and frontline staff, to ensure understanding and adherence to company values. Workshops, e-learning modules, and role-based training sessions are conducted to build awareness and empathy. The goal is to equip individuals with the knowledge and skills to identify, prevent, and address discriminatory practices, thereby fostering an environment where all voices are heard and respected.

SMC provides structured and recurring training programs on diversity, equity, and inclusion (DEI) to promote a respectful and collaborative workplace. These sessions help employees understand different identities, combat unconscious bias, and foster a culture of mutual respect. DEI training includes interactive workshops, e-learning modules, and scenario-based learning tailored to all levels of staff. Managers are given additional coaching to lead inclusively. This education empowers employees to actively contribute to a positive workplace culture and enhances understanding and appreciation for diverse perspectives, ultimately leading to improved teamwork, innovation, and employee well-being.

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## 6.6 Bias-Free Environment

SMC is committed to fostering an inclusive workplace where individuals are treated with fairness, dignity, and respect, irrespective of their gender, race, ethnicity, religion, sexual orientation, age, disability, or any other protected characteristic. Discrimination in any form—whether in hiring, compensation, promotion, access to training, or workplace interactions—is strictly prohibited. All employment decisions at SMC are based on merit, qualifications, and performance. We promote equal opportunity and actively work to eliminate systemic bias, ensuring our policies and practices reflect our values of diversity, equity, and inclusion across all levels of the organization.

## 6.7 Advancing Women Forward

SMC is dedicated to advancing women in the workplace by offering dedicated mentorship and sponsorship initiatives. High-potential women are identified and paired with mentors or senior leaders who support their career aspirations and development. We provide targeted leadership training, access to networking events, and visibility for women in decision-making roles. These programs aim to remove gender-based barriers, build confidence, and accelerate professional growth. By fostering gender parity and supporting career progression, SMC reinforces its commitment to equity and the empowerment of women at all levels of the organization.


## 6.8 Weak Complaint Systems

SMC is dedicated to upholding justice and transparency through effective grievance redressal and whistleblowing systems. We provide multiple secure and confidential channels—such as dedicated emails, anonymous hotlines, and access to HR and the Non-Discrimination Committee—for reporting incidents related to discrimination or harassment. These mechanisms are designed to be accessible and non-intimidating, encouraging individuals to come forward without fear of retaliation. Every complaint is handled promptly and impartially, with a clear focus on protecting the identity and dignity of the complainant. Appropriate corrective actions are taken to address validated concerns and prevent recurrence.

## 6.9 Empower Ability Campaign

SMC is committed to ensuring accessibility, equity, and inclusion for persons with disabilities. We implement workplace accommodations, such as assistive technologies, modified workstations, flexible schedules, and accessible facilities. Employees and managers receive disability inclusion training to build awareness and promote respectful interaction. SMC's recruitment policies encourage applications from individuals with disabilities, and hiring practices ensure non-discrimination. Feedback from employees is used to continuously improve accessibility and remove barriers.



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## 6.10 Representation Inequality Issues

SMC is committed to promoting the inclusion and participation of persons with disabilities and other underrepresented or vulnerable groups within its workforce. We ensure equal access to employment opportunities through inclusive hiring practices, reasonable accommodations, and accessible infrastructure. SMC also raises awareness on disability inclusion among employees and offers training to managers on equitable workplace practices. By creating a supportive environment and breaking down systemic barriers, we aim to empower all individuals—regardless of ability or background—to contribute meaningfully and thrive within the organization.

## 6.12 Equity Resource Communities


SMC recognizes the importance of support networks in promoting inclusion. We encourage and support affinity groups for underrepresented or marginalized employees, including women, LGBTQ+ individuals, working parents, and culturally diverse groups. These groups provide safe spaces for networking, peer support, discussion, and advocacy. SMC allocates resources, leadership sponsorship, and platforms for these groups to engage in policy dialogue and raise visibility. By facilitating these networks, we create a more inclusive culture that values all backgrounds and encourages open conversation, belonging, and professional growth among all employees.

## 6.13 Fair Hiring Standards

SMC ensures all recruitment practices are fair, inclusive, and free from discrimination. Job postings, descriptions, and advertisements use inclusive language and reflect equal opportunity principles. All applicants are assessed solely based on qualifications, experience, and competencies. Interview panels are trained on unconscious bias and structured interviewing techniques to ensure merit-based selections. Personal characteristics such as gender, race, religion, disability, age, or any other protected status are never a basis for hiring decisions. By implementing these practices, SMC upholds its commitment to equitable access and a diverse workforce from the very first stage of employment.

## 6.14 Safe Workplace Policy

SMC prioritizes prevention of workplace harassment through a comprehensive framework that goes beyond responding to complaints. We implement mandatory anti-harassment training, maintain a functioning Internal Complaints Committee (ICC), and perform regular workplace climate assessments. Awareness campaigns, feedback forums, and open-door policies encourage proactive dialogue and early conflict resolution. Employees are educated on acceptable conduct and respectful communication. Through consistent monitoring, policy updates, and leadership involvement, SMC creates a safe, respectful, and inclusive work environment where everyone is protected against intimidation, bullying, and inappropriate behavior.

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## 6.15 Respect Recovery Protocol

SMC's remediation procedure prioritizes the well-being and dignity of individuals affected by discrimination or harassment. Every reported incident is investigated thoroughly and confidentially, and corrective actions are implemented without delay. Victims are provided with emotional support, counseling, and any necessary workplace accommodations. The company ensures continuous communication with the affected party throughout the process. Feedback is collected post-remediation to assess satisfaction and effectiveness. Where necessary, preventive measures are reinforced to avoid recurrence. This approach ensures trust, transparency, and a commitment to restoring a safe and equitable work environment.

## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure	Target Value for 2025–2026
1	Harassment Reporting System	Strengthen safe, confidential systems for reporting harassment	% of employees aware of reporting tool	▲ 95%
2	Safe Workplace Standards	Ensure all sites meet defined safety and inclusion standards	% of compliant locations	▲ 100%
3	Inclusive Career Advancement	Promote equal access to development and promotion opportunities	% of employees with career paths	▲ 85%
4	Equal Compensation Strategy	Eliminate pay disparity across gender and roles	% of pay equity achieved	▲ 100%
5	Inclusive Culture Building	Foster inclusive values across teams and hierarchy	No. of inclusion workshops/year	▲ 5 %
6	Bias-Free Environment	Minimize bias in decision-making and interactions	% reduction in bias complaints	▼ 0%
7	Advancing Women Forward	Increase women in mid and senior management roles	% women in leadership	▲ 40%
8	Weak Complaint Systems	Eliminate ineffective grievance mechanisms	% of complaints resolved timely	▲ 100%



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9	Empower Ability Campaign	Promote inclusion and opportunities for persons with disabilities	% of PwD in workforce	▲ 5%
10	Representation Inequality Issues	Address underrepresentation of minority groups	% increase in diverse hires	▲ 30%
11	Equity Resource Communities	Establish employee resource groups to support equity goals	No. of active groups	▲ 4 %
12	Fair Hiring Standards	Implement inclusive and unbiased recruitment practices	% of hiring panels trained	▲ 100%
13	Safe Workplace Policy	Institutionalize mandatory safe workplace guidelines	% policy rollout completion	▲ 100%
14	Respect Recovery Protocol	Create post-incident recovery and reintegration programs	No. of recovery protocols implemented	▲ 5 %

## 8. References to Applicable Standards, Laws, and Acts

- Universal Declaration of Human Rights (UDHR)
- International Labor Organization's Fundamental Conventions (ILO)
- OHSAS 18001 (Occupational Health and Safety Assessment Series)
- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- Global Reporting Initiative (GRI) Standards
- ISO 26000 Social Responsibility Standard
- The Rights of Persons with Disabilities Act, 2016 (India)
- The Equal Remuneration Act, 1976 (India)
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India)

## 9. Distribution and Annual Review

This Non-Discrimination Policy will be shared with all employees, suppliers, and contractors through onboarding processes, internal portals, and official company communications. Ensuring widespread accessibility supports awareness and compliance across all levels of the organization. The ESG

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Committee will review the policy annually to incorporate updates from evolving legal frameworks, stakeholder feedback, and industry best practices. This regular review guarantees that the policy remains relevant, effective, and aligned with SMC's commitment to fostering an inclusive, respectful, and equitable workplace environment.

## 10. Disciplinary Action for Policy Violators


Any violation of the Non-Discrimination Policy, including acts of discrimination, harassment, or abuse, will be taken seriously and addressed promptly. Disciplinary actions may range from warnings and mandatory training to suspension or termination of employment or contractual agreements, consistent with local labor laws and company guidelines. This strict enforcement underscores SMC's zero-tolerance stance on discriminatory behavior. Protecting the rights and dignity of all employees and stakeholders is paramount, and consequences for policy breaches are clearly communicated to reinforce accountability throughout the organization.

## 11. Reporting Mechanism

SMC provides multiple confidential channels for employees and stakeholders to report discrimination or harassment concerns safely and anonymously. Reports can be made via a dedicated email address ([nondiscrimination@smcindia.com](mailto:nondiscrimination@smcindia.com)), a confidential anonymous hotline, or directly contacting HR or members of the Non-Discrimination Committee. All submissions will be taken seriously and investigated promptly with utmost confidentiality to protect the identity and rights of complainants. Retaliation against those reporting in good faith is strictly prohibited, ensuring a secure environment that encourages transparency and timely resolution of issues.

## 12. Conclusion

committed to creating a workplace where diversity is embraced, discrimination is eliminated, and every individual feels respected, safe, and valued. This Non-Discrimination Policy reflects our broader ESG goals to uphold human dignity, promote social equity, and achieve operational excellence. By embedding these principles into daily operations and company culture, SMC strives to foster an inclusive environment that supports equal opportunity, personal growth, and collaboration. Our dedication ensures that all employees and stakeholders thrive in a fair and supportive workplace.

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## DIVERSE VENDOR PROGRAM POLICY

### SMC/ESG/POLICY-31

#### 1. Purpose


SMC India is dedicated to building a diverse and inclusive supply chain that mirrors the communities we serve. Our Supplier Diversity Policy promotes equal opportunities for underrepresented suppliers, including minority-owned, women-owned, disabled-owned, veteran-owned, and local small businesses. By actively encouraging their participation, we foster innovation, competitiveness, and social equity throughout our procurement processes. This policy aligns with our broader ESG commitments, ensuring sustainable and ethical sourcing practices. Through these efforts, SMC India aims to strengthen supplier relationships, drive economic inclusion, and contribute positively to community development and long-term business resilience.

#### 2. Scope of Application

This Supplier Diversity Policy applies to all SMC India employees, procurement officers, vendors, subcontractors, and third-party partners involved in sourcing activities. It governs the procurement of goods and services across all business areas, including facility management, automation, and mechanization services. The policy's scope covers every operational site, regional office, and project location throughout India, ensuring consistent application nationwide. By encompassing all stakeholders and regions, SMC India commits to embedding diversity and inclusion at every level of the supply chain, fostering equitable opportunities and reinforcing its dedication to sustainable and socially responsible procurement practices across the country.

#### 3. Governance

The Supplier Diversity Policy is overseen by the ESG & Compliance Committee, ensuring alignment with SMC India's sustainability goals. Direct responsibility lies with the Head of Procurement and the ESG Officer, who lead the policy's implementation, monitor supplier diversity performance, and ensure compliance across all procurement activities. They regularly report progress, challenges, and outcomes to executive management and the Board's ESG Committee, facilitating strategic oversight and continuous improvement in fostering a diverse and inclusive supply chain throughout the organization.

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## 4. Definition of Terms

### ➤ Supplier Diversity


Supplier diversity refers to the intentional inclusion of businesses owned by minorities, women, veterans, disabled persons, and other underrepresented groups in procurement and sourcing activities. By actively engaging diverse suppliers, organizations foster equitable economic opportunities, support community development, and enhance innovation through varied perspectives. Supplier diversity programs aim to create a more inclusive supply chain that reflects societal demographics and promotes fair competition. This practice not only drives social value but can also improve business resilience and responsiveness by broadening the supplier base and strengthening relationships with diverse communities.

### ➤ Underrepresented Groups

Underrepresented groups are communities or populations that have historically faced systemic barriers, discrimination, or marginalization in economic, social, or political spheres. These groups often include minorities based on race, ethnicity, gender, disability, veteran status, or socioeconomic background. Due to historical inequities, underrepresented groups may have limited access to business opportunities, capital, or networks, resulting in lower participation in markets or industries. Recognizing and supporting these groups through targeted policies, such as supplier diversity programs, helps to address disparities, promote social equity, and foster inclusive economic growth that benefits broader society.

### ➤ Sustainable Procurement

Sustainable procurement is the practice of acquiring goods and services while considering their environmental, social, and economic impacts throughout the supply chain lifecycle. It aims to minimize negative effects such as resource depletion, pollution, and unfair labor practices, while promoting positive outcomes like fair wages, ethical sourcing, and reduced carbon footprints. Sustainable procurement supports organizational ESG goals by integrating criteria that ensure suppliers adhere to responsible practices, fostering long-term value creation, resilience, and social responsibility. This approach encourages transparency, innovation, and stakeholder trust while contributing to global sustainability agendas.

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## 5. Roles and Responsibilities

### ➤ Procurement Team

The Procurement Team plays a vital role in promoting supplier diversity by actively identifying, evaluating, and engaging diverse suppliers during sourcing and purchasing processes. They ensure that procurement decisions are made transparently and fairly, providing equal opportunities for businesses owned by minorities, women, veterans, disabled persons, and other underrepresented groups. The team collaborates closely with internal stakeholders to integrate diversity criteria into supplier selection and contract negotiations. By fostering an inclusive supplier base, the Procurement Team supports SMC's broader ESG commitments and contributes to building a resilient, innovative, and socially responsible supply chain.


### ➤ ESG Officer

The ESG Officer is responsible for monitoring, measuring, and reporting on supplier diversity key performance indicators (KPIs) to ensure compliance with SMC's diversity and inclusion goals. This role involves aligning procurement practices with broader environmental, social, and governance (ESG) objectives, tracking progress toward enhancing supplier representation from underrepresented groups, and identifying opportunities for improvement. The ESG Officer collaborates with the Procurement Team and senior management to embed supplier diversity into strategic plans and operational activities. Their oversight helps ensure transparency, accountability, and continuous advancement of SMC's sustainable and inclusive procurement commitments.

### ➤ Employees

All employees involved in vendor selection, supplier management, or procurement-related activities are required to adhere strictly to SMC's Supplier Diversity Policy. This includes following established procedures that prioritize fairness, equity, and transparency while actively considering diverse suppliers. Employees play a crucial role in fostering an inclusive procurement environment by supporting and promoting the engagement of businesses from underrepresented groups. They are encouraged to participate in training and awareness programs to understand the importance of supplier diversity and ensure their decisions align with SMC's ESG principles and commitments to social equity and sustainable business practices.



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## ➤ Suppliers

Suppliers engaged by SMC must comply with the company's ESG standards, including commitments to diversity, equity, and inclusion. This means demonstrating adherence to ethical business practices, nondiscrimination policies, and sustainable operations. Suppliers from minority-owned, women-owned, veteran-owned, disabled-owned, or other underrepresented groups are encouraged to participate in SMC's procurement processes. All suppliers are expected to support SMC's goal of creating a responsible, inclusive supply chain that advances social equity and environmental stewardship. Compliance is monitored regularly, and suppliers who fail to meet these standards may face corrective actions or disqualification from future opportunities.

## 6. Reference to Applicable Standards, Laws, and Acts

- United Nations Global Compact (10 Principles)
- OECD Guidelines for Multinational Enterprises
- ISO 26000 Social Responsibility Guidance
- Global Reporting Initiative (GRI) Standards
- Indian Companies Act, 2013 (CSR provisions)
- Local labor laws and anti-discrimination regulations


## 6. Diverse Vendor Program Policy

### 6.1 Supporting Diverse Businesses

SMC promotes active inclusion of businesses owned by minorities and vulnerable groups, such as minority-owned (MBE), disability-owned (DBE), veteran-owned (VBE), disabled veteran-owned (DVBE), LGBTQ+-owned (LGBTBE), and other underrepresented suppliers. We set clear operational procedures to identify and engage these suppliers, ensuring equitable participation through transparent procurement practices. Mentoring and capacity-building programs support their growth and integration. These efforts foster social inclusion and provide equitable economic opportunities, reinforcing SMC's commitment to building a diverse, fair, and sustainable supply chain that benefits both the business and the communities we serve.

### 6.2 Unfair Supplier Treatment

SMC strictly enforces transparent, merit-based, and non-discriminatory procurement practices to ensure fairness and equity across all supplier engagements. Supplier selection is based solely on objective criteria such as quality, price, capability, and sustainability performance, without bias related to ownership structure, size, ethnicity, gender, or other demographic factors.

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We implement clear procurement policies and training to prevent discrimination or favoritism. Any form of unfair treatment or bias toward suppliers is unacceptable and addressed promptly, maintaining integrity and trust in our procurement process.

### 6.3 Supply Chain Exploitation


SMC mandates that all suppliers respect and uphold fundamental labor rights as outlined by the International Labour Organization (ILO) conventions. This includes zero tolerance for forced labor, child labor, discrimination, and harassment. Suppliers must provide safe and healthy working conditions and ensure fair wages and working hours. SMC integrates labor rights compliance into supplier assessments and audits, requiring corrective actions where gaps are found. By holding suppliers accountable, we ensure ethical labor practices throughout our supply chain, protecting worker dignity and promoting social responsibility.

### 6.4 Promoting Supplier Equity

SMC mandates that suppliers actively promote Diversity, Equity, and Inclusion (DEI) within their workforce and operations. This includes implementing diversity training, setting workforce representation goals, and adopting inclusive workplace policies. Supplier DEI performance is regularly monitored through audits, certifications, and required disclosures regarding workforce diversity metrics. Procurement decisions and supplier management incentives are linked to demonstrated DEI progress, encouraging continuous improvement. By driving these expectations, SMC ensures that its supply chain not only reflects diverse perspectives but also fosters equitable and inclusive environments, contributing to broader ESG and social responsibility goals.

### 6.5 Supply Chain Pollution

SMC requires all suppliers to comply with relevant environmental regulations and standards, actively encouraging them to adopt sustainable practices to reduce their ecological footprint. We expect suppliers to minimize waste, optimize resource usage, and prioritize eco-friendly materials and technologies in their operations. Through supplier engagement, audits, and sustainability assessments, we promote continuous improvement in environmental performance. This commitment aligns with SMC's ESG goals to foster responsible procurement that supports environmental stewardship and contributes to the global agenda on climate change and resource conservation.

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## 6.6 Supplier Diversity Shortfall

SMC is dedicated to proactively enhancing the participation of diverse suppliers in all procurement processes. We actively identify, engage, and support suppliers from underrepresented groups, including women-owned, minority-owned, and disability-owned businesses, to foster an equitable and inclusive supply chain. This approach not only promotes social inclusion but also drives innovation and resilience by bringing diverse perspectives and solutions. SMC commits to setting measurable targets to increase supplier diversity and to monitor progress regularly, ensuring that our supply chain reflects our values of fairness, equality, and sustainability.

## 6.7 Weak Supplier Collaboration

SMC is committed to actively supporting diverse and underrepresented suppliers through comprehensive capacity-building initiatives. We offer training, mentoring, and collaboration opportunities aimed at enhancing their operational capabilities, competitiveness, and ESG performance. By investing in supplier development, SMC helps build a resilient supply chain that can meet evolving market and sustainability demands. We encourage knowledge sharing and co-innovation to foster long-term partnerships. Capacity building ensures suppliers not only comply with our ESG requirements but also contribute positively to social and economic development.

## 6.8 Gender-Responsive Supply chain

SMC India is dedicated to fostering the participation of women-owned businesses (WBEs) in our supply chain. We prioritize identifying and engaging WBEs through targeted outreach and capacity-building programs designed to enhance their capabilities. Procurement teams receive specialized training to ensure fair and equitable evaluation of WBEs in sourcing processes. Additionally, preferential procurement practices are implemented to support their growth and sustainability. By empowering WBEs, SMC advances gender equity and economic inclusion, strengthening a diverse supplier ecosystem that reflects our commitment to social responsibility and inclusive economic development.

## 6.10 Transparency Lapses Detected

SMC emphasizes the importance of transparency and accountability in supplier ESG practices. We require suppliers to regularly report on key sustainability metrics, including diversity, labor conditions, environmental impact, and governance practices. These reports enable SMC to monitor compliance, assess risks, and support continuous improvement initiatives. We encourage suppliers to adopt international reporting frameworks and certifications to standardize disclosures. Transparent reporting fosters trust, facilitates informed decision-making, and strengthens partnerships grounded in shared ESG commitments.



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## 7. ESG Objectives

Sl. No.	Sustainability Issue	Objective	Measure (Units Only)	Target Value for 2025–2026
1	Supporting Diverse Businesses	Increase procurement from diverse and minority-owned suppliers	% of total spend on diverse suppliers	▲ 25%
2	Unfair Supplier Treatment	Ensure equal and fair treatment of all suppliers	% of resolved supplier grievances	▲ 100%
3	Supply Chain Exploitation	Detect and eliminate any signs of labor or human rights violations	% of supply chain screened for violations	▲ 90%
4	Promoting Supplier Equity	Establish equity-based evaluation in supplier selection	% of suppliers evaluated for equity practices	▲ 80%
5	Supply Chain Pollution	Reduce environmental footprint from supplier operations	% of suppliers with emission tracking	▲ 75%
6	Supplier Diversity Shortfall	Correct the supplier diversity	% of diverse suppliers onboarded	▲ 20%
7	Weak Supplier Collaboration	Strengthen partnerships and co-development with suppliers	No. of supplier collaboration programs	▲ 8%
8	Gender-Responsive Supply Chain	Integrate gender-sensitive practices in sourcing and supplier development	% of suppliers with gender policies	▲ 60%
9	Transparency Lapses Detected	Increase visibility and traceability across supply chain tiers	% of suppliers providing full disclosures	▲ 85%

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## 8. Distribution and Annual Review


The Supplier Diversity Policy is disseminated to all relevant departments, procurement teams, and suppliers during onboarding and is accessible on the company intranet for ongoing reference. This ensures transparency and awareness across the organization and supply chain. The ESG & Compliance Committee conducts an annual review of the policy to incorporate any updates due to regulatory changes, evolving business needs, or stakeholder feedback. This review process helps maintain the policy's relevance and effectiveness, ensuring that SMC India's supplier diversity commitments remain aligned with best practices and continue to drive inclusive procurement.

## 9. Disciplinary Action for Policy Violators

Violations of the Supplier Diversity Policy will not be tolerated and may result in disciplinary actions. These actions can include mandatory retraining on diversity and inclusion principles, suspension of procurement privileges, or termination of contracts with suppliers or employees who fail to uphold the policy's standards. SMC India is committed to enforcing these measures fairly and consistently to maintain integrity in procurement processes. Disciplinary measures are designed to deter non-compliance and promote a culture of respect, equity, and accountability throughout the supplier ecosystem and internal teams.

## 10. Reporting Mechanism

SMC India has established a confidential and accessible grievance and reporting system to allow employees, suppliers, and other stakeholders to report concerns related to supplier diversity violations, discrimination, or unethical procurement practices. The mechanism safeguards the anonymity and protection of whistleblowers, ensuring reports can be made without fear of retaliation. All submitted reports are investigated thoroughly and impartially by the ESG & Compliance Committee or designated officers. Prompt action is taken to resolve issues and improve practices, reinforcing transparency and trust in SMC's commitment to an inclusive and ethical supply chain.

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## 11. Conclusion

SMC India is committed to building a responsible and inclusive supply chain that promotes economic empowerment, social equity, and environmental stewardship. By embedding supplier diversity within procurement practices, we not only enhance competitiveness and innovation but also create positive impacts in the communities where we operate. This policy reflects our dedication to sustainable business growth aligned with ESG principles. Together with our employees, suppliers, and stakeholders, we strive to foster an environment of fairness, respect, and opportunity, making supplier diversity a key pillar of our organizational success and social responsibility.

## Acknowledgement of Receipt for Policy

I hereby acknowledge that I have received a copy of the Policy. I understand that it is my responsibility to thoroughly read the contents of the Policy and adhere to the policies, rules, and regulations outlined therein.

By signing below, I confirm my commitment to comply with the principles and guidelines stated in the Policy.

**Signature** : 

**Name** : Ajay Singh

**Date** : 4<sup>th</sup> July, 2024

