SMC INTEGRATED FACILITY MANAGEMENT SOLUTIONS LIMITED

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ESG - STANDARD OPERATING PROCEDURE

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SMC/ESG /SOP- 01

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to outline the framework for the Skills Development Program at SMC India. This program is designed to enhance employee competencies in line with organizational objectives, supporting both personal and professional growth. It aims to equip employees with the necessary skills to navigate the challenges brought on by digitization, automation, and mechanization within the Facility Management Industry.

2.0 SCOPE

This SOP applies to all employees of SMC India, spanning across departments such as housekeeping, technical services, and manpower services. It encompasses processes related to skills development, assessment, career planning, internal mobility, and training programs designed to enhance both individual and organizational performance.

3.0 RESPONSIBILITY

3.1 Human Resources (HR) Department: The HR team is responsible for the strategic design, implementation, and continuous monitoring of the Skills Development Program. They ensure the program is aligned with the company's overall objectives, fostering a culture of learning and growth within the organization.

3.2 Employees: Employees are key stakeholders in the Skills Development Program and are expected to actively participate in training and development initiatives. They are responsible for identifying areas for personal growth and working closely with their supervisors to develop tailored career plans that align with their aspirations and the organization's needs.

3.3 Supervisors/Managers: Supervisors and managers play an essential role in the success of the Skills Development Program by assessing employee performance, identifying skill gaps, and offering guidance and mentorship.

3.4 Training & Development Team: The Training and Development team plays a vital role in the creation and delivery of training programs within the Skills Development Program. They are responsible for designing programs that meet the needs of employees and align with the company’s objectives.

4.0 TAILORED SKILLS DEVELOPMENT

4.1 Identification of Skill Gaps: To ensure the continuous growth and development of employees, regular communication between employees and managers is encouraged for the identification of skill gaps and personal development areas. This is facilitated through performance appraisals, feedback sessions, and informal discussions. Managers play a key role in observing employee performance and pinpointing areas where additional training or development is needed. Feedback from employees about their challenges and career aspirations is also crucial in uncovering skill gaps. By fostering an open dialogue, this process ensures that both individual and organizational needs are addressed, allowing employees to improve their competencies and align their skills with evolving industry demands.

4.2 Tailored Training Modules: Once skill gaps are identified, HR collaborates with the Training & Development team to design and implement tailored training programs. These training modules are customized to address both technical and soft skills, ensuring that employees gain the necessary expertise for their roles. Given the focus of the company on digitization and automation, special emphasis is placed on equipping employees with the knowledge and skills needed to adapt to new technologies. The training may include courses on digital tools, process automation, and soft skills such as leadership and communication. This approach helps employees stay competitive in the evolving market while enhancing their overall job performance.

4.3 Customized Learning Paths: To align employees' growth with their current and future roles within the company, customized learning paths are created. These paths are designed to cater to the specific needs of employees, based on their job functions and career goals. For example, employees in technical services may receive specialized training in advanced automation systems and troubleshooting, while housekeeping staff may be trained on new technologies that enhance cleaning efficiency and management. This individualized approach ensures that training is relevant and impactful, helping employees acquire the skills needed for both their current responsibilities and future opportunities within the company.

5.0 PERFORMANCE ASSESSMENTS

5.1 Performance Appraisals: SMC will conduct both semi-annual and annual performance appraisals to evaluate the skills, knowledge, and overall performance of each employee. These evaluations are based on clear, established criteria, including technical skills, communication abilities, problem-solving aptitude, and alignment with the company's values and objectives. The performance appraisals offer a structured opportunity to assess employee strengths, identify areas for improvement, and set specific goals for their development.

5.2 360-Degree Feedback: To provide a well-rounded perspective on employee performance, SMC will incorporate a 360-degree feedback process. In addition to supervisor evaluations, employees will receive input from colleagues, subordinates, and, where applicable, customers. This feedback process offers a comprehensive view of an employee's performance, providing insights from various sources within the organization. It helps identify strengths and areas of improvement from different perspectives, enabling employees to gain a broader understanding of their impact within the workplace. This holistic feedback ensures that employees receive constructive input, allowing them to make informed decisions for personal and professional growth.

5.3 Key Performance Indicators (KPIs): Each department will establish specific Key Performance Indicators (KPIs) those employees must meet, ensuring alignment with departmental and organizational goals. These KPIs will be clearly communicated to employees and discussed during the performance appraisals. By tracking these indicators, SMC can monitor the development and growth of employees, providing measurable benchmarks for performance. The KPIs will serve as a tool for setting expectations, guiding employees in their day-to-day tasks, and identifying areas for further development. This results in clearer career progression, more targeted skill enhancement, and continuous improvement in overall employee performance.

6.0 INDIVIDUAL CAREER PLANS

6.1 Career Development Discussions: Career development discussions are vital for fostering growth and aligning employee aspirations with organizational goals. Managers should initiate one-on-one meetings to understand the employee's career goals, challenges, and interests. These conversations provide an opportunity to explore various career tracks within the company, identifying potential growth areas. During these discussions, managers should actively listen, provide constructive feedback, and offer guidance on the necessary steps for career advancement. Understanding an employee’s long-term vision helps in personalizing the development process, ensuring both personal fulfilment and alignment with business needs. These meetings should also serve as a platform to discuss skills gaps, learning opportunities, and potential role transitions, encouraging employees to take ownership of their career paths.

6.2 Creation of Individual Development Plans (IDP): Following career development discussions, HR collaborates with employees to create Individual Development Plans (IDP), which act as a roadmap to career success. The IDP is tailored to the specific goals and aspirations of the employee, outlining the necessary steps to achieve those goals. It includes identifying key skills, competencies, and experiences the employee needs to develop. HR and the employee work together to identify appropriate training programs, mentoring opportunities, and on-the-job learning experiences to support growth. The IDP also sets realistic timelines and measurable outcomes, helping employees track their progress. It serves as a dynamic document that is regularly reviewed and updated, ensuring continuous alignment with changing career goals and organizational needs.

6.3 Tracking Progress: Tracking the progress of an Individual Development Plan (IDP) is essential to ensure consistent growth and improvement. Regular follow-up meetings between the employee and manager should be scheduled to assess the progress toward meeting the goals set in the IDP. These meetings provide an opportunity to discuss challenges faced, provide feedback, and adjust the development plan as needed. Tracking progress also involves recognizing milestones and celebrating achievements, which boosts employee morale. If there are roadblocks or changes in priorities, the plan should be revisited and adjusted accordingly to stay relevant. A strong tracking system ensures that employees remain on course, continuously developing the necessary skills and gaining the experience to meet their career goals effectively.

7.0 INTERNAL MOBILITY PROMOTION

7.1 Internal Job Postings: SMC India will establish an internal job board that will feature all available positions within the company, allowing employees to view and apply for new roles. This initiative promotes internal mobility, giving employees the chance to explore different job opportunities across various departments and locations. By doing so, the company not only enhances employee engagement but also fosters a culture of growth and development. Employees are encouraged to apply for positions they find interesting or that align with their career goals, ensuring a dynamic work environment where talent is nurtured and retained. This strategy helps employees develop diverse skill sets, while also enabling SMC India to retain valuable talent within the organization, reducing turnover and strengthening the workforce.

7.2 Cross-Departmental Training: SMC India will offer cross-departmental training programs designed to expose employees to roles outside of their current functions. This initiative will help employees expand their skill sets and increase their qualifications, making them more adaptable for internal job transitions. The training sessions will cover various aspects of the business, providing employees with a broader understanding of the company's operations. By participating in these programs, employees will gain hands-on experience and knowledge in areas they may not be familiar with, which can boost their confidence when applying for new roles.

7.3 Mentorship Programs: To support employees exploring new career paths within the company, SMC India will implement mentorship programs that pair employees with experienced mentors from the department they wish to join. This allows employees to gain valuable insights into the responsibilities, challenges, and skills required for a potential role transition. Mentors will guide their mentees through the learning process, offering advice, feedback, and hands-on support.

8.0 CAREER MANAGEMENT AND TRAINING

8.1 Career Development Workshops: SMC India will regularly organize career development workshops designed to equip employees with the essential tools and resources needed to manage their career trajectory effectively. These workshops will focus on key aspects such as setting career goals, identifying growth opportunities, and developing strategies for career advancement. By attending these workshops, employees will gain valuable insights into how to navigate their career paths and align their ambitions with the company's needs. The workshops will also emphasize the importance of continuous learning, adaptability, and self-awareness.

8.2 Training Programs: SMC India is committed to employee growth by offering a variety of training programs designed to enhance skills at all levels. These programs will cover leadership development, technical skill enhancement, and soft skills training, ensuring a well-rounded approach to personal and professional growth.

Leadership training will focus on fostering management skills, decision-making abilities, and team-building techniques, while technical programs will help employees stay up-to-date with industry trends and technological advancements.

8.3 Employee Self-Assessment Tools: SMC India will provide employees with self-assessment tools that allow them to evaluate their strengths, weaknesses, and career interests. These tools will offer employees the chance to reflect on their skills and professional preferences, giving them a deeper understanding of their current abilities and areas for growth. By identifying personal strengths and areas that need development, employees can make informed decisions about their career direction and choose appropriate training or development opportunities.

9.0 CONCLUSION

The Skills Development Program at SMC India is designed to empower employees with the skills, knowledge, and career growth opportunities required to thrive in the dynamic Facility Management industry. By tailoring the program to meet individual needs, offering regular assessments, promoting internal mobility, and fostering a culture of continuous learning, SMC India aims to build a highly skilled workforce capable of driving the company's mission forward.

SUPPLY CHAIN ADVANCEMENT PROGRAM PROCEDURE SMC/ESG /SOP- 02

1.0 PURPOSE

The purpose of this SOP is to establish a framework for promoting an inclusive supply chain within SMC's operations, ensuring that diversity, equity, and inclusion (DEI) principles are integrated into the selection, engagement, and development of suppliers and partners. This program aims to empower women-owned businesses, minority-owned businesses, and those owned by vulnerable groups, ensuring that our supply chain is reflective of the diverse communities we serve.

2.0 SCOPE

This SOP applies to all sourcing, procurement, and vendor management activities within SMC's facility management services, including housekeeping, technical, and manpower services. It encompasses all current and service providers, including those involved in digitization, automation, and mechanization.

3.0 RESPONSIBILITY

3.1 Senior Management: Senior Management is responsible for embedding inclusive supply chain principles into the company's strategic vision. They approve program budgets, oversee performance, and lead top-level engagement with strategic suppliers.

3.2 Procurement Department: The Procurement Department actively seeks and includes women-owned and minority-owned businesses in procurement activities. The team also tracks and reports supplier diversity metrics to Senior Management for on-going assessment and accountability.

3.3 Supplier Relationship Management Team: This team builds strong partnerships with diverse suppliers and supports their long-term development. It provides on-going capacity-building, conducts DEI training, and assists suppliers in overcoming inclusion-related challenges.

3.4 Compliance and Risk Management: The Compliance and Risk Management team ensures all suppliers uphold labor rights, anti-discrimination laws, and ethical standards. They identify and mitigate risks related to excluding vulnerable groups.

4.0 WOMEN-OWNED BUSINESSES

4.1 Supplier Identification and Engagement: SMC is committed to proactively identifying and engaging women-owned businesses across all relevant sectors. To ensure equitable representation in the supply chain, targeted outreach efforts will be conducted to locate and register qualified women-owned suppliers. These efforts include attending women-focused business expos, leveraging supplier databases, and connecting with women's entrepreneurship programs. SMC will simplify its procurement procedures and offer clear guidance to help women entrepreneurs navigate bidding and registration processes.

4.2 Supplier Evaluation: To foster an inclusive procurement environment, SMC ensures that all suppliers, including women-owned businesses, are evaluated using the same objective standards of quality, reliability, and cost-effectiveness. The evaluation process emphasizes fairness and transparency, allowing women entrepreneurs to compete equally without bias or undue disadvantage. Selection criteria and evaluation metrics will be communicated clearly to all potential vendors, eliminating ambiguity and building trust. Furthermore, procurement teams will receive training on inclusive evaluation practices, emphasizing the importance of diversity and unbiased decision-making. By applying consistent benchmarks to all suppliers, SMC reinforces its commitment to operational excellence while promoting equitable access.

4.3 Capacity Building: Recognizing that equitable access requires more than opportunity alone, SMC is committed to building the capacity of women-owned businesses to succeed in competitive markets. This includes offering tailored mentorship and business development programs that address common challenges faced by women entrepreneurs, such as limited access to finance, markets, and technology. Regular training workshops will be conducted on topics like financial management, procurement processes, compliance, and innovation. To further support growth, SMC will explore partnerships with financial institutions to facilitate access to credit and capital for women-led enterprises. Technical support, including help with certifications and quality improvement, will also be provided to enhance the ability of these businesses to meet SMC's operational standards.

5.0 MINORITY-OWNED BUSINESSES

5.1 Supplier Identification: SMC actively seeks to include businesses owned by minorities and vulnerable groups in its supply chain by implementing structured outreach and research initiatives. This involves collaborating with local and national minority business associations, non-governmental organizations, chambers of commerce, and advocacy groups to identify capable vendors from underrepresented communities. SMC will also conduct internal reviews of supplier databases and industry directories to locate and engage potential suppliers who meet this criterion. By leveraging these strategic outreach methods, SMC reinforces its commitment to inclusive economic growth, creating equitable opportunities for historically marginalized groups to participate in and benefit from its business operations while expanding its supplier diversity.

5.2 Inclusive Procurement Process: SMC's procurement system is designed to be inclusive and accessible to businesses owned by minorities and vulnerable populations. To foster meaningful participation, SMC continuously reviews and modifies procurement policies to remove unnecessary barriers to entry, such as excessive documentation or complex registration procedures. Where feasible and in compliance with applicable laws, the company may offer preferential treatment—such as weighted scoring criteria, mentorship incentives, or extended bid deadlines—to underrepresented suppliers. SMC also provides clear guidance and dedicated support throughout the tendering process to ensure that minority and vulnerable group-owned businesses have a fair opportunity to compete. These inclusive practices not only enhance supplier diversity but also improve the resilience and innovation capacity of SMC's overall supply chain.

5.3 Supplier Development: SMC recognizes that sustainable supplier diversity requires investment in the development and growth of minority and vulnerable group-owned businesses. To this end, SMC fosters long-term partnerships by offering targeted support that goes beyond transactional relationships. The company will provide development programs including business training, skills enhancement workshops, and access to procurement and market-readiness resources. Topics such as sustainable operations, compliance standards, and contract negotiation will be addressed to build supplier confidence and capability. Moreover, SMC will create platforms that connect these suppliers with new markets, including potential partnerships with other corporations or public procurement agencies. Through consistent engagement and mentoring, these suppliers can enhance their operational capacity and align with SMC's strategic and sustainability goals.

6.0 SUPPLIER WORKFORCE INCLUSION

6.1 Workforce Evaluation: SMC prioritizes partnerships with suppliers that demonstrate a strong commitment to diversity, equity, and inclusion (DEI) within their own organizations. As part of supplier selection and on-going assessment, SMC will evaluate the internal workforce practices of suppliers, with a particular focus on inclusive hiring processes, fair representation of women, individuals with disabilities, and people from underrepresented socioeconomic backgrounds. Suppliers are encouraged to adopt non-discriminatory recruitment policies and to foster a workplace culture that values and respects individual differences. Evaluations will also consider whether suppliers actively promote gender balance across all job levels, offer equal opportunities for professional development, and implement retention strategies that support marginalized groups.

6.2 Supplier Compliance: To reinforce inclusive supply chain practices, SMC integrates diversity-related questions and performance indicators into supplier audits and evaluations. These tools assess the extent to which suppliers have established DEI frameworks, track relevant workforce demographics, and implement strategies for inclusive growth. Compliance measures include the submission of diversity policies, employee composition reports, and measurable DEI targets. Suppliers are encouraged to adopt quantifiable diversity goals—such as percentage increases in underrepresented groups—and report on progress during regular performance reviews. SMC will offer feedback and development suggestions based on audit findings, helping suppliers enhance their internal diversity practices. Non-compliance may lead to capacity-building interventions, and in extreme cases, impact vendor status.

6.3 Supplier Education: Recognizing the varying levels of DEI maturity among suppliers, SMC provides on-going education and capacity-building initiatives to promote inclusive practices within the supply chain. These initiatives include training workshops, webinars, and access to resources focused on key DEI topics such as unconscious bias, inclusive leadership, equitable recruitment, and workplace accessibility. Educational content is tailored to meet suppliers where they are, ensuring relevance and practical application regardless of business size or industry. SMC also facilitates peer learning through knowledge-sharing platforms, where suppliers can exchange DEI strategies, challenges, and best practices. In addition, SMC offers one-on-one advisory support to suppliers seeking to develop or improve internal diversity policies and programs.

7.0 DIVERSE SUPPLY CHAIN

7.1 Non-Discriminatory Practices: SMC is firmly committed to ensuring that all procurement activities are conducted without discrimination on the basis of gender, race, ethnicity, religion, disability, or any other protected characteristic. This principle is embedded across the entire procurement lifecycle—from sourcing and evaluation to contracting and relationship management. Procurement teams are trained to recognize and eliminate unconscious bias, and all supplier interactions are guided by fairness, professionalism, and respect. SMC's procurement policies explicitly prohibit discriminatory language, requirements, or practices in tender documents and supplier evaluations.

7.2 Equitable Access to Opportunities: SMC ensures that all suppliers, regardless of size, background, or ownership profile, have equitable access to procurement opportunities. This is achieved through open, transparent, and competitive bidding processes that are clearly communicated and fairly executed. Tender notices, eligibility criteria, evaluation frameworks, and timelines are made publicly available and consistently applied. To further bridge opportunity gaps, SMC implements mentorship and support programs targeting underrepresented suppliers—including women-, minority-, and disability-owned businesses—who may face systemic barriers in accessing corporate supply chains.

8.0 CONCLUSION

The Inclusive Supply Chain Advancement Program is an essential component of SMC's strategy to build a more diverse, equitable, and inclusive supply chain. By working with women-owned businesses, minority-owned businesses, and suppliers committed to diversity, SMC not only enhances its procurement practices but also contributes to the broader societal goal of creating equal opportunities for all.

FIGHTING EXPLOITATION & TRAFFICKING PROCEDURE
SMC/ESG /SOP- 03

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a clear framework for identifying, preventing, and addressing issues of exploitation, including child labor, forced labor and human trafficking, within the operations of SMC in India.

2.0 SCOPE

This SOP applies to all employees, contractors, and partners involved in the digitization, automation, and mechanization of Integrated Facility Management services, including housekeeping, technical, and manpower services, within the operations of SMC in India.

3.0 RESPONSIBILITY

3.1 Senior Management Team: The senior management team holds overall accountability for ensuring that the company complies with this Standard Operating Procedure (SOP).

3.2 Human Resources (HR) Department: The HR department is tasked with implementing training programs that raise awareness of exploitation risks, including human trafficking and forced labor.

3.3 Employee Relations Team: This team monitors the overall working environment to ensure it is safe, fair, and free of exploitation. Providing a platform for employees to report potential issues of exploitation or mistreatment.

3.4 Compliance and Legal Team: The Compliance and Legal Team ensure that the organization strictly adheres to all legal obligations regarding human trafficking, forced labor, and child labor.

4.0 IMPACT ASSESSMENT

4.1 Risk Assessment: Conducting a comprehensive risk assessment is a critical step in identifying and mitigating potential exploitation risks within the organization’s supply chain, service providers, and contractors. The assessment should be focused on determining the likelihood of forced labor, human trafficking, and other forms of exploitation in different sectors of the workforce. It includes evaluating factors such as geographic location, industry type, labor practices, and historical data on violations. High-risk areas, like industries reliant on migrant labor or remote work environments, should receive extra attention.

4.2 Employee Interviews and Surveys: Engaging with employees through interviews and surveys is an effective means of identifying potential exploitation risks within the workforce. By offering a confidential platform, such as anonymous surveys or one-on-one interviews, employees can freely express concerns regarding their working conditions and any fear of exploitation. This approach builds trust, ensuring that employees feel safe and confident in raising issues without retaliation. These surveys or interviews should be carefully designed to include questions about work hours, wages, and treatment by supervisors and awareness of rights under labor laws.

4.3 Third-Party Audits: Independent third-party audits serve as an essential tool for evaluating labor conditions in high-risk areas such as migrant labor camps, remote work environments, or supplier factories. These audits are performed by external experts who provide an unbiased assessment of working conditions, ensuring compliance with labor laws and ethical standards. Third-party auditors are trained to spot signs of human trafficking, forced labor, and other forms of exploitation that may be overlooked internally. They also examine factors like health and safety standards, wages, working hours, and living conditions.

5.0 STAKEHOLDER CONSULTATION

5.1 Collaboration with NGOs: Partnering with local and international Non-Governmental Organizations (NGOs) that specialize in human rights issues, particularly human trafficking, can significantly strengthen a company's efforts to combat exploitation. These NGOs possess deep expertise in identifying signs of trafficking and forced labor, as well as vast networks and resources to address these issues effectively. By collaborating with such organizations, companies can enhance their internal processes and policies related to recruitment, employee welfare, and supply chain monitoring. NGOs can provide valuable training, resources, and insight into global trends in human trafficking and labor exploitation.

5.2 Stakeholder Engagement: Regular engagement with key stakeholders, including workers' unions, local advocacy groups, and governmental bodies, is essential to stay informed about the latest trends, risks, and developments related to anti-trafficking laws and regulations. These stakeholders play a critical role in providing valuable feedback on workplace conditions and potential areas for improvement. By maintaining open communication through regular meetings, companies can better understand the challenges employees face, as well as emerging concerns around human trafficking and labor exploitation.

6.0 EMPLOYEE TRAINING

6.1 Mandatory Training: Ensuring that all employees undergo initial training and annual refreshers on the company's anti-exploitation policies is a key step in fostering a culture of awareness and responsibility. The training should cover the organization's commitment to preventing forced labor, human trafficking, and other forms of exploitation. Employees need to be equipped with the knowledge to recognize the signs of trafficking or forced labor, such as indicators of poor working conditions, lack of freedom of movement, or coercion.

Regular refresher training ensures that all employees stay informed of the latest policies and legal requirements. Mandatory training promotes a shared understanding across all levels of the organization, enhancing vigilance and ensuring that the workforce is proactive in preventing exploitation.

6.2 Specialized Training for HR and Management: HR personnel, managers, and supervisors play a crucial role in identifying and addressing potential cases of human trafficking and forced labor. Therefore, they should undergo specialized training that goes beyond the basic awareness provided to all employees. This advanced training should focus on how to screen for red flags, such as unusual work patterns, inconsistent documentation, or signs of physical or psychological abuse. The training should also emphasize how to respond effectively if exploitation is suspected, including the correct procedures for escalating concerns, providing support to victims, and working with law enforcement and NGOs. Specialized training helps create a well-informed leadership team capable of responding swiftly and appropriately to any indications of exploitation.

6.3 Awareness Campaigns: Regular internal awareness campaigns are a powerful tool for reinforcing the company’s commitment to combatting exploitation. These campaigns can take various forms, such as workshops, seminars, posters, and newsletters, and should be designed to keep all employees informed about the risks of human trafficking, forced labor, and other forms of exploitation. Through these campaigns, the company can highlight its anti-exploitation policies, share real-world examples, and provide updates on the latest legal requirements. Awareness campaigns should also encourage employees to stay alert for signs of exploitation and reinforce the importance of using feedback mechanisms to report concerns. These initiatives help foster a proactive, vigilant workforce and create an on-going dialogue about the company’s ethical values.

7.0 MONITORING & CONTROLS

7.1 Audits and Reviews: Regular internal and external audits are essential for verifying that controls against child labor, forced labor, and human trafficking are functioning as intended. Internal audits should be conducted periodically to assess compliance with the company's anti-exploitation policies, while external audits by third parties can provide an unbiased perspective on the effectiveness of these controls. These audits focus on areas such as recruitment processes, worker documentation, and working conditions to identify potential risks of exploitation. The audit process also includes reviewing employee and reports of suspected violations to ensure that the company's systems are responsive and effective.

7.2 Performance Indicators: Establishing clear performance indicators is vital for measuring the effectiveness of anti-exploitation strategies, training programs, and grievance mechanisms. These indicators should be specific, measurable, achievable, relevant, and time-bound (SMART) to ensure that progress can be tracked. Examples of performance indicators could include the number of reported grievances related to exploitation, the percentage of employees trained on anti-trafficking policies, or the outcomes of internal and external audits. Performance indicators can also track the resolution times for reported concerns, ensuring that the company responds quickly and effectively to potential cases of exploitation. Regularly reviewing these indicators helps the organization assess whether current measures are working and where additional resources or improvements might be needed.

7.3 Continuous Improvement: Using audit results and performance data is crucial for driving continuous improvement within the organization's anti-exploitation efforts. After audits and reviews, the company should analyse the findings to identify areas where policies, procedures, or controls may be lacking or ineffective. Performance data, such as feedback from training programs or grievance mechanisms, can further highlight weaknesses or gaps that need attention. Continuous improvement involves adapting and enhancing internal policies, refining training content, and adjusting operational processes based on the insights gathered from these reviews. This approach helps the organization remain responsive to changing risks and regulatory requirements.

8.0 GRIEVANCE MECHANISM

8.1 Anonymous Reporting Channels: Creating multiple anonymous reporting channels is essential for empowering employees to report any instances of exploitation without fear of retaliation. These channels should include options like confidential hotlines, dedicated email addresses, and in-person meetings with trained staff members who are equipped to handle sensitive situations. Ensuring that these reporting methods are easy to access, secure, and confidential is critical in building trust with employees. By offering a variety of reporting options, companies can accommodate different communication preferences and ensure that no one feels excluded or unsafe in voicing their concerns.

8.2 Investigation and Resolution Process: A clear, transparent investigation and resolution process is vital for addressing complaints of exploitation and ensuring that all allegations are handled with the utmost seriousness and urgency. This process should include defined steps for reporting, investigating, and resolving issues, with a clear timeline for each phase. Upon receiving a report, a designated team should be responsible for investigating the complaint, ensuring that no details are overlooked and that confidentiality is maintained. It's essential that the investigation is unbiased, thorough, and fair, involving interviews with relevant parties and, if necessary, external experts. Once the investigation is complete, appropriate actions must be taken to resolve the issue, which could include disciplinary measures, training, or legal action, depending on the severity of the situation.

8.3 Support Services for Victims: Providing access to support services for victims of exploitation is a critical part of a company's response to human trafficking, forced labor, and other forms of exploitation. These services should include counselling, legal aid, and any other necessary assistance to help victims recover and rebuild their lives. Counselling services are vital to address the psychological and emotional trauma often associated with exploitation, helping victims regain their confidence and mental health. Legal aid is also crucial to ensure that victims have access to professional support in navigating legal challenges, including immigration status, compensation claims, and potential involvement in legal proceedings. Additionally, companies should consider partnering with NGOs or other organizations specializing in victim support to ensure comprehensive care.

9.0 REMEDIATION PROCEDURE

9.1 Immediate Assistance: Providing immediate assistance to victims of exploitation is critical to ensuring their safety and well-being. This support should include access to safe housing, healthcare, and legal aid. Safe housing ensures that victims are removed from environments where they may continue to be at risk, offering them a secure space where they can begin to recover. Healthcare services should address both physical and psychological needs, including treatment for any injuries or medical conditions resulting from exploitation. Access to legal support is essential to help victims understand their rights and navigate any legal challenges they may face, such as issues related to immigration or criminal investigations.

9.2 Return and Reintegration: Coordinating with NGOs, law enforcement, and other relevant entities is crucial for assisting victims in returning to their homes or reintegrating into society, if necessary. For victims who wish to return to their home countries or communities, the company should facilitate a safe and respectful process, ensuring they are supported throughout the journey. This may involve coordination with local or international NGOs that specialize in repatriation, providing financial assistance, transportation, and emotional support. For those who remain in the community, reintegration efforts should include access to job training, counselling, and social services that help them rebuild their lives and adapt to a safe, independent life. Law enforcement agencies may also play a role in ensuring that victims are protected during this process.

9.3 Compensation: Offering compensation to victims of exploitation is an essential step in ensuring that they are not further harmed or exploited. Compensation should be tailored to the individual’s circumstances and may include financial support for medical treatment, psychological care, lost wages, and other related costs. This financial support should be designed to address the immediate needs of the victim and help them regain financial independence. The compensation process should be handled with dignity, transparency, and respect, ensuring that victims are treated fairly and that their rights are upheld throughout the process. By offering compensation, the company not only helps victims recover from the financial and emotional impacts of exploitation but also demonstrates its commitment to restorative justice and ethical responsibility.

10.0 DOCUMENT RETENTION PREVENTION

10.1 Clear Guidelines: Implementing clear guidelines that prohibit managers or HR personnel from retaining employee identification documents is crucial to safeguarding workers' rights and ensuring ethical labor practices. These guidelines should explicitly outline that employees must retain possession of their personal identification documents, such as passports, identification cards, or work permits, at all times. Retaining these documents can lead to exploitation, coercion, or trafficking, as it restricts an individual's freedom to leave or change employment. Clear communication of these guidelines to all management and HR personnel is essential to ensure understanding and compliance. Furthermore, the guidelines should include protocols for employees to safely store their documents, if necessary, while maintaining their right to access them at any time.

10.2 Audits: Conducting regular audits is essential to ensuring compliance with the policy prohibiting the retention of employee identification documents. Audits should be carried out both internally and externally to assess adherence to the guidelines set forth by the company. The audit process should include random checks of employee records, interviews with workers to confirm their understanding of the policy, and reviews of HR practices to ensure that no employee's documents are being unlawfully held. Additionally, audits should include an evaluation of any potential instances where documents may have been withheld or improperly retained and corrective actions should be taken if violations are found. Regular audits not only help to maintain compliance but also foster transparency, accountability, and continuous improvement within the company.

10.3 Employee Awareness: Educating employees about their rights to keep their identification documents is a key component of protecting their autonomy and ensuring compliance with company policies. Awareness programs should be designed to inform employees about the importance of retaining their personal identification documents and their legal rights regarding their possession. This education can be delivered through on boarding sessions, periodic training, and clear written materials, such as employee handbooks or posters in common areas. Employees should be made aware of the potential risks of document retention, including exploitation, and the steps they can take to address any concerns.

11.0 SECURITY FORCE OVERSIGHT

11.1 Policy Enforcement: Enforcing a zero-tolerance policy towards excessive force or coercion is essential for maintaining a safe and respectful workplace. This policy ensures that all employees, contractors, and visitors are treated with dignity and respect, and it establishes clear boundaries regarding acceptable conduct, particularly within security operations. Any form of excessive force, intimidation, or coercion is not tolerated and will result in immediate corrective action, which may include disciplinary measures or termination. A clear communication of this policy to all levels of staff, including security personnel, ensures that everyone understands the consequences of violating these principles. It is important to reinforce this policy regularly through training, meetings, and performance evaluations.

11.2 Training of Security Personnel: Ensuring that all security personnel are properly trained in human rights and the appropriate use of force is critical to upholding ethical standards within the organization. Training should include a clear understanding of the company's zero-tolerance policy on excessive force or coercion, emphasizing the importance of protecting individuals' rights at all times. Security personnel should be educated on de-escalation techniques, conflict resolution strategies, and how to respond appropriately in high-pressure situations without resorting to physical force. It is also vital that security personnel are aware of how to handle sensitive situations, such as interacting with vulnerable individuals. On-going training and assessments should be conducted to ensure that security personnel are not only knowledgeable but also equipped with the skills necessary to maintain safety without infringing on individuals' rights.

11.3 Regular Audits: Conducting regular audits of security practices is essential to ensuring compliance with the policy against excessive force or coercion. Audits should be designed to evaluate the effectiveness of security protocols, including adherence to the zero-tolerance policy and the proper use of force guidelines. These audits should involve reviewing security incident reports, interviewing security personnel and staff members, and assessing security footage or other records to ensure that no incidents of excessive force or coercion have occurred. Auditors should also assess the adequacy of security training and whether personnel are consistently applying the principles of respect for human rights in their daily duties. Audits should be conducted at regular intervals, with the results shared transparently with management to ensure accountability.

12.0 EXPLOITATIVE CHILD WORK

12.1 Employee Consent: Employee consent is the cornerstone of ethical recruitment practices. It is crucial that every employee voluntarily agrees to their role, free from any form of coercion, manipulation, or threat. Recruitment processes must respect the autonomy of candidates and ensure that they understand the terms of employment. This consent should be given without pressure, ensuring that candidates make informed decisions. Furthermore, it is essential to create a culture where individuals feel safe and confident to express their preferences or concerns regarding job roles. In practice, this means that employers must avoid tactics like false promises or the use of forceful persuasion. When employees freely consent to their roles, it fosters trust and a positive working environment. Ensuring voluntary consent is also a fundamental part of compliance with labor laws and international standards, such as those set by the International Labour Organization (ILO).

12.2 Transparent Contracts: Transparent contracts are vital to building trust and ensuring that both employers and employees are clear about their obligations and expectations. A well-structured contract should outline all essential terms of employment, including job responsibilities, working hours, salary, benefits, and other conditions of work. This helps avoid misunderstandings or disputes that may arise during the employment relationship. Employees must fully understand the content of the contract before signing it, and employers should take steps to ensure the contract is clear, free of jargon, and easily comprehensible. This transparency not only protects the rights of employees but also ensures that the company remains compliant with legal standards.

12.3 Freedom to Leave: The freedom to leave an organization without fear of retribution is a fundamental right that every employee should have. No employee should feel trapped in their position due to threats, intimidation, or undue hardship. This principle ensures that workers are not bound to a job under duress, promoting their right to autonomy and freedom of choice. While some employees may be subject to legal contractual obligations, such as notice periods, they should not face negative consequences if they choose to resign in accordance with these terms. Companies should create a culture where employees feel empowered to make career decisions in their best interest. Freedom to leave also protects employees from abusive or exploitative work environments. By respecting this right, organizations foster an atmosphere of mutual respect and trust, ensuring that employees can pursue opportunities that align with their personal and professional goals without fear of retaliation.

12.4 Monitoring and Audits: Regular monitoring and audits are essential practices to ensure that no form of forced labor or unethical employment practices exists within an organization. These checks should be conducted both within the company and across subcontracted services or supply chains. Auditing systems help detect any discrepancies or illegal practices early, enabling businesses to take corrective actions before issues escalate. Monitoring efforts should focus on confirming compliance with labor laws, human rights standards, and the organization's ethical guidelines. Regular audits can include employee surveys, third-party inspections, and random checks to assess working conditions, payment practices, and overall employee well-being. Transparency in audits not only helps prevent forced labor but also strengthens the organization's credibility and reputation by demonstrating accountability. By instituting effective monitoring practices, a company can safeguard its workforce, ensure ethical operations, and maintain compliance with relevant legal and moral obligations.

13.0 CONCLUSION

This SOP represents SMC's unwavering commitment to preventing exploitation, including child labor, forced labor, and human trafficking. By adhering to these procedures, SMC aims to create a safe, fair, and respectful work environment for all its employees, contractors, and partners. This approach is integral to the company's ethical foundation and long-term success, contributing positively to the global fight against exploitation.

ANTI-CORRUPTION PROGRAM PROCEDURE
SMC/ESG /SOP- 04

1.0 PURPOSE

The purpose of this Anti-Corruption and Bribery Prevention Program is to establish and enforce clear policies and procedures to prevent corruption and bribery within the operations of SMC India. This SOP aims to provide guidance on how employees and stakeholders should act to uphold the highest ethical standards, comply with anti-corruption laws, and prevent any actions that could lead to corruption or bribery.

2.0 SCOPE

This SOP applies to all employees, contractors, vendors, clients, and third-party associates of SMC India, regardless of their location or position within the company. It governs all aspects of SMC India's operations, including dealings with governmental bodies, clients, suppliers, and other third parties, both within India and internationally.

3.0 RESPONSIBILITY

3.1 Management: Management is responsible for ensuring the communication of this SOP to all employees and stakeholders. They must provide necessary resources and support for training and the effective implementation of anti-corruption measures.

3.2 Employees: Employees must strictly adhere to the guidelines and procedures established in this SOP. They are required to complete training programs focused on anti-corruption and bribery.

3.3 Third-party Partners: Third-party partners must align with SMC India's anti-corruption and bribery policies. They are expected to engage in due diligence and conduct thorough risk assessments during business transactions.

3.4 Compliance Officer/Team: The Compliance Officer or team is tasked with overseeing the adherence to anti-corruption and bribery policies within the organization. They are responsible for conducting audits, risk assessments, and investigations.

4.0 EMPLOYEE TRAINING PROGRAM

4.1 Initial Training: All new employees, contractors, and relevant personnel will undergo anti-corruption and bribery prevention training during their on boarding process. This training will include an overview of the relevant local and international laws surrounding corruption and bribery.

Additionally, SMC's internal policies, including code of conduct and anti-corruption guidelines, will be introduced to ensure that every new hire is aware of the company's stance on ethical business practices. The goal is to create a strong foundation for understanding the importance of compliance and accountability from the outset, setting a tone for a corruption-free work environment.

4.2 On-going Training: Employees will participate in annual refresher training sessions to remain updated on any changes to relevant anti-corruption laws, internal policies, and industry best practices. These sessions will ensure that all employees, regardless of tenure or position, remain well-informed about the evolving landscape of anti-corruption regulations. As laws and corporate policies change, it is critical to keep employees aware of new developments and best practices in compliance. The training sessions will be designed to encourage continuous learning and vigilance.

4.3 Specialized Training: Employees in sensitive roles, such as those in procurement, finance, or compliance, will receive specialized training tailored to the specific risks associated with their job functions. These roles often involve direct interaction with third parties, handling of financial transactions, or decision-making in areas where bribery and corruption risks are heightened. Specialized training will focus on the particular challenges these employees may face, such as recognizing red flags of corrupt activities or maintaining rigorous due diligence procedures. The training will also cover industry-specific anti-corruption issues and practical strategies for mitigating risks in high-stakes environments.

4.4 Assessment and Evaluation: To ensure the effectiveness of the anti-corruption training program, employees will be periodically assessed through quizzes or other evaluations. These assessments are designed to gauge their understanding of the content covered in the training, such as recognizing corruption risks, understanding SMC's anti-corruption policies, and applying legal and ethical principles in their roles. By assessing employee comprehension, the company can identify areas where additional training or clarification may be needed.

5.0 THIRD-PARTY DUE DILIGENCE

5.1 Third-Party Screening: Before engaging with any third party—including suppliers, vendors, contractors, or agents—SMC will conduct comprehensive background checks as part of its due diligence process. These checks are intended to evaluate the third party's financial stability, reputation, legal history, and any prior involvement in corruption or bribery-related incidents. The screening process helps to ensure that SMC only partners with entities that align with its ethical standards and compliance requirements. By identifying red flags early, the company can mitigate legal, financial, and reputational risks.

5.2 Risk Assessment: SMC adopts a risk-based approach to assess and manage potential corruption risks associated with third-party relationships. Not all third parties pose the same level of risk, so the depth of evaluation will vary accordingly. For example, third parties with links to government entities or those operating in high-risk jurisdictions will undergo enhanced scrutiny.

Risk factors include geographic location, industry sector, regulatory environment, and the nature of services provided. Based on these factors, each third party is assigned a risk rating that determines the level of due diligence and on-going monitoring required.

5.3 Contractual Clauses: All agreements with third parties will include strict anti-corruption clauses to ensure compliance with legal and ethical standards. These clauses will obligate the third party to comply with applicable anti-bribery and corruption laws, uphold SMC's anti-corruption policies, and participate in audits or investigations if requested. The contracts will also require the third party to promptly report any suspected or actual violations of anti-corruption laws. These legal provisions are designed to establish a clear understanding of expectations and accountability, providing SMC with the contractual right to terminate the relationship in the event of non-compliance.

5.4 On-going Monitoring: Due diligence does not end once a contract is signed. SMC will implement continuous monitoring mechanisms to identify any changes in a third party's behaviour, reputation, or risk profile throughout the relationship. This includes conducting periodic audits, collecting employee feedback, and monitoring media or public records for any negative developments. Third parties may also be required to submit updated compliance certifications or participate in periodic training. High-risk third parties will be monitored more closely, with a proactive response to any indicators of unethical or non-compliant behaviour.

6.0 WHISTLEBLOWER REPORTING MECHANISM

6.1 Whistle-blower Hotline: SMC will establish a dedicated whistle-blower hotline and secure online reporting platform, available 24/7, to encourage individuals to report suspected incidents of corruption, bribery, or unethical behaviour. This system will be accessible to employees, contractors, and third parties and will support anonymous submissions to foster a safe reporting environment. The reporting tools will be easy to use and designed to ensure privacy and security. Awareness campaigns and training will be conducted to educate stakeholders on how to access and use the system. By providing a confidential and anonymous channel for reporting misconduct, SMC demonstrates its commitment to transparency, accountability, and ethical behaviour.

6.2 Protection of Whistle-blowers: SMC is firmly committed to protecting whistle-blowers from any form of retaliation, including termination, demotion, harassment, or discrimination. The company recognizes that individuals who come forward play a crucial role in safeguarding organizational integrity and must be supported throughout the process. Any employee found retaliating against a whistle-blower will face serious disciplinary consequences, up to and including dismissal. SMC will provide guidance and, where necessary, additional support to whistle-blowers to ensure they feel safe and heard. This policy will be clearly communicated across all levels of the organization to foster a culture of openness and trust. By offering robust protection, SMC encourages the reporting of unethical or illegal conduct, reinforcing its zero-tolerance approach to corruption and maintaining a work environment where integrity is valued.

6.3 Investigation Process: Upon receiving a report through the whistle-blower hotline or platform, SMC's Compliance Officer will initiate a formal investigation. The process will be conducted with impartiality, ensuring no conflict of interest, and will follow structured procedures to verify facts, gather evidence, and interview relevant parties. The investigation timeline will be prompt, yet thorough, and findings will be clearly documented in a confidential report. If misconduct or violations are confirmed, appropriate corrective actions will be taken, which may include disciplinary measures, policy updates, or enhanced controls. Whistle-blowers will be informed, where possible, about the outcome of the case. The investigation process aims to address concerns fairly and efficiently, holding wrongdoers accountable while protecting those who report issues in good faith.

6.4 Confidentiality: SMC is committed to maintaining the highest level of confidentiality in handling whistle-blower reports. All information received will be securely stored, and access will be restricted to authorized personnel involved in the investigation. The identity of the whistle-blower will be protected at every stage of the process unless legal obligations require disclosure. Even in such cases, SMC will take all reasonable measures to minimize exposure and ensure the individual's safety and well-being.

7.0 CORRUPTION RISK ASSESSMENT

7.1 Risk Identification: SMC will systematically assess key operational areas—such as procurement, contract management, government relations, and high-value financial transactions—for potential corruption risks. These areas are especially vulnerable to unethical practices and must be closely monitored to prevent misconduct. The risk identification process will involve analysing workflows, decision-making authority, and exposure to external parties. It will also consider industry-specific challenges and regional risk factors. Input from relevant departments will be gathered to ensure a comprehensive understanding of where vulnerabilities may exist. By proactively identifying these risks, SMC aims to minimize exposure to bribery and corruption. This approach ensures that the organization is not only compliant with legal requirements but also aligned with international best practices in risk management and corporate governance.

7.2 Evaluation of Controls: To ensure the effectiveness of its anti-corruption strategy, SMC will regularly evaluate existing internal controls. This process will involve a detailed review of current policies, procedures, reporting systems, and compliance frameworks related to corruption prevention. Internal audits, employee feedback, and performance metrics will be used to assess whether controls are functioning as intended and providing adequate safeguards. Particular attention will be paid to how well controls operate in high-risk areas such as procurement and financial approvals. The evaluation will identify gaps, inefficiencies, or outdate practices that may compromise the organization's integrity. By continuously monitoring and enhancing its internal controls, SMC reinforces its commitment to ethical operations and minimizes the likelihood of corruption-related incidents affecting business operations or reputation.

7.3 Review and Update: SMC recognizes that corruption risks evolve with changes in business operations, industry dynamics, and regulatory landscapes. As such, risk assessments will be reviewed and updated on a regular basis. Key triggers for reassessment include entering new markets, forming new partnerships, launching new services, or undergoing organizational changes. This on-going process ensures that the anti-corruption program remains current and effective. The review will also incorporate lessons learned from past incidents, audits, or investigations. Updates may lead to policy revisions, training enhancements, or the introduction of new control mechanisms. By keeping its risk management practices dynamic and responsive, SMC ensures that it remains vigilant and well-prepared to prevent and detect corruption across all aspects of its business.

8.0 CONTROL PROCEDURE AUDITS

8.1 Internal Audits: SMC's internal audit team will conduct annual audits focusing on high-risk areas such as financial transactions, procurement activities, and interactions with third parties. These audits aim to identify irregularities, red flags, or patterns that may suggest potential corruption or bribery. The audit process will involve a detailed examination of documentation, transaction histories, approval workflows, and compliance with internal controls. The internal auditors will also assess whether employees are adhering to anti-corruption policies and procedures. Any discrepancies or signs of misconduct will be thoroughly investigated. Regular audits play a vital role in proactively identifying vulnerabilities and strengthening the overall compliance framework. By embedding corruption detection into routine audits, SMC reinforces its commitment to transparency, accountability, and continuous improvement in ethical business practices.

8.2 External Audits: In situations where additional objectivity or expertise is required, SMC will engage external auditors to independently evaluate its anti-corruption program and related controls. These audits may be scheduled periodically or triggered by specific risks, regulatory requirements, or internal findings. External auditors bring an impartial perspective and may uncover issues that internal teams might overlook. Their evaluations will include reviewing policies, interviewing staff, testing compliance procedures, and benchmarking SMC's practices against industry standards. The findings will provide valuable insights into the effectiveness of existing safeguards and identify areas for improvement. Engaging external auditors demonstrates SMC's commitment to transparency and external accountability. It also reinforces confidence among stakeholders, including regulators and business partners, that the company takes anti-corruption efforts seriously.

8.3 Reporting Findings: All findings from internal and external audits will be formally reported to the Board of Directors, senior management, and the Compliance Officer. These reports will highlight areas of non-compliance, control weaknesses, and potential corruption risks. Where applicable, the reports will include detailed recommendations for corrective actions. Transparency in reporting ensures that leadership is fully informed and positioned to make strategic decisions to strengthen compliance. The audit findings may also influence future training initiatives, policy updates, and resource allocation. SMC's governance structure mandates timely communication of such findings to ensure swift and effective resolution. This reporting process reinforces accountability at all levels and ensures that any deviations from anti-corruption policies are taken seriously and addressed appropriately.

8.4 Follow-Up: After each audit, a structured follow-up process will be implemented to verify that recommended corrective actions have been carried out and that identified issues have been resolved. The responsible departments will be required to report on the progress of remediation efforts, and the internal audit team will track completion timelines. This follow-up process ensures that audit findings do not go unaddressed and that preventive measures are fully integrated into daily operations.

9.0 SENSITIVE TRANSACTION APPROVALS

9.1 Pre-Approval Requirement: SMC requires that all sensitive transactions—such as those involving significant financial commitments, government officials, or high-risk third parties—undergo formal review and approval by senior management before proceeding. This process ensures that such transactions are carefully scrutinized from both a financial and ethical standpoint. The pre-approval serves as a preventive measure against unauthorized or potentially corrupt activities. It ensures accountability at the highest levels and provides a clear chain of responsibility for decision-making. Managers reviewing these transactions will evaluate the nature, purpose, and justification for the deal to confirm its alignment with SMC's policies and values. This control step is vital for maintaining oversight and reducing exposure to legal, reputational, and operational risks associated with bribery or corruption.

9.2 Due Diligence: Before any sensitive transaction is approved, comprehensive due diligence must be conducted on the third party involved. This includes evaluating their business practices, ownership structure, legal and regulatory history, and past compliance with anti-corruption laws. Sources such as public records, watch lists, references, and prior business conduct will be reviewed. The due diligence process ensures that SMC does not engage with individuals or organizations that pose a corruption risk. Any red flags uncovered will be escalated for further investigation or may result in rejection of the transaction. This proactive step allows SMC to uphold its ethical standards and prevent liability stemming from third-party misconduct. It also supports informed decision-making by providing critical risk-related insights before approvals are granted.

9.3 Documentation and Reporting: The entire pre-approval and due diligence process will be thoroughly documented to ensure accountability and transparency. All reviews, decisions, supporting materials, and any concerns raised must be recorded and securely stored. This documentation provides an audit trail that can be used for internal reviews, external audits, or investigations, and demonstrates compliance with SMC's anti-corruption protocols. In cases where issues are flagged but the transaction is still approved, the rationale for the decision must be clearly justified in writing. These records help ensure that sensitive transactions are executed responsibly and that any deviations from standard procedures are well-documented. By maintaining detailed records, SMC reinforces its commitment to ethical business conduct and enhances its ability to detect and address future risks.

10.0 PREVENT CORRUPTION

10.1 Disciplinary Action: Employees found to have engaged in corruption, bribery, or related misconduct will face disciplinary action in accordance with SMC's internal policies and procedures. Disciplinary measures may range from formal warnings and suspension to immediate termination of employment, depending on the severity and nature of the violation. The company will conduct a fair and thorough investigation before any action is taken, ensuring due process for all individuals involved. By enforcing strict consequences, SMC demonstrates its commitment to upholding ethical standards and deterring future misconduct.

10.2 Legal Action: In cases involving serious breaches of anti-corruption laws or intentional fraudulent conduct, SMC will pursue legal action against the responsible individuals or entities. This applies to employees, contractors, and third parties who engage in bribery, kickbacks, or other corrupt practices that put the company at legal and reputational risk. Legal action may include filing criminal complaints, pursuing civil litigation, or reporting the matter to regulatory authorities. By taking such steps, SMC aims to hold offenders accountable and recover any financial or reputational damage incurred. This firm approach also serves as a strong deterrent to unethical behaviour and signals to all stakeholders that corruption will be met with the highest level of scrutiny and legal consequence. Legal proceedings will follow all applicable laws and due process.

10.3 Contract Termination: If a third party is found to be involved in corruption, bribery, or any other unethical behaviour, SMC will immediately terminate the contract with that party. Termination will be enforced regardless of the contractual stage or business impact, as integrity takes precedence over convenience or profit. In addition, SMC will not consider future engagements with the implicated party unless thorough due diligence confirms remediation and full compliance. This decisive action protects SMC from reputational harm and legal liability, and reinforces its commitment to conducting business only with ethical and transparent partners.

11. CONCLUSION

SMC is committed to maintaining the highest standards of integrity and transparency in all its operations. The implementation of this Anti-Corruption and Bribery Prevention Program will help ensure that the company operates with ethical values and complies with local and international anti-corruption laws. By adhering to the procedures outlined in this SOP, SMC aims to build a business environment free from corruption and bribery, fostering trust with clients, partners, and stakeholders.

RESOURCE OPTIMIZATION STRATEGY PROCEDURES

SMC/ESG /SOP- 05

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to outline the Resource Optimization Strategy at SMC India. The objective is to minimize resource consumption, enhance operational efficiency, and reduce environmental impact by optimizing the use of materials and energy. This SOP defines the procedures for managing waste, reusing resources, training employees, and implementing sustainable practices across the organization.

2.0 SCOPE

This SOP applies to all departments and facilities operated by SMC India. It covers various aspects of resource optimization, including but not limited to waste reduction, reuse of materials, eco-friendly practices, employee training, and optimization of internal resources.

3.0 RESPONSIBILITY

3.1 Management: Management plays a crucial role in overseeing the successful implementation of the Resource Optimization Strategy. This includes ensuring that resources, such as materials, energy, and time, are effectively allocated to achieve waste reduction goals.

3.2 Employees: Employees are at the heart of any successful resource optimization and waste reduction program. Their daily activities directly impact the effectiveness of the organization’s environmental efforts.

3.3 Environmental Compliance Officer: The Environmental Compliance Officer plays a vital role in ensuring that the organization's waste management and resource optimization practices are in line with environmental regulations and standards.

4.0 MATERIAL REUSE STRATEGIES

4.1 Material Audit: Conducting a material audit is essential for identifying waste-generating processes across various departments. The first step is to assess the materials used in each department, evaluating their consumption patterns and potential for waste. By reviewing inventory records, examining production lines, and interacting with teams, we can identify inefficiencies, overuse, or unnecessary disposal of materials. The audit should focus on all materials, such as raw supplies, packaging, and office resources, ensuring that all waste-producing areas are accounted for.

4.2 Resource Recovery Programs: Establishing resource recovery programs is a key strategy for reducing waste by repurposing unused or partially used materials within the company. These programs should focus on identifying materials like paper, plastic, metal, and packaging that can be recycled or reused in other operations. A thorough inventory of materials should be conducted to identify which items can be returned for reuse. Departments can be encouraged to return surplus materials, and systems should be set up for efficient collection and redistribution to areas where these resources can be beneficial.

4.3 Collaborations with External Agencies: Collaboration with external agencies plays a crucial role in effective material recovery and recycling. Many materials, such as certain plastics, electronic waste, or hazardous chemicals, may not be suitable for internal reuse. In such cases, partnering with third-party vendors who specialize in material recovery, recycling, and waste management is vital. These vendors can handle waste materials that require specific processing or that cannot be reused within the company.

4.4 Tracking and Reporting: Tracking and reporting are essential to ensure the success of material reuse and recovery efforts. By maintaining comprehensive records, companies can monitor how much material is being recovered, reused, or recycled, and identify any gaps in their strategies. This system should track all types of materials, from paper and plastics to metals and packaging, and record how they are disposed of or repurposed. Regular reporting allows for transparency within the organization and provides data-driven insights that support continuous improvement.

5.0 EMPLOYEE WASTE TRAINING

5.1 Training Programs: Training programs are essential for fostering a culture of sustainability within an organization. Regular workshops and seminars on waste reduction, eco-friendly practices, and the importance of waste sorting will equip employees with the knowledge they need to make informed decisions in their daily operations. These sessions should cover topics such as waste minimization techniques, energy-efficient practices, and the benefits of recycling.

5.2 Waste Sorting Guidelines: Clear and effective waste sorting guidelines are crucial in ensuring proper waste management within an organization. Providing employees with easy-to-follow instructions on how to segregate waste into recyclable, biodegradable, and non-recyclable categories helps reduce contamination in the recycling process. These guidelines should be presented in a straightforward, accessible format, such as posters, digital resources, and step-by-step guides.

5.3 Employee Engagement: Employee engagement is key to ensuring the success of waste management initiatives. Encouraging active participation by recognizing and rewarding employees who demonstrate excellent waste management practices can have a significant impact. Recognition can be done in various ways, such as through employee of the month programs, public acknowledgment at company meetings, or small incentives like gift cards or extra break time. These rewards should be tied to specific actions, such as consistently using recycling bins or reducing paper waste.

5.4 Continuous Education: Continuous education ensures that employees are always up-to-date on the latest best practices in waste reduction and environmental sustainability. As technology and methods evolve, training materials should be updated regularly to incorporate new waste reduction technologies, systems, and innovations. This on-going education process could involve refresher courses, online modules, and updated workshops, which include the latest trends in sustainability.

6.0 WASTE STREAM SORTING

6.1 Waste Segregation Bins: Setting up color-coded waste segregation bins throughout the facility is an effective way to ensure that employees can easily identify where to dispose of different types of waste. The bins should be clearly labelled to distinguish recyclable, non-recyclable, and biodegradable waste streams. This simple visual cue reduces confusion and encourages employees to correctly sort their waste. The placement of these bins should be strategic, ensuring they are accessible in all key areas, such as break rooms, offices, production areas, and near entrances or exits. Regular maintenance and emptying of the bins is essential to avoid overflow and contamination of waste streams.

6.2 Regular Waste Audits: Regular waste audits are critical for assessing the efficiency of the waste sorting system and identifying areas that need improvement. These audits should involve monitoring how effectively the waste is being separated into recyclable, non-recyclable, and biodegradable categories. By collecting data on the types and quantities of waste being generated, companies can determine whether employees are following the sorting guidelines correctly. Waste audits also highlight areas where contamination is occurring, such as recyclable items being disposed of in the wrong bins.

6.3 Waste Disposal Contractors: Partnering with certified waste disposal contractors is vital to ensure that the company’s waste is properly handled according to environmental regulations. These contractors specialize in sorting, recycling, and disposing of specific waste streams, such as electronic waste, hazardous materials, or industrial by-products. It is crucial to select contractors who are knowledgeable about local environmental laws, certifications, and industry best practices to ensure compliance. Contracts should clearly outline the waste types, disposal methods, and reporting requirements.

6.4 Employee Responsibilities: Assigning specific employees to oversee the waste sorting process is essential for ensuring accountability and proper waste management. These designated individuals should be responsible for monitoring waste disposal, ensuring that employees follow sorting guidelines, and regularly inspecting waste bins to prevent contamination. These employees may also provide on-the-spot training or reminders to colleagues, making sure that everyone stays informed about proper practices.

7.0 PROCESS CONSUMPTION REDUCTION

7.1 Process Review: Regular process reviews are essential for identifying inefficiencies within business operations that may lead to unnecessary material usage. These reviews should involve a comprehensive evaluation of each step in production, logistics, and administrative functions. By systematically examining workflows and identifying bottlenecks, companies can uncover areas where materials are being overused or wasted. For instance, identifying stages in production where materials are underutilized or wasted can prompt changes in how supplies are ordered or how processes are designed. The goal is to find areas where the process can be streamlined to minimize the consumption of resources.

7.2 Lean Management Practices: Lean management practices are centred around the philosophy of maximizing value while minimizing waste in all forms—whether it be time, materials, or human resources. By implementing lean principles, companies can eliminate non-value-adding activities and optimize their operations. This involves practices like streamlining workflows, reducing excessive inventory, and improving the flow of materials to avoid overproduction and material waste. Lean management emphasizes continuous improvement (kaizen), where small, incremental changes lead to more efficient processes over time. One key aspect is the identification and elimination of waste in the form of waiting times, defects, overproduction, excess motion, or inventory.

7.3 Technology Integration: Integrating technology and automation into business operations is a key strategy for reducing material waste. Digital tools can optimize both technical and administrative processes, improving efficiency and minimizing unnecessary material usage. For example, automated systems can ensure more accurate inventory management, preventing over ordering of materials, while digital documentation can reduce paper waste. In technical operations, technologies like AI or machine learning can predict demand more accurately, leading to optimized material procurement and production scheduling. In administrative functions, automated workflow systems can reduce paperwork and the need for physical materials, promoting digital-first approaches.

7.4 Employee Involvement: Encouraging employee involvement in process optimization and material reduction can have a profound impact on a company's sustainability efforts. Employees often have unique insights into day-to-day operations and can identify inefficiencies or opportunities for material savings that management might overlook. Regular meetings or feedback sessions can serve as platforms for employees to suggest ideas on reducing material waste or improving processes.

7.5 Resource Consumption Monitoring: Monitoring resource consumption is crucial for understanding how materials are being used across the business and identifying opportunities for reduction. This can involve tracking the usage of raw materials, office supplies, energy, water, and other resources that contribute to operational costs and environmental impact. By collecting data on resource consumption, companies can identify patterns, inefficiencies, and areas where waste is occurring. For example, tracking material usage during production can reveal areas where over-ordering or wasteful practices are taking place, while monitoring energy use can highlight inefficiencies in machinery or building infrastructure.

7.6 Performance Metrics: Establishing clear performance metrics for material consumption is critical to measuring the success of material reduction initiatives. These metrics serve as benchmarks to track progress toward sustainability goals and set measurable targets for improvement. Performance indicators might include material usage per unit of production, the amount of waste diverted from landfills, or the percentage of recycled materials used in production. Setting reduction targets for each department or process helps ensure accountability and provides clear objectives for employees to work toward. These metrics should be regularly reviewed to assess progress and identify areas where further improvements can be made.

8.0 ECO-FRIENDLY INPUTS

8.1 Material Sourcing Policy: Developing and implementing a material sourcing policy is essential for aligning company operations with sustainability goals. This policy should prioritize the use of eco-friendly or bio-based materials, ensuring that all raw materials, components, and packaging meet environmental standards. The policy should outline criteria for selecting suppliers based on their environmental impact, such as the use of renewable resources, recyclable materials, or biodegradable options. By adopting this policy, the company can promote a more sustainable supply chain, reduce dependency on fossil-based materials, and contribute to environmental conservation. Regular review and updates to the policy will keep the company in line with industry trends and emerging technologies. The material sourcing policy should be clearly communicated to suppliers, employees, and stakeholders to ensure consistent adherence across the organization.

8.2 Supplier Evaluation: Regularly evaluating suppliers is key to ensuring that their products and practices align with the company's sustainability goals. This evaluation should include assessing suppliers on factors such as environmental certifications, waste reduction practices, resource management, and the use of eco-friendly or bio-based materials. Suppliers should also be evaluated on their commitment to ethical sourcing, carbon footprint reduction, and compliance with environmental regulations. This process can be formalized through sustainability audits, where suppliers are reviewed for their sustainability performance and improvements over time. It's also important to collaborate with suppliers, offering guidance on best practices and encouraging them to adopt more sustainable processes.

8.3 Alternative Material Trials: Conducting pilot programs to test eco-friendly or bio-based materials are an important step in assessing their viability for long-term use in the company's operations. These trials allow the company to experiment with alternative materials without committing to large-scale production changes. During the pilot phase, it is crucial to evaluate factors such as material performance, cost-effectiveness, durability, and any potential impact on the production process. The company can compare the new materials with traditional ones in terms of efficiency, environmental impact, and overall product quality.

8.4 Employee Awareness: Educating employees on the environmental benefits of using bio-based and eco-friendly materials is crucial for building a culture of sustainability within the company. Employee awareness programs should focus on the importance of sustainable material choices, how they contribute to environmental preservation, and the positive impact on the company's long-term sustainability goals.

These programs can be conducted through workshops, internal communications, and on-going training sessions. Providing employees with practical knowledge about the specific materials used in their day-to-day operations and the benefits of switching to eco-friendly alternatives will encourage them to embrace sustainable practices.

8.5 Continuous Improvement: The pursuit of continuous improvement is vital to maintaining long-term sustainability in material usage. Companies should constantly seek new, eco-friendly alternatives to replace traditional materials in their products and services. This can be achieved by staying updated on the latest advancements in bio-based materials, researching innovations in material science, and exploring options such as biodegradable packaging or renewable resource-based materials. Feedback loops, from both internal teams and external stakeholders, should be used to refine material sourcing strategies and identify areas where improvements can be made.

9.0 OFFICE SUPPLY EXCHANGE

9.1 Platform Setup: Creating an internal online platform for surplus office supplies is an effective way to promote the exchange of materials between different departments or units. The platform should be user-friendly, allowing employees to easily list surplus items like paper, pens, binders, or furniture that they no longer need. It can also include a search feature to help employees quickly find items they need, making the process efficient and convenient. The platform should be accessible to all employees and structured to include categories for different types of materials or office supplies. Additionally, it should have features such as the ability to set expiration dates for listings, post conditions of items, and request items in return. This exchange system not only reduces waste but also promotes resourcefulness and enhances collaboration between departments. By encouraging employees to recycle and reuse supplies, the company can reduce overall material costs and foster a more sustainable workplace culture.

9.2 Inventory Management: To effectively manage surplus office supplies and promote reuse, maintaining an inventory system is essential. This inventory will help employees easily identify what materials are available for reuse or exchange within the company. The system should be updated regularly, ensuring it accurately reflects the current stock of office supplies. A digital inventory system integrated with the exchange platform can allow employees to see which items are in surplus or needed, streamlining the process. By having a clear, accessible inventory, employees will be encouraged to check the platform before purchasing new supplies, helping to reduce waste and unnecessary expenditures. This also facilitates better resource allocation across departments and promotes efficient use of materials.

9.3 Tracking and Reporting: Tracking the volume of office supplies exchanged through the platform is essential for monitoring the effectiveness of the reuse program. By collecting data on the items exchanged, the company can measure how much material is being saved from disposal and the overall environmental impact of the program. Monthly or quarterly reports can provide insights into the types of items most commonly exchanged, the departments that participate the most, and areas where improvements could be made. These reports can also be used to identify trends, such as the need for specific supplies, or whether certain items are being consistently overstocked.

9.4 Incentive Programs: Implementing incentive programs is a great way to encourage active participation in the surplus office supply exchange program. By offering small rewards or recognition, employees are motivated to engage in the exchange process, which can ultimately lead to a reduction in waste and more efficient use of office supplies. Incentives can take various forms, such as public acknowledgment in meetings or internal newsletters, gift cards, extra break time, or even small items like company-branded products. Recognizing employees for their participation can create a sense of ownership and pride in the company's sustainability efforts.

9.5 Awareness Campaigns: Promoting the internal platform for office supply exchange through awareness campaigns is crucial for ensuring its success. Awareness campaigns can be executed via multiple channels, including email newsletters, posters in common areas, and announcements at company meetings. Clear communication of the platform's purpose, benefits, and how to participate will help employees understand the program and encourage them to get involved. Highlighting the environmental benefits of reusing materials, such as reducing waste and lowering the company's carbon footprint, will also appeal to employees' sense of responsibility.

10.0 IT HARDWARE REUSE

10.1 Hardware Audit: Conducting regular audits of IT hardware is essential to identify equipment that is no longer in use but still has potential for refurbishment or repurposing. These audits should be systematic, involving the assessment of all hardware assets, such as computers, printers, servers, and peripherals, to determine their condition and functionality. Auditing can be done annually or semi-annually, depending on the company's hardware turnover rate. During the audit, items that are out-dated or underused should be flagged for potential refurbishment or reassignment to different departments where they might be more useful. The audit process will also help identify any unnecessary equipment that could be disposed of or recycled, reducing waste.

10.2 Refurbishment Program: Implementing a refurbishment program is a sustainable way to extend the life of IT hardware and reduce the need for new purchases. The program should focus on repairing and upgrading older hardware to make it suitable for internal use or to donate it to charitable organizations or schools. The refurbishment process could involve replacing outdate components, such as hard drives or memory, cleaning the hardware, updating software, or adding new peripherals like monitors or keyboards. This approach helps reduce e-waste, lowers IT costs, and contributes to a circular economy.

10.3 Inventory Management: Maintaining an accurate inventory of IT hardware is essential for effective resource management, particularly when incorporating refurbished equipment into the system. An up-to-date inventory allows the company to track the status, age, and condition of all hardware, ensuring that devices are used efficiently and that refurbished items are properly recorded. The inventory should include detailed information about each item, such as serial numbers, specifications, location, and the dates of refurbishment or upgrades.

10.4 Employee Usage: Encouraging employees to use refurbished hardware, rather than opting for new devices, can significantly contribute to the company's sustainability efforts and reduce material waste. To support this initiative, employees should be educated about the environmental and cost benefits of using refurbished equipment. Internal communications, such as training sessions or informational campaigns, can highlight the advantages of refurbished hardware, including reduced e-waste and resource conservation. Offering incentives for employees who voluntarily choose refurbished hardware over new equipment can further encourage participation. The company could also create a system to allow employees to request refurbished hardware when they need an upgrade, making it easy and accessible. Over time, this culture shift can lead to significant savings on IT hardware purchases, reduce the company's carbon footprint, and foster a sustainable workplace culture.

11.0 MANAGE WASTE

11.1 Energy Audit: Conducting regular energy audits is essential for identifying areas of high energy consumption and developing strategies to reduce usage. These audits should assess the company's entire energy infrastructure, including lighting, heating, cooling systems, office equipment, and manufacturing processes. An energy audit involves reviewing energy bills, conducting on-site inspections, and using diagnostic tools to pinpoint inefficiencies or outdate systems that consume excessive energy. The results of the audit should be compiled into a comprehensive report that outlines areas for improvement, such as the need for energy-efficient equipment, better insulation, or process adjustments.

11.2 Energy-Efficient Equipment: Replacing out-dated equipment with energy-efficient alternatives is a key strategy in reducing overall energy consumption and enhancing sustainability. Energy-efficient equipment, such as LED lighting, energy-efficient HVAC systems, and low-energy office appliances, significantly cuts down on power usage while maintaining performance and comfort. For instance, LED lights consume far less electricity than traditional incandescent bulbs and have a longer lifespan.

11.3 Employee Training: Employee training is crucial to ensure that everyone in the company understands energy-saving practices and knows how to implement them daily. Training sessions should cover a range of energy-efficient habits, such as turning off lights, computers, and other office equipment when not in use, using natural light whenever possible, and adjusting heating and cooling settings to optimize energy use.

11.4 Energy Consumption Monitoring: Implementing smart meters to monitor energy consumption in real time is a powerful tool for identifying patterns of energy use and highlighting areas for improvement. Smart meters provide detailed data on energy usage across different departments, equipment, or areas of the facility, allowing the company to track its consumption minute by minute. This real-time data can be analysed to pinpoint inefficiencies or peak usage times, helping to make informed decisions on how to reduce energy costs.

12.0 CONCLUSION

The implementation of a Resource Optimization Strategy at SMC India is essential for achieving long-term sustainability, reducing costs, and meeting environmental responsibilities. By following this SOP, the company can minimize waste, reduce resource consumption, and create a culture of sustainability within the organization. Continued commitment from all employees, managers, and stakeholders is vital to ensure the success of these initiatives and to foster a cleaner, more efficient operational model.

HEALTH AND SAFETY MANAGEMENT PROCEDURE
SMC/ESG /SOP- 06

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to define the Health and Safety Management Framework for SMC India, ensuring the protection and well-being of employees, contractors, and other non-employee workers engaged in facility management operations.

2.0 SCOPE

This SOP applies to all employees, contractors, and non-employee workers on premises where SMC India operates or provides Integrated Facility Management Services, including but not limited to housekeeping, technical services, and manpower services.

3.0 RESPONSIBILITY

3.1 Management: Management plays a critical role in ensuring that the organization adheres to health and safety regulations and standards. They are responsible for implementing the necessary resources and providing the support needed to maintain a safe working environment.

3.2 Health and Safety Officer: The Health and Safety Officer are responsible for overseeing the successful implementation of the organization’s health and safety program. Inspections and audits of safety procedures, ensuring that safety standards are adhered to and those risks are minimized.

3.3 Non-Employee Workers: Non-employee workers must also adhere to the organization's health and safety policies while working on the premises. They are required to attend mandatory safety briefings before beginning any tasks and must follow all established safety protocols during the course of their work.

4.0 IDENTIFY WORKPLACE HAZARDS

4.1 Identification of Hazards: Hazard identification is the first step in ensuring a safe workplace. This process involves systematically identifying any potential risks that could harm employees' health and safety. Hazards can be physical, chemical, biological, ergonomic, or psychosocial. To identify these hazards, regular visual inspections of the workplace are essential, allowing managers to spot any unsafe conditions or behaviors. Employee feedback is also critical, as workers often have firsthand knowledge of potential risks they encounter daily. Incident reports provide valuable information about past accidents and near-misses, helping to pinpoint recurring hazards. This multi-source approach ensures a comprehensive hazard identification process, leading to a proactive safety management plan.

4.2 Risk Evaluation: Once hazards are identified, a risk evaluation must follow to assess the potential impact and likelihood of these hazards causing harm. This process is crucial for prioritizing actions to reduce risk. The evaluation involves determining the likelihood of a hazard occurring, ranging from rare to frequent. Additionally, the severity of the hazard's impact on employee health and safety is evaluated, from minor injuries to fatal consequences. Factors like exposure frequency and the number of employees at risk are considered to give a clear picture of the level of danger. Existing control measures are also factored in—if current measures are effective, the risk may be lower. For instance, a machine that is properly guarded poses less risk than one without protection. The evaluation results in a risk matrix, helping prioritize which risks need immediate attention and which ones can be managed over time.

4.3 Risk Control Measures: After evaluating risks, control measures are implemented to eliminate or minimize identified hazards. The hierarchy of controls provides a structured approach: elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE). Elimination involves removing the hazard entirely, such as replacing dangerous chemicals with safer alternatives. Substitution involves replacing the hazard with a less dangerous option. Engineering controls focus on designing the workplace or tasks in a way that reduces risks, like installing ventilation systems to remove harmful fumes. Administrative controls include work practices, policies, and procedures that limit exposure, such as rotating employees to reduce the time spent in hazardous conditions.

5.0 EMERGENCY RESPONSE PROCEDURES

5.1 Emergency Contacts: In any workplace, having immediate access to emergency contacts is crucial for rapid response during a crisis. A comprehensive list of emergency contacts will be prominently displayed throughout the workplace, ensuring that all employees know who to reach out to in case of an emergency. This list should include numbers for local emergency services such as the fire department, police, and ambulance, as well as contacts for nearby medical facilities. Additionally, internal emergency contacts, such as designated first aiders, safety officers, and key personnel, should be listed. Displaying this information in common areas, such as break rooms or near exit doors, ensures it is easily accessible during emergencies.

5.2 Evacuation Procedures: Evacuation procedures are critical for ensuring the safe and efficient exit of all employees during an emergency. Clear and accessible evacuation routes will be established, and these routes should be free from obstructions at all times. Emergency exits must be marked with visible signs, and employees should be trained on how to reach these exits quickly in various emergency scenarios. In addition to exit routes, designated assembly points outside the building will be established, ensuring that employees have a safe location to gather once they have evacuated. Training will be conducted regularly to familiarize employees with evacuation routes and procedures, including the use of fire alarms, emergency exits, and assembly areas. This training ensures that employees can evacuate calmly and efficiently without confusion or delay.

5.3 Incident Response: An effective incident response protocol is vital to manage emergencies swiftly and efficiently. The protocol will involve a clear step-by-step process for handling various emergencies, such as fires, medical emergencies, or hazardous material spills. Upon identification of an emergency, trained first responders within the workplace will take immediate action to address the situation and mitigate risks. These individuals will be trained in basic first aid, fire safety, and other essential emergency response skills. In cases where internal response measures are insufficient, external emergency services such as the fire department, paramedics, or police will be contacted immediately. The goal is to minimize the impact of the incident and ensure the safety of all employees.

5.4 Review and Drills: To ensure that emergency response plans remain effective and employees are always prepared, it's essential to regularly review and test the emergency action plans. The emergency procedures will be reviewed annually to ensure they are up-to-date with the latest safety standards, workplace changes, and regulatory requirements. Regular drills, such as fire or evacuation drills, will be conducted to allow employees to practice and become familiar with the emergency procedures. These drills help identify any potential issues in the plan, such as blocked exits or lack of communication. Employees will be encouraged to provide feedback on the drills to improve future response efforts.

6.0 SAFETY PROTOCOL EDUCATION

6.1 Induction Training: Induction training is essential for introducing new employees to the workplace and ensuring they understand the basic health and safety risks associated with their role. Upon joining, every new employee will undergo a comprehensive induction that covers essential workplace hazards, emergency procedures, and safety protocols. This training will introduce employees to the specific risks they may encounter, such as physical hazards, chemical exposures, or ergonomics, and will provide guidance on how to manage these risks effectively. Additionally, new employees will be trained on the correct use of personal protective equipment (PPE) and any relevant safety procedures, such as evacuation routes or first aid protocols.

6.2 On-going Training: On-going training is critical to maintaining a culture of safety in the workplace. This type of training ensures that employees remain updated on health and safety best practices and stay informed about any new risks, procedures, or regulatory changes. Periodic refresher courses will be conducted to reinforce key health and safety practices. These sessions provide an opportunity to revisit essential topics such as emergency procedures, PPE usage, and safe work practices. By regularly updating employees' safety knowledge, employers can ensure that safety practices are always aligned with current standards and workplace conditions.

6.3 Specialized Training: Employees working in high-risk environments, such as those handling hazardous substances, operating heavy machinery, or working in confined spaces, will receive specialized training tailored to their specific tasks. This training goes beyond basic health and safety awareness and focuses on the unique hazards of these roles. For example, employees handling chemicals will be taught safe handling, storage, and disposal procedures, as well as how to use appropriate PPE, such as gloves, goggles, and respirators.

Those operating machinery will receive instruction on safe operation, routine maintenance, and emergency shutdown procedures. In addition, workers in high-risk areas, such as construction sites or labs, will be trained on specific safety protocols, including emergency response and accident prevention.

6.4 Records and Documentation: To ensure compliance with workplace safety standards and facilitate accountability, all training attendance and certifications will be documented and maintained. A clear record of each employee's health and safety training will be kept for audit and regulatory purposes. This documentation will include details of the training sessions attended, dates, content covered, and any certifications earned. It ensures that employers can verify that all employees have received the necessary training to perform their roles safely and are up-to-date with their certifications. Maintaining these records also enables easy tracking of employee progress, making it possible to identify training gaps or refresher needs. Furthermore, keeping thorough records is essential for demonstrating compliance with workplace safety regulations during inspections or audits.

7.0 REPORT SAFETY ISSUES

7.1 Reporting Channels: Clear and accessible reporting channels are essential for addressing health and safety concerns in the workplace. Employees must feel empowered to raise issues without fear of retaliation. To facilitate this, employees can report their concerns through multiple channels. They can approach their direct supervisor, who will be responsible for addressing the issue or escalating it to the appropriate personnel. Alternatively, employees can report concerns to a designated health and safety officer, who is specifically trained to handle safety-related matters. For those who prefer anonymity, an anonymous suggestion box or digital reporting system will be provided, allowing employees to submit concerns without revealing their identity.

7.2 Investigation and Resolution: Once a health and safety concern or complaint is reported, it is critical to investigate the matter promptly and thoroughly. The investigation process involves gathering relevant information, including speaking to the employee who reported the concern, assessing the workplace environment, and identifying any potential risks or violations of safety protocols. The goal is to determine the root cause of the issue and assess the severity of the potential hazard. If the investigation reveals that corrective actions are necessary, immediate steps will be taken to resolve the issue, such as improving procedures, replacing faulty equipment, or updating training. Throughout the process, the employee who raised the concern will be kept informed about the actions taken and the resolution.

7.3 Follow-Up: To ensure that health and safety concerns are effectively addressed, a follow-up process will be implemented. After corrective actions are taken, it is essential to monitor the situation to verify that the solution is both effective and sustainable. The follow-up process may involve revisiting the area of concern, checking if the corrective actions have been properly implemented, and assessing whether the issue has been fully resolved. This ensures that any temporary fixes are not overlooked and that long-term improvements are maintained. Additionally, employees who reported the concerns will be involved in the follow-up process, confirming that their issue has been resolved to their satisfaction. The follow-up also includes evaluating the effectiveness of the corrective actions in preventing similar issues in the future.

8.0 ROUTINE HEALTH EXAMS

8.1 Frequency of Check-Ups: Regular health check-ups are essential for monitoring the well-being of employees and ensuring that any potential health risks are identified early. For all employees, annual health check-ups will be scheduled to evaluate their overall health and detect any potential work-related issues. However, for employees exposed to specific risks—such as those working with hazardous substances, in high-noise environments, or in physically demanding roles—more frequent check-ups may be required. These additional check-ups are important for monitoring the effects of long-term exposure to workplace hazards and identifying early signs of injury or illness. By tailoring the frequency of check-ups to the individual's work environment, employers can better protect their workforce, ensure early intervention if health issues arise, and maintain a healthier workplace.

8.2 Confidentiality and Record-Keeping: Confidentiality is paramount when handling health check-up results. All health data collected from employees will be kept private, with access limited to authorized personnel only. This ensures that employees' personal medical information remains secure and is not disclosed without their consent. Health records will be accurately documented and securely stored, and employees will be provided with access to their individual results. In addition, employees will be advised on any necessary follow-up actions, such as further medical testing, referrals to specialists, or changes in lifestyle. Keeping comprehensive and confidential health records is essential for tracking employee health over time and ensuring that any workplace-related health issues are addressed promptly.

9.0 PREVENT STRAIN INJURIES

9.1 Ergonomic Assessments: Ergonomic assessments are crucial to ensuring that employees' workstations are set up in a way that minimizes physical strain and reduces the risk of musculoskeletal disorders. These assessments involve evaluating the work environment and adjusting workstations to promote comfort and proper posture. Adjustments may include providing ergonomic chairs that support the lower back, adjustable work surfaces that allow employees to set their desks at the right height, and equipment like keyboard and mouse setups designed to reduce strain on the wrists and arms. Other considerations may include proper lighting, monitor positioning, and seating arrangements.

9.2 Breaks and Rest Periods: For employees performing repetitive tasks or those engaged in physically demanding roles, regular breaks are essential to prevent muscle fatigue and reduce the risk of strain or injury. Employees will be encouraged to take periodic rest breaks throughout the day, especially for those involved in repetitive motions like typing, lifting, or assembly work. During these breaks, employees should stretch, walk around, or perform other light activities to relieve muscle tension and improve circulation.

9.3 Education and Awareness: Education and awareness are key to preventing ergonomic injuries and promoting a culture of health and safety in the workplace. Training will be provided to all relevant employees on the importance of proper posture, safe lifting techniques, and strategies to avoid strain during their daily tasks.

This training will cover the best practices for maintaining good posture while sitting or standing, the correct way to lift and carry heavy items, and how to adjust workstations to suit individual needs.

10.0 MENTAL HEALTH SUPPORT

10.1 Employee Assistance Program (EAP): An Employee Assistance Program (EAP) provides employees with confidential access to professional counseling and support services, which are crucial for managing mental health challenges and stress. Through the EAP, employees can seek guidance for a variety of personal or work-related issues, such as anxiety, depression, relationship problems, or workplace stress. The program ensures privacy and confidentiality, offering a safe space for employees to discuss their concerns without fear of judgment or retaliation. EAP services may include in-person counseling, telephone support, or online resources, depending on the organization's offerings.

10.2 Stress Management Training: Stress management training is essential for helping employees cope with the pressures and demands of their work and personal lives. This training will focus on practical techniques to manage stress, such as relaxation exercises, mindfulness practices, and strategies for reducing anxiety. Additionally, the training will emphasize time management skills, helping employees prioritize tasks and manage their workloads effectively to avoid feeling overwhelmed. Employees will also learn coping mechanisms to address work-related stressors, including how to manage difficult situations, communicate effectively, and set realistic goals. Providing stress management training equips employees with the tools they need to navigate stressful circumstances with resilience and improve their overall mental health.

10.3 Work-Life Balance Initiatives: Promoting work-life balance is key to reducing stress and supporting employees' psychological well-being. Employers will implement flexible working hours, allowing employees to manage their schedules in a way that accommodates personal commitments while maintaining work responsibilities. Additionally, workload management strategies will be employed to ensure that employees are not overloaded, including regular check-ins with managers to assess work distribution and identify potential areas for support. Break times will also be adjusted to ensure employees have sufficient time to rest, recharge, and avoid burnout.

11.0 MINIMIZE SUBSTANCE RISKS

11.1 Substance Inventory: Maintaining an accurate inventory of hazardous substances is critical to ensuring a safe and compliant workplace. This inventory will include detailed records of all hazardous materials used or stored on-site, such as chemicals, solvents, and gases. Each substance will be categorized according to its level of hazard, including potential health risks, environmental impacts, and fire or explosion hazards. Employees will be informed about the substances they may come into contact with, either through safety data sheets (SDS) or labels that detail the properties, hazards, and safe handling instructions of each substance.

11.2 PPE and Safety Measures: For employees working with hazardous substances, providing appropriate personal protective equipment (PPE) is essential to minimize exposure and reduce the risk of harm. Depending on the nature of the substances being handled, PPE may include gloves, goggles, face shields, respirators, protective clothing, or hearing protection. Each employee will be supplied with the correct type of PPE for the specific tasks they perform and will be trained on the proper usage, maintenance, and disposal of this equipment. In addition to PPE, workplaces will also implement safety measures such as proper ventilation systems to remove harmful fumes or particles from the air.

11.3 Training: Training is a critical component of ensuring safe handling, storage, and disposal of hazardous substances in the workplace. Employees will receive comprehensive training on how to work safely with chemicals, gases, and other hazardous materials. This training will cover topics such as recognizing hazardous substances, understanding their risks, and knowing the appropriate safety measures to take when working with them. Employees will be educated on how to properly store substances to prevent accidents, how to safely dispose of materials to minimize environmental impact, and how to respond in case of an emergency, such as a spill or exposure. Training will also emphasize the use of PPE and the proper maintenance and inspection of equipment.

12.0 CONTROL RADIATION EXPOSURE

12.1 Radiation Monitoring: Regular radiation monitoring is essential to ensure the safety of employees working in or around areas where radiation exposure is a concern. Continuous monitoring helps to identify potential radiation hazards and ensures that radiation levels remain within acceptable limits. Various monitoring tools, such as radiation detectors and dosimeters, will be used to measure radiation levels in real-time. These devices will be placed in critical areas where radiation is likely to be present, such as near equipment or storage areas for radioactive materials. Regular checks will be scheduled, and the results will be carefully documented. Monitoring should be conducted daily or periodically depending on the level of radiation and the tasks being carried out. By regularly monitoring radiation levels, employers can take immediate corrective actions if radiation levels exceed safe limits, thereby minimizing the risk of overexposure and protecting employees' health and safety.

12.2 PPE: Personal protective equipment (PPE) is crucial when working in radiation-prone areas to reduce exposure to harmful radiation. Employees handling or working near radioactive materials will be provided with specialized PPE, including lead aprons, gloves, and thyroid shields, which are specifically designed to block or reduce radiation exposure. Lead aprons are particularly important in areas with X-ray or gamma radiation, as they help absorb and shield the body from harmful radiation. In addition to lead aprons, employees may also be provided with radiation-protective glasses, face shields, and monitoring devices such as dosimeters that track radiation exposure. The correct selection, use, and maintenance of PPE are critical for ensuring that it provides effective protection.

12.3 Access Control: Access control is a key safety measure in areas where radiation exposure is a risk. High-radiation areas will be clearly marked with appropriate signage, including warning signs such as "Radiation Area" or "High Radiation Zone," to alert employees and visitors of the potential hazard. These areas will have restricted access to ensure that only authorized and trained personnel can enter, reducing the likelihood of accidental exposure. Access will be controlled by physical barriers, such as locked doors or gates, and monitored by security systems to ensure compliance. Employees will need specific authorization and appropriate PPE to enter these restricted zones. This control measure ensures that exposure is minimized, and only those who are qualified to work in such areas can do so.

12.4 Training and Certification: Employees who work with or are exposed to radiation will receive specialized training and certification to ensure they understand the risks and know how to safely handle radioactive materials and equipment. Training will cover a range of topics, including understanding different types of radiation, how radiation affects the body, safe handling procedures, emergency response protocols, and the proper use of radiation monitoring tools and PPE. This training will be mandatory before employees are allowed to work in radiation-prone areas and will be regularly refreshed to ensure continued competency.

13.0 NON-EMPLOYEE SAFETY MEASURES

13.1 Induction for Contractors: Contractors and non-employee workers will undergo the same comprehensive health and safety induction training as full-time employees. This ensures that all individuals, regardless of their employment status, are fully informed about workplace hazards, safety protocols, and emergency procedures. The induction will cover essential topics such as workplace safety rules, the correct use of personal protective equipment (PPE), reporting procedures for accidents or hazards, and the steps to take in case of an emergency. It will also include site-specific safety information, especially if contractors are working in areas with unique hazards or risks. By providing the same level of training to contractors, employers ensure that they are aware of the potential risks and know how to mitigate them, promoting consistency in safety practices across the workforce.

13.2 Risk Assessment for Contractors: A separate risk assessment will be conducted for all contractors to identify and assess any health and safety concerns specific to their tasks or work environment. This assessment will consider the unique nature of the contractor's job, their working conditions, and any potential hazards associated with their work. For instance, a contractor working on construction or maintenance projects may face different risks than one working in an office or laboratory setting. The risk assessment will evaluate exposure to hazards such as chemicals, heavy machinery, electrical systems, or high-altitude work, and take into account the duration of their work and their level of experience.

13.3 Monitoring and Compliance: To ensure contractors comply with SMC's health and safety procedures, they will be closely monitored throughout the duration of their work on-site. This monitoring will involve regular checks to ensure that contractors are adhering to the agreed safety protocols, using PPE properly, and following safe work practices. Supervisors or health and safety officers will conduct routine inspections to assess compliance and offer guidance when necessary. Any issues or non-compliance will be addressed immediately, with corrective actions taken to ensure that safety standards are maintained.

14.0 GENERAL SAFETY MEASURES

14.1 Personal Protective Equipment (PPE): Personal Protective Equipment (PPE) is critical for safeguarding employees from potential workplace hazards. To ensure the health and safety of all employees, the necessary PPE must be provided based on the specific risks associated with their job duties. This could include gloves, safety helmets, goggles, face shields, ear protection, high-visibility clothing, and respiratory protection, among other items. The selection of PPE depends on the nature of the work being performed, such as working with hazardous chemicals, heavy machinery, or in areas with high noise levels. Employers are responsible for ensuring that PPE is not only available but also properly maintained and suited to individual employee needs.

14.2 Workplace Safety Audits: Regular safety audits are essential for identifying potential hazards in the workplace and ensuring that safety standards are being met. These audits will be conducted on a routine basis to assess workplace conditions, identify any safety risks, and verify that safety protocols are being followed. The audit process involves inspecting equipment, machinery, workstations, and overall safety infrastructure to spot any deficiencies or non-compliance with health and safety regulations. Employees will also be encouraged to provide feedback during audits, as they often have valuable insights into potential risks that may not be immediately visible. Once hazards are identified, corrective measures should be implemented promptly, whether this involves equipment maintenance, adjusting work processes, or introducing additional safety training.

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14.5 Health Promotion Programs: Health promotion programs are an essential part of fostering a holistic approach to employee well-being. These programs encourage employees to maintain and improve their physical and mental health by providing a range of health-related initiatives.

Examples of such programs include vaccination drives, which can help prevent the spread of infectious diseases, wellness programs that promote physical activity and stress management, and nutritional guidance that educates employees on healthy eating habits. By offering these programs, employers demonstrate their commitment to the long-term health of their workforce and create an environment where employees are encouraged to prioritize their well-being. These initiatives can improve overall productivity, reduce absenteeism, and boost employee morale.

15.0 CONCLUSION

SMC India is committed to ensuring a safe and healthy work environment for all employees, contractors, and non-employee workers. This Health and Safety Management Framework establishes the fundamental processes for mitigating risks, ensuring compliance with legal and regulatory standards, and fostering a culture of health and safety within the organization.

INFORMATION SECURITY GOVERNANCE PROGRAM (IGP) PROCEDURE SMC/ESG /SOP- 07

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a comprehensive framework for the Information Security Governance Program (IGP) at SMC, ensuring the protection of sensitive information across all facets of our Integrated Facility Management Services. This SOP outlines the procedures for safeguarding data confidentiality, integrity, and availability, thereby mitigating risks associated with information security breaches.

2.0 SCOPE

This SOP applies to all employees, contractors, third-party vendors, and stakeholders engaged with SMC, encompassing all information systems, processes, and data handling activities related to our services, including housekeeping, technical, and manpower services. It covers the implementation of information security measures, training, risk assessments, incident response, and compliance with applicable laws and regulations.

3.0 RESPONSIBILITY

3.1 Information Security Officer (ISO): The Information Security Officer (ISO) plays a pivotal role in overseeing the development, implementation, and maintenance of the Information Governance Program (IGP).

3.2 Employees: Employees are the first line of defense in any organization's information security framework. Their responsibilities include actively participating in all mandatory information security training programs and staying informed about the organization's security policies and procedures.

3.3 Third-Party Vendors: Third-party vendors play a crucial role in supporting the organization's operations but must also adhere strictly to its information security requirements. As part of the contracting process, vendors are required to sign agreements that include specific clauses outlining security expectations, confidentiality obligations, and compliance with applicable regulations.

4.0 EMPLOYEE TRAINING

4.1 On boarding Training: On boarding training is the foundation of an organization's information security culture, ensuring new employees understands the company's policies, procedures, and expectations regarding data protection and cyber security. During the on boarding process, new hires are required to complete mandatory training that covers essential topics such as password management, identifying phishing attempts, securing personal devices, and complying with internal security protocols.

The objective is to instil an awareness of security responsibilities and risks from day one. A well-structured on boarding training program is crucial for helping new employees understand how their actions directly impact the company's security posture.

4.2 On-going Education: On-going education ensures that employees remain up to date with the latest information security trends, best practices, and evolving threats. Since cyber security threats are constantly changing, it's critical to conduct quarterly refresher courses that focus on emerging risks such as new malware variants, phishing tactics, and the latest social engineering schemes. These courses should be designed to complement initial on boarding training, reinforcing core concepts while introducing more advanced security protocols. Regular education keeps employees engaged and aware of the most current threats, equipping them with the knowledge needed to respond effectively in a rapidly evolving environment. Offering on-going education strengthens the organization's security posture and ensures that employees are always equipped with the most up-to-date tools and practices to protect against cyber-attacks.

4.3 Assessment: Periodic assessments are an essential part of evaluating the effectiveness of training programs and ensuring employees can apply their knowledge in real-world situations. These assessments can take the form of quizzes, simulations, or scenario-based exercises that test an employee's ability to identify and mitigate security risks. Regular testing also helps identify knowledge gaps and provides an opportunity to reinforce areas where employees may need additional support. The assessments should be varied and progressively challenging to measure both retention and practical application of security principles. Beyond individual evaluation, assessments can also highlight trends across the organization, such as common areas of misunderstanding or vulnerability.

5.0 THIRD-PARTY DUE DILIGENCE

5.1 Risk Assessment: Before engaging with any potential vendors or third parties, it is essential to evaluate their information security posture to ensure they meet the organization's security standards. This risk assessment involves assessing the third party's existing security measures, including their data protection practices, network security, and the reliability of their security infrastructure. The assessment should cover aspects such as compliance with relevant regulations (e.g., GDPR, CCPA), encryption protocols, incident response capabilities, and employee training programs. By thoroughly evaluating the security practices of potential vendors, businesses can identify vulnerabilities that could affect their own security posture.

5.2 Contractual Obligations: Including detailed information security requirements in contracts with third parties is crucial for establishing clear expectations and responsibilities regarding data protection and cyber security. These contractual obligations should outline the specific security measures the third party is expected to implement and maintain, such as encryption standards, access controls, and incident reporting protocols. Contracts should also define the terms for regular audits, the handling of sensitive data, and the consequences of non-compliance with security policies.

5.3 On-going Monitoring: On-going monitoring is critical to ensure that third parties continue to comply with the agreed-upon security measures throughout the duration of the engagement. Regular reviews, audits, and assessments of third-party vendors help to identify potential security gaps that may emerge over time due to changes in their security practices, infrastructure, or external factors. This monitoring should include scheduled security assessments, vulnerability scans, and reviews of any updates or changes to the third party's policies and practices. By maintaining close oversight, businesses can promptly identify and address any issues, ensuring the long-term integrity of the security relationship.

5.4 Incident Management: Establishing clear protocols for managing security incidents involving third parties is essential for minimizing the impact of breaches and ensuring a rapid, coordinated response. Incident management protocols should include predefined steps for identifying, reporting, and responding to security incidents that involve third-party vendors. This should involve immediate notification from the third party in case of a breach, along with a clear escalation process to ensure that the relevant internal teams are quickly informed and can take necessary actions. The protocol should also define the roles and responsibilities of both the organization and the third party in mitigating the incident, investigating the cause, and implementing corrective measures.

6.0 WHISTLE-BLOWER PROCEDURE

6.1 Reporting Mechanism: An anonymous reporting system is essential for encouraging stakeholders, including employees, contractors, and third parties, to report security concerns or violations without fear of retaliation. The system should be easily accessible, user-friendly, and available across multiple platforms (e.g., online portal, email, phone hotline). This ensures that all stakeholders can report issues, whether minor or major, in a way that maintains their confidentiality. The reporting mechanism should also allow for detailed descriptions of concerns, such as security breaches, unethical behaviour, or policy violations. Ensuring anonymity is key to protecting the reporter from any negative consequences, thus fostering a culture of transparency and accountability.

6.2 Investigation: Once a concern has been reported, it is crucial to promptly assign a dedicated team to investigate the issue thoroughly. The investigative team should consist of individuals with the relevant expertise, such as security specialists, legal advisors, or compliance officers, depending on the nature of the report. The investigation process should be methodical and unbiased, with a focus on gathering facts, understanding the scope of the issue, and determining its potential impact. All evidence should be documented, and the investigative team should follow a set protocol to ensure that the process is fair, consistent, and legally compliant. During the investigation, confidentiality must be maintained to protect all parties involved, including the reporter. The goal is to uncover any security threats, policy violations, or misconduct and to determine whether corrective actions are necessary. Prompt investigations ensure that issues are addressed in a timely manner and help to maintain trust in the reporting system.

6.3 Resolution: Once an investigation is completed and the findings are reviewed, corrective actions should be taken to address any identified issues. The resolution process will depend on the nature and severity of the concern. If the investigation reveals security vulnerabilities or violations, immediate steps should be taken to rectify them, such as patching systems, implementing new security controls, or revising policies and procedures. If the issue involves unethical behaviour, disciplinary measures may be necessary. It is essential that these corrective actions are communicated clearly to relevant stakeholders and that there is a system in place to track their effectiveness. Swift and effective resolution helps maintain a secure, compliant, and ethical environment.

7.0 RISK ASSESSMENTS

7.1 Risk Identification: Risk identification is the foundational step in any risk management process. It involves conducting regular assessments to uncover potential threats and vulnerabilities that could impact the organization's assets, operations, or reputation. This can include technical risks such as cyber-attacks, as well as operational, financial, and compliance risks. Identifying risks often involves a combination of tools and techniques, including vulnerability assessments, penetration testing, stakeholder interviews, and monitoring external threat landscapes. Regular risk identification assessments help to detect new or evolving threats and ensure that risk management strategies remain relevant in a continuously changing environment.

7.2 Risk Analysis: Once risks have been identified, risk analysis helps to evaluate their potential impact and likelihood. This step is crucial for prioritizing risks and determining which ones require immediate attention. The analysis involves assessing both the probability of a risk occurring and the potential consequences should it materialize. For example, a cyber-security threat such as a data breach may have a high probability but a severe impact, while a minor operational disruption may have low impact but a low likelihood. This dual assessment of likelihood and impact helps organizations rank risks by severity and urgency. By thoroughly analysing the risks, businesses can allocate resources efficiently and focus on the most critical risks that pose the greatest threat to the organization’s objectives.

7.3 Risk Treatment: Risk treatment is the process of developing and implementing strategies to address the identified and analysed risks. The objective is to reduce the likelihood and impact of risks to acceptable levels, ensuring the organization’s security and continuity. There are several risk treatment strategies: risk avoidance (eliminating the risk by changing processes or activities), risk reduction (implementing controls to reduce the likelihood or impact), risk transfer (shifting the risk to another party, such as through insurance or outsourcing), and risk acceptance (acknowledging the risk and deciding not to take action, often for lower-level risks). Each treatment plan should be tailored to the specific nature of the risk, considering cost-effectiveness, feasibility, and impact. Successful risk treatment involves continuous monitoring and adjustments as the organization’s environment, technologies, and external conditions evolve. It ensures that the business remains resilient and capable of handling any identified risks proactively.

8.0 CONTROL AUDITS

8.1 Audit Planning: Audit planning is the first crucial step in ensuring that an organization's information systems are secure and compliant with relevant policies and regulations. An annual audit plan should be developed to cover all critical information systems, focusing on the areas that are most susceptible to risk, such as data security, access controls, and compliance with regulatory standards. The audit plan should align with the organization's risk management strategy, ensuring that the most significant threats and vulnerabilities are prioritized. During the planning phase, auditors should identify the scope of the audit, select the audit team, define the audit criteria, and set timelines for each audit task. The plan should also include the review of past audits and any new changes to systems or regulations that might require special attention. By developing a well-structured audit plan, organizations ensure that audits are comprehensive, targeted, and aligned with their overall security and compliance objectives.

8.2 Execution: Once the audit plan is established, the execution phase involves conducting the audits in line with the predetermined scope and objectives. Auditors assess the organization's information systems to evaluate their compliance with internal security policies, industry standards, and regulatory requirements. The audit process typically includes reviewing system configurations, analysing access logs, inspecting security controls, and assessing data handling procedures. During execution, auditors may also perform vulnerability assessments and penetration testing to identify weaknesses in the system. Communication with relevant stakeholders is crucial throughout the audit, ensuring access to necessary documentation and personnel. Additionally, auditors should ensure that they follow a systematic and consistent approach to maintain objectivity and accuracy in their findings. Proper execution of the audit ensures that the organization can identify any gaps in security, data protection, and compliance before they escalate into more significant issues.

8.3 Reporting: After conducting the audit, the next step is to document and report the findings to management. The audit report should present a clear and concise overview of the audit process, including the scope, objectives, methodologies used, and the systems or areas reviewed. The report should highlight any identified vulnerabilities, non-compliance issues, or areas where security policies are not being followed. In addition to identifying problems, the report should offer recommendations for corrective actions to address these weaknesses. It's essential that the report is presented in a way that is accessible and actionable for management, with a focus on prioritizing critical issues that pose the most significant risks.

8.4 Corrective Actions: Corrective actions are a key component of the audit process, ensuring that identified weaknesses and non-compliance issues are addressed in a timely manner. Once the audit findings are presented, management must decide on the appropriate corrective measures based on the severity and priority of the issues. Corrective actions can include updating policies, strengthening access controls, implementing new security tools, training employees, or enhancing system configurations. In cases where the findings suggest non-compliance with regulatory standards, corrective actions may also involve working to meet the required compliance criteria. It's essential that corrective actions are not just reactive, but also proactive in preventing future issues.

The organization should assign specific individuals or teams to take ownership of each corrective action and set clear deadlines for implementation. Monitoring the progress of corrective actions and verifying their effectiveness is equally important to ensure that improvements have been made and that security and compliance risks are minimized going forward.

9.0 INCIDENT RESPONSE PLAN (IRP)

9.1 Incident Identification: Incident identification is the initial step in managing security incidents and ensuring that they are addressed promptly. Organizations must establish robust mechanisms for detecting and reporting security incidents, which could range from cyber-attacks and data breaches to system failures or insider threats. These mechanisms typically include automated monitoring tools that can detect unusual activity or anomalies in network traffic, user behaviour, and system logs. Additionally, organizations should encourage employees to report potential security incidents through clear, easy-to-use reporting channels, such as dedicated hotlines or anonymous reporting systems. Effective incident identification relies on real-time monitoring, threat intelligence and employee vigilance to quickly spot issues before they escalate. Regularly testing and updating detection systems is also crucial, as threat actors continuously evolve their tactics.

9.2 Incident Classification: Once an incident is identified, it must be categorized based on its severity and potential impact on the organization. Incident classification is essential for prioritizing response efforts and allocating the appropriate resources to handle the situation. Categories typically include low, medium, and high severity, based on factors such as the scope of the incident, the type of threat involved, and the potential impact on business operations, data confidentiality, or reputation. For instance, a minor phishing attempt affecting a single user might be classified as low severity, while a large-scale data breach compromising sensitive customer data would be categorized as high severity. The classification process also helps to determine the appropriate response actions, ensuring that high-priority incidents are dealt with immediately, while lower-priority issues can be addressed in due course.

9.3 Response Actions: Once an incident is classified, predefined response procedures must be implemented to contain, mitigate, and resolve the issue. Response actions should be tailored to each incident category, with specific steps outlined for handling incidents based on their severity. For instance, high-severity incidents, such as a data breach, may require immediate containment actions like isolating affected systems, notifying stakeholders, and engaging forensic teams to investigate the breach. Medium-severity incidents, such as malware infections, may involve removing malicious software and scanning systems for further threats. Low-severity incidents might only require routine measures, like password resets or employee re-training. The response plan should also include communication protocols, detailing who needs to be informed, both internally and externally, and how the information should be disseminated. Having predefined procedures in place ensures a structured and timely response, reduces confusion during the incident, and helps to mitigate the impact of the event on the organization.

9.4 Post-Incident Review: After an incident has been resolved, it is critical to conduct a post-incident review to evaluate the response efforts, identify lessons learned, and improve future incident management strategies. The review process typically involves gathering key stakeholders to assess how well the response plan was executed, whether there were any gaps or delays, and if the correct procedures were followed. The team should also analyse the root cause of the incident to prevent recurrence and identify areas where security controls or protocols can be enhanced. Additionally, the review should examine communication effectiveness, both internally within the organization and externally with stakeholders, including customers, regulators, and vendors. By documenting the lessons learned from each incident, organizations can refine their response procedures, strengthen security measures, and improve overall resilience.

10.0 RECORDS RETENTION

10.1 Retention Policy: A retention policy is essential for ensuring that an organization handles its records in a consistent and legally compliant manner. This policy should specify the retention periods for different types of records, such as financial documents, employee files, contracts, and customer data, based on legal, regulatory, and business requirements. Retention periods will vary depending on the type of record and its relevance to on-going operations or legal obligations. For example, tax-related records may need to be kept for a minimum of seven years, while other less critical documents may only need to be retained for a shorter time. The policy should also outline the process for periodic review and disposal of records once they no longer serve a business or legal purpose.

10.2 Implementation: The implementation of the retention policy is critical to ensure consistent adherence across all departments within the organization. Each department should be made aware of the policy and trained on its requirements and procedures for managing records. Clear guidelines should be provided on how to categorize records, track retention periods, and determine when records should be securely disposed of. Regular audits and monitoring systems can be implemented to track compliance and identify any areas where the policy is not being followed. Additionally, department heads should be responsible for overseeing their teams' compliance with the retention policy and addressing any gaps or issues. This could involve incorporating retention requirements into standard operating procedures (SOPs) or digital systems used for document management.

10.3 Disposal: Once a record has reached the end of its retention period, it must be securely disposed of to ensure that sensitive information is not exposed or accessed by unauthorized parties. Secure disposal methods vary depending on the format of the record. For physical records, methods such as shredding, incineration, or secure offsite destruction should be used to completely destroy the documents beyond recovery. For electronic records, data should be permanently erased using certified data-wiping software that ensures the information cannot be reconstructed or retrieved. The disposal process should be thoroughly documented, including the date of disposal, the method used, and the individual or department responsible for overseeing it. Ensuring secure disposal not only mitigates the risk of data breaches but also helps organizations stay compliant with privacy regulations and avoid potential legal liabilities. A well-defined disposal procedure protects the organization from potential data theft and helps maintain trust with clients and stakeholders.

11.0 THIRD-PARTY DATA PROTECTION

11.1 Access Controls: Access controls are essential for protecting sensitive data from unauthorized access. Implementing strict access controls ensures that only authorized personnel can access specific information, reducing the risk of data breaches or misuse. This involves setting up role-based access controls (RBAC) where employees are granted access based on their job functions, with the principle of least privilege applied to limit access to the minimum necessary data. Multi-factor authentication (MFA) should be enforced to add an additional layer of security, ensuring that even if credentials are compromised, unauthorized access is still prevented. Effective access controls prevent unauthorized data access and safeguard the organization's sensitive information.

11.2 Encryption: Encryption is a key measure to ensure the confidentiality and integrity of data, both during transmission and storage. When data is transmitted over networks or stored in databases, encryption scrambles the information so that only authorized parties with the decryption key can read or use it. For data in transit, encryption protocols like TLS (Transport Layer Security) should be used to protect data being sent across networks, particularly when dealing with sensitive information like personal or financial data. For data at rest, strong encryption methods, such as AES (Advanced Encryption Standard), should be employed to secure data stored on servers, cloud services, or backup systems.

11.3 Monitoring: Regular monitoring is essential to detect unauthorized activities and maintain the security of third-party data. By actively monitoring access logs, user behaviour, and data flows, organizations can identify any suspicious activity or policy violations in real-time. Monitoring should focus on unusual access patterns, such as unexpected times of access, access from unfamiliar locations, or attempts to bypass access controls. Intrusion detection systems (IDS) and security information and event management (SIEM) solutions can help automate the detection of anomalous behaviours or unauthorized actions. Effective monitoring also allows organizations to respond quickly to security incidents, minimizing potential damage. By continuously tracking and analysing access and activities related to third-party data, organizations can maintain oversight and ensure data security remains intact.

11.4 Compliance: Ensuring compliance with relevant data protection regulations is crucial for maintaining trust and avoiding legal and financial penalties. Depending on the jurisdiction, organizations may need to comply with various laws and standards such as GDPR (General Data Protection Regulation), HIPAA (Health Insurance Portability and Accountability Act), or CCPA (California Consumer Privacy Act). These regulations often mandate strict controls over how data is collected, stored, accessed, and shared, with an emphasis on protecting individuals' privacy and ensuring transparency in data processing activities. Organizations should implement processes to regularly review and update their data protection practices to stay aligned with changing laws. Additionally, compliance requires maintaining comprehensive documentation, conducting periodic audits, and ensuring staff is properly trained on regulatory requirements. By ensuring compliance with these regulations, organizations not only avoid potential fines but also enhance their reputation as responsible data custodians, fostering customer trust and confidence in their data handling practices.

12.0 STAKEHOLDER CONSENT

12.1 Consent Collection: Consent collection is a foundational aspect of data protection, ensuring that personal data is only processed with the explicit permission of stakeholders. This process involves clearly informing individuals about what data will be collected, why it will be used, and how it will be processed. Organizations should use transparent, easy-to-understand language and provide stakeholders with all necessary information to make an informed decision. Consent must be obtained before any data processing occurs and should be collected through opt-in methods, such as checkboxes or consent forms. The consent should be freely given, specific, informed, and unambiguous, and it cannot be obtained through implied or passive means. In certain jurisdictions, such as under GDPR, consent must be documented, and organizations should ensure that stakeholders can easily access and review their consent records. Collecting consent in this manner upholds data subjects' rights and promotes transparency in how their data is handled.

12.2 Withdrawal of Consent: Providing stakeholders with the ability to withdraw consent at any time is a crucial element of data protection and a fundamental right under laws like the GDPR. Organizations must ensure that individuals can easily revoke their consent without facing obstacles or negative consequences. This can be facilitated through straightforward mechanisms, such as a user-friendly option in online platforms (e.g., an unsubscribe link, a preferences management tool), or through direct contact with the organization (e.g., a dedicated email or phone number). Once consent is withdrawn, the organization should stop processing the individual’s data, and any data stored should be either anonym zed or securely deleted, in accordance with the organization’s data retention policy. Clear instructions for withdrawing consent should be provided at the point of collection and in subsequent communications, ensuring that stakeholders are aware of their rights. Enabling the withdrawal of consent reinforces the organization’s commitment to respecting individual privacy and upholding data protection principles.

12.3 Compliance: Ensuring compliance with consent agreements is vital to maintaining legal and ethical standards in data processing activities. Organizations must align their data processing practices with the terms outlined in the consent agreements to avoid violations of data protection laws and regulations. This includes ensuring that the data is used only for the purposes specified at the time of consent that stakeholders’ data is kept secure, and that consent is periodically reviewed to ensure it remains valid. Regular audits should be conducted to assess whether data processing activities are consistent with the consent obtained and to ensure that data is not being used beyond the scope of the agreement. Furthermore, compliance with consent agreements includes ensuring that the organization respects stakeholders' rights to access, rectify, or delete their data. By strictly adhering to consent agreements, organizations demonstrate their commitment to legal and ethical data handling practices, fostering trust and reducing the risk of penalties or reputational damage.

13.0 INFORMATION MANAGEMENT

13.1 Information Classification: Information classification is a crucial process for organizing and protecting sensitive data based on its level of confidentiality. Organizations should classify information into categories such as public, internal, confidential, and restricted, with each category having specific handling procedures. This classification allows for clear guidelines on how data should be stored, shared, and disposed of, ensuring that more sensitive information receives higher levels of protection. For example, confidential data may require encryption, secure storage, and limited access, while public data may not need such stringent controls. Information classification also helps minimize the risk of unauthorized access or data breaches by ensuring that sensitive data is only accessible to those who need it for their roles. By implementing a robust classification system, organizations can ensure that all types of information are appropriately protected throughout their lifecycle, reducing both security and compliance risks.

13.2 Access Controls: Access controls are fundamental in protecting sensitive information by ensuring that only authorized personnel have access to specific data based on their roles and responsibilities. Role-based access controls (RBAC) are commonly used to assign access privileges based on an employee's job function, with the principle of least privilege guiding the allocation of permissions. Under RBAC, individuals are only granted access to the information necessary for performing their job duties, and no more. This minimizes the risk of unauthorized access and limits the exposure of sensitive data. Access controls should be enforced using strong authentication methods, such as multi-factor authentication (MFA), and periodic reviews of user permissions should be conducted to ensure that access rights are current and appropriate. Additionally, logs of access to sensitive data should be maintained to track and audit data access. These measures ensure that only the right individuals can interact with sensitive information, reducing the likelihood of data misuse.

13.3 Training: Employee training is essential to ensure that all individuals within an organization are aware of the best practices for handling sensitive information securely and responsibly. Training programs should educate employees on information classification, data protection regulations, and the importance of confidentiality. It is also important to teach employees how to recognize and respond to security threats, such as phishing or social engineering attempts. Regular training sessions help reinforces the organization’s security policies, making sure employees understand their roles in safeguarding sensitive data. Additionally, training should include proper data disposal practices, password management, and safe communication techniques to prevent information leaks or breaches.

13.4 Monitoring: Monitoring information handling activities is key to ensuring compliance with data protection policies and identifying potential security threats in real time. Regular monitoring helps detect unauthorized access, suspicious behaviour, or potential data misuse, allowing the organization to take immediate corrective actions. This can include tracking who is accessing sensitive data, when they are accessing it, and whether they are following the appropriate security protocols. Automated tools such as Security Information and Event Management (SIEM) systems can assist in monitoring large volumes of data access and flagging irregularities.

14.0 CONCLUSION

The implementation of this Information Security Governance Program (IGP) SOP is critical to safeguarding SMC's information assets and maintaining the trust of our clients and stakeholders. By adhering to these procedures, we ensure a proactive approach to information security, compliance with legal and regulatory requirements, and continuous improvement of our security posture. All employees and stakeholders are expected to familiarize themselves with and adhere to the guidelines set forth in this SOP to contribute to a secure and resilient organizational environment.

EMPLOYEE BENEFITS & COMMUNICATIONPROCEDURE

SMC/ESG /SOP- 08

1.0 PURPOSE

The purpose of this SOP is to ensure that the organization maintains an effective two-way communication system, offers comprehensive employee benefits, supports work-life balance, and ensures transparency in compensation, performance, and working conditions. The purpose of this SOP is to ensure that the organization maintains an effective two-way communication system, offers comprehensive employee benefits, supports work-life balance, and ensures transparency in compensation, performance, and working conditions.

2.0 SCOPE

This SOP applies to all employees within SMC, across all departments and locations. It covers a range of topics related to employee benefits, communication, performance management, and working conditions. The document outlines the processes for offering employee benefits such as compensation for extra or atypical working hours, family-friendly programs, flexible work arrangements, health care coverage, and the communication of these processes to employees.

3.0 RESPONSIBILITY

3.1 HR Department: The HR department plays a crucial role in ensuring that the processes outlined in the SOP are effectively communicated and implemented across the organization. HR is responsible for ensuring that all employee benefits are administered according to company policy and legal requirements.

3.2 Managers and Supervisors: Managers and supervisors act as the main link between employees and upper management, ensuring effective communication at all levels. They are responsible for addressing any concerns employees may have regarding working conditions, benefits, or job-related issues.

3.3 Employees: Employees are an essential part of the two-way communication system within the organization. They are encouraged to engage actively with management and share their concerns, suggestions, or feedback regarding working conditions, compensation, and benefits.

4.0 EMPLOYEE VOICE

4.1 Regular Feedback Channels: Regular feedback channels provide employees with multiple avenues to express their opinions and concerns. These include feedback surveys, which are conducted periodically to assess employee satisfaction and identify areas for improvement.

The company also promotes an open-door policy, encouraging employees to speak directly with managers or HR about any issues or suggestions they may have. Additionally, suggestion boxes are placed throughout the workplace to give employees an anonymous platform to share ideas or voice concerns without fear of reprisal. These channels ensure continuous communication, making employees feel heard and valued while also allowing the organization to respond quickly and appropriately to emerging issues, thereby improving overall workplace satisfaction and productivity.

4.2 Monthly Town Hall Meetings: Monthly town hall meetings serve as a vital communication platform between management and employees. These meetings are held to provide employees with important company updates, strategic directions, and upcoming initiatives. Management uses these sessions to discuss company performance, future goals, and any changes in policies or procedures that may affect employees. The meetings also create an opportunity for employees to ask questions, voice concerns, and provide feedback directly to leadership. Town halls help ensure that all employees are on the same page, fostering transparency and alignment with the organization’s vision. By encouraging open dialogue, these sessions strengthen the sense of community within the company and build trust between employees and management.

4.3 Employee Grievance Redressed: The employee grievance redressed process ensures that concerns and disputes are addressed promptly and fairly. Employees who have complaints regarding work conditions, interpersonal conflicts, or any other workplace issues can file grievances through a formal system, such as an online portal or a dedicated grievance officer. Once a grievance is submitted, it is taken seriously, and an investigation is conducted to understand the root cause of the issue. The grievance handling procedure includes timely resolution, transparent communication, and appropriate corrective actions to resolve the issue. The process is designed to be impartial and confidential, ensuring that employees feel comfortable raising their concerns without fear of retaliation, thus promoting a fair and just workplace environment.

4.4 Employee Engagement Programs: Employee engagement programs are essential in fostering a sense of belonging, motivation, and involvement in the company’s growth and decision-making processes. These programs typically include activities such as team-building exercises, leadership development initiatives, and opportunities for employees to contribute ideas to strategic goals or projects. Employees are encouraged to participate in regular feedback sessions, which not only allow them to share their opinions but also offer a sense of ownership in the company's direction. By involving employees in decisions that impact their roles and the overall work environment, these programs help improve job satisfaction, morale, and productivity.

5.0 COMPENSATION FOR EXTRA HOURS

5.1 Overtime Compensation: Overtime compensation ensures that employees are fairly remunerated for working beyond their regular working hours. SMC's overtime policy adheres to local labor laws and is designed to compensate employees for extra hours worked. Overtime pay is calculated based on a predefined rate mentioned in the employee's employment contract, typically higher than the standard hourly rate. This rate may vary depending on the nature of the work or the day it is performed. Employees who exceed their regular working hours are entitled to compensation that aligns with legal requirements and the company’s established norms.

5.2 Shift Differentials: Shift differentials are an additional form of compensation provided to employees who work outside the standard working hours, such as during weekends or public holidays. This policy ensures that employees are fairly compensated for working at times when the demand for work may be higher or when they are required to adjust their schedules. Shift differentials are calculated based on a percentage or flat rate, as determined by company policy, and are paid in addition to the standard wage.

5.3 Compensatory Time Off (CTO): Compensatory Time Off (CTO) is an option for employees who work extra hours beyond their regular schedule, allowing them to take time off in lieu of monetary compensation. In cases where an employee works excessive hours, they may choose to utilize CTO after consulting with their supervisor. This arrangement offers flexibility to employees who may prefer time off instead of overtime pay. CTO is typically calculated based on the number of extra hours worked, ensuring that employees are given equivalent time away from work.

6.0 FAMILY-FRIENDLY PROGRAMS (FFPS)

6.1 Parental Leave: Parental leave is a critical benefit provided by SMC, ensuring that both male and female employees have the opportunity to take time off following the birth or adoption of a child. This leave is granted in accordance with statutory requirements and, where applicable, beyond the legal minimum to meet the needs and circumstances of the employee. Parental leave is designed to support new parents in bonding with their child and managing their family responsibilities. SMC recognizes the importance of this period in an employee's life and strives to accommodate the needs of its employees with flexible arrangements, whether for full-time leave or a phased return to work.

6.2 Care Leave: Care leave is a valuable benefit that allows employees to take time off to care for the health and well-being of immediate family members. This includes care for children, elderly parents, or other dependents who may require assistance due to illness, injury, or other health-related issues. SMC's care leave policy ensures that employees can attend to family needs without worrying about job security.

6.3 Childcare Services/Allowances: SMC recognizes the challenges working parents face in balancing their professional and childcare responsibilities. To support employees with young children, the company provides access to childcare facilities and/or childcare allowances. These services are designed to ease the financial burden and logistical challenges of day care by offering affordable and accessible childcare options. Employees who opt for childcare allowances receive financial support to help cover the cost of external day care services. SMC's childcare services and allowances reflect the company's commitment to fostering a family-friendly workplace.

6.4 Flexible Leave Policies: SMC offers flexible leave policies to accommodate the diverse needs of its employees. These policies are designed to provide flexibility when employees need to take extended leave for personal reasons or caregiving responsibilities. Whether it's for medical reasons, personal time, or caring for a family member, employees can request flexible leave arrangements that suit their circumstances. This may include extended time off or the ability to work part-time for a period.

7.0 FLEXIBLE WORK

7.1 Remote Work: SMC offers remote work opportunities to employees whose roles do not require constant physical presence at the worksite. This arrangement may be full-time or part-time, depending on job responsibilities, departmental needs, and employee performance. The decision to approve remote work is made by the relevant department head, in consultation with Human Resources, to ensure that productivity and service delivery remain unaffected. Employees working remotely are expected to maintain regular communication, meet deadlines, and participate in virtual meetings. Clear guidelines are provided regarding working hours, performance expectations, data security, and the use of company-provided equipment.

7.2 Flexi-Time: Flexi-time is a flexible work schedule that allows employees to choose their start and end times within a pre-defined window, typically between 7:00 AM and 7:00 PM. Employees are required to complete a full working day, but they have the autonomy to structure their hours in a way that best fits their personal and professional obligations. This flexibility is subject to managerial approval and operational feasibility, especially in roles requiring collaboration or time-sensitive deliverables. Flexi-time supports employees in managing daily routines, such as school drop-offs, medical appointments, or other personal commitments, while still meeting work responsibilities.

7.3 Part-Time Employment: Part-time employment at SMC is available for employees who need to reduce their working hours due to personal, health, educational, or family-related reasons. This arrangement must be formally requested by the employee and is subject to managerial approval based on the feasibility within the department. Part-time roles are structured to ensure clarity in expectations, workload, and performance metrics. Employees opting for part-time schedules may work reduced daily hours or fewer days per week, depending on what is mutually agreed upon.

8.0 HEALTH CARE COVERAGE

8.1 Group Health Insurance: SMC provides comprehensive group health insurance coverage to all employees as part of its core benefits package. This policy covers a wide range of medical needs, including hospitalization, surgery, emergency care, and outpatient treatments. Enrolment is automatic upon joining the company, ensuring that all employees are protected from day one. The insurance coverage extends to employees' dependents, such as spouses and children, based on policy terms. This benefit helps reduce the financial burden associated with healthcare costs and ensures timely access to quality medical services. Claims are processed through an easy-to-use third-party administrator, and employees receive regular guidance from the HR team on how to navigate their benefits.

8.2 Wellness Programs: SMC actively promotes a culture of health and well-being through comprehensive wellness programs designed to address both physical and mental health. These programs include annual health check-ups, fitness challenges, stress management workshops, and on-site health camps. The company partners with medical professionals and wellness coaches to offer services such as yoga, nutrition counselling, and mindfulness training.

Additionally, SMC provides educational resources on maintaining a healthy lifestyle and offers incentives for participating in wellness activities. Mental health is a key focus, with confidential counselling services and support sessions available to help employees manage stress, anxiety, and work-life balance. By investing in wellness initiatives, SMC seeks to reduce absenteeism, improve morale, and boost productivity.

8.3 Dental and Vision Benefits: Recognizing the importance of complete healthcare, SMC provides supplementary dental and vision benefits to ensure employees have access to preventive and routine care beyond standard medical coverage. These benefits include coverage for dental cleanings, X-rays, fillings, root canals, and periodontal treatments. Vision coverage typically includes annual eye exams, prescription glasses or contact lenses, and discounts on frames and corrective surgery such as LASIK. These offerings are extended through the group insurance plan or reputable third-party providers, ensuring quality and ease of access. Employees are guided through the enrolment and claims process by HR, making it simple to utilize these benefits.

8.4 Employee Assistance Program (EAP): SMC provides an Employee Assistance Program (EAP) as a confidential resource to support employees dealing with personal or work-related challenges. The EAP offers professional counselling services, available both in-person and online, to assist employees in coping with stress, relationship issues, grief, substance abuse, and mental health concerns. Legal and financial advice is also accessible through the EAP, offering practical help in areas such as debt management, legal disputes, and family law matters. Participation in the program is voluntary, confidential, and provided at no cost to employees. The EAP is promoted through internal communication channels to ensure all employees are aware of its availability. Managers are also trained to recognize when to suggest EAP services to team members in distress.

9.0 REMUNERATION TRANSPARENCY

9.1 Salary Grid: SMC maintains a transparent salary grid that clearly outlines pay scales across different job roles, levels, and departments within the organization. This structured framework ensures fairness, equity, and consistency in compensation practices. The grid is accessible to all employees through the internal HR portal and is periodically reviewed to reflect market competitiveness, inflation, and organizational growth. Each role is assigned a specific grade and corresponding salary range, taking into account factors such as experience, education, and skill level. The salary grid allows employees to understand their current compensation in relation to their role and the potential for upward movement.

9.2 Salary Advancement: SMC has a clearly defined salary advancement process aimed at rewarding employee performance, loyalty, and professional development. Salary increases are typically granted during annual performance reviews or when an employee takes on new responsibilities, earns certifications, or is promoted. Advancement decisions are based on transparent performance criteria, including goal achievement, skill enhancement, leadership qualities, and peer feedback. Employees are made aware of these benchmarks through regular one-on-one discussions and formal review meetings. The process is designed to be objective, merit-based, and free from bias, with HR and departmental managers jointly overseeing decisions. All changes to compensation are communicated through official letters and recorded in the HR management system.

9.3 Bonuses and Incentives: SMC offers a structured bonus and incentive program designed to reward employees for their individual contributions and align their efforts with the company's overall performance. Bonuses are distributed annually or semi-annually, depending on company performance metrics such as profitability, operational efficiency, and customer satisfaction. Individual eligibility is determined through performance appraisals, project outcomes, and adherence to company values. Managers are responsible for evaluating employees against set KPIs and providing recommendations for bonuses. Incentives may also be provided for outstanding achievements, innovative ideas, or exceptional service delivery. These can include monetary awards, gift vouchers, recognition certificates, or non-financial perks. By linking bonuses to both individual and organizational success, SMC fosters a culture of accountability, motivation, and excellence.

10.0 EMPLOYEE SATISFACTION SURVEYS

10.1 Survey Frequency: At SMC, employee satisfaction surveys are conducted annually as part of a continuous effort to monitor and enhance the workplace environment. This yearly schedule ensures that the company receives consistent, structured feedback from employees across all levels. In addition to the annual survey, SMC may initiate additional pulse surveys or quick feedback forms throughout the year in response to specific organizational changes, issues, or initiatives. These supplementary surveys are useful for tracking the effectiveness of recently implemented policies or identifying emerging concerns in real time. The frequency of surveys is designed to balance effective data collection with respect for employee time and engagement levels. All surveys are voluntary and anonymous, encouraging honest participation without fear of repercussions.

10.2 Survey Content: The content of SMC's employee satisfaction surveys is carefully designed to capture a broad and accurate picture of the employee experience. Key focus areas include job satisfaction, work-life balance, team dynamics, leadership effectiveness, career development opportunities, and the overall workplace environment. Questions also assess internal communication, recognition, diversity and inclusion, and how well company values are reflected in everyday practices. Where applicable, the survey may include open-ended sections allowing employees to provide detailed comments or suggestions. All survey questions are constructed to be unbiased, measurable, and easy to understand. The structure allows for both quantitative scoring and qualitative feedback, giving management a well-rounded view of employee sentiment.

11.0 PERFORMANCE-BASED BONUS

11.1 Eligibility: At SMC, eligibility for the annual bonus scheme is directly tied to employee performance and role-specific expectations. Employees who consistently meet or exceed the key performance indicators (KPIs) outlined in their job descriptions qualify for consideration. Eligibility is determined through the formal performance appraisal process, where managers assess individual contributions, attendance, teamwork, initiative, and adherence to company values. Additionally, employees must have completed a minimum period of service—typically six months to one year—to be considered for a bonus. Employees on performance improvement plans or with disciplinary actions may be deemed ineligible. By linking bonus eligibility to clearly defined performance metrics, SMC ensures that the system is fair, merit-based, and aligned with organizational goals.

11.2 Criteria: SMC's bonus distribution criteria are structured to reflect a dual focus on individual performance and overall company success. On the individual level, performance metrics such as quality of work, goal completion, innovation, client satisfaction, and teamwork are evaluated. Simultaneously, the company's financial performance—measured by annual revenue, profit margins, operational efficiency, and strategic achievements—determines the total bonus pool available. Bonuses are tiered based on the employee's role, performance rating, and contribution to departmental or organizational goals. Managers play a key role in evaluating these criteria objectively during the annual performance review cycle. A balanced scorecard approach is often used to ensure all relevant factors are considered.

11.3 Pay-out Schedule: Bonuses at SMC are distributed annually, usually at the end of the fiscal year, following a thorough review of both company and individual performance. After the close of the financial year, the leadership team evaluates the company's overall achievements, including revenue targets, profitability, and strategic milestones. Concurrently, performance appraisals are finalized for all eligible employees. Once both sets of data are reviewed, the bonus amounts are calculated, approved by senior management, and processed through payroll. Bonus pay-outs typically occur in the first or second month of the new fiscal year, depending on internal timelines. Employees are informed in advance of the schedule and the factors influencing their individual bonus amounts.

12.0 GOOD WORKING CONDITIONS

12.1 Workplace Safety: At SMC, workplace safety is a top priority, with proactive measures in place to protect employees from occupational hazards. Regular risk assessments are conducted by the safety and facilities teams to identify potential dangers in the office and field environments. These assessments cover fire safety, electrical hazards, ergonomic risks, and emergency preparedness. Based on the findings, appropriate safety protocols, signage, and personal protective equipment (PPE) are implemented. Mandatory safety training sessions are organized to educate employees on accident prevention, safe machinery handling, and emergency response procedures. Fire drills and evacuation simulations are conducted periodically to ensure readiness. By prioritizing a safe work environment, SMC not only complies with statutory regulations but also fosters a culture of responsibility and care for the well-being of its workforce.

12.2 Work Environment: SMC is committed to providing a professional, clean, and well-maintained work environment that supports employee comfort and productivity. All workspaces, whether office-based or field sites, are equipped with proper lighting, ventilation, seating, and hygiene facilities. Routine inspections are conducted to ensure cleanliness and functionality of common areas, workstations, restrooms, and meeting rooms. Employees are encouraged to report any concerns related to workplace ergonomics, cleanliness, or environmental discomfort to the facilities or HR teams. SMC also invests in ergonomic furniture and promotes best practices for posture and screen time management, particularly for roles involving prolonged computer use. Noise levels, temperature control, and overall aesthetics are monitored to create a conducive and inspiring atmosphere.

12.3 Psychological Well-being: SMC prioritizes not only the physical but also the psychological well-being of its employees. To reduce workplace stress and promote mental health, the company offers a variety of programs and resources. These include confidential counselling services, access to licensed psychologists, and wellness workshops focusing on stress management, emotional resilience, and mindfulness techniques. Employees can participate in guided meditation sessions or make use of designated relaxation areas designed to offer a mental break from high-pressure work. SMC also encourages open dialogue about mental health and trains managers to identify early signs of emotional distress in their teams. This approach not only improves employee engagement and retention but also contributes to higher overall organizational performance.

13.0 TRAINING & DEVELOPMENT OPPORTUNITIES

13.1 Training Programs: SMC invests significantly in the continuous professional development of its workforce through comprehensive training programs. Employees have access to both internal and external learning opportunities that cater to technical competencies, role-specific knowledge, and essential soft skills such as communication, teamwork, and problem-solving. These programs are delivered through various formats including in-person workshops, online courses, certifications, and on-the-job training sessions. New employees undergo structured on boarding programs to familiarize themselves with company policies, systems, and work culture.

13.2 Leadership Development: SMC is committed to nurturing future leaders through structured leadership development programs aimed at identifying, mentoring, and advancing high-potential employees. These initiatives are designed to build core leadership competencies such as strategic thinking, decision-making, team management, and innovation. Selected participants undergo a mix of classroom training, mentorship, stretch assignments, and cross-functional projects to gain practical leadership experience. The program also includes exposure to senior management and opportunities to participate in strategic initiatives, preparing individuals to take on more significant responsibilities. Regular assessments and feedback sessions help track progress and fine-tune development plans. SMC recognizes that effective leadership is vital to the success and sustainability of the organization, and therefore invests in identifying talent early and fostering a pipeline of capable, confident leaders.

13.3 Performance Reviews: Regular performance reviews at SMC are a vital component of the employee development process, providing structured feedback and identifying opportunities for improvement and growth. These reviews are typically conducted bi-annually or annually and involve a formal evaluation of an employee’s achievements against established objectives, competencies, and behavioural expectations. The review process includes self-assessment, peer feedback (where applicable), and manager evaluations to provide a well-rounded view of performance. Constructive discussions during these sessions help clarify expectations, recognize strengths, and pinpoint areas where additional training or support may be beneficial.

14. CONCLUSION

By implementing this SOP, SMC demonstrates its commitment to providing a positive work environment that values employee well-being, communication, and professional growth. The company aims to foster a culture of trust, transparency, and inclusivity, ensuring that employees feel supported and empowered in their roles. Effective communication, competitive benefits, and a focus on work-life balance will continue to be integral components of SMC's overall strategy to attract, retain, and engage top talent.

ETHICAL PROCUREMENT PRACTICES PROCEDURE

SMC/ESG /SOP- 09

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to outline the procedures and policies related to Supplier Sustainability and Ethical Procurement Practices at SMC India. This SOP aims to promote sustainable, ethical, and responsible procurement practices throughout our supply chain. By adopting these procedures, we ensure that SMC not only adheres to high standards of environmental and social responsibility but also fosters positive, long-term relationships with suppliers who share similar values.

2.0 SCOPE

This SOP applies to all procurement activities at SMC, including the selection and management of suppliers for goods, services, and any other activities that form part of the company's supply chain. It covers all aspects related to supplier sustainability, ethical practices, and social and environmental impacts. The document outlines policies for selecting suppliers based on their adherence to ethical practices, evaluating their environmental performance, integrating sustainability clauses into supplier contracts, and carrying out monitoring and assessments to ensure compliance with the company's standards.

3.0 RESPONSIBILITY

3.1 Procurement Team: The Procurement Team plays a central role in the successful execution of the Standard Operating Procedure (SOP) for sustainable and ethical procurement. Their primary responsibilities include the selection of suppliers who align with SMC's sustainability values, overseeing the end-to-end contract management.

3.2 Sustainability and Compliance Team: The Sustainability and Compliance Team is tasked with embedding environmental, social, and governance (ESG) principles into the procurement process. They support the Procurement Team by identifying potential risks within the supply chain, particularly those related to human rights, labor practices, environmental impact, and legal compliance.

3.3 Management: Senior management has a pivotal role in championing and institutionalizing sustainable and ethical procurement within SMC. Their responsibility is to lead by example, demonstrating a clear commitment to environmental stewardship and ethical business practices across all company operations.

4.0 SUPPLIER CODE OF CONDUCT

4.1 Supplier Identification: Before establishing any business relationship, SMC undertakes a thorough supplier identification process that prioritizes alignment with its sustainability values. As part of this process, all prospective suppliers are provided with the Supplier Sustainability Code of Conduct, a document that clearly outlines the company's expectations regarding ethical labor practices, environmental responsibility, and social accountability. This early-stage communication serves to ensure transparency and mutual understanding, setting the tone for a responsible partnership. The code includes standards related to human rights, non-discrimination, carbon footprint reduction, waste management, and anti-corruption measures.

4.2 Code of Conduct Agreement: Once a supplier has reviewed the Supplier Sustainability Code of Conduct, they must formally agree to its terms through a documented agreement. This step is crucial in reinforcing the importance SMC places on sustainable and ethical business practices. The agreement requires suppliers to commit to upholding key principles, including fair labor standards, safe working conditions, non-discrimination, freedom of association, and ethical conduct in all business dealings. Environmental clauses within the agreement encourage suppliers to reduce emissions, manage waste responsibly, and avoid hazardous materials. By signing the agreement, suppliers not only accept SMC's expectations but also acknowledge their responsibility to cascade these standards throughout their own supply chains.

4.3 Continuous Monitoring: Sustainability is not a one-time assessment but a continuous commitment. Therefore, SMC implements on-going monitoring mechanisms to ensure suppliers remain in compliance with the Supplier Sustainability Code of Conduct. Suppliers are required to submit periodic updates detailing their environmental, social, and ethical performance, including key performance indicators (KPIs) such as emissions levels, energy consumption, labor conditions, and workforce diversity. These updates allow SMC to track improvements, identify potential risks, and provide support where necessary. In addition to self-reporting, SMC reserves the right to conduct regular or unannounced audits, either directly or through third-party assessors.

5.0 SUSTAINABLE CONTRACTING PRACTICES

5.1 Contractual Inclusion: To ensure sustainable and ethical practices are embedded in supplier relationships, all contracts between SMC and its suppliers must contain specific social and environmental clauses. These clauses serve as formal commitments and legal obligations, covering a wide range of issues such as waste reduction, responsible energy use, fair treatment of workers, occupational health and safety, and positive community engagement**.** The purpose is to clearly define the sustainability expectations that suppliers must meet throughout the duration of the agreement.

5.2 Clause Review and Modification: To remain relevant and effective, the social and environmental clauses in supplier contracts are subject to periodic review by SMC's Procurement and Sustainability teams. As sustainability standards evolve—driven by changes in global regulations, industry benchmarks, or stakeholder expectations—so too must the language and scope of contractual obligations. Regular clause reviews ensure that SMC's agreements reflect the most up-to-date practices in areas like carbon footprint reduction, water usage, biodiversity protection, labor rights, and ethical governance.

5.3 Supplier Agreement: As part of the contracting process, suppliers must formally acknowledge and accept all social and environmental clauses embedded within their agreements with SMC. This acknowledgment signifies the supplier's commitment to upholding standards related to ethical labor practices, environmental stewardship, and community responsibility. Acceptance of these clauses is a condition of doing business with SMC, and suppliers are expected to implement the necessary systems and controls to ensure on-going compliance. By signing the agreement, suppliers also accept that failure to comply—whether through inaction, negligence, or deliberate violation—may lead to significant consequences, including the possibility of relationship termination.

6.0 SUPPLY CHAIN SUSTAINABILITY

6.1 Initial Risk Assessment: Before formalizing any supplier relationship, SMC conducts a thorough Initial Risk Assessment to identify potential environmental and social risks associated with the supplier's operations. This proactive evaluation helps ensure that new suppliers meet the company's sustainability and ethical standards from the outset. Key factors assessed include waste generation practices, energy consumption, labor rights compliance, occupational safety, sourcing of raw materials, and the supplier's overall impact on local communities. Data is collected through supplier questionnaires, public reports, certifications, and where necessary, on-site audits.

6.2 On-going Monitoring: Recognizing that supplier operations and external conditions can change over time, SMC implements a process of On-going Monitoring to continuously evaluate potential social and environmental risks. This monitoring goes beyond the initial assessment, involving scheduled reviews and unscheduled evaluations based on new developments, such **as** regulatory changes, community complaints, industry alerts, or shifts in supplier activities. The review may involve updated questionnaires, site visits, or third-party audits to assess whether the supplier is maintaining or improving compliance with sustainability and ethical standards. Special attention is paid to evolving areas of concern, including new environmental legislation, changes in workforce dynamics, and supply chain disruptions.

6.3 Risk Mitigation: When high risks are identified—either during the initial assessment or through on-going monitoring—SMC develops a Risk Mitigation Plan in collaboration with the supplier. The objective is to address and reduce risks related to environmental harm, labor violations, unsafe working conditions, or unethical sourcing practices. Mitigation strategies are tailored to the specific issues uncovered and may involve a range of corrective actions, including enhanced oversight, implementation of new policies, or infrastructure upgrades.

SMC may provide training programs, technical guidance, or access to sustainability resources to support the supplier in achieving compliance. The plan includes clear timelines, accountability measures, and follow-up assessments to track progress. In some cases, third-party consultants may be involved to ensure neutrality and expertise.

7.0 PERFORMANCE EVALUATION

7.1 Supplier Self-Assessment: As part of SMC's commitment to responsible sourcing, all suppliers are required to complete a comprehensive Environmental and Social Impact Self-Assessment**.** This tool gathers detailed information about the supplier's operations, focusing on critical areas such as energy consumption, greenhouse gas emissions, waste management practices, labor conditions, workplace safety, and community engagement initiatives**.** The self-assessment serves as a baseline for evaluating the supplier's sustainability performance and identifying areas that may require improvement. It encourages suppliers to reflect on their own practices, understand SMC's sustainability expectations, and take proactive steps toward alignment.

7.2 Third-Party Audits: To ensure transparency, credibility, and accountability, SMC may engage independent third-party auditing firms to conduct formal assessments of supplier practices. These audits provide an unbiased, professional evaluation of suppliers' compliance with environmental and social standards as defined in SMC's Supplier Sustainability Code of Conduct. Areas of focus typically include labor conditions, occupational health and safety, environmental impact (e.g., emissions, waste, water use), and legal compliance**.** Third-party auditors follow industry-recognized protocols and may conduct both announced and unannounced site visits. The advantage of third-party audits lies in their objectivity, depth, and ability to uncover issues that might be overlooked in self-assessments. Audit results are used to validate supplier-reported data, flag non-compliance, and inform any required corrective actions.

7.3 Continuous Monitoring: Sustainability performance is not static—it evolves with time, operational changes, and regulatory developments. For this reason, SMC employs a system of Continuous Monitoring to ensure that suppliers maintain high standards of environmental and social responsibility. This on-going process includes regular follow-ups on previously completed self-assessments and audits, periodic review of supplier-submitted sustainability reports, and updated evaluations based on new performance data or risk indicators. Monitoring may also involve digital tracking tools, supplier scorecards, and annual compliance surveys.

8.0 SUSTAINABLE PROCUREMENT TRAINING

8.1 Regular Training Sessions: To maintain high standards of ethical and sustainable procurement, SMC ensures that its procurement team participates in regular training sessions. These sessions are designed to keep staff informed of current trends and evolving best practices in social, environmental, and ethical procurement**.** Topics typically covered include labor rights and working conditions, environmental compliance, human rights due diligence, anti-corruption practices**,** and updates to international and local regulations.

The training helps procurement professionals understand the broader impact of their sourcing decisions and equips them with the skills to integrate sustainability criteria into supplier selection and contract management. Training formats may include workshops, e-learning modules, case studies, and scenario-based exercises.

8.2 Supplier Relationship Management: A key aspect of sustainable procurement lies in building ethical and strategic relationships with suppliers, and SMC integrates this principle into its training programs. Procurement staff is trained to go beyond transactional thinking and adopt a relationship-based approach that emphasizes long-term collaboration, trust, and mutual accountability. Training sessions focus on understanding supplier perspectives, fostering transparent communication, and supporting supplier development—particularly in areas such as ethical labor practices, environmental stewardship, and local community engagement. Staffs learn how procurement choices influence not just costs and delivery timelines, but also broader sustainability goals, including carbon reduction, human rights, and fair trade. The training encourages a proactive, empathetic approach where procurement professionals can identify early warning signs of non-compliance and work constructively with suppliers to resolve them.

8.3 Collaboration with External Experts: To address the growing complexity of sustainability challenges in global supply chains, SMC actively collaborates with external sustainability experts to deliver advanced, specialized training for its procurement team. These experts bring deep knowledge of emerging environmental standards, labor regulations, ESG (Environmental, Social, Governance) reporting, and industry-specific risks, providing insights that go beyond the internal perspective. Sessions may include guest lectures, workshops, case study reviews, or hands-on training modules developed in partnership with NGOs, academic institutions, and sustainability consultants. This collaboration strengthens the organization's ability to implement effective, forward-thinking procurement strategies that align with global sustainability standards and stakeholder expectations.

9.0 SUPPLIER SUSTAINABILITY AUDITS

9.1 Audit Scheduling: SMC employs a structured approach to audit scheduling, focusing on risk-based prioritization and responsiveness to compliance concerns. On-site audits are scheduled at least once annually for suppliers categorized as high-risk based on their environmental footprint, social practices, or geographical and industry-related risks. Additionally, audits may be initiated at any time in response to reported incidents, whistle-blower alerts, or red flags identified through monitoring tools or stakeholder feedback. The purpose of scheduling audits is to proactively assess supplier adherence to SMC's Supplier Sustainability Code of Conduct, particularly regarding worker rights, safety conditions, environmental management, and ethical governance. High-risk suppliers are notified in advance of upcoming audits, although unannounced visits may also be conducted to ensure authenticity in operations. Audit planning includes coordination with internal or third-party auditors, preparation of checklists, and alignment with local regulatory frameworks. This systematic approach ensures regular oversight and supports the continuous enforcement of sustainability standards.

9.2 Audit Process: The audit process is designed to provide a thorough, objective evaluation of a supplier's compliance with SMC's environmental and social expectations. Conducted by trained internal auditors or accredited third-party firms, the audit typically begins with an opening meeting to outline objectives, followed by a site tour and detailed inspection. Auditors observe working conditions, inspect facilities and equipment, and assess waste management, energy usage, and environmental controls. In-depth interviews with employees at various levels are conducted confidentially to understand workplace practices, grievance mechanisms, and any potential violations such as forced labor or discrimination. Auditors also review documentation, including environmental certifications, safety records, payroll records, and training logs, to validate supplier claims. The process is guided by internationally recognized standards such as SA8000, ISO 14001, and ILO conventions. By evaluating both physical conditions and administrative systems, the audit offers a comprehensive snapshot of the supplier's ethical and sustainability performance.

9.3 Post-Audit Follow-Up: Following the completion of an on-site audit, SMC provides the supplier with a detailed audit report outlining key findings, areas of non-compliance, and recommended corrective actions. This Post-Audit Follow-Up process is critical in driving accountability and continuous improvement. The report categorizes findings by severity (e.g., minor, major, or critical) and assigns deadlines for resolution. Suppliers are expected to develop and implement a Corrective Action Plan (CAP), addressing each issue with clear timelines, responsibilities, and measurable outcomes. SMC may offer guidance, resources, or training to support remediation efforts, especially in cases where non-compliance stems from capability gaps rather than wilful neglect. Follow-up reviews—including documentation checks or re-audits—are scheduled to verify the effectiveness of implemented actions. Progress updates are mandatory and are closely tracked by SMC's procurement and sustainability teams. Failure to meet corrective requirements may result in warnings, probation, or ultimately, termination of the supplier relationship. This process reinforces ethical accountability across the supply chain.

10.0 SUPPLIER CAPACITY BUILDING PROGRAMS

10.1 Training Programs: SMC recognizes that achieving meaningful sustainability goals requires building the capacity of its suppliers. To support this, SMC develops and delivers targeted training programs aimed at enhancing supplier knowledge and operational practices in key areas such as resource efficiency, energy conservation, waste reduction, pollution control, worker welfare, and health and safety. These programs are tailored to the specific challenges faced by different suppliers, considering their industry, scale, and regional context. Training may be delivered through a combination of in-person workshops, virtual sessions, e-learning modules, and printed guides, often developed in collaboration with sustainability experts or industry bodies. The aim is to equip suppliers with practical tools and strategies to reduce environmental impact and enhance compliance with ethical labor standards.

10.2 Collaborative Initiatives: Beyond individual training, SMC promotes a culture of collaborative learning and shared responsibility by encouraging suppliers to actively participate in industry forums, webinars, sustainability workshops, and peer-learning initiatives.

These events—organized by SMC in partnership with external sustainability organizations, NGOs, and regulatory bodies—provide a valuable platform for suppliers to gain insight into emerging trends, regulatory changes, and real-world solutions to common challenges. Topics may include carbon footprint reduction, circular economy models, human rights in supply chains, and digital tools for sustainability tracking. These gatherings also foster networking and open dialogue, enabling suppliers to share their own experiences, learn from peers, and form new partnerships. Participation in these initiatives not only strengthens suppliers' capacity but also builds a collective sense of purpose and alignment with global sustainability goals.

10.3 Support for Improvement: SMC understands that some suppliers, particularly small or medium-sized enterprises, may struggle to meet its rigorous sustainability standards due to resource constraints or limited expertise. Rather than disengaging, SMC takes a supportive approach by offering technical and financial assistance to help these suppliers improve. This may include on-site consulting, funding for equipment upgrades, subsidized training programs, or the provision of templates and tools to implement better environmental and labor practices. Technical support could cover areas such as wastewater treatment, energy efficiency technologies, occupational health improvements, or compliance documentation. SMC works collaboratively with suppliers to develop corrective action plans**,** setting realistic goals and timelines for improvement. In doing so, SMC demonstrates its commitment not just to compliance, but to long-term partnership and shared growth.

11.0 SUSTAINABLE SUPPLIER INCENTIVES

11.1 Performance Evaluation: SMC conducts continuous performance evaluations of its suppliers to assess compliance with environmental and social standards using clearly defined Key Performance Indicators (KPIs)**.** These KPIs are established collaboratively during contract negotiations and may include metrics such as carbon emissions, energy usage, waste reduction, fair labor practices, diversity and inclusion, employee health and safety, and community engagement**.** The purpose of this evaluation is to ensure that suppliers are consistently meeting or exceeding the sustainability expectations outlined in SMC's Supplier Code of Conduct. Performance data is collected through a combination of scorecards self-assessments, audit reports, sustainability**,** and regular communication. These evaluations not only help identify risks and areas for improvement but also create transparency in the supply chain. Suppliers are rated against benchmarks, and their scores may influence future procurement decisions.

11.2 Incentive Design: To encourage and reward commitment to sustainable practices, SMC has developed an incentive-based framework that recognizes high-performing suppliers. Suppliers that consistently demonstrate exceptional performance **or** notable improvements in sustainability are eligible for a range of incentives, including long-term contract renewals, increased order volumes, preferred supplier status, and public recognition through sustainability awards or communications**.** These incentives are designed not only to acknowledge supplier achievements but also to motivate broader industry participation in ethical and environmentally conscious practices. Performance thresholds for eligibility are clearly defined and measured through KPIs related to areas such as GHG reduction, ethical labor management, energy efficiency, and innovation in circular economy practices**.**

12.0 SUSTAINABLE BUYING METRICS

12.1 Inclusion of Sustainability Metrics: SMC has integrated sustainability metrics into the performance evaluation framework for procurement staff to ensure accountability and alignment with organizational goals. These metrics assess how effectively team members are incorporating sustainability considerations into procurement decisions. Key performance indicators may include the percentage of sustainable or ethically certified suppliers, the rate of supplier compliance with the company's sustainability standards, and the number of initiatives implemented to reduce environmental impact, such as carbon reduction or packaging waste elimination. These metrics ensure that procurement is not just evaluated on cost savings and efficiency but also on environmental and social impact. Performance data is collected through supplier scorecards, internal audits, and sustainability tracking tools.

12.2 Regular Review Meetings: SMC conducts regular performance review meetings within its procurement teams to evaluate both individual and collective progress toward procurement and sustainability goals. These meetings serve as a forum to discuss key achievements, challenges, compliance issues, and upcoming objectives. Procurement staff is encouraged to present updates on supplier sustainability assessments, risk mitigation efforts, and contributions to environmental initiatives. The meetings also provide opportunities to share lessons learned, cross-functional insights, and updates on policy or regulatory changes. By embedding sustainability into routine discussions, SMC ensures it remains a consistent priority in procurement operations. Review sessions are structured yet collaborative, allowing for transparent feedback and fostering team accountability. Data from supplier performance reviews and internal metrics is analysed during these meetings to support informed decision-making.

12.3 Continuous Improvement: SMC promotes a culture of continuous improvement by encouraging procurement team members to take personal ownership of their sustainability contributions. Staffs is motivated to set individual sustainability goals, such as improving supplier engagement practices, reducing environmental impacts in purchasing decisions, or leading new initiatives in areas like circular procurement or ethical sourcing. These goals are aligned with the company's broader sustainability strategy and are revisited during performance reviews and team check-ins. Training, mentorship, and access to sustainability resources support team members in reaching these targets. By fostering a mind-set of constant growth and learning, SMC ensures that sustainability is not a static policy requirement, but a dynamic, evolving commitment shared across the team. This approach helps procurement professionals remain adaptable to emerging challenges and drives long-term impact in supply chain sustainability.

13.0 WORKER FEEDBACK SYSTEMS

13.1 Anonymous Surveys: To ensure that worker concerns are heard and addressed, SMC implements anonymous worker voice surveys at supplier sites. These surveys provide an essential tool for measuring worker satisfaction, identifying potential grievances, and assessing the overall social impact of supplier operations.

The anonymous nature of the surveys encourages workers to openly express concerns about areas such as working conditions, wages, safety standards, labor rights, and environmental practices without fear of retaliation. Survey results are analysed to identify recurring themes and areas that may require further investigation or intervention. By collecting direct feedback from the workforce, SMC gains critical insights into the day-to-day realities of supplier operations and can assess whether suppliers are upholding ethical standards and meeting social sustainability expectations. The results of these surveys are used not only for compliance monitoring but also as a foundation for dialogue and improvement between SMC, suppliers, and workers.

13.2 Grievance Mechanisms: SMC establishes formal grievance mechanisms at supplier sites to provide workers with a safe and confidential channel for reporting concerns related to working conditions, wages, health and safety, or environmental practices**.** These mechanisms are designed to ensure that workers can raise issues without fear of retaliation or negative consequences. The grievance system typically includes a variety of reporting options, such as anonymous hotlines, online platforms, or designated personnel in the workplace, making it accessible to all employees, regardless of their position or location. Suppliers are required to maintain these channels and inform workers of their existence during on boarding and training sessions. Clear procedures for addressing grievances are also outlined, ensuring that complaints are handled in a timely, respectful, and transparent manner. The implementation of grievance mechanisms helps promote a culture of respect, transparency, and accountability, ensuring that workers' rights are protected and upheld across the supply chain.

13.3 Follow-Up and Resolution: Once grievances are raised, they are reviewed by a dedicated team within SMC, which collaborates with the supplier to address and resolve the issues. Follow-up and resolution are crucial to ensure that grievances are not only acknowledged but also acted upon in a fair and transparent manner. Suppliers are held accountable for investigating the complaints and taking appropriate corrective actions. SMC closely monitors the process to ensure that any issues raised are resolved in a timely and effective manner and those workers' rights are safeguarded. This may include facilitating further investigations, conducting additional audits, or providing additional training for the supplier's management team. SMC may also request periodic updates on the progress of the resolution process. If grievances are not adequately addressed or if systemic issues are identified, SMC may take further action, including working with the supplier to develop corrective action plans or, in extreme cases, terminating the relationship.

14.0 SUSTAINABLE PROCUREMENT

14.1 Benchmarking against Industry Standards: To ensure that its sustainability practices remain relevant and effective, SMC benchmarks its efforts against industry standards and best practices**.** This process involves comparing SMC's sustainability goals, policies, and performance metrics with those of leading organizations, industry frameworks, and certification bodies. By identifying gaps and areas for improvement, SMC can adopt new approaches or refine existing strategies. Benchmarking also allows SMC to assess whether its sustainability practices are competitive and aligned with global standards, helping the organization stay ahead of regulatory requirements and market expectations. Key areas of focus may include carbon footprint reduction, waste management, ethical sourcing, labor rights**,** and supply chain transparency**.**

The insights gained from benchmarking help guide decision-making, encourage innovation, and facilitate the integration of more advanced sustainability practices into the procurement process. Ultimately, this on-going assessment strengthens SMC's position as a leader in responsible sourcing and drives continuous improvement.

14.2 Supplier Engagement Programs: SMC prioritizes supplier engagement programs to drive collective progress toward sustainability goals. Suppliers are regularly invited to participate in various sustainability improvement initiatives, including training workshops, innovation challenges, and collaborative sustainability projects. These programs are designed to help suppliers adopt best practices, such as resource efficiency, renewable energy use, waste reduction, and ethical labor standards. SMC works closely with suppliers to provide the necessary tools, knowledge, and resources to enhance their environmental and social performance. In addition to regular training, SMC encourages suppliers to implement innovative, sustainable practices within their operations and offers incentives for those who demonstrate significant improvements. Through these initiatives, SMC fosters a collaborative supply chain culture where suppliers feel empowered to contribute to broader sustainability goals. By working together, SMC and its suppliers can accelerate progress on issues such as climate change, responsible sourcing, and social impact, creating long-lasting, positive change across the supply chain.

15.0 CONCLUSION

SMC is committed to upholding the highest standards of sustainability and ethical procurement throughout its supply chain. By following the procedures outlined in this SOP, we ensure that our suppliers meet environmental and social responsibilities, thus contributing to our goal of promoting sustainability in all aspects of our business operations. Adherence to these practices not only enhances our corporate reputation but also fosters long-term partnerships with suppliers who share our commitment to responsible and sustainable practices.

WORKPLACE FRAMEWORK PROCEDURE
SMC/ESG /SOP- 10

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a clear and consistent framework for creating and maintaining an inclusive, fair, and equitable workplace at SMC. This framework aims to promote diversity, equity, and inclusion (DEI) by preventing discrimination, supporting underrepresented groups, and ensuring equal opportunities for all employees across all stages of employment. Through this SOP, SMC will uphold a workplace environment that fosters mutual respect, growth, and productivity.

2.0 SCOPE

This SOP applies to all employees, contractors, and third-party vendors of SMC, at all levels of the organization. It encompasses all aspects of employment, including recruitment, professional development, promotion, training, performance management, and workplace conduct. The framework covers all forms of discrimination, including but not limited to gender, race, ethnicity, disability, sexual orientation, age, and religion. Additionally, this document outlines processes for addressing grievances, remedial actions for discrimination and harassment, and support for vulnerable groups within the workplace.

3.0 RESPONSIBILITIES

3.1 Human Resources (HR) Department: The HR department is responsible for developing and implementing this SOP's procedures, ensuring they are followed across the organization. They provide regular training on diversity, equity, and inclusion (DEI), maintain a grievance mechanism, and monitor inclusivity efforts, reporting progress to management for continual improvement.

3.2 Managers and Supervisors: Managers and supervisors foster an inclusive work culture by encouraging respect and diversity within their teams. They address any concerns related to discrimination or harassment promptly and professionally. Additionally, they support the career growth of all employees, especially those from underrepresented or marginalized groups, ensuring equal opportunities for all.

3.3 Employees: Employees are expected to respect the principles outlined in this SOP, fostering a respectful and inclusive workplace. They should actively participate in DEI training and development activities to enhance their awareness and skills. Any incidents of discrimination or harassment should be reported immediately to HR for prompt resolution and support.

4.0 FAIR RECRUITMENT PRACTICES

4.1 Job Description Review: Ensuring job descriptions are free from gender, age, disability, or other potentially discriminatory language is crucial for creating an inclusive hiring process. Review each job description to focus on essential skills, qualifications, and experience, avoiding language that could unintentionally exclude specific groups. Phrases like "aggressive," "young," or "dynamic" could unintentionally bias against certain demographics, while terms like "proven track record" could disadvantage those with less traditional career paths. Instead, focus on core competencies, required skills, and clear expectations. By ensuring the language used is neutral and inclusive, you create a more welcoming environment for a diverse range of candidates and align the recruitment process with the values of equity and fairness.

4.2 Recruitment Channels: To attract candidates from diverse backgrounds, it is important to utilize a variety of recruitment channels. This includes not only traditional job boards but also niche platforms that cater to underrepresented communities. Partnering with diversity-focused organizations, attending career fairs aimed at specific demographics, and leveraging social media to target a wider range of individuals are key strategies. Additionally, collaborating with educational institutions, including those that serve marginalized groups, can expand the applicant pool. By using diverse channels, you ensure that people from different cultural, ethnic, and socio-economic backgrounds have equal access to job opportunities, fostering an inclusive and equitable hiring environment.

4.3 Interview Process: Training hiring managers and interviewers to recognize unconscious bias is essential in ensuring a fair and equitable interview process. Unconscious bias can influence decisions about candidates based on personal preferences or assumptions, leading to unfair evaluations. Structured interviews, where every candidate is asked the same questions in the same order, help minimize biases by focusing on job-related criteria. It’s important to train interviewers to assess candidates based on their skills, experiences, and potential, rather than subjective impressions. Consistency in evaluation, transparency, and accountability help promote fairness, ensuring that all candidates are evaluated on an equal footing and reducing the impact of bias during the hiring process.

4.4 Selection Process: To ensure a fair selection process, it is critical to use objective, job-relevant criteria when evaluating candidates. This minimizes the impact of subjective judgment or biases that might arise from factors unrelated to the candidate's ability to perform in the role. Clear evaluation frameworks that include specific qualifications, skills, and performance expectations are essential for maintaining consistency. Additionally, documenting all decisions throughout the selection process increases transparency and accountability. By keeping detailed records of evaluations and reasoning behind decisions, you help ensure that the selection process remains fair and justifiable, providing a strong defense against claims of discrimination or bias.

5.0 EQUAL OPPORTUNITIES FOR PROMOTION

5.1 Performance Reviews: To ensure fairness and consistency in performance evaluations, it is essential to implement objective and transparent performance management systems. Establishing clear, measurable metrics aligned with company goals helps minimize bias and ensures that employees are evaluated based on their actual performance rather than subjective opinions. Performance reviews should be consistent across all employees, using the same criteria and process for everyone. Regular feedback should be provided throughout the year, not just during formal review periods, allowing employees to improve continuously. This approach fosters a sense of fairness and accountability, while also helping employees understands how they can grow and succeed within the organization.

5.2 Promotion Transparency: Clear and transparent criteria for promotions are vital in promoting fairness and reducing favoritism. Organizations should publicly communicate the standards and qualifications required for advancement, ensuring that employees know what is expected to progress within the company. Regular feedback should be provided to all employees, highlighting their strengths, areas for improvement, and growth opportunities. This helps employees understand where they stand and what they need to focus on to earn a promotion. Additionally, having open discussions about career paths creates a sense of trust, ensuring employees feel valued and have a clear understanding of their potential for professional growth.

5.3 Development Programs: Training and development opportunities should be accessible to all employees, with an emphasis on inclusivity and equal opportunity. Organizations must ensure that their programs are free from any form of discrimination, offering equal access regardless of an employee's background, gender, age, or disability. Monitoring participation rates for various employee demographics is key to identifying any disparities in access to professional development opportunities. If certain underrepresented groups are not engaging in training programs at the same rate, adjustments should be made to ensure they are adequately supported. By promoting inclusive development programs, companies can ensure that all employees have the tools and opportunities to succeed and grow professionally.

6.0 DEI TRAINING FOR EMPLOYEES

6.1 Training Modules: Developing and implementing mandatory training modules on diversity, equity, and inclusion (DEI) is essential for creating a respectful and inclusive workplace culture. These training sessions should be designed to educate all employees, with a special focus on management and leadership teams, as they play a key role in setting the tone for workplace behavior. The modules should cover important topics such as unconscious bias, cultural competency, inclusive communication, and the value of diversity in teams. Real-life scenarios, interactive discussions, and reflection exercises can enhance understanding and retention. By mandating DEI training across all levels of the organization, employers ensure a consistent baseline of knowledge and awareness, which helps reduce discriminatory behavior, supports inclusive decision-making, and fosters a more equitable work environment.

6.2 On-going Education: Beyond initial training, organizations should invest in on-going DEI education to maintain momentum and continuously reinforce inclusive values. Offering regular workshops, seminars, and discussion panels allows employees to explore various aspects of DEI in greater depth. These sessions should be dynamic and engaging, featuring guest speakers from diverse backgrounds to share lived experiences, professional insights, and unique perspectives. Topics can range from ally ship and intersectionality to inclusive leadership and systemic discrimination. Providing a safe space for dialogue encourages open conversations and personal growth. On-going education ensures that DEI remains a core organizational value rather than a one-time initiative, allowing teams to adapt to evolving social expectations and internal workplace dynamics.

6.3 Assessment and Feedback: To ensure the effectiveness of DEI training, it is important to assess employee understanding and collect constructive feedback after each session. This can be done through quizzes, surveys, group discussions, or reflective exercises that measure knowledge gained and identify areas where additional support is needed. Feedback from participants helps organizations understand what aspects of the training are resonating and what may need improvement or clarification. Regularly reviewing and updating the content based on this feedback ensures the training remains relevant, engaging, and impactful. Furthermore, tracking participation and comprehension across departments provides insights into how DEI principles are being adopted, helping leadership take informed steps toward continuous improvement.

7.0 ANTI-HARASSMENT MEASURES

7.1 Harassment Policy: A comprehensive anti-harassment policy is a fundamental component of a safe and inclusive workplace. This policy should clearly define harassment in all its forms—sexual, racial, verbal, physical, and psychological—so that employees fully understand what constitutes unacceptable behavior. It should emphasize a zero-tolerance stance, demonstrating the organization's commitment to maintaining a respectful and professional environment for everyone. The policy must apply to all employees, regardless of their role or level within the company, and should include examples to clarify boundaries. Regularly communicating this policy through on boarding, employee handbooks, and training sessions reinforces expectations and ensures that every team member understands their rights and responsibilities, ultimately fostering a culture of mutual respect and accountability.

7.2 Reporting Mechanism: An effective and confidential reporting mechanism is essential to empower employees to speak up against harassment without fear of retaliation. This system should be clearly outlined in company materials and easy to access, whether through an online portal, designated HR contacts, or anonymous hotlines. Employees should be informed of the steps involved in the reporting process, how their identity will be protected, and what they can expect once a complaint is filed. Ensuring the process is supportive, non-intimidating, and transparent encourages individuals to report issues early, helping to address problems before they escalate. Promoting trust in the reporting system is key to building a workplace where everyone feels safe and respected.

7.3 Investigation and Action: When a harassment complaint is received, it must be treated with urgency, seriousness, and impartiality. Prompt investigations should be conducted by trained personnel who approach the matter with confidentiality and sensitivity. All parties involved should be given the opportunity to share their accounts in a safe and respectful environment. Based on the findings, appropriate actions should be taken—ranging from counseling and training to disciplinary measures such as warnings or termination, depending on the severity of the misconduct. Follow-up support for affected employees is also important. A transparent and consistent approach to handling harassment cases send a strong message that such behavior will not be tolerated and reinforces the organization's commitment to a respectful workplace.

8.0 SUPPORT GROUPS FOR MINORITIES

8.1 Establishment of Groups: Creating and supporting Employee Resource Groups (ERGs) is a powerful way to promote inclusion and give a voice to underrepresented or vulnerable employee populations. These voluntary, employee-led groups are designed to build community, provide peer support, and advocate for specific identities or shared experiences—such as women, LGBTQ+ individuals, racial or ethnic minorities, or employees with disabilities. Establishing ERGs demonstrates a company's commitment to diversity and allows employees to connect with others who understand their unique challenges. To be effective, these groups should be officially recognized by the organization and encouraged through both leadership endorsement and organizational infrastructure. Their presence helps foster belonging, influence positive cultural change, and contribute to company-wide diversity, equity, and inclusion (DEI) efforts.

8.2 Regular Meetings: Regularly scheduled meetings are essential for keeping ERGs active, engaged, and effective. These gatherings offer a safe space for members to discuss challenges, share experiences, and develop strategies for personal and professional growth. It is important that meetings are not only peer-driven but also supported by participation from senior leadership or DEI champions within the company. Leadership involvement helps validate the group's concerns and shows a genuine commitment to listening and taking action. Meetings can also include workshops, guest speakers, and collaborative planning for advocacy initiatives or company-wide DEI events. Consistent engagement ensures that ERGs maintain momentum, build community, and serve as a constructive outlet for employee voices.

8.3 Resource Allocation: For ERGs to thrive and drive real change, organizations must provide tangible resources and support. This includes financial backing for events, workshops, and initiatives, as well as access to meeting spaces, communication platforms, and promotional support. In addition, offering mentorship opportunities, leadership training, and access to company executives enhances the influence and impact of these groups. Visibility in internal communications, such as newsletters or company meetings, further validates their importance and helps raise awareness about DEI efforts across the organization. Properly resourced ERGs can play a key role in shaping inclusive policies, providing employee feedback, and enriching the workplace culture for everyone.

9.0 WOMEN'S MENTORSHIP PROGRAMS

9.1 Mentorship Programs: A structured mentorship program tailored for women is a crucial step toward promoting gender equity and supporting career development. This program should intentionally pair women with experienced senior leaders who can offer professional guidance, share industry insights, and help navigate career challenges. Mentors play a vital role in building confidence, expanding networks, and providing valuable feedback to mentees. The program should be clearly defined, with regular check-ins, goal-setting frameworks, and resources to support both mentors and mentees. Matching should be based on shared goals or interests to foster meaningful connections. By investing in mentorship, organizations help women overcome barriers to advancement and ensure they are well-supported throughout their career journey.

9.2 Sponsorship: Unlike mentorship, which focuses on guidance and advice, sponsorship involves senior leaders actively promoting and advocating for women's advancement within the organization. Sponsors use their influence to recommend women for high-visibility projects, promotions, or leadership roles, helping to accelerate career progression. Establishing a formal sponsorship program ensures that women are equally considered for growth opportunities and are not overlooked in key decision-making processes. This can help counteract unconscious bias and address systemic obstacles that have historically hindered women's advancement.For sponsorship to be effective, it must be intentional, transparent, and backed by organizational support, ensuring that high-potential women receive the advocacy they need to reach senior positions.

9.3 Leadership Development: Offering leadership development programs specifically for women is an essential strategy for building a strong pipeline of future female leaders. These programs should focus on developing key leadership competencies such as strategic thinking, negotiation, decision-making, and executive presence. They may also address the unique challenges women face in leadership roles, including overcoming bias, balancing visibility with authenticity, and navigating male-dominated environments. Programs can include workshops, coaching, networking opportunities, and exposure to senior leadership. By creating spaces where women can learn, grow, and build confidence, companies not only empower individuals but also strengthen their leadership diversity, leading to more inclusive and effective decision-making at the top levels of the organization.

10.0 DISABILITY INCLUSION

10.1 Reasonable Accommodations: providing reasonable accommodations for employees with disabilities is a vital part of fostering an inclusive and equitable workplace. These accommodations may include adapted workstations, flexible working hours, assistive technologies such as screen readers or speech-to-text software, and modified duties when needed. The goal is to ensure that all employees have equal access to perform their roles effectively and comfortably. Employers should engage in open, respectful dialogue with individuals to understand their specific needs and tailor support accordingly. By proactively removing physical and procedural barriers, organizations not only comply with legal standards but also empower employees with disabilities to fully participate, thrive in their roles, and contribute meaningfully to the organization's success.

10.2 Awareness Programs: Regular awareness programs are crucial in building a workplace culture that is respectful and inclusive of individuals with disabilities. These initiatives help to dispel myths, challenge stereotypes, and foster empathy by educating employees about the diverse experiences and needs of their colleagues. Topics may include disability etiquette, accessibility best practices, and the value of inclusion. Programs can be delivered through workshops, guest speakers, interactive activities, or digital content. Encouraging open conversations about disability and inclusion reduces stigma and promotes a more supportive environment. When awareness is raised across all levels of the organization, it enhances understanding and ensures that inclusion becomes an integral part of everyday workplace behavior.

10.3 Job Design: Inclusive job design means structuring roles and responsibilities in a way that allows individuals with disabilities to succeed and thrive. This involves creating flexibility in how tasks are performed; ensuring that core duties can be adapted without compromising productivity or expectations. For instance, job descriptions should focus on essential functions rather than rigid processes, allowing for reasonable adjustments. Work environments and systems should be reviewed for accessibility, including physical spaces and digital tools. Involving employees with disabilities in the design and review of job roles ensures their needs are genuinely reflected. Thoughtful, inclusive job design not only enables greater participation but also promotes equity and maximizes the unique talents each employee brings.

11.0 ANTI-DISCRIMINATION GRIEVANCE MECHANISM

11.1 Complaint Submission: A secure, confidential complaint submission process is essential for fostering trust and encouraging employees to report incidents of discrimination or harassment without fear of retaliation. Employees should have multiple reporting options, including online portals, designated HR representatives, or hotlines, and must be able to submit complaints anonymously if they choose. Clear guidelines should be provided outlining how to submit a complaint, what information is needed, and how the complaint will be handled. Ensuring that employees know their concerns will be taken seriously and kept confidential helps create a safer, more supportive workplace. By making the submission process accessible and discreet, organizations demonstrate their commitment to protecting employee rights and addressing issues proactively.

11.2 Investigation Process: Each complaint must be investigated with thoroughness, impartiality, and sensitivity to protect the rights and well-being of everyone involved. Investigations should be conducted by trained professionals who understand the legal and ethical complexities of handling discrimination or harassment cases. From the outset, the process should be clearly communicated to the complainant, including expected timelines, confidentiality measures, and opportunities for providing additional information. All parties should be treated respectfully, with a focus on gathering facts and ensuring fairness. Transparency in how investigations are managed builds trust and ensures accountability, helping to maintain a workplace culture that prioritizes safety, dignity, and equal treatment for all employees.

11.3 Timely Resolution: Timely resolution of complaints is crucial to maintaining trust in the organization's commitment to fairness and safety. Unresolved or delayed cases can worsen the situation for the affected employee and harm workplace morale. Once a complaint is submitted, organizations should commit to clear timeframes for each stage of the process—acknowledgment, investigation, and outcome. Regular updates should be provided to the complainant, even if the investigation is still on-going, to demonstrate that the matter is being taken seriously. Resolutions should include appropriate follow-up actions, such as disciplinary measures, mediation, or policy revisions. Swift, decisive responses show that the organization values integrity and is committed to addressing concerns in a meaningful and effective manner.

12.0 DISCRIMINATION REMEDIATION

12.1 Support Mechanisms: Providing support services for employees who have experienced discrimination or harassment is a vital part of creating a compassionate and responsive workplace. Organizations should offer access to professional counseling, either in-house or through an Employee Assistance Program (EAP), ensuring that affected individuals can process their experiences in a safe, confidential setting. Additional support may include mental health resources, peer support groups, or time off when needed. HR or DEI teams should also be trained to offer empathetic, trauma-informed responses. When victims feel heard, supported, and validated, it helps rebuild their trust in the workplace. Establishing strong support mechanisms not only aids in emotional recovery but also signals that the organization genuinely cares about the well-being of its employees.

12.2 Corrective Actions: To effectively address and prevent recurrence of discrimination or harassment, it is critical to implement appropriate corrective actions once an incident has been confirmed. These may include retraining the individuals involved, conducting team-wide workshops on respectful conduct, engaging in mediation between affected parties (if appropriate), or applying disciplinary measures such as warnings, suspension, or termination, depending on the severity of the behaviour. The actions taken should be proportionate, transparent, and aligned with company policy. It's also essential to communicate that corrective steps are meant to protect employees and reinforce a zero-tolerance culture. Timely and fair interventions not only resolve specific cases but also serve as a deterrent, reinforcing expectations of respectful and inclusive conduct.

12.3 Monitoring: After a discrimination or harassment complaint has been addressed, on-going monitoring is essential to ensure the affected employee feels safe, supported, and not subject to retaliation. HR or a designated DEI officer should schedule follow-up meetings with the individual at regular intervals to assess their well-being, provide continued support, and address any new concerns that may arise. Additionally, observing the work environment and team dynamics can help identify subtle signs of on-going tension or exclusion. This proactive approach demonstrates a lasting commitment to employee safety and reinforces the idea that support does not end with case closure. Long-term monitoring helps maintain a culture of trust, accountability, and continuous improvement in workplace inclusivity.

13.0 WAGE EQUALITY PROMOTION

13.1 Wage Audits: Regular wage audits are essential for identifying and addressing pay disparities across gender, race, and other protected characteristics. These audits involve a systematic review of compensation data to ensure employees performing similar roles with comparable experience and performance are paid equitably. Analyzing pay by job title, department, tenure, and demographic categories can uncover unintentional biases or systemic issues contributing to inequality. It is important that audits are conducted by trained professionals, using reliable data and robust analytical methods. Findings should be documented and reviewed with senior leadership. Conducting wage audits not only demonstrates a commitment to fairness and compliance with equal pay laws but also strengthens trust among employees and supports a culture of equity.

13.2 Transparent Pay Structures: Transparent pay structures promote trust, reduce ambiguity, and help prevent wage discrimination. Organizations should establish clear guidelines that outline how salaries are determined, taking into account factors such as job role, market rates, experience, education, and individual performance. These criteria should be communicated openly to all employees through accessible documents, internal portals, or HR briefings. Transparency helps employees understand how their compensation is calculated and what they can do to progress financially within the organization. It also holds leadership accountable and reduces opportunities for biased or arbitrary decisions. By embracing transparency in compensation practices, companies foster a more equitable workplace and reinforce their commitment to fairness and inclusion.

13.3 Corrective Measures: When wage audits reveal disparities, organizations must act promptly to correct them and ensure equitable compensation across all employee groups. Corrective measures can include salary adjustments for underpaid employees, revising job evaluation criteria, updating promotion practices, or providing back pay where necessary. Additionally, it’s important to examine and address the root causes of disparities, whether they stem from biased decision-making, outdate policies, or inconsistent performance evaluations. Leadership should be transparent about the steps being taken and communicate openly with affected employees. On-going monitoring should be implemented to prevent disparities from reoccurring. Taking meaningful corrective action not only addresses immediate inequities but also strengthens long-term fairness and employee morale.

14.0 MINORITY AND VULNERABLE GROUPS

14.1 Diversity Recruitment Strategies: SMC is committed to developing recruitment strategies that target the inclusion of minorities and vulnerable groups within the workforce. These strategies will focus on outreach to diverse communities, including partnerships with organizations that support underrepresented groups and universities with diverse student populations. SMC will implement measures to reduce bias in hiring processes, such as utilizing blind recruitment methods and ensuring interview panels reflect diversity. The company will also provide job opportunities tailored to the needs and skills of these groups, ensuring they have access to meaningful career development and training programs. By prioritizing diversity, SMC aims to build a workforce that reflects the diverse perspectives of the global market, which will lead to innovation and improved decision-making.

14.2 Inclusive Culture Building: At SMC, fostering an inclusive culture is at the heart of its organizational values. The company believes that every employee, regardless of their background, should feel valued and empowered to contribute to the organization's success. SMC will implement policies and practices that encourage open communication, respect, and collaboration across all levels. Regular training on cultural competency, anti-bias, and inclusivity will be offered to all employees to promote a deeper understanding of diverse perspectives. Additionally, the company will ensure that decision-making processes are transparent and inclusive, giving everyone a voice in shaping the organization's direction. This approach helps create an environment where employees thrive, feel secure, and are motivated to contribute their best work.

14.3 Employee Resource Groups (ERGs): Employee Resource Groups (ERGs) at SMC will serve as a support network for employees from minority or vulnerable groups. These voluntary, employee-led groups will provide a platform for employees to connect, share experiences, and collaborate on initiatives that promote inclusivity within the workplace. ERGs will offer mentorship opportunities, professional development, and a sense of community for employees who may otherwise feel isolated. Additionally, ERGs will act as advisors to leadership on policies that impact these groups, helping to ensure that SMC's work environment remains equitable and supportive. By nurturing these groups, SMC aims to improve employee engagement and retention, while fostering a workplace culture that values diversity and inclusion.

15.0 GENDER INCLUSION PROMOTION

15.1 Gender-Neutral Policies: SMC is committed to developing gender-neutral policies that ensure all employees, regardless of gender identity, are treated equitably throughout their employment journey. This includes reviewing and revising recruitment processes, promotions, and benefits to eliminate gender biases and ensure fairness. Job descriptions, interview processes, and career advancement opportunities will be designed with inclusive language, allowing individuals of all genders to feel welcome and valued. Additionally, SMC will establish transparent procedures for reporting any gender-based discrimination or harassment. Gender-neutral benefits will also be offered, such as health plans that support a wide range of gender-related needs, ensuring that all employees have equal access to benefits regardless of their gender identity or expression.

15.2 Balanced Gender Representation: SMC is dedicated to promoting balanced gender representation across all levels of the organization, especially in leadership and decision-making positions. The company will implement targeted recruitment and mentorship programs designed to identify and nurture talent from underrepresented genders. Leadership training and career advancement initiatives will be available to all employees, with a focus on fostering an environment where individuals of any gender have equal opportunities to succeed. Additionally, SMC will track gender diversity metrics to assess the progress of these efforts, ensuring that representation is not only achieved but sustained. This commitment to balanced gender representation will foster diverse perspectives in decision-making, driving innovation and organizational success.

15.3 Support for Work-Life Balance: SMC recognizes the importance of supporting all employees, regardless of gender, in achieving a healthy work-life balance. To support this, the company will offer flexible working hours, remote work options, and gender-inclusive parental leave policies. These benefits are designed to accommodate employees' personal responsibilities, enabling them to maintain a healthy balance between their professional and personal lives. Parental leave policies will be equitable, ensuring that employees of all genders have access to paid time off for the care of children or family members. SMC will also promote a culture where employees feel empowered to use these benefits without fear of stigma or career repercussions, ensuring a truly inclusive environment that values the well-being of all employees.

16.0 CONCLUSION

By implementing the procedures outlined in this SOP, SMC aims to create a work environment where every employee, regardless of background, feels valued, supported, and empowered to perform at their best. This inclusive workplace framework is not only essential for compliance with legal and ethical standards but is also key to fostering a positive organizational culture and enhancing overall business performance. By continuously promoting diversity, equity, and inclusion, SMC is investing in its most valuable asset—its people. The company is committed to the on-going improvement of its inclusive practices and will regularly review and update this SOP to meet evolving needs and challenges.

SUSTAINABLE WORKFORCE FRAMEWORK PROCEDURE

SMC/ESG /SOP- 11

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a structured and comprehensive framework for fostering a sustainable workforce within SMC India. This framework aligns with our commitment to the United Nations Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) principles. By implementing this SOP, SMC aims to promote ethical employment practices, enhance employee well-being, and contribute positively to environmental sustainability.

2.0 SCOPE

This SOP applies to all employees, contractors, and stakeholders associated with SMC India and establish a comprehensive framework to support a sustainable workforce. It covers key areas essential to ethical and responsible workforce management. These include integrating Sustainable Development Goals (SDGs) into company practices, ensuring legal compliance through Age Verification Reports, and defining Recall Procedures for emergencies.

3.0 RESPONSIBILITIES

3.1 Human Resources Department: The Human Resources (HR) Department plays a central role in implementing and maintaining the Sustainable Workforce Framework at SMC India. HR is responsible for overseeing recruitment processes that align with blind hiring practices, ensuring that all candidates are assessed fairly and without bias. They also facilitate comprehensive training programs aimed at skill enhancement, capacity building, and employee development, in alignment with organizational goals and SDG objectives.

3.2 Sustainability Team: The Sustainability Team is tasked with driving, monitoring, and reporting on initiatives aligned with the Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) performance at SMC India. This team plays a critical role in ensuring that sustainability is embedded into every aspect of workforce planning and facility management operations.

3.3 Operations Management: Operations Management is responsible for ensuring the successful application of sustainable practices and emergency preparedness across all facility management services, including housekeeping, technical services, and manpower solutions. This team implements ECO-Design principles in operations by encouraging energy-efficient practices, reducing waste, and using sustainable materials wherever feasible.

3.4 Compliance Officer: The Compliance Officer ensures that all workforce-related activities at SMC India strictly adhere to applicable labor laws, corporate governance standards, and regulatory requirements. This includes the verification and documentation of employee age to prevent child labor and to maintain ethical hiring practices.

4.0 SUSTAINABLE DEVELOPMENT GOALS (SDGS)

4.1 Identification of Relevant SDGs: Aligning organizational objectives with pertinent Sustainable Development Goals (SDGs) is an essential first step toward fostering a responsible and sustainable business model. SDG 4, Quality Education, emphasizes the importance of inclusive education and learning opportunities for all, which can be incorporated into the organization through training, development programs, and educational partnerships. SDG 5, Gender Equality, encourages organizations to create an inclusive environment where gender parity is prioritized, both in hiring practices and leadership roles. SDG 8, Decent Work and Economic Growth, promotes fair wages, safe working conditions, and economic opportunities for all employees, as well as fostering sustainable business practices.

4.2 Policy Development: Policy development is critical in promoting sustainability within an organization. These policies should prioritize resource conservation, focusing on minimizing waste, optimizing energy usage, and supporting the use of renewable resources. This can be achieved through strategies such as adopting energy-efficient technologies, reducing plastic waste, and fostering a circular economy. Ethical labor practices are equally vital; policies must ensure fair wages, safe working conditions, and the protection of workers' rights. By embedding these practices into organizational policies, businesses can contribute to reducing inequality and promoting economic growth (SDG 8). Establishing clear, enforceable guidelines will not only ensure that the company is aligned with global sustainability goals but will also instil a sense of corporate responsibility, attracting ethical consumers and investors who value sustainability and social impact.

4.3 Implementation: The implementation phase focuses on incorporating SDG-aligned practices into the core activities of the organization. It is important to ensure that sustainability is not just a top-down directive but a practice embraced across all departments. The human resources department might prioritize diversity and inclusion initiatives that align with SDG 5, while the operations team could implement energy-saving measures in daily functions to align with SDG 13 (Climate Action). Furthermore, continuous training and education for staff on SDGs 4, 5, and 8 ensures that every team member understands the importance of sustainability and how their actions can drive progress.

4.4 Monitoring and Reporting: Monitoring and reporting progress towards the SDGs is vital to assess whether the organization is effectively contributing to the global goals. This involves regular reviews of key performance indicators (KPIs) related to SDGs, such as gender equality metrics, employee satisfaction, and sustainability efforts in resource use. A transparent, data-driven approach ensures that the organization can identify areas of success and opportunities for improvement. Reporting mechanisms, such as annual sustainability reports or SDG impact assessments, should be clear and accessible to stakeholders, including employees, customers, and investors.

5.0 AGE VERIFICATION REPORT

5.1 Documentation Collection: The first step in ensuring legal compliance with age-related employment laws is to collect valid government-issued identification documents from all employees. These documents, such as Aadhaar cards, passports, voter IDs, or birth certificates, serve as proof of the employee's age and ensure accurate verification. The process should be systematic and organized, requiring employees to submit their documents during the on boarding process. It's essential that the documentation collected is original and up-to-date to prevent fraudulent claims. To ensure efficiency, a clear process for submission should be established, including methods for secure handling and verification of documents.

5.2 Compliance Check: After collecting the necessary identification documents, a thorough compliance check must be conducted to ensure that all employees meet the legal age requirements set by Indian labor laws. In India, the Child Labor (Prohibition and Regulation) Act and the Factories Act establish the minimum age for employment, generally prohibiting employment of children under the age of 14, while restricting the type of work that minors between 14 and 18 can perform. Organizations must compare the birthdates from the submitted documentation against the legal thresholds for employment, taking into account any specific requirements related to working conditions or industry regulations.

5.3 Record Maintenance: Maintaining accurate and confidential records of age verification is essential for long-term compliance and audit readiness. All age verification documents and records should be securely stored in a well-organized system, ensuring that they are easily accessible but protected from unauthorized access. This could involve both physical filing systems and digital databases, with access controls in place to safeguard the privacy of the employees' personal information. It is also crucial to keep track of the verification process for each employee, documenting the type of identification checked and the results of the verification. These records are important for periodic internal audits, external inspections, and legal inquiries.

5.4 Periodic Audits: Periodic audits play a critical role in ensuring on-going compliance with age-related employment laws. These audits should be conducted regularly—whether quarterly, bi-annually, or annually—depending on the nature and size of the organization. During these audits, all employee age verification records should be reviewed to ensure that the information is accurate and that employees remain compliant with Indian labor laws. The audit process should involve cross-checking employee records against government-issued identification, reviewing the company's hiring practices, and ensuring that the organization is not employing underage workers in violation of legal regulations. Any irregularities or issues found during the audit should be immediately addressed to avoid legal consequences.

6.0 RECALL PROCEDURE

6.1 Emergency Planning: Developing and maintaining an effective emergency response plan is crucial for any organization to handle unforeseen situations that require workforce recall. This plan should clearly outline the steps to be taken in the event of an emergency, including how employees will be recalled to work, what roles they will need to perform, and how resources will be allocated. The plan should account for various scenarios, such as natural disasters, workplace accidents, or critical business operations disruptions. It is essential to identify key personnel responsible for initiating the recall and providing guidance to employees during these high-pressure situations. The workforce recall procedures must ensure that employees are aware of their responsibilities, including the expected timeline for returning to work.

6.2 Communication Protocols: Clear communication protocols are key to ensuring that employees are promptly informed and effectively mobilized during a recall situation. Establishing these protocols means having multiple communication channels in place, such as email, text messaging, phone trees, or an emergency notification system that can quickly disseminate information. It is essential to clearly define who will initiate the recall, what message will be communicated, and the expected response time. The communication should outline the nature of the emergency, the specific actions employees need to take, and the timeframe for reporting back or returning to work. In a crisis, clear, concise, and timely communication can help reduce confusion and ensure that employees understand what is expected of them.

6.3 Employee Availability: Maintaining an updated list of employee contact information and availability status is critical to ensure a rapid workforce recall during an emergency. Organizations should regularly collect and verify personal contact details, such as phone numbers, email addresses, and emergency contacts, while respecting employee privacy. This database should also track employee availability, considering factors such as current work schedules, leave statuses, and whether an employee can be called back to work during an emergency. A system that allows real-time updates to availability status ensures that managers can quickly assess who is available to respond to an emergency. By maintaining this list, businesses ensure they can efficiently coordinate the recall process, reducing delays in responding to critical situations.

6.4 Training: Regular training for employees on recall procedures and expectations during emergencies is essential to ensure that everyone is prepared to respond swiftly and appropriately. Training should cover the specific steps to be followed in the event of a recall, including how employees will be notified, what actions they need to take, and how they should communicate back to management. Employees should also be educated on the types of emergencies that could trigger a recall, the potential impact on their work environment, and safety protocols that must be followed. Simulations or drills are valuable tools to help employees practice recall procedures in a realistic setting. This hands-on training helps employees remain calm and focused during actual emergencies, reducing confusion and mistakes. Refresher training should be conducted periodically to ensure that the procedures stay top of mind and that employees are familiar with any changes in the recall process or organizational structure.

6.5 Post-Recall Evaluation: After an emergency recall situation, it's essential to conduct a post-recall evaluation to assess the effectiveness of the recall procedures. This evaluation should involve gathering feedback from employees, managers, and key stakeholders on how well the recall process worked, what challenges were encountered, and what improvements can be made. Areas to review may include the timeliness of communication, the clarity of instructions given to employees, the accuracy of the availability list, and whether resources were allocated efficiently. Identifying any gaps or issues during the evaluation allows the organization to make necessary adjustments to the emergency plan and improve future response efforts. Post-recall evaluations should be conducted in a timely manner while the events are still fresh in everyone's minds.

7.0 ECO-DESIGN IMPLEMENTATION

7.1 Design Assessment: Evaluating existing processes and designs for environmental impact is a foundational step in transitioning towards sustainability. This assessment involves a comprehensive review of current operations, products, and services to identify areas where environmental harm can be reduced. Key aspects to assess include energy consumption, raw material usage, water waste, and carbon emissions. Tools such as life cycle assessments (LCA) can be used to measure the environmental impact at each stage of the design process, from production to disposal. By identifying resource-intensive practices or areas of inefficiency, organizations can take targeted action to minimize negative impacts. This assessment should be carried out periodically to ensure that any new developments or changes in the process continue to align with sustainability goals.

7.2 Sustainable Materials: Prioritizing the use of eco-friendly materials and resources in operations is essential for minimizing an organization's environmental footprint. Sustainable materials are those that have minimal negative effects on the environment during their extraction, production, and disposal. These materials may include biodegradable substances, recycled materials, and renewable resources, which help reduce the strain on ecosystems and decrease waste accumulation. When integrating sustainable materials, companies can also consider the carbon footprint of the materials' production and transportation. Using locally sourced, recycled, or up cycled materials not only conserves natural resources but also reduces emissions associated with transportation.

7.3 Energy Efficiency: Implementing energy-saving technologies and practices is a critical strategy in reducing an organization's environmental impact and operational costs. Energy efficiency focuses on using less energy to perform the same tasks, which reduces greenhouse gas emissions and conserves resources. This can be achieved through various methods, such as installing energy-efficient lighting (e.g., LED lights), upgrading heating, ventilation, and air conditioning (HVAC) systems, and investing in energy-efficient machinery or appliances. Moreover, adopting renewable energy sources, like solar or wind power, can further lower dependence on fossil fuels. Employee engagement is also crucial—encouraging energy-saving behaviours, such as turning off lights when not in use or optimizing heating and cooling settings, can make a significant difference. Regular monitoring of energy consumption and setting clear energy reduction targets help track progress and identify new opportunities for improvement.

7.4 Waste Minimization: Developing strategies to reduce, reuse, and recycle waste materials are a vital component of sustainability efforts. Waste minimization aims to decrease the amount of waste generated during production, office activities, or product lifecycle, and ensure that what is generated is either recycled or repurposed. The first step is to identify the sources of waste and examine opportunities to reduce waste at the source by optimizing materials and improving processes. Reusing materials within the operation, such as scrap metal or packaging, helps cut down on the need for new raw materials. Recycling programs can also be implemented to process materials like paper, plastics, or metals, turning them into reusable resources.

7.5 Continuous Improvement: Regularly reviewing and updating designs to enhance sustainability is essential for maintaining long-term environmental performance. Sustainability is a dynamic field, with new technologies, materials, and best practices constantly emerging. By continually evaluating current designs and operational processes, companies can stay at the forefront of environmental responsibility. This process includes revisiting energy usage, waste management, material sourcing, and product designs to identify opportunities for greater resource efficiency or reduced environmental impact. Setting up mechanisms for feedback, whether through employee suggestions, customer input, or industry trends, ensures that the organization remains responsive to new sustainable innovations.

8.0 TRAINING PROCEDURE

8.1 Needs Assessment: A needs assessment is the first crucial step in identifying training requirements within an organization. It involves evaluating current employee performance, reviewing feedback from supervisors and team leaders, and understanding organizational goals to pinpoint skill gaps. Methods for conducting needs assessment include performance appraisals, employee surveys, focus groups, and interviews with key stakeholders. By gathering data on areas where employees may lack expertise or where improvements can be made, organizations can ensure that the training addresses real and specific needs. Identifying these needs also helps to prioritize training initiatives, focusing resources on areas that will provide the most value.

8.2 Program Development: Designing effective training programs begins with aligning the content to the specific needs identified during the needs assessment. A well-structured training program should be tailored to address skill gaps and support the organization's strategic goals. During program development, key elements such as learning objectives, course materials, and delivery methods should be carefully planned. The training content should be engaging, practical, and relevant, ensuring that employees can apply the knowledge to their roles immediately. It’s essential to select the appropriate format—whether in-person workshops, online courses, or blended learning models—based on the target audience and the nature of the material.

8.3 Implementation: The implementation phase involves delivering the training programs to employees using appropriate methods and resources. The success of this phase depends on selecting the most effective delivery methods—whether face-to-face, virtual, or a hybrid approach—based on the training's objectives and the participants' preferences. For in-person training, it is important to ensure that the venue is equipped with the necessary resources, such as projectors, materials, and comfortable seating.

For online training, user-friendly platforms with interactive features (forums, videos, quizzes) should be used to ensure an engaging learning experience. Effective trainers are key to successful implementation; they should be knowledgeable, dynamic, and able to foster an inclusive, supportive learning environment.

8.4 Evaluation: Evaluating the effectiveness of training programs is essential to ensure that they meet the intended goals and lead to improvements in employee performance. Evaluations should occur both during and after the training. Immediate feedback can be collected through surveys, quizzes, or informal discussions to gauge participants' satisfaction and engagement levels. Post-training assessments should focus on measuring tangible outcomes, such as improvements in job performance, increased productivity, or enhanced employee confidence. Performance metrics, such as sales data, customer satisfaction scores, or error rates, can provide quantifiable evidence of the training's success. It’s also valuable to follow up with employees after a few months to assess the long-term retention and application of skills.

8.5 Continuous Learning: Encouraging on-going learning and development is vital for keeping employees engaged, motivated, and prepared for evolving workplace challenges. This can be achieved by fostering a culture that values continuous improvement and lifelong learning. Organizations should offer opportunities for employees to enhance their skills and acquire new knowledge, whether through workshops, certifications, online courses, or professional development programs. Providing access to learning resources, such as e-learning platforms, books, or webinars, can allow employees to learn at their own pace and on topics relevant to their roles. By supporting continuous development, organizations not only improve individual performance but also strengthen the organization’s competitive edge, ensuring that it remains adaptable and innovative in a rapidly changing business environment.

9.0 BLIND RECRUITMENT

9.1 Anonym zed Applications: Anonym zing job applications are a crucial step in reducing unconscious bias during the recruitment process. By removing personal information such as names, gender, age, or even the candidate’s photo, organizations can focus solely on the qualifications and experience of the applicants. This ensures that decisions are made based on merit rather than being influenced by assumptions or stereotypes. Anonym zed applications create a fairer process, especially in industries where bias may inadvertently favor certain demographics over others. In addition to promoting diversity and inclusion, it allows hiring managers to assess candidates more objectively, minimizing the chances of discrimination based on unconscious prejudices. Implementing this approach can increase the likelihood that diverse talent is given a fair opportunity to showcase their skills and qualifications. Over time, this method can lead to a more inclusive workplace where hiring decisions are made based on capabilities, leading to a wider variety of perspectives and skills within the organization.

9.2 Standardized Evaluation: Using a standardized evaluation process ensures that all candidates are assessed based on the same set of criteria, creating a more consistent and fair approach to recruitment. This includes establishing a clear framework for evaluating qualifications, experience, skills, and performance in interviews. By applying the same evaluation metrics to all candidates, organizations reduce the likelihood of bias creeping into decision-making, as hiring managers are less likely to base their decisions on subjective or inconsistent factors. Standardized evaluation helps to ensure that each candidate is given equal consideration and is evaluated on their ability to meet the job requirements. It also provides transparency in the hiring process, making it easier to justify decisions to stakeholders and candidates.

9.3 Diverse Hiring Panels: Assembling diverse hiring panels is an important step in promoting a fair and inclusive recruitment process. When individuals from different backgrounds, genders, ethnicities, and perspectives are involved in evaluating candidates, it helps to mitigate the impact of unconscious bias. A varied panel can provide more balanced opinions and ensure that hiring decisions reflect a wider range of experiences and viewpoints. Diverse hiring panels also signal to potential candidates that the organization values diversity and is committed to an inclusive workplace. In addition, the collective input of a diverse group allows for more thorough assessments of candidates, as different panel members may bring attention to qualities or competencies that others might overlook. Ultimately, this approach can lead to more equitable hiring practices and the recruitment of a diverse talent pool, which enriches the workplace culture and contributes to a broader spectrum of innovative ideas and solutions.

9.4 Bias Training: Providing bias training for hiring managers is essential to fostering inclusive hiring practices. Unconscious bias can subtly influence decisions, leading to discrimination against candidates based on factors unrelated to their abilities, such as race, gender, or socioeconomic background. Bias training helps hiring managers recognize and address these biases, encouraging them to make more objective, fair decisions. The training should cover various types of biases, such as affinity bias (favouring those who are similar to oneself) or confirmation bias (seeking information that supports pre-existing beliefs), and provide strategies for overcoming them. By incorporating scenarios and exercises that challenge preconceived notions, training fosters a greater awareness of biases and their impact on decision-making.

9.5 Monitoring: Regularly monitoring recruitment processes is critical to ensure that potential biases are identified and addressed over time. Monitoring involves reviewing the hiring process, examining metrics such as the diversity of candidates at each stage of recruitment, and tracking the success rates of various demographic groups. This data can provide insights into whether certain groups are underrepresented or disadvantaged during the hiring process, helping to highlight any biases that may exist. By consistently analysing recruitment outcomes, organizations can adjust their strategies to ensure fairness and inclusivity, identifying areas for improvement. Monitoring also allows for accountability, as recruitment teams are more likely to adhere to fair practices if they know the process will be reviewed.

10.0 JOB ROTATION AND ENRICHMENT

10.1 Rotation Planning: Developing a job rotation schedule is essential to allow employees to gain experience across different roles within the organization. A well-planned rotation schedule ensures that employees are exposed to various functions and departments, which enhances their overall understanding of the organization and its processes. The schedule should be designed to balance the organization's operational needs with employees' developmental goals. Factors such as the length of each rotation, timing, and the skills required for different roles must be carefully considered. It's also important to ensure that the rotation does not disrupt workflow or productivity, so planning ahead is key. A clear timeline should be communicated to both employees and managers, helping everyone prepare for the transitions.

10.2 Skill Development: Job rotations should be strategically designed to contribute to employees' skill enhancement and career growth. Each rotation should be focused on developing specific competencies that help employees broaden their capabilities. This could include both hard skills, such as technical expertise, and soft skills, such as communication or leadership abilities. Employees should be encouraged to take on new challenges in each role; gradually increasing the complexity of tasks they handle to stretch their potential. Managers should provide guidance and support during these transitions; ensuring employees are learning and developing new skills at each step. In addition, the organization should offer training opportunities during rotations to equip employees with the knowledge necessary to succeed in their new roles.

10.3 Employee Engagement: Involving employees in the job rotation planning process is crucial for ensuring that rotations align with their interests, career aspirations, and personal goals. When employees have a say in their career development, they are more likely to feel engaged and motivated. Managers should initiate conversations with employees about their career objectives and the types of roles they are interested in experiencing. This collaboration can help in creating a tailored rotation plan that encourages employees to step outside their comfort zones while still supporting their growth. A well-structured, employee-focused job rotation program can enhance both satisfaction and long-term engagement.

10.4 Feedback Mechanism: Establishing a feedback mechanism is vital for assessing employees' experiences during their job rotations. A structured system that encourages employees to provide feedback can help identify the strengths and weaknesses of the rotation process. Employees should be given the opportunity to reflect on their experiences, share their challenges, and suggest improvements to make future rotations more effective. Feedback can be gathered through surveys, one-on-one meetings with managers, or anonymous suggestion boxes to ensure employees feel comfortable sharing their thoughts. It is important for the organization to act on the feedback received, making necessary adjustments to the rotation schedule, role expectations, or support systems.

10.5 Evaluation: Evaluating the impact of job rotations on employee performance and satisfaction is essential for determining the success of the program and making improvements. After each rotation cycle, managers should assess how employees have applied their new skills and knowledge, and whether they are more engaged or productive in their roles. Key performance indicators (KPIs) such as job performance, problem-solving ability, and adaptability can provide measurable insights into the effectiveness of the rotation process. Regular assessments ensure that the program remains aligned with both organizational goals and employee needs. Continuous evaluation and adaptation of the job rotation strategy create a sustainable program that contributes to long-term organizational success and employee development.

11.0 ANNUAL SDG PROGRAM REPORTING

11.1 Data Collection: Data collection is a critical first step in tracking an organization's progress towards Sustainable Development Goals (SDGs). Throughout the year, data must be gathered on a wide range of SDG-related activities and their respective outcomes. This involves capturing quantitative and qualitative data across different departments, projects, and initiatives, ensuring it align with specific SDG targets. Key data sources may include project reports, employee surveys, customer feedback, financial data, and environmental metrics. It is essential to implement a standardized process for data collection to ensure consistency, reliability, and accuracy. Proper documentation and organization of this data are crucial for future analysis.

11.2 Analysis: Once data is collected, the next step is to conduct a thorough analysis to assess progress toward SDG targets. This analysis involves reviewing the data in relation to the set objectives and evaluating the outcomes of SDG-related activities. Key metrics such as resource usage, waste reduction, carbon emissions, employee well-being, and community engagement can provide a quantitative view of how well the organization is meeting its SDG targets. It's important to compare actual performance against pre-established benchmarks or goals to identify areas of success and opportunities for improvement.

11.3 Report Preparation: Preparing a comprehensive annual report is essential for communicating the results of SDG initiatives to stakeholders. The report should summarize the data collected and the findings from the analysis, presenting a clear picture of progress towards SDG targets. It should include detailed sections on specific goals and targets, outlining achievements, challenges, and the lessons learned throughout the year. To ensure transparency and accountability, the report should be data-driven, providing evidence of the organization's efforts and their impact. Executive summaries, charts, and visuals can be used to simplify complex information and make the report more accessible.

11.4 Stakeholder Communication: Once the annual SDG report is compiled, it is essential to share the findings with relevant stakeholders, including employees, investors, customers, and the wider community. Effective communication of the report not only demonstrates the organization's commitment to transparency but also reinforces its accountability in achieving SDG targets. Stakeholder communication should be clear, concise, and engaging, ensuring that key findings are easily understood by diverse audiences.

The organization can use various channels, such as email newsletters, social media, corporate websites, and meetings, to distribute the report. In addition to the formal report, organizations should consider holding webinars, town halls, or presentations to engage stakeholders directly, allowing for open discussion and questions.

12.0 ESG KEY PERFORMANCE INDICATORS (KPIS)

12.1 KPI Identification: Defining clear and measurable Environmental, Social, and Governance (ESG) Key Performance Indicators (KPIs) is critical for aligning ESG efforts with organizational goals. These KPIs serve as benchmarks for tracking progress and performance in various ESG areas, such as reducing carbon emissions, improving diversity and inclusion, or enhancing governance structures. The KPIs should be specific, measurable, attainable, relevant, and time-bound (SMART), ensuring that they provide actionable insights. The process of identifying KPIs involves aligning them with both short-term and long-term organizational objectives while ensuring they reflect the core values of sustainability, social responsibility, and ethical governance. In addition, organizations must consider industry standards and best practices when setting KPIs to ensure comparability and accountability.

12.2 Data Collection: Implementing effective systems for collecting data on ESG KPIs is essential for tracking progress and making informed decisions. Data collection should be systematic, consistent, and aligned with the defined KPIs. It requires creating infrastructure that captures relevant data across various organizational functions, such as environmental impact (e.g., energy usage, waste generation), social initiatives (e.g., employee engagement, community involvement), and governance practices (e.g., board diversity, ethical business practices). Technologies such as automated data management systems, enterprise resource planning (ERP) software, and sustainability platforms can help streamline this process. Regular data collection enables timely adjustments to initiatives and facilitates the reporting process, ensuring the organization can stay on track to meet its ESG objectives.

12.3 Monitoring: Regularly monitoring performance against established ESG KPIs is crucial for ensuring that the organization remains on track to achieve its sustainability goals. Monitoring involves tracking the data collected over time and comparing it to the targets set for each KPI. This process helps identify any deviations from the desired performance and enables organizations to take corrective actions before issues become more significant. Effective monitoring requires the use of dashboards or tracking systems that provide real-time visibility into ESG performance across departments. It also involves setting up periodic review cycles, such as quarterly or annual assessments, to evaluate trends and patterns. By actively monitoring ESG KPIs, organizations can gauge the success of their initiatives, identify areas needing improvement, and assess whether they are meeting regulatory and stakeholder expectations.

12.4 Reporting: Reporting on ESG KPIs is an essential practice for demonstrating transparency, accountability, and commitment to stakeholders. Regularly communicating results through structured reports allows organizations to showcase their progress and challenges in meeting ESG objectives. These reports should present KPI results in a clear, concise, and accessible manner, often including both quantitative data and qualitative insights. It is essential to align the reporting format with recognized standards such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), or Task Force on Climate-related Financial Disclosures (TCFD), which can enhance credibility and comparability.

12.5 Continuous Improvement: Using KPI data to drive continuous improvement in ESG performance is crucial for evolving and enhancing sustainability practices over time. By analysing KPI results, organizations can identify areas where performance is lacking and implement strategies to improve outcomes. This could involve revisiting existing initiatives, adjusting targets, or introducing new technologies and practices that better align with ESG goals. For example, if energy consumption exceeds targets, the organization may invest in energy-efficient technologies or explore renewable energy options. Engaging employees, management, and external partners in the process can lead to innovative ideas and collaborative solutions that accelerate progress. By making continuous improvement an integral part of the ESG strategy, organizations not only enhance their sustainability performance but also build resilience, adapt to challenges, and stay ahead of industry trends.

13.0 MATERIALITY ASSESSMENT

13.1 Stakeholder Engagement: Stakeholder engagement is the first and most important step in identifying material sustainability issues for an organization. It involves actively consulting with a wide range of stakeholders—such as employees, customers, investors, suppliers, regulators, and local communities—to understand their concerns and expectations related to sustainability. Engaging stakeholders ensures that the materiality assessment is comprehensive and reflects the interests of those who are impacted by or have an influence on the organization's operations. Methods for engagement may include surveys, interviews, focus groups, and workshops, providing opportunities for stakeholders to voice their opinions and contribute to the process.

13.2 Impact Analysis: Once material sustainability issues have been identified, conducting an impact analysis is essential to understanding their potential consequences on both the organization and its stakeholders. This analysis evaluates the likely outcomes of these issues, considering factors such as financial risks, reputational damage, regulatory compliance, and operational disruptions. Additionally, impact analysis helps organizations understand how sustainability issues could affect stakeholder relationships and the broader community. For instance, environmental concerns like resource depletion or waste management can lead to regulatory penalties, increased operational costs, or negative public perception. On the other hand, social issues such as labor practices or diversity might affect employee satisfaction, brand loyalty, or market access.

13.3 Prioritization: After assessing the potential impact of identified sustainability issues, the next step is to prioritize them based on their significance and urgency. Not all sustainability issues will have the same level of importance or immediate impact, so prioritization helps allocate resources effectively and ensures that the most pressing issues are addressed first. Criteria for prioritization may include the severity of the issue, its potential long-term impact, the level of stakeholder concern, and the degree of influence the organization has over the issue. The prioritization process can be visualized through tools such as materiality matrices, which categorize issues based on their importance to stakeholders and their potential effect on the business. By focusing on the most critical sustainability issues, organizations can direct their efforts where they are likely to make the biggest difference, ultimately driving more meaningful and effective sustainability outcomes.

14.0 CONCLUSION

The implementation of this Sustainable Workforce Framework SOP underscores SMC India's commitment to fostering a responsible and sustainable workforce. By adhering to these procedures, SMC aims to create a positive impact on the environment, society, and governance, aligning with global sustainability standards and contributing to the achievement of the United Nations Sustainable Development Goals.

SOCIAL DIALOGUE & WELFARE PROCEDURE

SMC/ESG /SOP- 12

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to outline the framework and procedures for ensuring structured social dialogue and welfare programs within SMC (your company). This SOP aims to promote a work environment that is transparent, inclusive, and supportive of employees' welfare, where all stakeholders are involved in the decision-making process. It encompasses the implementation of social dialogue mechanisms, collective bargaining agreements, and welfare initiatives aimed at ensuring employees’ well-being, safety, career growth, and equal treatment.

2.0 SCOPE

This SOP applies to all employees and representatives of SMC, including the management, supervisors, and human resources department. It extends to all operations and services provided by SMC, including housekeeping, technical services, and manpower services. It also covers the company’s interactions with employee representatives or bodies, and outlines agreements related to various aspects of employee welfare such as health, safety, career management, diversity, discrimination, and harassment.

3.0 RESPONSIBILITIES

3.1 Management: Management plays a crucial role in ensuring the successful implementation of this Standard Operating Procedure (SOP). This includes setting clear expectations, providing necessary resources, and ensuring compliance at all organizational levels.

3.2 Human Resources (HR) Department: The Human Resources (HR) department is responsible for the practical and procedural aspects of implementing collective bargaining agreements. This includes coordinating negotiations, ensuring timely and accurate documentation, and supporting managers in applying the terms of such agreements consistently across the organization.

3.3 Employee Representatives: Employee representatives serve as the collective voice of the workforce and are essential in fostering effective social dialogue within the organization. Their primary responsibility is to represent employee interests during discussions with management, especially in matters concerning welfare, workplace conditions, and collective bargaining agreements.

4.0 EMPLOYEE REPRESENTATIVES

4.1 Selection of Representatives: The selection of employee representatives must be conducted through a fair, transparent, and democratic voting process, ensuring that all employees have an equal opportunity to participate. This process should comply with the Indian Industrial Disputes Act, 1947, and any other applicable labor laws or organizational policies. The goal is to establish a credible and trusted representative body that truly reflects the interests of the workforce. Once elected, these representatives will serve as a bridge between employees and management, focusing on welfare-related discussions and concerns. To maintain integrity and fairness, clear procedures should be defined regarding eligibility, nominations, voting, and tenure. Proper documentation of the election and its outcomes should be retained to ensure accountability and transparency throughout the process.

4.2 Meetings and Communication: Structured and regular communication between employee representatives and management is essential for ensuring transparency, mutual understanding, and timely resolution of workplace issues. Formal meetings should be scheduled at consistent intervals—monthly, quarterly, or as deemed necessary by both parties. The agenda should be prepared in advance, and minutes must be recorded accurately to document discussions, decisions, and action items. These minutes should be reviewed, approved, and distributed to all relevant stakeholders, including employees, to maintain transparency and build trust. Representatives are responsible for clearly and promptly communicating the outcomes of these meetings to the workforce using accessible formats—such as notice boards, emails, or team meetings. This helps ensure that employees are well-informed and engaged in on-going developments.

5.0 HEALTH & SAFETY AGREEMENT

5.1 Health & Safety Concerns: Management, in collaboration with employee representatives, plays a pivotal role in proactively identifying health and safety risks within the workplace. This includes evaluating physical workspaces, machinery, processes, and environmental conditions that could pose potential hazards to employee well-being. Regular workplace inspections, employee feedback, and incident reports serve as valuable tools in identifying such risks. The collaboration ensures that concerns from the ground level are not overlooked and that there is shared responsibility in maintaining a safe work environment. This approach also helps in recognizing less visible issues such as ergonomic risks or mental health stressors. Joint assessments foster a culture of safety awareness and empower employees to participate in safeguarding their own well-being.

5.2 Agreement Formation: The creation of a Collective Bargaining Agreement (CBA) that includes explicit provisions for health and safety is essential in formalizing the organization's commitment to employee welfare. This agreement should outline detailed safety protocols, such as hazard identification procedures, use of protective equipment, emergency evacuation plans, and first-aid readiness. It should also address compensation mechanisms and support systems in the event of workplace accidents or injuries. The inclusion of these elements in a CBA ensures that both management and employees are legally and ethically bound to uphold safety standards. These agreements must comply with applicable laws such as the Factories Act, 1948, and the Occupational Safety, Health and Working Conditions Code, 2020.

5.3 Training and Awareness: Ensuring employee safety requires more than just protocols—it requires informed, trained personnel. All employees must undergo regular, structured training on workplace safety measures and emergency procedures. This includes fire drills, equipment handling, personal protective equipment (PPE) usage, and first aid. Such training should be role-specific and refreshed periodically to keep up with evolving risks and regulatory requirements. In addition, safety audits should be conducted at planned intervals to assess compliance with established safety standards and to identify any emerging risks. These audits serve not only as compliance tools but as opportunities for continuous improvement.

5.4 Monitoring: On-going monitoring is essential to ensure adherence to workplace health and safety protocols. This responsibility is typically managed by the HR department in coordination with safety officers or relevant committees. Monitoring activities include tracking incident reports, reviewing safety audit outcomes, ensuring corrective actions are implemented, and maintaining updated training records. HR must also verify that the safety-related terms in the CBA are being followed and report these findings to the works council or designated employee representatives. This reporting ensures transparency and provides a structured platform for reviewing safety performance. Regular reviews also enable the identification of recurring issues or gaps in implementation, allowing for timely interventions.

6.0 WORKING CONDITIONS AGREEMENT

6.1 Working Conditions: To ensure a healthy and productive work environment, management must take proactive steps to assess the current working conditions experienced by employees. This process can involve confidential surveys, focus group discussions, and one-on-one meetings to gather feedback on physical workspaces, workload, job stress, interpersonal relations, and overall job satisfaction. Emotional well-being should be evaluated alongside physical conditions, recognizing the impact of factors such as burnout, work-life balance, and mental health support. The purpose of this assessment is to identify gaps, discomforts, or hazards that may hinder employee performance and morale. It also allows management to understand the diverse needs across departments or roles. The findings from this exercise should be transparently documented and analyzed in partnership with the HR department and employee representatives.

6.2 CBA Negotiation: Once working conditions have been assessed, employee representatives, supported by the HR department, shall enter into negotiations with management to develop a Collective Bargaining Agreement (CBA). This agreement should comprehensively address essential aspects such as fair wages, working hours, rest and meal breaks, access to sanitary facilities, adequate lighting, ventilation, and ergonomic workstations. It should also include provisions for addressing psychosocial needs, such as anti-bullying policies, access to counseling, and flexible working options where applicable. Negotiations must be rooted in transparency, mutual respect, and data derived from the assessment phase. The HR department ensures that the process complies with applicable labor laws and internal policies. The final agreement should reflect a balance between organizational capabilities and employee welfare needs.

6.3 Implementation: Following the successful negotiation and signing of the Collective Bargaining Agreement (CBA), management is responsible for its prompt and thorough implementation. This begins with clearly communicating the terms of the agreement to all employees through accessible channels such as email, notice boards, handbooks, or briefing sessions. Employees should be made aware of their rights and obligations under the new terms, including changes to their work hours, facilities, or entitlements. Implementation also requires coordination across departments to ensure that the necessary infrastructure, policies, and administrative processes are in place. For instance, adjustments may be needed to payroll systems, rest areas, or scheduling practices. The HR department plays a key role in supporting these changes and monitoring compliance.

7.0 CAREER & TRAINNING AGREEMENT

7.1 Skills Assessment: A comprehensive skills assessment is the foundational step in understanding the developmental needs of employees. Management, in coordination with HR and departmental heads, will conduct a skills gap analysis to evaluate current employee competencies against the skills required for optimal performance and organizational growth. This assessment can include performance reviews, manager feedback, self-assessments, and the analysis of job requirements. The goal is to identify specific areas where employees may need support—whether in technical skills, leadership capabilities, communication, or digital literacy. Special attention should be given to aligning these assessments with both individual career aspirations and evolving industry demands. The findings from this process will help in tailoring training programs, succession planning, and talent mobility strategies.

7.2 Training Programs: Following the skills assessment, HR will coordinate the development and implementation of targeted training programs designed to close identified gaps and enhance employee capabilities. These programs may include in-person workshops, e-learning modules, mentorship schemes, and on-the-job training. Each program will be tailored to specific roles and departments, ensuring relevance and applicability. The primary objective is to improve both immediate job performance and long-term career prospects, equipping employees with the skills needed to adapt to technological changes, leadership roles, or expanded responsibilities. Training will also incorporate soft skills such as communication, problem-solving, and teamwork, which are crucial in fostering collaboration and innovation. Participation in these programs may be tracked as part of individual performance evaluations or development plans.

7.3 CBA on Career Progression: The Collective Bargaining Agreement (CBA) will include specific provisions outlining career progression pathways within the organization. This section will define transparent criteria for promotions, performance-based incentives, and developmental milestones required for upward mobility. These criteria may include tenure, performance appraisal results, participation in training programs, and demonstrated leadership or innovation. The goal is to provide employees with a clear understanding of what is required to advance their careers, thereby increasing motivation and reducing uncertainty. By incorporating career progression into the CBA, the company ensures that growth is not arbitrary but governed by a mutually agreed-upon framework. This reinforces the organization's commitment to meritocracy, professional development, and long-term employee engagement.

7.4 Continuous Monitoring: To ensure the effectiveness of training and career development initiatives, the HR department will implement a robust system for continuous monitoring. This includes tracking employee participation in training programs, evaluating learning outcomes, and measuring the impact of training on job performance and productivity. Feedback from employees and supervisors will be regularly collected through surveys, interviews, and performance data to assess the relevance and quality of each program. Adjustments will be made as needed to keep the initiatives aligned with changing business needs, technological advancements, and employee expectations. Monitoring will also extend to career progression trends—evaluating how many employees are advancing, what barriers they face, and how development efforts contribute to retention and internal mobility.

8.0 DIVERSITY & HARASSMENT AGREEMENT

8.1 Diversity Policy: SMC will adopt a comprehensive Diversity and Inclusion (D&I) policy aimed at fostering a workplace that respects and values differences in gender, race, ethnicity, religion, age, sexual orientation, physical ability, and socioeconomic background. The policy will emphasize the importance of creating a supportive environment where all employees feel valued, included, and empowered to contribute fully. It will ensure that recruitment, promotion, and development practices are equitable and merit-based, with no room for bias. SMC will also set diversity goals, monitor progress, and report outcomes to relevant stakeholders. Celebrating cultural awareness days, supporting employee resource groups, and offering inclusive benefits are examples of how the policy may be implemented in daily operations.

8.2 Anti-Discrimination: To ensure a respectful and safe workplace, the Collective Bargaining Agreement (CBA) will explicitly include clauses that prohibit any form of discrimination, harassment, or bullying based on race, gender, religion, caste, disability, age, or any other protected characteristic. These clauses will apply across all levels of the organization, creating a zero-tolerance framework for offensive behavior. The agreement will also outline a robust, confidential reporting mechanism, empowering employees to report incidents without fear of retaliation or victimization. This mechanism will include multiple reporting channels—such as an ethics hotline, HR contact, or anonymous submission—and clear timelines for investigation and resolution. All complaints will be taken seriously and addressed impartially through a fair and transparent process.

8.3 Training: To ensure the principles of diversity, inclusion, and anti-discrimination are effectively integrated into the organizational culture, SMC will conduct regular training programs for both management and staff. These sessions will cover topics such as unconscious bias, respectful communication, workplace equality, bystander intervention, and handling harassment complaints. The training will be mandatory, with refresher courses scheduled annually or as needed. Specialized sessions may be tailored for managers and HR personnel to equip them with the skills to recognize and address discriminatory behaviors, foster inclusive teams, and lead by example. Interactive methods such as role-playing, case studies, and real-life scenarios will be used to enhance understanding and engagement.

9.0 STRUCTURED SOCIAL DIALOGUE

9.1 Creation of a Dialogue Framework: SMC will implement a structured dialogue framework designed to promote regular, meaningful communication between management and employees. This framework, overseen by the HR department, will serve as a formal platform for discussing workplace issues, operational challenges, and employee welfare concerns. It will include predefined guidelines on how dialogues are scheduled, who participates, and how information is recorded and followed up. The structure may involve joint committees, departmental forums, or town hall-style meetings, depending on the organization's size and needs. HR will facilitate these engagements to ensure fairness, neutrality, and productivity. Clear objectives will be set for each session to guide discussions and encourage solution-focused dialogue.

9.2 Frequent Communication: To ensure continuous engagement between employees and management, SMC will hold structured communication meetings on a monthly or quarterly basis. These sessions will serve as open forums where employees can express concerns, share ideas, and raise questions directly with leadership. Management, in turn, will use these meetings to provide updates on company goals, policy changes, and upcoming projects. The frequency of meetings will depend on organizational needs but should occur often enough to maintain a steady flow of dialogue. Agendas will be circulated in advance, and all discussions will be documented through meeting minutes, which will be shared with all stakeholders to ensure transparency. These regular touch points allow issues to be addressed in a timely manner and demonstrate management's responsiveness.

9.3 Feedback Mechanism: To complement structured meetings and dialogue, SMC will introduce a formal feedback mechanism that allows employees to submit suggestions, concerns, or ideas anonymously or directly. This system may include digital suggestion boxes, dedicated email addresses, online forms, or drop boxes located in the workplace. HR will be responsible for managing the system, categorizing submissions, and ensuring they are directed to the appropriate department or leadership for review. Regular reports will be generated to track common themes, response rates, and actions taken. Importantly, feedback will not only be acknowledged but acted upon, with updates provided to employees on the status or outcome of their submissions.

10.0 CONCLUSION

This SOP establishes a comprehensive approach for fostering a productive and harmonious relationship between employees and management at SMC. By adhering to the guidelines outlined above, the company ensures a fair, safe, and inclusive environment for its workforce. The company's commitment to structured social dialogue, combined with the implementation of welfare programs and collective bargaining agreements, will ensure that employees' interests are always at the forefront of decision-making. Continued communication, transparency, and mutual respect are essential for the long-term success of the organization and the well-being of its employees.

INTERNAL AUDIT PROCEDURE

SMC/ESG /SOP- 13

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a comprehensive framework for conducting internal audits across various critical operational and compliance domains. This includes audits on energy usage, child and forced labor, human trafficking, fair recruitment, pay gaps, anti-corruption practices, ISMS (Information Security Management System), and water usage. Internal audits are crucial for ensuring that SMC complies with legal requirements, ethical standards, and industry best practices, contributing to the efficiency, sustainability, and growth of the company.

2.0 SCOPE

This Standard Operating Procedure (SOP) outlines the internal audit processes within SMC, covering various audits essential for compliance and operational efficiency. These include the Energy Audit, Child Labour, Forced Labour, and Human Trafficking Report, Fair Recruitment and Promotion Reports, Pay Gap Audit, Anti-Corruption Audit, ISMS (Information Security Management System) Audit, and Water Audit. The SOP ensures these audits are conducted thoroughly across all departments and services within the company, including housekeeping, technical services, and manpower management.

3.0 RESPONSIBILITIES

3.1 Audit Team: The Audit Team is tasked with carrying out the internal audits within SMC. This team must be independent of the departments or operations under review to ensure impartiality and objectivity. The team should consist of professionals with expertise in the specific domains being audited, such as energy, labor practices, or information security.

3.2 Compliance Officer: The Compliance Officer oversees the execution of the internal audit procedures to ensure that they align with legal, regulatory, and organizational standards. They are responsible for ensuring the audits are conducted efficiently, without hindering day-to-day operations, and that all regulatory requirements are met. The Compliance Officer also plays a key role in managing the audit schedule and ensuring that audits are carried out systematically and consistently.

3.3 Management: Senior Management holds ultimate responsibility for reviewing the outcomes of internal audits and taking necessary actions to address identified issues. They play an essential role in analyzing audit results to understand the implications for the organization's operations, ensuring that the organization maintains compliance, operational efficiency, and continuous improvement.

4.0 ENERGY AUDIT

4.1 Data Collection: The first step in an energy audit is comprehensive data collection. This involves gathering detailed information on all forms of energy consumption across the organization's facilities. The data should include electricity usage, heating, cooling, and any other energy sources utilized in day-to-day operations. Accurate data collection is crucial for identifying patterns and assessing areas that require attention. It is important to gather data over a defined period to understand seasonal variations in energy use. A systematic approach to data collection ensures that the audit process is thorough and that all energy-consuming activities are accounted for. Proper data management and organization also facilitate a more efficient analysis phase and ensure the integrity of the audit's findings.

4.2 Analysis: Once the data is collected, the next step is analysis. This phase involves carefully reviewing the energy consumption data to identify trends and pinpoint areas of excessive or inefficient energy use. Key performance indicators (KPIs) such as energy usage per unit of output or energy intensity should be calculated to benchmark performance. Through analysis, energy inefficiencies can be discovered, whether due to outdated equipment, poor facility management, or operational inefficiencies. Advanced tools, such as energy modeling software or comparison with industry standards, can help highlight problem areas.

4.3 Audit Review: The audit review involves evaluating the facility designs, equipment, and operational processes that contribute to energy consumption. This step requires a comprehensive assessment of the physical infrastructure, such as HVAC systems, lighting, machinery, and insulation, as well as the operational practices in place. The audit team should review building plans, maintenance schedules, and how facilities are being utilized. Outdated or inefficient equipment, poor facility layout, and lack of energy-efficient systems are often key contributors to excessive energy consumption. In addition, operational practices such as overuse of heating and cooling or inefficient lighting controls may be identified.

4.4 Report Findings: Once the audit process is complete, the next step is to prepare a detailed audit report that outlines the findings. This report should present a clear picture of the current state of energy consumption, highlighting areas where inefficiencies or excessive use are occurring. The report must include specific data and examples from the analysis phase, such as areas with high energy intensity or equipment that consumes disproportionate amounts of energy. Additionally, the audit findings should provide recommendations for corrective actions, including both short-term improvements and long-term energy-saving strategies. These recommendations may include upgrading equipment, improving operational procedures, or adopting energy-efficient technologies.

5.0 ETHICAL LABOR REPORT

5.1 Policy Review: The first step in addressing child labor, forced labor, and human trafficking risks is to review the company's existing policies. This involves ensuring that company policies align with international laws, such as those set by the International Labor Organization (ILO), the United Nations, and other relevant human rights standards.

The policy review process assesses whether the company's stance on these issues is clear and robust, providing a solid framework to combat exploitation. This review should be conducted periodically to ensure the policies remain up-to-date with any changes in international or local regulations. The policies should also define clear procedures for identifying, preventing, and responding to instances of child labor, forced labor, and human trafficking. By aligning policies with global standards, the company demonstrates its commitment to ethical practices, ensuring compliance and promoting fair labor conditions throughout its operations and supply chains.

5.2 Supplier and Subcontractor Audit: An essential component of the company's efforts to prevent child labor, forced labor, and human trafficking is auditing its suppliers and subcontractors. This involves conducting thorough background checks on potential and current suppliers to ensure that they adhere to the same ethical labor practices. The audit should review contracts, examine supply chain practices, and verify that suppliers meet labor regulations and respect human rights. The company should also investigate whether suppliers have appropriate policies in place and if they are actively monitoring their own supply chains. Any non-compliance with labor standards or human rights violations by a supplier or subcontractor should trigger corrective actions, which may include renegotiating contracts, finding new suppliers, or cutting ties with those who do not comply with the company's ethical standards.

5.3 Employee Interviews: Conducting employee interviews is a crucial method for identifying potential instances of forced labor or human trafficking within the organization. These interviews provide an opportunity to gather firsthand accounts from workers, allowing them to voice concerns or report any unethical practices without fear of retaliation. During the interviews, questions should be designed to assess whether employees are aware of their rights, feel coerced or exploited, or have experienced any form of abuse or trafficking. This process should be conducted discreetly and confidentially to ensure employees are comfortable speaking out. Gathering this qualitative data helps identify any hidden risks, allowing the company to take prompt action to resolve potential issues and ensure a safe and fair working environment.

5.4 Report Findings: After completing audits, employee interviews, and other investigations, the next step is to prepare a comprehensive report outlining the findings. This report should include a summary of compliance levels across the organization, identifying any areas where child labor, forced labor, or human trafficking risks exist. It should clearly outline any non-compliance discovered during the audit process, provide evidence from interviews or documentation, and assess the severity of the issues. The report should also highlight any weaknesses in policies, procedures, or supplier practices that need to be addressed. Finally, the report should include recommendations for corrective actions, such as training programs, policy updates, or changes in supplier relationships.

6.0 FAIR RECRUITMENT REPORT

6.1 Recruitment Process Review: The recruitment process review is designed to evaluate each stage of hiring, from job postings to onboarding procedures. This review examines whether job descriptions are clear, accurate, and free from bias, and assesses how interviews and candidate selections are conducted.

It involves evaluating the effectiveness of sourcing methods, such as job boards, recruitment agencies, or employee referrals, to ensure they reach a diverse pool of candidates. During the review, attention is paid to how interview questions are framed, whether assessments are fair, and if there are transparent criteria for selecting candidates. Onboarding procedures are also scrutinized to ensure a seamless transition for new hires, promoting inclusivity and minimizing any barriers that could disadvantage certain groups.

6.2 Non-Discriminatory Practices: Ensuring that recruitment practices are non-discriminatory is crucial for creating a fair and inclusive workplace. The recruitment policies must be free from biases based on gender, age, race, religion, disability, or any other protected characteristic. This means reviewing the language in job descriptions, interview questions, and hiring criteria to ensure they are neutral and promote equal opportunity. Non-discriminatory recruitment practices also involve reviewing the candidate selection process to ensure that decisions are based on qualifications, experience, and skills rather than personal biases. This review should assess whether diverse candidate pools are being actively sought and whether interview panels are trained to recognize and eliminate bias in their decision-making. By ensuring recruitment is free from discrimination, the organization promotes diversity and fosters a workplace where all candidates have equal access to opportunities, contributing to a more inclusive and equitable work environment.

6.3 Training Review: A key component of ensuring a fair recruitment process is providing adequate training for recruiters. This review assesses the training programs offered to recruiters, focusing on best practices for non-discriminatory hiring and awareness of anti-discrimination laws. It involves evaluating whether recruiters are trained on identifying unconscious biases, implementing structured interview techniques, and adhering to legal requirements regarding discrimination. The training review should also examine whether recruiters are familiar with the company’s diversity and inclusion goals and how to achieve them through recruitment. Regular training updates are essential to ensure recruiters are equipped with the latest knowledge on anti-discrimination practices, diversity strategies, and evolving legal standards. Well-trained recruiters are better positioned to make objective, unbiased decisions, ensuring a recruitment process that attracts a diverse talent pool and upholds the organization’s commitment to fairness and equity in hiring.

6.4 Audit Reporting: Audit reporting is a critical step in documenting the findings from a recruitment process review. The report should detail any discrepancies or instances of unfair practices identified during the audit, such as biased language in job descriptions, discriminatory selection processes, or lack of diversity in candidate pools. It should also include an analysis of how the recruitment process aligns with the organization’s diversity and inclusion policies and whether it adheres to anti-discrimination laws. The report should highlight any areas of concern and provide evidence to support the findings, whether through candidate feedback, recruitment data, or observations during interviews. The audit report serves as a valuable tool for senior management and HR teams to understand the effectiveness of their recruitment practices and make informed decisions about improvements. Documenting these findings ensures accountability and provides a roadmap for addressing any issues that may arise.

6.5 Corrective Measures: When discrepancies or unfair practices are identified during the recruitment process audit, corrective measures are necessary to ensure a more equitable hiring process. These measures may include revising job descriptions to ensure they are inclusive and free from gendered or biased language. Broadening the search methods for candidates, such as utilizing diverse job boards, attending recruitment events, or partnering with organizations that focus on underrepresented groups, can help attract a wider range of applicants. Conducting refresher training sessions for recruiters ensures that they stay updated on best practices and anti-discrimination laws, reinforcing their ability to recognize and address biases.

7.0 FAIR PROMOTION REPORT

7.1 Promotion Criteria Review: The promotion criteria review involves evaluating the standards and processes used to determine eligibility for promotion within the organization. This includes assessing how performance appraisals, qualifications, and tenure influence promotion decisions. Performance appraisals should be objective, standardized, and aligned with the company's values, ensuring that all employees are evaluated fairly based on their contributions and results. Qualifications and tenure should be considered in the context of the employee's readiness for the new role, but should not overshadow other factors such as skills, potential, and job performance. The review should also check for consistency in the application of promotion criteria across departments and roles. By examining these factors, the organization can ensure that promotions are awarded based on merit and clear, transparent guidelines, rather than on subjective or discriminatory criteria, promoting fairness and equality in career advancement opportunities.

7.2 Employee Feedback: Employee feedback is an essential component of evaluating the fairness of the promotion process. Conducting surveys or interviews with employees provides valuable insights into their perceptions and experiences regarding promotion decisions. Feedback can reveal if employees feel that promotions are granted based on merit and clear criteria, or if there are concerns about favoritism, bias, or unfair treatment. Employees may also share whether they perceive the promotion process as transparent or if they feel overlooked despite their qualifications. Gathering this feedback helps identify potential issues or areas for improvement in the promotion system, allowing the organization to address any concerns directly. Additionally, employee feedback fosters a sense of transparency and engagement, as employees feel their voices are heard and valued in decisions that impact their career progression.

7.3 Data Analysis: Data analysis is a critical tool for identifying patterns of discrimination or bias in the promotion process. By analyzing historical promotion data, the organization can assess whether certain groups—such as women, minorities, or individuals from specific departments—are underrepresented in promotions. The analysis should look for trends based on factors such as gender, race, tenure, or age, which could indicate systemic biases or disparities in promotional opportunities. This data-driven approach helps uncover whether promotions are distributed equitably across the workforce and whether any biases—either conscious or unconscious—are affecting decision-making. The findings from this analysis provide a solid foundation for addressing inequities, making the promotion process more transparent and ensuring that all employees have equal opportunities for advancement based on merit and qualifications.

7.4 Audit Report: The audit report serves as a comprehensive documentation of the findings from the promotion review process. It should detail any inconsistencies, patterns of bias, or unfair practices identified during the evaluation of promotion criteria, employee feedback, and data analysis. The report should include clear evidence of any discrepancies in promotion decisions, such as groups consistently being overlooked or promotions that don't align with established criteria. It should also identify areas where the promotion process may not be transparent, leaving room for potential discrimination or favoritism. The audit report should be structured to provide actionable insights, offering a clear overview of the issues and presenting evidence to support findings. This documentation will be used by senior management to make informed decisions about improving the promotion process and ensuring fairness and equality within the organization.

8.0 PAY GAP AUDIT

8.1 Salary Data Collection: The first step in addressing the pay gap is to collect detailed salary data across all departments, positions, and levels of seniority within the organization. This includes gathering information on base salaries, bonuses, benefits, and other forms of compensation for each employee. The data should be segmented by role, gender, age, race, and other relevant factors to provide a comprehensive view of the salary landscape. Collecting this data requires coordination between HR and various departments to ensure all employees are represented. Accurate and up-to-date salary data is essential for identifying disparities and ensuring that any gaps are addressed appropriately. Additionally, the data should be structured and organized in a way that allows for easy comparison and analysis, ensuring transparency and making it easier to track progress over time as corrective measures are implemented.

8.2 Analysis: Once the salary data has been collected, the next step is to perform a thorough statistical analysis of the pay gap. This involves evaluating salary differences based on various factors such as gender, age, race, and seniority level. The analysis should look for any patterns of unequal pay that cannot be explained by legitimate factors, such as experience, qualifications, or job performance. Using statistical tools, the analysis will calculate the extent of the pay gap and identify any significant disparities that may indicate discrimination or inequity. It's crucial to ensure that the analysis is comprehensive and considers all variables that might influence pay, providing a clear picture of where gaps exist. This analysis serves as the foundation for understanding the scope of the problem and informs the development of recommendations for reducing pay disparities.

8.3 Benchmarking: Benchmarking involves comparing SMC's pay structure with industry standards and the compensation practices of similar organizations. This process helps determine whether SMC's pay scales are competitive and if any disparities in pay are unjustifiable. By evaluating industry reports, salary surveys, and compensation data from comparable organizations, the benchmarking process allows SMC to assess whether its pay structure aligns with the broader market. This comparison also highlights any areas where the company may be lagging in terms of compensation, or where the pay gap is broader than what would be considered typical or acceptable. Benchmarking is a valuable tool in identifying whether pay gaps are a result of internal policies or external market forces and helps ensure that any adjustments made are fair and in line with industry norms, promoting both competitiveness and equity.

8.4 Reporting: The next step is to prepare a detailed report based on the analysis and benchmarking process. This report should clearly document any pay gaps found within the organization, outlining the factors contributing to the disparities, such as gender, race, age, or other variables. The report should present the findings in a clear, concise format, supported by data and statistical evidence. It should also include an executive summary, detailing key insights and highlighting the areas where the company's pay structure may be unfair or inequitable. Alongside the findings, the report should provide actionable recommendations for eliminating the pay gaps, such as implementing pay adjustments, revising compensation policies, or revisiting recruitment and promotion practices. This report serves as a critical tool for management to understand the scope of pay inequity and take the necessary steps to ensure fair compensation across the organization.

8.5 Remediation: Once pay gaps have been identified and reported, the next step is to develop and implement a remediation plan to address these inequities. This plan should include specific actions such as adjusting salaries to ensure fair compensation, revising policies that may contribute to pay disparities, and setting clear guidelines for future pay decisions. The remediation plan may also involve reviewing recruitment and promotion practices to ensure they are aligned with the company's commitment to pay equity. It is important to ensure that the plan includes a timeline for implementation and establishes a system for monitoring progress over time. Regular reviews and audits should be conducted to ensure that pay gaps are being closed and that the organization remains compliant with its equity goals. The remediation process should also include training for managers and HR personnel on equitable pay practices, reinforcing the company's commitment to fairness and equality.

9.0 ANTI-CORRUPTION AUDIT

9.1 Policy Assessment: The first step in an anti-corruption audit is to assess the company's existing anti-corruption policies. This includes reviewing the company's policies to ensure they are aligned with international and local anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. The policy assessment should focus on whether the company has clear, comprehensive guidelines that prohibit bribery, corruption, and other unethical practices. Additionally, it should assess the effectiveness of the company's policies in preventing corruption within its operations and across its supply chain. This review ensures that the company's anti-corruption framework is not only legally compliant but also reflective of best practices in ethical governance. A thorough policy assessment provides a solid foundation for identifying potential weaknesses and gaps that may expose the organization to risks, ensuring that corruption prevention efforts are robust and up-to-date with evolving legal standards.

9.2 Transaction Review: A key aspect of an anti-corruption audit is scrutinizing high-risk transactions for any signs of corruption or bribery. This involves reviewing financial transactions, contracts, and payments that have a higher probability of involving unethical practices, such as those with government entities, international transactions, or large cash payments. During this review, auditors will analyse the documentation associated with these transactions to detect any discrepancies, unusual patterns, or red flags that may indicate bribery, kickbacks, or other forms of corruption. Specific attention is given to vendor selection, contract awards, and expense reimbursements to ensure transparency and compliance with anti-corruption policies.

This review also includes examining relationships between employees and business partners, looking for any signs of undue influence or conflicts of interest. By closely examining high-risk transactions, the audit helps identify potential instances of corruption that need further investigation and remediation.

9.3 Employee Interviews: Employee interviews are an essential component of an anti-corruption audit, particularly when assessing the understanding and implementation of anti-corruption policies. Interviews should be conducted with employees in key departments such as procurement, finance, and senior management, as these areas are more likely to be involved in decisions that could be susceptible to corruption. The purpose of the interviews is to gauge employees' awareness of the company's anti-corruption policies, their perception of the ethical climate within the organization, and their experience with potential corrupt practices. These interviews also provide insights into whether employees feel comfortable reporting unethical behavior and whether they have received adequate training on the policies and procedures. Additionally, these interviews help identify potential gaps in training or communication about the anti-corruption framework, allowing the company to address any areas where the policies may not be effectively conveyed or implemented.

9.4 Report Findings: Once the policy assessment, transaction review, and employee interviews are completed, the audit team should compile a comprehensive report documenting the findings. This report should detail any evidence of corruption, unethical behavior, or policy violations uncovered during the audit process. The report should include specific examples, such as suspicious transactions, instances where employees may have breached anti-corruption policies, or gaps in compliance with legal requirements. It should also highlight any systemic issues, such as lack of awareness or inadequate training that could facilitate corrupt practices. In addition to outlining the findings, the report should provide a clear analysis of the potential risks posed by these issues and their impact on the organization's reputation and legal standing. The audit report serves as a critical tool for senior management to understand the scope of the issues and take appropriate action to address them.

10.0 ISMS AUDIT

10.1 Review Security Policies: The review of security policies involves evaluating the company's existing information security framework to ensure it is robust, comprehensive, and adaptable to emerging threats. This includes assessing policies and procedures related to data protection, incident response, access controls, and system security. The review should also verify compliance with international security standards such as ISO 27001, which sets a high bar for managing information security risks. The process should assess whether the security policies are regularly updated to address new and evolving risks, including cyber threats like phishing, malware, and ransom ware.

10.2 Risk Assessment: Risk assessment is a critical component of any information security audit. It involves identifying potential vulnerabilities within the company's IT infrastructure, systems, and data management processes that could be exploited by malicious actors. This process should begin with a thorough evaluation of the organization's hardware, software, network configurations, and access controls to pinpoint weaknesses.

Particular attention should be paid to sensitive data, including personal information and intellectual property, to assess the risk of unauthorized access or breaches. The assessment should also consider external threats, such as cyber-attacks or social engineering, and internal risks, such as employee negligence or insider threats. By conducting a risk assessment, the company can determine which areas of its information security framework need strengthening and develop targeted strategies for mitigating identified risks, thus reducing the likelihood of a security incident.

10.3 Compliance Check: A compliance check ensures that the company's information security protocols adhere to all relevant legal and regulatory requirements. This involves reviewing security practices in the context of industry-specific regulations, such as GDPR for data protection, HIPAA for healthcare information, or any other local or international laws. It is important to confirm that the company is not only compliant with these legal requirements but also aligns with broader standards such as ISO 27001 and NIST frameworks. During the compliance check, auditors should verify that data protection, privacy policies, and security measures meet the required legal thresholds and are adequately documented. This process also involves assessing the company's data handling, breach notification procedures, and third-party vendor management to ensure compliance is maintained across all touch points.

10.4 Audit and Reporting: The audit and reporting phase involves synthesizing all findings from the review of security policies, risk assessments, and compliance checks into a comprehensive audit report. The report should provide a clear evaluation of the effectiveness of the company's Information Security Management System (ISMS), highlighting strengths, weaknesses, and areas that need improvement. It should also assess how well the organization is managing its information security risks in comparison to industry best practices. The report should outline specific issues found, such as vulnerabilities in systems, non-compliance with regulations, or gaps in employee awareness of security procedures. It's essential that the audit findings are presented in a structured, transparent manner, allowing management to understand both the scope of any issues and the potential impact.

11.0 WATER AUDIT

11.1 Water Usage Review: The water usage review involves collecting and analysing data on water consumption across all company facilities. This includes tracking water used for essential needs like drinking water, as well as water consumed for operational purposes such as cleaning, cooling systems, and industrial processes. The review should categorize water usage by department or process to pinpoint where the most significant consumption occurs. Data should be gathered over a set period, such as monthly or quarterly, to establish patterns and identify seasonal variations. It's essential to capture both direct and indirect water usage, including water used by external contractors or in processes that might not be immediately obvious. By thoroughly reviewing water usage, the company can gain a clear understanding of its water consumption landscape and identify potential areas for improvement. Accurate data collection is crucial for ensuring that the audit process is based on reliable and comprehensive information.

11.2 Efficiency Analysis: Efficiency analysis involves evaluating the collected water usage data to identify areas where water consumption can be reduced without affecting operational effectiveness. This analysis should consider the efficiency of water-intensive processes, such as cleaning methods, cooling systems, and irrigation practices, to determine where waste can be minimized. The audit team will analyse consumption patterns to detect any spikes in water usage, periods of high inefficiency, or processes that use more water than necessary. For example, if cooling systems are consuming more water than needed, the analysis may recommend using water-saving alternatives like closed-loop systems. The analysis should also look at the effectiveness of existing water-saving initiatives, such as low-flow faucets or water-efficient equipment, to determine if they are being fully utilized. Identifying inefficiencies allows the company to implement targeted changes that can significantly reduce water usage and lower operating costs.

11.3 Audit Reporting: Audit reporting is a crucial part of the water audit process, as it documents the findings, outlines any discrepancies, and identifies areas where the company is falling short of its sustainability goals. The report should provide a detailed analysis of water consumption across all facilities, highlighting key inefficiencies or processes that are driving excessive water use. If discrepancies are found between actual water usage and sustainability targets or regulations, these should be documented and explained. The report should also assess the effectiveness of any existing water-saving initiatives and highlight areas where improvements are necessary. Additionally, the audit report should include recommendations for corrective actions and improvements to help the company meet its water usage and sustainability targets. This report will serve as the foundation for management to make informed decisions on how to reduce water consumption, improve sustainability, and meet regulatory compliance.

12.0 CONCLUSION

Internal audits are an essential component of ensuring compliance, efficiency, and continuous improvement within SMC. By following the procedures outlined in this SOP for energy, labor practices, fair recruitment, pay equity, anti-corruption efforts, information security, and environmental sustainability, the company can maintain its commitment to ethical business practices and operational excellence. Regular audits and prompt corrective actions will ensure that SMC remains competitive, compliant with regulations, and aligned with its values.

DISCIPLINARY ACTION PROCEDURE
SMC/ESG /SOP- 14

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to outline the process and guidelines for administering disciplinary actions in a consistent, fair, and lawful manner within the organization. The SOP provides a structured framework for addressing employee misconduct, underperformance, or violations of company policies, ensuring that all actions taken are objective and impartial. By establishing clear protocols, this SOP aims to foster a positive work environment, encourage accountability, and ensure compliance with company values and ethical standards.

2.0 SCOPE

This SOP applies to all employees of SMC, including permanent, temporary, and contractual workers, as well as any third-party personnel working under the organization’s supervision. The disciplinary procedures outlined here are relevant to any breach of company policies, misconduct, non-compliance with contractual agreements, or failure to meet performance expectations as defined by the Performance Management System (PMS). The SOP is designed to be comprehensive and flexible to cater to a wide variety of scenarios, ensuring fairness, consistency, and transparency in the process.

3.0 RESPONSIBILITIES

3.1 Human Resources (HR): Human Resources (HR) plays a pivotal role in overseeing the disciplinary process within an organization. HR ensures that all disciplinary actions align with legal regulations, organizational policies, and ethical standards. HR is responsible for maintaining clear and accurate records of any incidents, disciplinary actions, and resolutions.

3.2 Managers/Supervisors: Managers and supervisors are directly responsible for managing employee behavior and performance. They are often the first line of defense in addressing misconduct or underperformance and are tasked with identifying issues before they escalate. In accordance with the Standard Operating Procedures (SOP), they must handle disciplinary matters in a consistent, fair, and transparent manner.

3.3 Employees: Employees are expected to adhere to the company's policies, procedures, and code of conduct. Their responsibility in the disciplinary process is to maintain professional behavior and address issues in a constructive manner. Employees are expected to respect their colleagues, managers, and the organization's values, avoiding misconduct or underperformance.

3.4 Disciplinary Committee: The disciplinary committee is typically formed when a situation is too complex or severe for managers to handle alone. It is made up of impartial members who are tasked with reviewing the facts and making recommendations on appropriate disciplinary actions.

4.0 DISCIPLINARY ACTION

4.1 Investigation: Before any disciplinary action can be taken, it's crucial to conduct a thorough investigation to ensure fairness and accuracy. This step involves documenting the incident or behaviour that triggered the disciplinary process, ensuring that all details are captured. Additionally, interviewing witnesses or anyone directly involved in the incident is key to gathering various perspectives. This helps establish the facts and ensures the issue isn't based on assumptions or hearsay. The investigation should also review company policies and procedures to determine if there has indeed been a violation. By the end of this step, the organization should have a clear and accurate understanding of what occurred, and whether disciplinary action is warranted. This process allows for unbiased decision-making and gives the employee an opportunity to understand the nature of the situation.

4.2 Informal Counselling: When dealing with minor infractions or first-time offenses, informal counselling may be the appropriate initial response. During this stage, the supervisor or manager addresses the issue with the employee directly. The aim is to raise awareness of the behaviour or performance issue, discuss how it impacts the workplace, and provide guidance on how to improve. Informal counselling is intended to correct the issue without resorting to formal disciplinary action. Though no official disciplinary record is created, it's essential that a written record of the conversation is kept for future reference, in case the issue persists. This step emphasizes corrective feedback rather than punishment, and it can help foster a positive relationship between the employee and management. It's an opportunity for the employee to improve before facing more serious consequences.

4.3 Written Warning: If the employee's behaviour or performance does not improve following informal counselling, or if the issue is more severe, a written warning is issued. This formal step outlines the specific misconduct or performance issue, along with a reference to the relevant company policies that have been violated. The written warning should clearly state the consequences if the behaviour does not change, typically specifying that continued infractions could result in more severe disciplinary action, up to and including termination. A timeline for corrective action should be established, providing the employee with a clear understanding of what is expected to improve. The employee should also have an opportunity to respond to the warning, offering any explanation or justification. This step serves as an official notification to the employee that their behaviour is unacceptable, and failure to improve will lead to further consequences.

4.4 Final Written Warning: If the behaviour or performance issue persists despite the written warning, a final written warning is issued. This step acknowledges that the employee has failed to make the necessary improvements after the previous warning. It reiterates the misconduct or performance issues that have not been addressed and clearly outlines the consequences of continued failure to improve, which could include suspension or termination. A timeline for corrective action is again included, along with clear expectations for the employee's behaviour.

At this point, HR involvement is often necessary to ensure the procedure follows company policies and legal requirements. The final written warning is a serious step in the disciplinary process, signalling that the employee's job is at risk if there is no immediate and sustained improvement. It provides one last chance for the employee to correct their actions before more drastic measures are taken.

4.5 Suspension: Suspension may be considered when all previous disciplinary actions have failed or when the misconduct is severe. Suspension can be either paid or unpaid, depending on company policy and the nature of the infraction. During this period, the employee is removed from their regular duties to reflect on their behaviour and its impact on the workplace. The suspension should be communicated in writing, clearly outlining the reason for the action, the duration of the suspension, and what is expected of the employee upon their return. The suspension is intended to provide the employee with time to reconsider their actions and to make the necessary adjustments. It may also serve as a clear signal that further misconduct will not be tolerated. While suspended, the employee should also be made aware of the next steps and the potential consequences if the issue is not resolved.

4.6 Termination: Termination is the final step in the disciplinary process and is reserved for the most severe cases of misconduct or failure to improve after previous interventions. It is important that termination is carried out in strict accordance with the employee's contract and applicable labor laws, ensuring that the process is both fair and legally sound. The decision to terminate should be based on documented evidence from previous steps, such as warnings and the employee's failure to comply with expectations. The employee should be informed of the termination in writing, clearly explaining the grounds for dismissal. Additionally, the employee is entitled to any severance pay or benefits as stipulated in their contract. The termination process should be handled with professionalism and respect to avoid legal or reputational issues. This step represents the last resort when all other attempts to correct the issue have failed.

5.0 GUIDELINES FOR FAIRNESS AND CONSISTENCY

5.1 Non-Discriminatory: Disciplinary actions must be conducted in a manner that is free from bias and discrimination. This means that decisions regarding discipline should not be influenced by an employee's gender, race, religion, age, disability, or any other protected characteristic. The goal is to ensure fairness and equality in all aspects of the process. Discrimination can lead to legal challenges, damage to the company's reputation, and reduced morale among employees. Therefore, policies must be in place to ensure that disciplinary actions are applied impartially, based solely on the employee's behaviour, actions, or performance, rather than personal characteristics. Regular training on diversity and inclusion can help ensure that decision-makers are aware of potential biases and make objective, fair decisions in all disciplinary matters.

5.2 Confidentiality: Confidentiality is a fundamental aspect of handling disciplinary actions. All information related to the incident, investigation, and actions taken should be kept confidential to protect the privacy of both the employee involved and the organization. This includes not disclosing details to unauthorized personnel or other employees who do not have a legitimate need to know. Maintaining confidentiality helps protect the dignity and reputation of the employee and prevents unnecessary gossip or disruption in the workplace.

Additionally, safeguarding confidentiality ensures that the disciplinary process remains fair and unbiased. Breaching confidentiality can undermine trust in the process and create a toxic work environment. Employees must be assured that their privacy is respected, especially during sensitive matters like disciplinary actions.

5.3 Consistency: Consistency in disciplinary actions is crucial for maintaining fairness and credibility within an organization. Employees should expect that similar infractions will result in similar consequences, regardless of who is involved. If one employee is disciplined for a particular behaviour, other employees committing the same violation should face similar consequences. Inconsistent discipline can lead to perceptions of favouritism, injustice, or bias, which can damage employee morale and trust in leadership. Organizations should establish clear, standardized policies outlining the consequences for different types of misconduct, and these policies should be consistently applied across all levels of the organization. By ensuring consistency, employers demonstrate their commitment to fairness and equality, fostering a positive work environment where employees know that rules are applied impartially.

5.4 Due Process: Due process is a critical element of any disciplinary procedure, ensuring that employees have the right to be heard before any decisions are made. Employees should be fully informed of the specific charges or allegations against them and given an opportunity to respond before any action is taken. This process allows employees to present their side of the story, explain any mitigating circumstances, or clarify misunderstandings. By providing due process, the employer ensures that the decision-making process is fair and just, protecting the rights of the employee while also upholding the integrity of the organization. It also helps prevent wrongful disciplinary actions or dismissals. Offering due process fosters a transparent and respectful work environment, ensuring that disciplinary decisions are based on all relevant facts and not on assumptions or one-sided information.

6.0 CONCLUSION

The Disciplinary Action Procedure is an essential component of maintaining a productive, respectful, and compliant work environment. By following the steps outlined in this SOP, SMC ensures that employees are treated fairly and consistently, with appropriate measures in place to address any issues or misconduct. The procedure aims to correct behavior where possible, promote a positive workplace culture, and maintain high standards of performance and ethics. As part of the broader goal of continuous improvement and organizational excellence, the company is committed to maintaining transparency, accountability, and fairness in all disciplinary matters.

ENERGY CONSUMPTION AND GHG EMISSION REDUCTION PROCEDURE SMC/ESG /SOP- 15

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a framework for SMC's energy consumption and GHG emission reduction initiatives. The primary objectives are to reduce energy consumption across all aspects of facility management services, minimize GHG emissions from business operations, and optimize resource utilization to enhance efficiency while lowering the environmental impact. This approach will guide on-going improvements in environmental performance and support long-term sustainability goals for the organization.

2.0 SCOPE

This Standard Operating Procedure (SOP) applies to all business operations and services provided by SMC across India. It covers a wide range of activities, including Facility Management Services such as housekeeping, technical services, and manpower provision. Additionally, it extends to the operational infrastructure, encompassing offices, equipment, machinery, and vehicles used during service delivery. The SOP also incorporates the implementation of a Performance Management System (PMS), which ensures that energy consumption and GHG emission reductions are consistently monitored, measured, and improved through specific performance indicators.

3.0 RESPONSIBILITIES

3.1 Senior Management: Senior management plays a crucial role in driving the company's sustainability initiatives by ensuring alignment with broader corporate goals. Their leadership ensures that energy and emissions reduction efforts are not only prioritized but also integrated into the company's long-term vision. They allocate the necessary resources—both financial and human—to effectively implement energy-efficient technologies and support environmental initiatives.

3.2 Environmental/Sustainability Team: The Environmental or Sustainability Team is instrumental in executing the company's energy and emissions reduction strategies. Their main responsibility is to implement initiatives that improve energy efficiency and reduce greenhouse gas (GHG) emissions across operations.

3.3 Facility and Operations Managers: Facility and Operations Managers are responsible for the practical implementation of energy-saving strategies within the company's day-to-day operations. Their role is to monitor and track energy consumption and emissions data, ensuring that the company's facilities operate efficiently and sustainably.

4.0 ENERGY CONSUMPTION AND GHG EMISSION REDUCTION

4.1 Energy Audits: Energy audits are critical for understanding and improving a company's energy consumption. Regular audits help assess current energy usage across various services, including electricity, water, and fuel, to identify potential areas for improvement. By conducting thorough audits, companies can pinpoint hotspots where energy consumption is highest and GHG emissions may be more significant. These audits involve collecting data on the performance of HVAC systems, lighting, and other energy-intensive equipment, analysing usage patterns, and identifying inefficiencies. After completing an audit, businesses can prioritize areas for energy-saving improvements and track their progress over time.

4.2 Energy Efficiency Measures: Implementing energy-efficient technologies and processes is vital in reducing energy consumption and GHG emissions. This involves upgrading to energy-efficient lighting, such as LED lights, which consume significantly less power and last longer than traditional lighting. The adoption of energy-efficient HVAC systems helps optimize heating and cooling, reducing the demand for energy while maintaining comfort levels. Optimizing equipment schedules—such as turning off machines during non-peak hours or adjusting their operation times—can significantly reduce unnecessary energy usage.

4.3 Employee Training: Employee training plays a crucial role in ensuring energy conservation practices are integrated into everyday operations. All employees, along with contractors, should receive training on energy-efficient practices, which can range from simple actions like switching off lights when not needed, to more complex tasks like optimizing the settings of heating, ventilation, and air conditioning (HVAC) systems. Understanding the importance of energy conservation and how individual actions impact overall energy consumption can help employees make smarter choices in their daily activities.

4.4 Energy Monitoring: Energy monitoring is an essential tool for tracking energy consumption in real-time, allowing businesses to detect inefficiencies and take corrective actions immediately. Installing and maintaining energy meters in key locations across operations ensures that energy usage is measured accurately and consistently. These meters help track energy consumption across different departments or equipment, providing a granular view of where energy is being used most. By analysing this data, companies can identify trends, such as peaks in usage that may indicate inefficiencies or areas where energy consumption can be reduced. **GHG Emission Reporting Frequency: Annually.**

4.5 Renewable Energy Integration: Transitioning to renewable energy sources is a critical step in reducing a company's reliance on fossil fuels and cutting down on greenhouse gas (GHG) emissions. Companies should actively seek to integrate renewable energy into their operations, whether by installing solar panels on-site or by exploring partnerships with green energy providers. Using renewable sources like wind or solar power helps reduce the carbon footprint of energy consumption, aligning with sustainability goals and supporting the transition to a low-carbon economy. In some cases, companies may also invest in renewable energy credits or purchase clean energy directly from utility companies to offset their emissions.

4.6 GHG Emission Measurement: Measuring greenhouse gas (GHG) emissions is a vital component of any sustainability strategy. Establishing baseline GHG emission levels across all company operations provides a starting point from which future reductions can be tracked. This process typically involves identifying all significant sources of emissions, including those from energy consumption, transportation, and manufacturing processes. Once a baseline is established, companies can set specific goals for emission reductions, allowing them to measure progress over time. Periodic GHG emission assessments ensure that the company stays on track toward its reduction targets. These measurements also help in identifying trends or areas where further improvements are needed. Accurate GHG measurement is not only important for internal tracking but also for demonstrating compliance with local and international climate regulations.

4.7 Reduction Targets: Setting clear, measurable GHG reduction targets is essential for achieving sustainability goals. These targets should be aligned with both local and international climate standards, as well as industry best practices. Companies must define specific goals for reducing GHG emissions over various timeframes—whether annually, quarterly, or in the long term—allowing for continuous progress tracking. These targets could be linked to specific operational improvements, such as energy savings or transitioning to renewable energy sources, and should be ambitious yet achievable. Aligning reduction targets with global initiatives, like the Paris Agreement, reinforces the company’s commitment to tackling climate change. Regularly reviewing and adjusting these targets helps ensure that the company remains on course to meet its environmental objectives.

5.0 ENERGY EFFICIENCY IN FACILITY MANAGEMENT OPERATIONS

5.1 Housekeeping Services: Housekeeping services play a key role in maintaining energy efficiency while ensuring that cleaning tasks are performed effectively. By using energy-efficient cleaning equipment, such as vacuum cleaners with lower energy consumption or automatic floor scrubbers, housekeeping staff can reduce the energy required to perform daily tasks. Additionally, opting for eco-friendly cleaning chemicals that are biodegradable and free of harmful substances minimizes the environmental impact and improves operational efficiency. Housekeeping staff should also be equipped with tools that allow them to minimize waste, such as microfiber cloths that reduce the need for disposable cleaning supplies.

5.2 Technical Services: Technical services, including the maintenance of HVAC, electrical, and plumbing systems, are critical for optimizing a company’s energy consumption. Regular maintenance of HVAC systems ensures they operate at peak efficiency, reducing energy waste by ensuring proper airflow, insulation, and temperature control. This minimizes the need for excessive heating or cooling, which can contribute significantly to a building's energy use. Additionally, ensuring that electrical systems are well-maintained and plumbing systems are leak-free reduces unnecessary energy consumption and water waste. Incorporating automated systems, such as motion sensors for lighting, programmable thermostats for temperature control, and advanced building management systems, helps optimize energy usage.

5.3 Manpower Services: Optimizing manpower services is essential for reducing operational costs and minimizing the carbon footprint associated with staff movements. Efficient scheduling ensures that resources are used effectively, reducing idle times and ensuring that employees are only deployed when and where their work is needed. By adjusting workloads to align with peak productivity times and eliminating unnecessary travel or movement, companies can lower their carbon emissions linked to staff transportation. For example, consolidating tasks or creating more efficient work schedules can reduce the number of trips required for different tasks.

6.0 COMPLIANCE AND REGULATORY FRAMEWORK

6.1 Local Regulations: Compliance with local regulations is crucial for ensuring that a company's energy efficiency and GHG emission practices align with national laws. In India, the Energy Conservation Act, 2001, mandates energy efficiency measures across industries, and the National Action Plan on Climate Change outlines specific goals for reducing carbon emissions. Companies must stay informed about updates to these regulations to ensure they meet the necessary standards and avoid penalties. Monitoring and adhering to these regulations not only helps maintain legal compliance but also supports national efforts to combat climate change and improve energy efficiency. This includes adopting energy-efficient technologies, following prescribed guidelines for energy consumption, and taking action to reduce GHG emissions. By aligning operations with India's environmental regulations, companies contribute to the broader sustainability goals while also enhancing their reputation as responsible corporate citizens committed to environmental stewardship.

6.2 International Standards: Adhering to international standards helps companies improve their energy efficiency and environmental management practices while fostering global competitiveness. ISO 50001, the Energy Management System (EnMS) standard, provides a framework for organizations to establish, implement, and maintain effective energy management practices. This certification ensures that companies are optimizing energy use, reducing consumption, and mitigating environmental impacts. Similarly, ISO 14001, the Environmental Management System (EMS) standard, supports organizations in managing their environmental responsibilities by setting up systematic processes to reduce waste, control emissions, and comply with regulations. By aligning with these global frameworks, companies not only ensure continuous improvement in energy management but also demonstrate their commitment to sustainable development.

6.3 Regular Audits: Regular audits are essential to ensure that a company's operations remain compliant with energy efficiency regulations and GHG emission standards. These audits should be conducted by third-party experts who can objectively assess whether the company is meeting legal requirements and achieving its sustainability targets. Third-party audits provide an impartial evaluation of the company's energy usage and emission reduction practices, ensuring that all systems are operating efficiently and within legal boundaries. They also help identify areas of non-compliance or inefficiency, providing actionable recommendations for improvement.

7.0 CONTINUOUS IMPROVEMENT AND REVIEW

7.1 Review Meetings: Regular review meetings are essential for assessing the performance of energy and GHG reduction initiatives. Holding quarterly or annual reviews provides an opportunity for key stakeholders, such as senior management, environmental teams, and operations managers, to discuss the progress of sustainability goals. During these meetings, the effectiveness of current strategies can be evaluated, and any challenges or obstacles faced in implementing energy-saving measures can be addressed. These meetings also offer a platform for stakeholders to provide feedback on what's working and what needs improvement, fostering a collaborative approach to sustainability. By tracking the outcomes of energy and GHG reduction initiatives, companies can identify areas where additional focus is required or where new technologies or methods can be introduced.

7.2 KPIs and Metrics: Establishing key performance indicators (KPIs) and metrics is vital for measuring and tracking a company's progress in energy usage and GHG emissions reduction. These KPIs should be specific, measurable, achievable, relevant, and time-bound (SMART), helping the company assess the effectiveness of its sustainability initiatives. Common KPIs might include energy consumption per unit of production, percentage reduction in GHG emissions, or energy savings achieved through efficiency measures. By consistently tracking these metrics, companies can identify trends, highlight areas where targets are being met, and spot areas that require attention.

7.3 Feedback and Training: Employee and stakeholder feedback plays a critical role in refining energy conservation practices and improving the effectiveness of emissions reduction efforts. Collecting insights from those directly involved in energy usage, such as facility managers, operations staff, and housekeeping teams, can uncover inefficiencies or gaps in current processes that may not be immediately apparent to senior management. This feedback can be gathered through surveys, focus groups, or regular check-ins, ensuring that employees feel involved and empowered in the company's sustainability efforts.

8.0 CONCLUSION

By following the procedures outlined in this SOP, SMC can contribute significantly to the reduction of energy consumption and GHG emissions within the facility management industry. This commitment to sustainability will not only result in direct environmental benefits but will also enhance SMC's reputation as a responsible corporate entity in India. As the company moves forward, continual monitoring, training, and a focus on operational efficiency will help achieve the environmental targets set forth and ensure compliance with all relevant regulations.

EMPLOYEE PERSONAL INFORMATION PROCEDURE

SMC/ESG /SOP- 16

1.0 PURPOSE

The Employee Personal Information Procedure Standard Operating Procedure (SOP) provides clear, standardized guidelines for the collection, handling, storage, and updating of personal information of employees working at SMC (Service Management Company). The purpose of this procedure is to ensure that employee data is accurately and securely processed in compliance with applicable legal and regulatory standards.

2.0 SCOPE

This procedure applies to all SMC employees—full-time, part-time, contract, temporary, probationary—and third-party workers or consultants. It governs the collection, storage, handling, and protection of employee personal data during recruitment and onboarding. It outlines access controls to restrict data to authorized personnel and details processes for updating, modifying, or deleting such data. The procedure also includes protocols for managing data breaches involving employee information.

3.0 RESPONSIBILITIES

3.1 Human Resources (HR) Department: The HR Department plays a critical role in managing employee personal data. It is responsible for collecting, verifying, and maintaining accurate records of each employee's personal information, such as addresses, contact details, and emergency contacts.

3.2 IT Department: The IT Department is responsible for implementing and maintaining the technical infrastructure that protects employee data from unauthorized access, loss, or theft. Regular system audits and log reviews are conducted to track access patterns and detect any anomalies that may suggest a breach or policy violation.

3.3 Employee: Employees play an essential role in maintaining the accuracy and confidentiality of personal data. During recruitment, they are expected to provide truthful and complete personal information.

3.4 Management: Management holds the overarching responsibility for ensuring that all staff understand and adhere to the standard operating procedures (SOP) related to employee data management. This involves clearly communicating expectations, providing resources and training, and fostering a culture of accountability across departments.

4.0 EMPLOYEE PERSONAL INFORMATION COLLECTION

4.1 Pre-employment Information Collection: During the recruitment process, candidates are required to provide essential personal information that helps assess their suitability for the role. This typically includes full name, current contact details, educational qualifications, previous employment history, and references. The information is usually gathered through an online application form or during in-person interviews, supplemented by submitted documents such as resumes, cover letters, and recommendation letters. This data is crucial for initial shortlisting and background verification. All information collected at this stage must be handled with care and stored securely to comply with privacy regulations. It should only be accessed by authorized personnel involved in the recruitment process. Candidates are informed about the purpose of data collection and their rights regarding the handling of personal data.

4.2 On boarding Documentation: Once a candidate is selected, the on boarding process involves collecting a comprehensive set of documents and personal details necessary for employment setup. New employees are required to submit information such as full legal name, residential address, contact numbers, date of birth, gender, and other demographic details. They also provide bank account information for salary processing and emergency contact details for use in urgent situations. In addition, employees must review and sign acknowledgments of company policies, including data protection, confidentiality, and workplace behaviour guidelines. These forms are typically collected through secure on boarding platforms or in person during orientation sessions.

4.3 Data Verification: After on boarding documentation is submitted, the Human Resources department performs a thorough data verification process to ensure the authenticity of all information provided. This involves checking identity proofs (e.g., national ID, passport), address proofs (e.g., utility bills, rental agreements), academic certificates, and records of previous employment. Verification may also include reference checks and background screening through third-party agencies, especially for roles that require high levels of trust or handle sensitive information. Accurate data verification helps the organization avoid future legal or compliance issues and ensures the employee meets the company’s hiring standards. This step strengthens organizational security and reduces the risk of hiring individuals under false pretences.

4.4 Data Entry into HRMS: Once all personal information has been verified, HR enters the data into the organization’s Human Resource Management System (HRMS). The HRMS acts as the central digital repository for storing employee records, facilitating efficient management of information throughout the employment lifecycle. Details such as personal data, banking information, emergency contacts, and employment history are stored securely within the system. Access to this data is strictly controlled and limited to authorized personnel, ensuring privacy and security. The HRMS supports automation of HR functions, including payroll processing, leave tracking, and performance evaluations, making accurate data entry critical to overall system functionality.

5.0 EMPLOYEE PERSONAL INFORMATION

5.1 Secure Storage in HRMS: In the Human Resource Management System (HRMS), all employee personal data is stored in a highly secure and encrypted environment. This digital system is designed to protect against unauthorized access, data breaches, and cyber threats. The HRMS uses encryption protocols such as AES-256 to ensure data confidentiality both at rest and in transit. Access to employee data is strictly role-based, meaning only authorized HR personnel and managers with appropriate permissions can view or manage the information. These roles are regularly reviewed and updated to align with organizational changes. Additionally, multi-factor authentication (MFA) is enforced to strengthen system security. The HRMS also maintains an audit trail, recording all access and activity related to employee data, which helps in monitoring and ensuring compliance with data protection regulations such as GDPR or applicable local laws. This secure digital framework provides a robust foundation for managing sensitive HR information safely and responsibly.

5.2 Physical Document Storage: Despite the digital shift, certain critical employee documents—such as original identification proofs, signed employment contracts, and government-issued certificates—may still exist in physical form. These documents are stored in designated secure storage areas within the organization, typically in locked file cabinets or rooms with restricted access. Only authorized HR staff are granted access to these storage units, and entry is monitored either through manual logs or electronic access systems such as key cards or biometric scanners. These secure areas are often located in HR or administration departments and are protected during and after office hours to prevent unauthorized handling. Regular audits are conducted to ensure compliance with internal document handling policies and regulatory standards. Sensitive documents are organized, labelled, and stored systematically to facilitate quick retrieval when needed while minimizing the risk of misplacement. Proper disposal procedures—such as shredding—are also enforced for outdate or expired documents to prevent misuse or accidental disclosure.

5.3 Regular Backups: To safeguard against potential data loss caused by system failures, cyber-attacks, or unforeseen disasters, regular backups of all employee personal data stored in the HRMS are conducted. These backups are scheduled on a daily, weekly, or monthly basis depending on the criticality of the information and organizational requirements. Backup files are encrypted and stored in secure locations, such as dedicated on-premise servers or trusted cloud-based services with strong access controls. Only a limited number of authorized IT personnel are permitted to manage, access, and restore these backups. Periodic testing of backup data is performed to verify integrity and recoverability, ensuring business continuity and operational resilience. Moreover, the organization follows a well-documented data backup and disaster recovery policy that outlines roles, responsibilities, and recovery procedures.

5.4 Data Segregation: Data segregation is a critical element of information security in the HRMS, particularly for sensitive employee details such as salary information, bank account numbers, health records, and tax documentation. These data categories are compartmentalized within the system, meaning access is limited to only those personnel who need it for their specific roles. For example, a manager may have access to team performance records but will not be able to view an employee's banking details or tax declarations. This fine-grained access control is enforced through role-based permissions, encryption, and layered security protocols.

Additionally, the HRMS ensures that different data types are stored in separate modules or databases to prevent accidental exposure or cross-access. Data segregation not only supports internal privacy practices but also helps in complying with legal regulations such as the GDPR, HIPAA, or local labor laws. By restricting visibility of sensitive information, the organization strengthens data privacy and minimizes the risk of insider threats.

6.0 CONFIDENTIALITY AND DATA SECURITY

6.1 Confidentiality Agreements: To ensure the protection of sensitive employee information, all employees who handle personal data are required to sign a formal confidentiality agreement upon joining the organization or transitioning into a role that grants access to such information. This agreement legally binds them to maintain the privacy and integrity of employee data and to refrain from unauthorized sharing, disclosure, or misuse of information under any circumstances. The agreement outlines the types of information considered confidential, the responsibilities of the signatory, and the potential consequences of a breach, including disciplinary action or legal recourse. It serves as both a legal safeguard and a behavioural guideline, reinforcing the importance of trust and accountability in handling personal data. The confidentiality agreement is periodically reviewed and re-signed when employees change roles or as part of annual compliance activities.

6.2 Data Encryption: Encryption is a cornerstone of SMC’s data security strategy. All employee personal data stored within the Human Resource Management System (HRMS) is encrypted both in transit and at rest. This means data is encoded before it is transmitted across networks or stored on servers, making it unreadable to unauthorized users or hackers. In-transit encryption uses secure protocols like HTTPS and SSL/TLS, ensuring that data transmitted over the internet or internal networks remains protected. At rest, strong encryption standards such as AES-256 are used to secure data stored in databases or backup servers. The decryption keys are tightly controlled and accessible only to authorized IT personnel. Even in the unlikely event of a data breach, encrypted data remains indecipherable without the correct decryption keys. This robust encryption framework ensures the confidentiality, integrity, and security of sensitive employee information, complying with data protection laws and significantly reducing the risk of data exposure.

6.3 Access Control Policies: SMC follows stringent access control policies to manage who can view, modify, or manage employee personal information. Access is granted based on clearly defined job responsibilities and follows the principle of least privilege, where employees are given only the minimum access necessary to perform their duties. For example, while HR staff may need access to full employee profiles, a line manager may only have access to performance and attendance data. These controls are enforced through role-based access mechanisms within the HRMS, and access permissions are reviewed and updated regularly to accommodate role changes or department shifts. Additionally, audit logs track every access attempt and modification, helping identify any irregularities or unauthorized activities. These logs are reviewed during scheduled audits to ensure compliance with internal policies and regulatory requirements.

6.4 Data Loss Prevention Tools: To safeguard sensitive employee data from unauthorized access or leakage, SMC implements advanced Data Loss Prevention (DLP) tools across its digital infrastructure. These tools monitor the movement of data across networks, endpoints, and cloud platforms in real time, identifying and blocking suspicious activities such as unauthorized file transfers, copying, printing, or sharing of confidential information. DLP systems are configured with rules that automatically detect personal identifiers (e.g., Social Security numbers, bank details) and prevent these from being transmitted through unapproved channels. For instance, attempts to email sensitive employee data outside the organization or to use USB devices for data transfer are flagged and blocked. These measures are supported by real-time alerts to IT security teams for immediate response.

6.5 Employee Awareness and Training: Employee training and awareness are vital components of SMC's data protection framework. All staff members who have access to employee data receive regular training sessions that focus on key areas such as the importance of data privacy, proper data handling practices, recognizing phishing or social engineering attempts, and compliance with internal policies and external regulations. These training programs are conducted during on boarding and at regular intervals thereafter, ensuring that employees stay updated on the latest data protection techniques and threats. Practical scenarios and case studies are often used to improve understanding and engagement. Additionally, employees are introduced to the company's privacy policies, incident reporting procedures, and their individual responsibilities regarding data security. Training effectiveness is assessed through quizzes or simulated phishing tests. By fostering a culture of data awareness and responsibility, SMC ensures that all employees become active participants in maintaining a secure and compliant workplace.

7.0 ACCESS CONTROL AND EMPLOYEE RIGHTS

7.1 Right to Access: At SMC, employees are granted the right to access their personal data stored within the Human Resource Management System (HRMS). This right ensures transparency and allows employees to stay informed about the information the organization holds about them. Employees can formally request access by contacting the HR department. Upon receiving a request, HR will verify the employee's identity and provide a copy of their personal data within a reasonable and legally compliant timeframe, typically within 30 days. The data provided includes general employment records, personal identifiers, performance reviews, and other relevant information. This process ensures that employees can review their records for accuracy and appropriateness. Access rights are an essential component of privacy laws such as the General Data Protection Regulation (GDPR) and similar regulations worldwide.

7.2 Right to Rectification: Employees at SMC have the right to request corrections or updates to any personal data stored in the HRMS that is inaccurate, outdate, or incomplete. This right to rectification is essential for ensuring the integrity and reliability of employee records. If an employee identifies an error—such as an incorrect address, misspelled name, or outdate emergency contact—they can submit a request to the HR department, accompanied by appropriate documentation if needed. Upon verification, HR is responsible for updating the HRMS promptly and accurately.

7.3 Right to Erasure: The right to erasure, also known as the "right to be forgotten," allows employees to request the deletion of their personal data under specific circumstances. At SMC, such requests are taken seriously and reviewed on a case-by-case basis to determine their validity. Common grounds for erasure include situations where the data is no longer necessary for the purpose it was collected, the employee withdraws consent, or if the data was processed unlawfully. Employees submit their request to the HR department, which collaborates with legal and IT teams to assess compliance with data retention policies and legal obligations. If approved, the relevant data is securely erased from all systems and backups, and the employee is informed of the action. Certain data may be exempt from deletion due to legal or contractual obligations (e.g., financial records for tax purposes). This policy aligns with global privacy regulations and reinforces SMC's respect for individual data rights.

7.4 Audit Trails: SMC maintains detailed audit trails within its HRMS to track all access to personal employee data. Each time information is accessed, modified, or retrieved, the system logs the user's identity, the time and date of access, and the purpose or action performed. These audit trails serve multiple purposes: they help ensure accountability, detect unauthorized activity, and support regulatory compliance. The logs are stored securely and are accessible only to authorized personnel, such as HR managers and IT auditors. Regular reviews of these audit trails are conducted to assess compliance with internal access control policies and to identify any anomalies or breaches.

8.0 EMPLOYEE INFORMATION UPDATES

8.1 Notification to HR: To maintain accurate and up-to-date records, employees at SMC are required to promptly notify the HR department of any changes to their personal information. This includes, but is not limited to, changes in residential address, phone number, marital status, emergency contacts, or banking details. Keeping this information current is vital for effective communication, accurate payroll processing, benefits administration, and emergency response. Employees can notify HR through official channels such as a dedicated HR email, an internal portal, or in-person communication, depending on company policy. Delayed or missed updates may lead to issues such as payroll errors, misdirected correspondence, or problems with insurance coverage and taxation. This proactive reporting also helps SMC maintain compliance with regulatory obligations that require accurate personnel records.

8.2 Documentation of Changes: When employees submit requests to update significant personal information, SMC requires proper documentation to verify the accuracy and legitimacy of the changes. For example, a change of address must be supported by a utility bill or lease agreement, while a change in marital status should be accompanied by a marriage certificate or other official documentation. Similarly, updates to banking information may require a cancelled cheque or a bank-issued mandate. This documentation ensures that updates are not only intentional but also verifiable, reducing the risk of fraud or administrative error. HR personnel review and securely store these documents in accordance with data protection policies. Supporting documentation also helps in maintaining audit trails and ensuring compliance with legal and financial standards. By enforcing this verification step, SMC protects both employee and company interests, ensuring that all changes to sensitive personal information are well-documented, traceable, and properly authenticated.

8.3 Updating the HRMS: Once HR receives a notification of a personal data change along with the necessary documentation, they are responsible for promptly updating the Human Resource Management System (HRMS). The HR team carefully verifies the authenticity of the documents before making any changes in the system. The HRMS is designed to ensure that modifications are consistently applied across all relevant modules—such as payroll, benefits, emergency contacts, and employee profiles. This centralized update process reduces the risk of data discrepancies or duplication. In cases where multiple systems or departments depend on the same data, HR ensures synchronization or notifies relevant teams of the update. All changes are logged in the system for auditing and compliance purposes. Timely updates help prevent downstream errors, such as incorrect salary transfers or misrouted health insurance claims. This organized and secure update process supports both operational efficiency and the integrity of employee records.

8.4 Confirmation of Update: After the requested changes to personal data are successfully verified and updated in the HRMS, SMC ensures transparency by sending a confirmation to the employee. This confirmation may be provided via email, internal messaging systems, or through the HR portal, depending on the company's communication practices. The message outlines what information was updated and the effective date of the change, giving employees an opportunity to review and verify its accuracy. If there are any discrepancies or further corrections needed, employees are encouraged to respond promptly. This confirmation step not only enhances trust in HR processes but also serves as a safeguard against errors or unauthorized modifications. It reinforces SMC's commitment to data accuracy and accountability while empowering employees to take ownership of their personal records. Additionally, maintaining a communication trail adds to auditability and can help resolve any future disputes or misunderstandings regarding data changes.

9.0 CONCLUSION

This Standard Operating Procedure for Employee Personal Information ensures that SMC manages employee data in a secure, compliant, and transparent manner. The procedure aims to protect the privacy of employees while fulfilling the company's operational needs. By adhering to this SOP, SMC demonstrates its commitment to protecting employee information, maintaining confidentiality, and complying with all relevant legal and regulatory standards.

CLIMATE ACTION STRATEGY PROCEDURE
SMC/ESG /SOP- 17

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to outline the framework and processes that SMC (name of the company) will follow in implementing a comprehensive Climate Action Strategy. This SOP aims to contribute to the global efforts in mitigating climate change, achieving sustainability targets, and reducing the environmental footprint of the company's operations. The strategy encompasses key aspects such as energy conservation, renewable energy adoption, energy audits, and reducing greenhouse gas (GHG) emissions across various domains such as lighting systems, HVAC systems, IT infrastructure, and more.

2.0 SCOPE

This SOP applies to all operations, services, and facilities managed by SMC, including but not limited to the Integrated Facility Management (IFM) services provided across housekeeping, technical, and manpower services. It applies to employees, contractors, suppliers, and stakeholders involved in the execution of energy-related and climate action initiatives within the company's operations. The SOP defines the roles, responsibilities, procedures, and guidelines for implementing the climate action strategy and ensuring its successful integration into SMC's organizational practices.

3.0 RESPONSIBILITIES

3.1 Top Management: Top management plays a crucial role in setting the tone for the company's climate action strategy. They provide leadership by defining the vision, setting measurable sustainability goals, and ensuring these goals are integrated into the broader corporate strategy.

3.2 Sustainability/Environment Department: The Sustainability or Environment Department serves as the backbone for coordinating and driving the climate action strategy. This department is responsible for developing comprehensive policies, processes, and guidelines that guide the organization's sustainability efforts.

3.3 Facilities and Operations Team: The Facilities and Operations Team is responsible for ensuring that sustainability and energy efficiency are seamlessly integrated into the company's facility management. This team plays a key role in conducting energy audits to identify areas for improvement and implementing energy-efficient systems to reduce the company's carbon footprint.

3.4 Human Resources Department: The Human Resources Department plays a vital role in embedding sustainability into the company's culture by providing on-going training and development opportunities focused on climate action and energy conservation.

4.0 ENERGY CONSERVATION TRAINING

4.1 Training Program Design: The design of the training program should be holistic and detailed, aiming to educate employees on the broader impacts of energy consumption on the environment. It should cover fundamental concepts, such as the link between energy use and climate change, as well as practical methods for reducing energy consumption across various operations. The program should be tailored to address specific energy-saving techniques within different departments or functions, ensuring that employees are equipped with relevant knowledge. For example, staff in production may learn different techniques for energy-efficient machinery use, while office workers may focus on reducing energy consumption through behavioural changes.

4.2 Delivery Methods: To effectively engage employees in energy conservation practices, the training should be delivered through a variety of methods that cater to different learning styles. Online modules provide flexibility for employees to learn at their own pace, while classroom sessions offer interactive learning opportunities for group discussions and direct Q&A with experts. Hands-on workshops, particularly for operational teams, such as facility management, allow for practical application of energy-saving techniques. For example, facility management teams could engage in real-time energy audits or practice implementing energy-efficient technologies. Specialized training should be provided to teams that have specific roles in managing energy use to ensure they are well-equipped with the technical knowledge needed to reduce energy consumption effectively in their area of operation.

4.3 Tracking and Assessment: A robust tracking and assessment system is essential to ensure the training program's effectiveness and to measure employee engagement with the energy conservation goals. Participation should be monitored to confirm that all employees are completing the necessary modules or attending sessions. Furthermore, regular quizzes, tests, or interactive assessments should be conducted to gauge the retention of key concepts related to energy conservation and climate action practices. This can include practical scenarios or case studies to test the application of learned techniques. Feedback forms should also be collected to gather insights into the training experience and identify areas for improvement. Regular assessments will help ensure that employees not only attend but also absorb the critical knowledge needed to implement energy-saving practices.

4.4 On-going Refresher Courses: To maintain momentum in energy conservation efforts, on-going refresher courses should be incorporated into the training program. These courses will help keep employees up-to-date with the latest trends, technologies, and best practices in energy conservation and climate action. The field of sustainability is constantly evolving, with new energy-efficient technologies, environmental regulations, and sustainability strategies emerging regularly. Refresher courses can be designed to update employees on these developments, ensuring that they are equipped with the most current knowledge.

5.0 RENEWABLE ENERGY SOURCING

5.1 Energy Procurement Strategy: The Company's energy procurement strategy will focus on establishing long-term, sustainable relationships with energy providers that prioritize renewable energy solutions. By negotiating contracts that include the purchase of green energy, either directly from the grid or through power purchase agreements (PPAs) with renewable energy producers, the company can significantly reduce its carbon footprint. These agreements may involve buying electricity generated from wind, solar, or other renewable sources. The company will actively seek to diversify its energy portfolio, with a long-term focus on renewable sources, thus stabilizing energy costs and reinforcing its commitment to environmental stewardship, which is vital for aligning with global climate action goals.

5.2 On-Site Renewable Generation: SMC will explore and invest in on-site renewable energy generation as part of its commitment to sustainability. This may involve installing solar panels or wind turbines at various company facilities, depending on geographical feasibility and the local climate. By generating renewable energy directly at their sites, SMC can reduce reliance on external non-renewable energy sources, leading to lower operational costs over time. This approach not only aligns with the company's environmental goals but also enhances energy independence, making the business more resilient to market fluctuations in energy prices. In the long run, on-site generation can result in significant cost savings and demonstrate leadership in sustainable practices.

5.3 Sustainability Metrics: To ensure the effectiveness of its renewable energy initiatives, the company will establish clear and measurable sustainability metrics. Key performance indicators (KPIs) will be used to track and evaluate the success of the company's energy procurement and generation efforts. These KPIs will include the percentage of energy derived from renewable sources, a direct reflection of the company's commitment to sustainable energy. Additionally, the company will measure the reduction in greenhouse gas (GHG) emissions as a result of using cleaner energy sources. Another important metric will be the cost savings achieved through renewable energy procurement, as the company works to reduce its reliance on traditional, often more expensive, non-renewable energy sources. These metrics will be regularly reviewed to ensure continuous improvement and provide transparency for stakeholders, reinforcing the company's commitment to sustainability and climate action.

6.0 ENERGY CARBON AUDIT

6.1 Frequency of Audits: Energy audits should be conducted at least once a year for each facility to ensure on-going efficiency and identify any changes in energy consumption patterns. These audits will help in maintaining an up-to-date understanding of how energy is being used across different operations. However, additional audits may be scheduled whenever significant changes are made to energy systems or operational processes. For example, if a facility upgrades its machinery, expands its operations, or installs new energy systems, it is crucial to assess the energy impact immediately after the change. Frequent audits, beyond the annual cycle, help identify emerging inefficiencies or opportunities for improvement that could be missed otherwise.

6.2 Audit Process: The energy audit process will begin with a thorough analysis of historical energy consumption data to understand the baseline energy use of each facility. This step provides insight into patterns and trends that will highlight areas of excessive energy use. Next, the audit team will conduct a detailed inspection of the facility to identify any inefficiency, such as outdate equipment, poorly maintained systems, or processes that consume more energy than necessary. The audit will also evaluate the current energy systems in place—such as HVAC, lighting, and machinery—to assess their efficiency. Based on this review, opportunities for upgrading or replacing outdate equipment with energy-efficient alternatives will be identified. This could involve installing LED lighting, upgrading heating and cooling systems, or adopting smart technologies for energy management. The audit process provides a comprehensive view of where energy is being wasted and where improvements can be made to reduce consumption and lower costs.

6.3 Reporting and Action Plan: Once the energy audit is complete, the findings will be compiled into a detailed report, summarizing key areas of concern, energy inefficiencies, and potential savings. This report will highlight specific opportunities for energy reduction and include a cost-benefit analysis to guide decision-making. Recommendations may include short-term and long-term actions for improving energy efficiency, such as upgrading equipment, optimizing energy usage in certain operations, or implementing more sustainable technologies. The report will be presented to top management, allowing them to make informed decisions on which actions to prioritize. Following this, an actionable plan will be developed, outlining the steps, timelines, and resources required to implement the recommendations. This plan will ensure that energy-saving initiatives are systematically executed and that progress is tracked over time. The regular review of the action plan ensures continuous improvement and alignment with the company's sustainability goals.

7.0 EFFICIENT LIGHTING SYSTEMS

7.1 LED Lighting Installation: The Company will take a strategic approach to replace all incandescent and fluorescent lighting with energy-efficient LED lights. LEDs consume significantly less energy and have a longer lifespan than traditional bulbs, making them a cost-effective choice in the long term. The gradual replacement process will be carried out across all facilities to reduce the overall energy consumption while improving the quality of lighting. LEDs also emit less heat, reducing the need for additional cooling, which further contributes to energy savings. In addition, the durability and low maintenance requirements of LED lights will decrease operational costs related to bulb replacement and upkeep. By transitioning to LED lighting, the company will significantly lower its carbon footprint, reduce electricity consumption, and enhance its overall sustainability efforts. This initiative will also set an example of environmental responsibility for both employees and stakeholders.

7.2 Motion Sensors and Timers: To further enhance energy efficiency, the company will install motion sensors and timers in areas where lights are often left on unnecessarily, such as hallways, restrooms, and storage spaces. These sensors automatically turn off lights when they detect no movement for a set period, significantly reducing the amount of energy consumed in low-traffic areas. Timers will also be used in areas that have predictable usage patterns, ensuring that lights are only on when needed.

This system will minimize energy waste, ensuring that lighting is used only when necessary, ultimately lowering electricity bills. By automating this process, the company will not only conserve energy but also contribute to a more sustainable and efficient operation.

7.3 Day lighting: In alignment with its commitment to energy efficiency, the company will maximize the use of natural daylight wherever possible. This can be achieved by strategically installing windows, skylights, or light tubes in buildings to bring in more sunlight during the day, reducing the reliance on artificial lighting. By utilizing natural daylight, the company will reduce energy consumption, particularly during daylight hours, and create a more pleasant and productive indoor environment. This practice not only contributes to energy savings but also enhances the well-being and comfort of employees, as studies have shown that natural light can improve mood and productivity. The company will assess the design and layout of each facility to identify areas where day lighting can be maximized without compromising privacy, security, or temperature control. Implementing day lighting solutions is a sustainable way to reduce the energy demand for lighting and further align with the company's climate action goals.

7.4 Monitoring and Maintenance: To ensure the on-going efficiency of the lighting systems, the company will implement a comprehensive monitoring and maintenance program. Regular inspections will be conducted to identify any performance issues, such as faulty lights or systems operating inefficiently. This proactive approach will help detect and address issues before they lead to unnecessary energy consumption or higher costs. Additionally, a tracking system will be put in place to monitor the energy usage of lighting systems in real-time. This data will provide valuable insights into energy consumption patterns and identify areas where further energy-saving measures can be implemented. The maintenance team will also ensure that lighting systems are always operating at peak efficiency, including replacing any faulty sensors or timers, adjusting settings for optimal performance, and ensuring that all components are properly calibrated. Continuous monitoring and maintenance will ensure that the company maximizes energy savings and stays on track to meet its sustainability targets.

8.0 HVAC ENERGY EFFICIENCY

8.1 Efficient HVAC Systems: SMC will prioritize the installation of energy-efficient HVAC (heating, ventilation, and air conditioning) systems that incorporate the latest technologies to reduce energy consumption. This includes the use of variable speed drives, which adjust motor speeds based on demand, ensuring that the system is only using the necessary energy to maintain comfort levels. The company will also invest in improved insulation to reduce heat loss or gain, increasing overall system efficiency. Additionally, smart thermostats will be used to monitor and adjust temperatures automatically, responding to changing occupancy patterns and environmental conditions. These modern HVAC systems will help minimize energy waste while maintaining optimal indoor air quality and comfort. By upgrading HVAC systems, SMC can significantly reduce energy costs, improve sustainability, and contribute to the company's broader environmental goals, all while enhancing the comfort and well-being of its employees.

8.2 Temperature Set Points: To prevent excessive energy use, SMC will establish standard temperature set points for heating and cooling across its facilities. By setting these temperature boundaries, the company can maintain a comfortable environment while avoiding energy waste associated with fluctuating temperatures. Staff will be trained on how to adjust temperature settings according to occupancy patterns, ensuring that heating or cooling is only used when necessary. For example, during non-peak hours or in areas with low occupancy, the HVAC system can be set to use less energy, while still maintaining a comfortable temperature when the space is in use. Training will also emphasize the importance of not overriding these set points unnecessarily. Standardizing temperature settings will lead to more predictable energy consumption, helping the company avoid overuse and reduce overall heating and cooling costs. This approach will contribute to both energy efficiency and sustainability goals.

8.3 Regular Maintenance: To maximize the efficiency and longevity of HVAC systems, SMC will implement a routine maintenance schedule. Regular maintenance is essential to ensure that HVAC systems are running at optimal performance levels, minimizing energy waste and extending the life of the equipment. Maintenance tasks will include cleaning air filters, checking refrigerant levels, inspecting the system for wear and tear, and ensuring that all components are functioning efficiently. Regular inspections will help identify and address potential issues before they result in system failure or significant energy losses. Additionally, the company will conduct performance assessments to monitor system efficiency over time. By prioritizing maintenance, SMC can ensure that its HVAC systems operate at peak efficiency, reducing unnecessary energy consumption and preventing costly repairs. This proactive approach is essential for achieving long-term sustainability and cost savings, while also maintaining a comfortable and healthy indoor environment for employees.

8.4 Airflow Optimization: SMC will focus on optimizing airflow within its HVAC systems to further reduce energy consumption. Poor airflow can lead to inefficient heating and cooling, requiring the system to work harder and consume more energy. To address this, the company will seal any leaks in ducts, ensuring that air is distributed effectively and there is minimal energy loss. Additionally, the design and layout of ducts will be evaluated to improve air distribution and minimize blockages that can hinder airflow. The optimization of airflow will ensure that heated or cooled air is directed where it is needed, improving the overall performance of the HVAC system. This will reduce the energy required to heat or cool spaces and enhance the comfort of building occupants. By focusing on airflow optimization, SMC can achieve significant energy savings while maintaining a comfortable and efficient indoor environment across its facilities.

9.0 IT ENERGY REDUCTION

9.1 Virtualization: To enhance energy efficiency and optimize resource usage, SMC will adopt server virtualization technology. Virtualization allows multiple virtual servers to run on a single physical server, reducing the need for large numbers of physical machines. This consolidation of servers leads to lower energy consumption, as fewer physical units require cooling and maintenance. By reducing the overall footprint of IT infrastructure, SMC can also cut down on the physical space needed to house servers, leading to further operational savings.

Additionally, virtualization provides better resource utilization by ensuring that computing power is allocated more effectively, avoiding underutilized or idle hardware. This technology will not only reduce energy usage but also streamline IT operations, making them more flexible, scalable, and cost-efficient. By implementing server virtualization, SMC will significantly lower its environmental impact, contributing to the company’s sustainability and energy conservation goals.

9.2 Energy-Efficient Equipment: SMC will prioritize the purchase of energy-efficient IT equipment to reduce the energy consumption associated with daily operations. This includes choosing devices that are Energy Star-rated, which meet high energy efficiency standards, ensuring that the equipment consumes less power while still performing at optimal levels. The company will also invest in low-power central processing units (CPUs) that are designed to reduce energy consumption without compromising performance. Energy-saving features such as power management modes, which allow equipment to automatically reduce power usage when not in use, will also be integrated into all desktop and server computers. This thoughtful procurement strategy will not only reduce electricity bills but also contribute to SMC's broader environmental goals.

9.3 Power Management: To minimize energy waste, SMC will implement robust power management protocols across its IT infrastructure. Devices such as computers and servers will be configured to enter low-power or sleep modes when not in use. For instance, desktop computers and workstations will automatically reduce power consumption during periods of inactivity, such as during lunch breaks or after working hours. In addition to low-power modes, SMC will implement automatic shutdown protocols for all computers and servers during off-hours or weekends, ensuring that energy are not wasted when the equipment is not in use. These measures will contribute to a significant reduction in energy consumption without impacting productivity. By utilizing power management features, SMC can lower electricity costs and reduce the environmental impact of its IT operations.

9.4 Cloud Computing: As part of its on-going sustainability efforts, SMC will transition to cloud computing solutions for data storage and computing operations wherever feasible. By migrating to cloud services, SMC can take advantage of data centres that operate on renewable energy sources, significantly reducing the environmental impact of in-house IT infrastructure. Cloud providers often invest in energy-efficient technologies and renewable energy sources, such as wind and solar power, to run their facilities, which makes cloud computing a more sustainable alternative to traditional, on-premise data storage. This move will reduce the company’s energy consumption related to managing physical servers and data storage while helping it achieve its climate action and sustainability targets. By embracing cloud services powered by renewable energy, SMC will contribute to reducing the overall environmental footprint of its IT infrastructure.

10.0 ENERGY GHG REDUCTION

10.1 Carbon Emission Tracking: SMC will implement a systematic approach to track its carbon footprint by regularly measuring greenhouse gas (GHG) emissions from various activities, including energy use, transportation, and other operations that contribute to its environmental impact. The company will use industry-standard carbon accounting methods, ensuring that all data is accurate, reliable, and aligned with global best practices.

This tracking process will involve gathering data from energy consumption records, vehicle fleet usage, business travel, and other relevant operational sources. By consistently monitoring emissions, SMC will be able to identify areas where emissions are most significant and prioritize actions to reduce them. Accurate tracking will also provide a foundation for informed decision-making, ensuring that sustainability initiatives are targeted and effective.

10.2 Annual Carbon Emissions Report: To maintain transparency and accountability, SMC will produce an annual carbon emissions report that outlines the company's total GHG emissions for the year. This report will not only detail emissions from energy use but also include transportation, waste management, and other relevant activities that contribute to the carbon footprint. The report will highlight any reductions achieved through the implementation of climate action strategies, providing a clear overview of progress made toward sustainability goals. It will also include an analysis of any challenges or barriers encountered in the reduction efforts, as well as recommendations for further improvements. The report will be shared with stakeholders, including employees, investors, and regulatory bodies, to demonstrate the company's commitment to environmental responsibility and continuous progress. By publishing this report annually, SMC will strengthen its accountability, engage stakeholders, and showcase its dedication to reducing its environmental impact.

10.3 Continuous Improvement: SMC is committed to continuously improving its sustainability practices by setting ambitious yet achievable carbon emission reduction targets. Using the data gathered from the previous year's carbon emissions tracking, the company will establish clear, measurable goals for reducing GHG emissions annually. These targets will be informed by past performance, industry benchmarks, and technological advancements in sustainability practices. The company will regularly review these targets to ensure they remain aligned with evolving environmental standards, scientific recommendations, and SMC's overarching climate action strategy. If necessary, the targets will be updated or adjusted to reflect new opportunities for improvement or external factors that may influence emissions. This dynamic approach will ensure that SMC's sustainability efforts are always progressing and that the company is consistently driving towards more sustainable operations.

11.0 CONCLUSION

The Climate Action Strategy outlined in this SOP is integral to SMC's commitment to sustainability and environmental responsibility. By focusing on energy conservation, renewable energy adoption, GHG reduction, and waste management, SMC is dedicated to minimizing its environmental impact. Through effective training, auditing, and monitoring, SMC aims to not only reduce its carbon footprint but also set an example in the industry for sustainable practices. The successful implementation of these initiatives will contribute to long-term sustainability, operational efficiency, and corporate social responsibility.

EXTERNAL SUSTAINABILITY INITIATIVE PROCEDURE

SMC/ESG /SOP- 18

1.0 PURPOSE

The purpose of this SOP is to establish a unified and actionable framework for implementing external sustainability initiatives at SMC India. It serves as a guide to initiate and manage activities that promote environmental stewardship, community welfare, and responsible economic practices outside our organizational boundaries. By adopting a clear and consistent approach, the SOP ensures that all projects undertaken in collaboration with clients, vendors, and external stakeholders meet our sustainability goals.

2.0 SCOPE

This SOP applies to all external sustainability initiatives carried out by SMC India across client locations, vendor partnerships, and community-based programs. It encompasses environmental actions like energy efficiency, waste reduction, and pollution control; social contributions including education, health, and workforce well-being; and economic efforts like sustainable procurement. The scope covers the planning, execution, monitoring, and evaluation of these initiatives.

3.0 RESPONSIBILITIES

3.1 Sustainability Committee: The Sustainability Committee is responsible for setting strategic direction and ensuring alignment of all external sustainability initiatives with SMC India's environmental, social, and economic goals. The committee formulates sustainability policies, defines project objectives, and approves action plans.

3.2 Project Managers: Project Managers are accountable for incorporating sustainability objectives into project planning, execution, and closure phases at external sites. They assess sustainability opportunities during the project lifecycle, develop implementation plans, and coordinate with clients, vendors, and internal teams. Project Managers ensure compliance with relevant sustainability standards and monitor key performance indicators.

3.3 Procurement Team: The Procurement Team ensures all supplier and vendor engagements align with SMC India's sustainability commitments. Their responsibilities include integrating environmental and social criteria into the vendor selection and evaluation processes. They are tasked with sourcing eco-friendly products, negotiating with green-certified vendors, and ensuring adherence to ethical labor practices.

3.4 Human Resources: The Human Resources (HR) department plays a vital role in promoting a culture of sustainability within and beyond the organization. For external initiatives, HR is responsible for coordinating training programs that build awareness and capacity among employees and stakeholders. HR fosters employee involvement in community engagement and sustainability campaigns at client and public sites.

4.0 PLANNING AND INITIATION

4.1. Identify Opportunities: We begin by scanning internal operations, client projects, vendor activities, and local community needs to pinpoint potential sustainability opportunities. This involves analyzing operational inefficiencies, material usage, waste generation, and social impact. Collaborative discussions with stakeholders help highlight areas for improvement or innovation. We also study market trends and regulatory developments to proactively align our efforts with emerging requirements. Each opportunity is documented and prioritized based on potential impact, feasibility, and alignment with SMC India's sustainability strategy. This foundational step ensures targeted and meaningful sustainability initiatives that deliver value across the organization and its extended ecosystem.

4.2. Set Objectives: Once opportunities are identified, we define specific, measurable, achievable, relevant, and time-bound (SMART) objectives to ensure clarity and direction. These objectives are tailored to align with SMC India’s sustainability goals, such as reducing carbon emissions, improving resource efficiency, or enhancing community welfare. Stakeholder input and internal baseline data guide the goal-setting process. Each objective is accompanied by key performance indicators (KPIs) to track progress. Regular alignment with strategic priorities ensures that sustainability goals support overall business outcomes. Clear objectives empower teams with a shared sense of purpose, fostering accountability and driving sustained action across departments.

4.3. Develop Action Plans: Action plans are developed to outline how each sustainability objective will be achieved. These plans detail the required activities, responsible personnel, timelines, budget allocations, and supporting resources. Risk assessments and mitigation strategies are included to proactively address potential challenges. Plans are developed collaboratively with department heads and functional teams to ensure feasibility and buy-in. Integration with existing project or operational timelines is also considered to avoid conflicts and leverage synergies. Action plans are living documents and reviewed periodically to adapt to changes. A robust planning process ensures a structured and coherent approach to implementing sustainability initiatives.

4.4. Stakeholder Engagement: Engaging stakeholders—internal and external—is essential for the success of sustainability initiatives. We initiate dialogues with clients, suppliers, local communities, and regulatory bodies to gather input, align expectations, and build trust. Engagement may involve surveys, focus groups, workshops, or one-on-one consultations, ensuring inclusive representation. Their insights help refine objectives and action plans while identifying areas for collaboration. Continuous engagement helps foster shared ownership and transparency throughout the project lifecycle. At SMC India, we believe that stakeholder participation enhances innovation, encourages accountability, and ensures that our sustainability efforts generate meaningful and lasting impact across our value chain.

5.0 SUSTAINABILITY PROJECT MANAGEMENT

5.1. Resource Allocation: To ensure smooth execution, we allocate the necessary human, financial, and material resources for each initiative. This includes identifying skilled personnel, assigning responsibilities, provisioning budgets, and acquiring tools or technology. Resource planning is aligned with the project scope, scale, and timeline, ensuring readiness from the start. Contingency buffers are built into allocations to manage unexpected challenges. Resource needs are regularly reviewed and adjusted as implementation progresses. By ensuring that adequate resources are in place, SMC India mitigates execution risks and maintains momentum, ensuring that sustainability goals are delivered on time and with the intended impact.

5.2. Training and Capacity Building: Training and development play a pivotal role in effective implementation. We design tailored training programs to build awareness, develop skills, and empower employees and external stakeholders involved in sustainability initiatives. Topics include ESG principles, waste reduction techniques, compliance, and data collection. Delivery methods range from workshops and e-learning modules to hands-on demonstrations. Continuous learning is encouraged through refresher sessions and knowledge-sharing platforms. Capacity building ensures that teams are competent and confident to execute their roles. This approach cultivates a sustainability-focused culture within SMC India, driving collective responsibility and reinforcing long-term commitment across all levels of the organization.

5.3. Execution: We implement the sustainability initiatives as per the established action plans, ensuring adherence to defined schedules, responsibilities, and processes. Execution is coordinated through cross-functional teams to streamline communication and resource use. Tasks are tracked using project management tools, ensuring accountability and real-time visibility into progress. Field-level activities are monitored for quality, safety, and compliance. Any deviations are promptly addressed through corrective actions. We foster flexibility to incorporate improvements identified during execution. Through structured implementation, SMC India ensures that sustainability projects are carried out efficiently and deliver the intended environmental, social, or governance-related outcomes.

5.4. Monitoring: Monitoring is a continuous process to assess whether the sustainability initiatives are progressing as planned. We use predefined KPIs, performance benchmarks, and dashboards to track outcomes in real-time. This includes data on resource consumption, emissions, waste, stakeholder feedback, and compliance adherence. Monitoring tools are integrated into existing systems to streamline data collection and reporting. Deviations from objectives are flagged early, enabling timely corrective action. Regular monitoring meetings and status updates ensure transparency and facilitate informed decision-making. By embedding a robust monitoring mechanism, SMC India drives accountability, improves operational efficiency, and ensures that sustainability goals are met.

6.0 EVALUATION AND REPORTING

6.1. Data Collection: Accurate data collection is fundamental to evaluating the effectiveness of our sustainability initiatives. We gather quantitative and qualitative data through surveys, audits, system reports, and stakeholder feedback mechanisms. Performance indicators related to energy use, emissions, waste, community impact, and employee engagement are tracked consistently. Data is validated for accuracy and completeness, ensuring reliable insights. We use digital tools to automate and centralize data collection, improving efficiency and accessibility. This comprehensive dataset enables informed evaluation, highlights achievements and gaps, and supports transparency. At SMC India, data-driven decision-making is at the core of sustainable development and continuous improvement.

6.2. Analysis: We analyze the collected data to evaluate the overall performance and impact of the sustainability initiatives. Using statistical tools and performance benchmarks, we assess how well the initiatives met their objectives and identify patterns, trends, and areas of underperformance. We compare actual outcomes against planned targets, identifying root causes of deviations. Stakeholder feedback is also integrated to understand perception and satisfaction levels. This analysis provides actionable insights into what worked, what didn't, and why. SMC India uses this evidence-based evaluation to make informed decisions, optimize processes, and enhance the value and effectiveness of future sustainability projects.

6.3. Reporting: Transparent and structured reporting is essential for communicating the outcomes of our sustainability efforts. We prepare comprehensive reports that document activities undertaken, results achieved, stakeholder involvement, lessons learned, and recommendations for improvement. Reports are tailored for internal stakeholders, clients, regulatory authorities, and the community. Visuals like charts, infographics, and case studies enhance accessibility and impact. Reporting frequency aligns with project milestones or annual sustainability cycles. At SMC India, we uphold a culture of openness and accountability, ensuring that stakeholders are informed and engaged in our sustainability journey, while also meeting external disclosure and compliance requirements.

6.4. Continuous Improvement: Insights from evaluations and stakeholder feedback are used to drive continuous improvement. We refine our strategies, action plans, and processes to enhance future performance. Lessons learned are incorporated into training programs and shared across teams to build organizational knowledge. Feedback loops are established to ensure that each cycle of planning, execution, and review builds on prior experience. Continuous improvement ensures resilience, adaptability, and innovation in our sustainability initiatives. At SMC India, we view sustainability as a dynamic journey—one that evolves through learning, engagement, and a relentless pursuit of excellence in everything we do.

7.0 CONCLUSION

Engaging in external sustainability initiatives enables SMC India to amplify its environmental impact beyond internal operations. By forming strategic partnerships with government bodies, NGOs, and local communities, the company supports larger sustainability efforts aligned with national and global goals. These collaborations foster knowledge exchange, resource sharing, and innovative solutions to environmental challenges. Moreover, such involvement enhances SMC India's corporate social responsibility profile, demonstrating its commitment to ethical, sustainable practices. This proactive approach not only benefits the environment but also strengthens stakeholder trust, reinforces brand value, and positions the company as a leader in sustainable facility management.

GHG EMISSION CALCULATION PROCEDURE
SMC/ESG /SOP- 19

1.0 PURPOSE

The purpose of this SOP is to define a uniform process for measuring greenhouse gas (GHG) emissions generated from SMC's integrated facility management operations. Accurate GHG accounting is critical for understanding the environmental impact of our services and identifying reduction opportunities. This procedure ensures we follow globally recognized protocols such as the GHG Protocol and ISO 14064. By implementing a structured approach to calculating emissions, SMC can maintain transparency with stakeholders, enhance environmental performance, and align its operational strategy with sustainability goals. This SOP contributes directly to our broader Sustainability Management System and ESG reporting framework.

2.0 SCOPE

This procedure applies to all operational activities at SMC, covering housekeeping, technical services, and manpower support. It includes digitization and mechanization processes that contribute directly or indirectly to GHG emissions. Emissions are categorized into Scope 1 (direct emissions from fuel and company vehicles), Scope 2 (indirect emissions from purchased electricity), and Scope 3 (indirect emissions from waste, travel, procurement, etc.). All locations, assets, and functions that influence SMC's carbon footprint are included. This SOP is also applicable to third-party vendors whose activities significantly impact emissions linked to our service delivery operations and contracts.

3.0 RESPONSIBILITIES

3.1. Sustainability Manager: The Sustainability Manager holds the primary responsibility for the implementation and oversight of the GHG emission calculation process. This includes developing guidelines, aligning procedures with international standards like the GHG Protocol and ISO 14064, and ensuring cross-functional collaboration across departments.

3.2. Department Heads: Each Department Head is accountable for ensuring accurate and timely provision of operational data required for GHG calculations. They must coordinate with their team to track and document activities such as energy usage, fuel consumption, and material procurement.

3.3. Data Analysts: Data Analysts are responsible for collecting, validating, processing, and analyzing all relevant data related to GHG emissions across the organization. They must ensure data integrity by reconciling activity logs with physical or digital records such as invoices, utility bills, and transportation logs.

3.4. Internal Audit Team: The Internal Audit Team is tasked with conducting periodic reviews of the GHG emissions calculation process to ensure adherence to established procedures, data accuracy, and compliance with applicable standards. They independently verify activity data, emission factors, and calculation methods used across departments.

4.0 IDENTIFY EMISSION SOURCES

4.1. Scope 1 (Direct Emissions): These emissions originate from sources that are owned or directly controlled by SMC. Common examples include fuel combustion in generators, HVAC units, and company-owned vehicles. This scope covers operational activities where emissions occur on-site and can be directly attributed to SMC's control, making them measurable and manageable for reduction strategies.

4.2. Scope 2 (Indirect Emissions from Energy Consumption): Scope 2 includes emissions from the generation of electricity, heating, cooling, or steam purchased and used by SMC. Although SMC does not produce these emissions directly, they occur off-site at the energy provider's facilities. Accurately tracking electricity bills and energy contracts is critical to quantify and report these emissions responsibly.

4.3. Scope 3 (Other Indirect Emissions): These are emissions resulting from activities not owned or directly controlled by SMC but linked to its operations. Examples include emissions from employee commuting, outsourced transportation, purchased goods, waste disposal, and vendor operations. Scope 3 is typically the largest and most complex category, requiring broader stakeholder engagement for data collection.

5.0 DATA COLLECTION

5.1. Fuel Consumption: Record the amount and type of fuel consumed in all company-owned vehicles and machinery. Data sources include fuel receipts, refueling logs, and vehicle usage reports. This data is essential for calculating Scope 1 emissions and understanding the carbon intensity of on-site operations and logistics.

5.2. Electricity Usage: Track monthly electricity consumption across all facilities using utility bills and meter readings. Capture usage by type (e.g., lighting, HVAC, equipment) if possible. This information forms the basis of Scope 2 emissions and supports energy efficiency planning.

5.3. Transportation: Document the total distance traveled by company vehicles and patterns of employee commuting. Use GPS logs, travel records, or employee surveys to gather data. This helps estimate emissions from both Scope 1 (for company vehicles) and Scope 3 (for employee commuting).

5.4. Waste Management: Measure the volume and type of waste generated, as well as the method of disposal (e.g., landfill, recycling, composting). Coordinate with facility teams and waste contractors to gather accurate data. These records contribute to Scope 3 emissions and support waste reduction initiatives.

5.5. Procurement: Collect data on the type and quantity of goods and services purchased. Focus on high-impact categories such as cleaning chemicals, office supplies, and machinery. Supplier data and purchase invoices are primary sources. This information is vital for assessing embodied emissions under Scope 3.

6.0 DATA MANAGEMENT AND DOCUMENTATION

6.1. Centralized Data Repository: To ensure transparency and traceability, a centralized database should be developed and maintained to securely store all relevant greenhouse gas (GHG) activity data, emission factors, and calculation outcomes. This centralized system must allow easy access for authorized personnel, support consistency in reporting, and streamline data retrieval during audits or reviews. Backup protocols and user access controls should also be implemented to safeguard data integrity and confidentiality.

6.2. Methodology and Assumptions Documentation: All assumptions, calculation methodologies, and data sources used for emissions estimation must be thoroughly documented within the database or accompanying files. This includes details such as emission factor origins, conversion methodologies, data estimation techniques, and any deviations from standard protocols. Proper documentation ensures that calculations are transparent, reproducible, and verifiable by both internal and external reviewers.

6.3. Data Security and Audit Readiness: Data security and audit-readiness should be prioritized. Implement encryption, access logging, and version control to protect sensitive information. Maintain clear metadata and audit trails for every dataset used. This will support compliance with relevant standards and regulations, and facilitate efficient and credible verification processes when data is reviewed by stakeholders or third parties.

7.0 REPORTING

7.1. Annual Emission Report Preparation: Annual greenhouse gas emission reports should be developed and published, providing detailed breakdowns of emissions by scope, source categories, and responsible departments. These reports must adhere to recognized reporting standards such as the GHG Protocol or ISO 14064 and be formatted to clearly communicate findings to both technical and non-technical audiences.

7.2. Year-on-Year Emissions Comparison: To track progress over time, the annual reports must include year-on-year comparisons that highlight increases or reductions in emissions. Such comparisons should be presented visually and numerically, with accompanying commentary explaining any significant trends or anomalies. This helps demonstrate the organization’s performance against internal targets and external commitments to emission reductions.

7.3. Stakeholder Communication and Transparency: Reports should be distributed to all relevant stakeholders including clients, regulators, internal teams, and sustainability partners. Sharing this information fosters accountability, promotes transparency, and enhances trust. Internal dissemination also encourages cross-departmental engagement in emission reduction strategies, while external distribution aligns with public reporting expectations and compliance requirements.

8.0 VERIFICATION AND CONTINUOUS IMPROVEMENT

8.1. Internal Data Auditing: Internal audits must be conducted regularly to verify the completeness and accuracy of greenhouse gas data. This involves cross-checking activity data, validating the application of emission factors, and reviewing calculation methods. These audits serve to identify errors, assess the robustness of data management systems, and support continual refinement of reporting practices.

8.2. External Third-Party Verification: When necessary or required by stakeholders, external third-party auditors should be engaged to provide independent verification of GHG inventories. These audits enhance the credibility of reported data, support regulatory compliance, and may be necessary for certification under schemes such as CDP, SBTi, or ISO 14064. Prepare thoroughly by ensuring data transparency and audit readiness.

8.3. Annual Methodology Review and Updates: Emission factors and methodologies must be reviewed and updated annually to reflect any changes in business operations or updated guidance. Incorporating the most current and accurate data improves reporting quality and helps ensure emissions reflect actual operational impact. Continual improvement also aligns with best practices and supports strategic sustainability goals.

9.0 CONCLUSION

Implementing this GHG Emission Calculation Procedure enables SMC to accurately measure and manage its carbon footprint, providing a clear understanding of its environmental impact. It helps identify key opportunities for reducing emissions, driving more effective sustainability initiatives. The procedure also enhances transparency and credibility in reporting, ensuring stakeholders receive reliable and consistent information. By aligning with global best practices and complying with regulatory requirements, SMC strengthens its position as a responsible organization. Adhering to this SOP reflects SMC’s strong commitment to environmental stewardship and ongoing improvement in its sustainability performance.

SUPPLIER SUSTAINABILITY RISK ASSESSMENT PROCEDURE

SMC/ESG /SOP- 20

1.0 PURPOSE

To establish a structured approach for identifying and assessing ESG-related risks in SMC's supply chain. This procedure ensures responsible procurement, supports sustainability goals, and mitigates adverse impacts on people, communities, and the environment by evaluating supplier practices in areas such as labor rights, environment, governance, and human rights.

2.0 SCOPE

This procedure applies to all suppliers and procurement activities across SMC's operations in housekeeping, technical, and manpower services. It covers existing and new suppliers, evaluating ESG risks across the supply chain to ensure sustainable sourcing, ethical compliance, and alignment with our integrated facility management and digitization business practices.

3.0 RESPONSIBILITIES

3.1. Procurement Team: Responsible for integrating ESG risk criteria into supplier selection and procurement processes. They manage supplier documentation, conduct initial risk assessments, and ensure sustainability terms are included in contracts and vendor evaluations to support responsible sourcing practices.

3.2. ESG Compliance Officer: Oversees the development and implementation of ESG assessment frameworks. Reviews supplier data for potential sustainability risks, ensures regulatory compliance, and collaborates with stakeholders and rights-holders to gather insights for informed risk analysis and decision-making.

3.3. Supplier Relationship Manager: Manages ongoing supplier interactions, updates risk profiles, and coordinates audits and ESG performance reviews. Ensures that suppliers follow through on corrective actions and supports capacity building for improved sustainability performance and compliance.

3.4. Suppliers: Must complete ESG self-assessments, comply with applicable sustainability standards, and provide required documentation. They are expected to participate in audits and cooperate with improvement programs to align with SMC's responsible sourcing and sustainability expectations

4.0 IDENTIFICATION OF RISK CATEGORIES

4.1. Environmental: Assess the environmental risks posed by suppliers, including resource depletion, waste generation, emissions, and pollution. Evaluate the supplier's impact on local ecosystems and biodiversity, as well as their adherence to environmental laws and sustainability practices. Consider their energy use, waste management, water consumption, and efforts to reduce environmental footprints. Environmental risks directly affect both operational sustainability and compliance with regulations, contributing to long-term environmental harm if unmanaged.

4.2. Social: Evaluate the social risks associated with suppliers, focusing on labor rights, working conditions, health, and safety. Examine the treatment of workers, including fair wages, working hours, and respect for workers' rights. Investigate community relations and how supplier activities may impact local populations, such as through displacement, inequality, or unsafe conditions. Addressing social risks ensures suppliers align with human rights standards and positively influence the communities they operate in.

4.3. Governance: Governance-related risks involve examining a supplier's adherence to ethical business practices, including compliance with legal regulations, anti-corruption measures, and data privacy. Assess the transparency and integrity of business dealings, focusing on governance frameworks, policies on bribery, and adherence to international standards. Suppliers should be committed to ethical practices, ensuring fair treatment of all stakeholders and mitigating the risk of legal violations that could harm SMC's reputation and operations.

5.0 SUPPLIER PRE-SCREENING

5.1. Self-Assessment Questionnaire: Suppliers complete a self-assessment covering key ESG criteria like environmental impact, labor practices, and governance. This allows SMC to assess the supplier's sustainability practices, identify potential risks early, and determine alignment with SMC's ESG standards before proceeding with contracting or further engagement.

5.2. Review Certifications and Records: SMC reviews suppliers' public sustainability records and certifications such as ISO 14001 and SA8000. Past audit findings are also analyzed to ensure suppliers meet environmental, social, and governance standards. This review helps assess a supplier's commitment to responsible practices and previous compliance performance.

5.3. Compliance Verification: SMC verifies that suppliers comply with relevant environmental, labor, and human rights laws. This includes ensuring adherence to local regulations regarding waste management, fair wages, and safe working conditions. Verifying legal compliance minimizes the risk of potential violations that could harm SMC's reputation or operations.

6.0 RISK SCORING AND PRIORITIZATION

6.1. Impact Severity: Severity evaluates the potential impact of a supplier's ESG risks. For example, environmental damage like deforestation or pollution could lead to significant ecological harm, while human rights violations, such as child labor or unsafe working conditions, can damage reputations and harm individuals. The severity of these risks determines how urgent and comprehensive the response needs to be, whether through audits, corrective actions, or disengagement from the supplier.

6.2. Risk Likelihood: Likelihood assesses the probability of a risk occurring based on factors such as the supplier's history of non-compliance with ESG standards, the geographical region in which they operate (e.g., higher risk in certain countries), and the industry's vulnerability to certain ESG risks. For example, suppliers in regions with weak environmental regulations or in high-risk industries may have a higher likelihood of non-compliance, influencing their risk level.

7.0 STAKEHOLDER ENGAGEMENT

7.1. Local Communities: Engage with communities impacted by supplier operations to understand the social and environmental consequences. This can include assessing land use, resource extraction, or any adverse effects on local well-being. Engaging local communities ensures that their voices are heard and allows for adjustments to mitigate negative impacts while improving supplier practices in alignment with SMC's sustainability goals.

7.2. Workers and Labor Unions: Consult workers and labor unions to gather information on working conditions, wages, safety, and health standards within the supplier's operations. This helps identify potential labor violations, unsafe work environments, or exploitation risks, ensuring that the supplier's labor practices meet SMC's ethical and legal standards and contribute to worker welfare.

7.3. NGOs and Regulatory Bodies: Engage with NGOs and regulatory bodies to obtain independent assessments of the supplier's environmental and social impact. These stakeholders provide valuable third-party insights, particularly regarding issues like environmental degradation, human rights abuses, or non-compliance with regulations. Their involvement helps enhance transparency and ensures the supplier's adherence to global sustainability standards.

8.0 MONITORING AND MITIGATION

8.1. Low-Risk Suppliers: For low-risk suppliers, annual reviews and ongoing performance monitoring are conducted to ensure continued compliance with ESG criteria. This includes reviewing sustainability reports, tracking key performance indicators (KPIs), and assessing whether the supplier maintains its responsible practices. Any necessary adjustments or improvements are noted during the review process, but typically no immediate corrective action is required unless new risks arise.

8.2. Medium-Risk Suppliers: Medium-risk suppliers require periodic audits and ESG-focused supplier training to address identified risks. Corrective action plans are developed to guide the supplier in improving practices where necessary. These actions may include setting sustainability targets, enhancing operational efficiency, or addressing specific governance or labor issues. Performance is closely monitored to ensure that the supplier meets improvement objectives within set timelines.

8.3. High-Risk Suppliers: High-risk suppliers face immediate intervention, which could include in-depth audits, third-party verification, or an immediate action plan. If risks are not mitigated, the relationship may be terminated. Regular follow-ups ensure suppliers take corrective actions, and any violations or failures are addressed quickly. Suppliers are held accountable through structured and strict monitoring processes to mitigate significant risks that may impact SMC’s operations or reputation.

9.0 CONTINUOUS IMPROVEMENT

9.1. Update Risk Criteria: Review and update the risk assessment criteria annually or when major regulatory changes occur. This ensures that the risk assessment framework remains current and aligned with new sustainability regulations, industry standards, and emerging global challenges. By staying proactive, SMC can maintain a robust risk management approach that addresses evolving environmental, social, and governance issues in its supply chain.

9.2. ESG Awareness and Training: Provide regular training on ESG principles for procurement teams and suppliers to raise awareness and ensure compliance. This training helps suppliers better understand SMC's expectations and the importance of responsible practices in minimizing ESG risks. It also enables procurement teams to recognize potential risks and make informed decisions when selecting or engaging suppliers, ensuring that SMC's procurement strategy remains aligned with sustainability goals.

9.3. Review Supplier Performance: Annually assess supplier sustainability performance based on audits, reviews, and feedback from stakeholders. This review process helps identify areas where suppliers can improve their ESG practices. Regular reviews inform procurement decisions, ensuring that suppliers who fail to meet ESG standards are either given an opportunity to improve or are replaced by better-aligned partners. Continuous performance evaluations contribute to better supply chain sustainability.

10.0 CONCLUSION

The Supplier Sustainability Risk Assessment Procedure ensures that SMC upholds its commitment to responsible procurement and sustainable practices throughout its supply chain. By systematically identifying ESG risks, engaging stakeholders, and implementing robust monitoring and mitigation strategies, SMC can proactively address potential negative impacts. The procedure’s focus on continuous improvement helps SMC stay aligned with evolving regulations, industry standards, and ethical expectations. Ultimately, this approach fosters long-term partnerships with suppliers that prioritize sustainability, ethical business practices, and social responsibility, supporting SMC's mission to provide high-quality, sustainable, and ethically sound facility management solutions.

RECORD OF RETENTION PROCEDURE
SMC/ESG /SOP- 21

1.0 PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to establish a comprehensive framework for the retention, storage, and disposal of records within SMC India. This procedure ensures compliance with legal, regulatory, and organizational requirements, facilitates efficient record retrieval, and mitigates risks associated with unauthorized access or loss of critical information.

2.0 SCOPE

This SOP applies to all departments and personnel within SMC India involved in the creation, management, and disposal of records. It encompasses both physical and electronic records related to digitization, automation, mechanization, and integrated facility management services, including housekeeping, technical, and manpower services.

3.0 RESPONSIBILITIES

3.1 Management: The Management team holds the ultimate responsibility for the successful implementation and enforcement of the Record Retention SOP across all departments within SMC India. Management must ensure that this policy is integrated into the organizational framework and that it is treated as a critical component of compliance and risk management.

3.2 Employees: All employees at SMC India play an active role in the record retention lifecycle and are expected to manage records responsibly as part of their daily duties. This includes the accurate creation, classification, and secure storage of both physical and digital records.

3.3 IT Department: The IT Department plays a vital role in supporting the secure and efficient handling of electronic records. It is responsible for implementing and maintaining the Electronic Document Management System (EDMS), which serves as the centralized repository for storing digital records across the organization.

4.0 STORAGE AND SECURITY

4.1 Physical Records: To ensure the long-term preservation of physical records, SMC India must store them in secure, climate-controlled environments. Records that are not stored properly are vulnerable to degradation caused by temperature fluctuations, humidity, and environmental contaminants such as dust, which can lead to irreversible damage. Therefore, it is crucial to house physical records in designated storage areas that meet these environmental specifications.

Additionally, a labelled filing system should be employed to organize records based on their category, relevance, or chronological order. This facilitates easy retrieval of documents when needed for operational purposes or audits. To further protect these records, strict access control measures should be implemented. Only authorized personnel should have access to sensitive or confidential records, and access logs should be maintained to track who accessed specific documents.

4.2 Electronic Records: For electronic records, SMC India must ensure their storage in secure, compliant Electronic Document Management Systems (EDMS). These systems must be equipped with encryption protocols to protect sensitive data from unauthorized access, alteration, or theft. Encryption safeguards records both at rest and in transit, ensuring that all electronic documents are adequately protected. Furthermore, access controls should be configured within the EDMS to restrict access based on user roles and responsibilities. This guarantees that only individuals authorized to handle specific information can view or edit it, minimizing the risk of data breaches.

4.3 Record Retrieval: Maintaining an efficient system for record retrieval is essential for operational effectiveness and compliance with record management policies. SMC India should implement an index or catalo system for all records, whether physical or electronic. This catalo will serve as a comprehensive reference that categorizes records by type, department, date, or other relevant metadata, ensuring that any record can be quickly located when needed.

5.0 RECORD DISPOSAL

5.1 Disposal Procedures: Disposal of records must follow a clear, systematic process to ensure compliance with retention schedules and avoid unauthorized destruction of important documents. Records that have reached the end of their retention period should be identified in accordance with the approved retention schedule. The identification process requires reviewing each record's category and the associated legal or operational obligations, ensuring that the record is no longer required for any active or future purposes. Before disposal, necessary approvals from department heads must be obtained to confirm that the records are no longer needed for operational or legal purposes. Once approved, records should be disposed of securely using methods appropriate for the format.

5.2 Documentation of Disposal: It is essential to document every disposal of records to maintain an audit trail and ensure accountability. Disposal documentation must include detailed information about the records disposed of, such as the document type, quantity, department of origin, the date of disposal, and the method used (e.g., shredding for physical records or secure deletion for digital files). This documentation serves as a reference in case of audits or legal inquiries and provides a clear record that disposal was carried out according to established procedures. Furthermore, these records should be retained for a minimum of two years, providing a historical account of disposed materials and allowing for future verification if needed.

5.3 Compliance and Auditing: To ensure that record retention and disposal procedures are adhered to, regular audits should be conducted to verify compliance with this SOP and any applicable legal and regulatory requirements. These audits serve as an internal check to ensure that records are being stored, managed, and disposed of according to established guidelines. Any issues identified during audits, such as non-compliance with retention schedules or security practices, must be addressed promptly. Corrective actions should be implemented to rectify the situation and prevent recurrence, and these actions should be documented for future reference. Moreover, retention schedules should be periodically reviewed and updated to reflect any changes in regulatory requirements or operational needs.

5.4 Training and Awareness: Training is crucial to ensure that all employees understand and follow the record retention procedures as outlined in this SOP. All new employees should receive training on the record retention policies during on boarding to ensure that they are aware of their responsibilities from day one. Regular refresher training should also be provided to existing staff to reinforce the importance of proper record management and keep them updated on any changes to the procedures. The training sessions should cover topics such as record classification, storage, retrieval, and secure disposal methods. It is also essential to promote a culture of awareness regarding the potential consequences of non-compliance with record retention requirements. This can include legal ramifications, operational inefficiencies, and risks to the organization’s reputation.

6. CONCLUSION

Effective record retention is crucial for operational efficiency, legal compliance, and risk management. By adhering to this SOP, SMC India ensures that records are managed systematically, securely, and in compliance with applicable laws and regulations. Regular reviews and updates to this procedure will help maintain its effectiveness and relevance.

RECORD RETENTION SCHEDULE PROCEDURE

Sl. No.	Record Type	Record Period	Reason for Retention
1	Employee Personnel Records	5 years after	Legal compliance, audit, and reference for future employment verification
2	Payroll Records	7 years	Taxation, legal compliance, audit, and employee reference
3	Financial Statements	7 years	Legal compliance, taxation, audit, and long-term financial tracking
4	Tax Records (Income Tax, GST, etc.)	7 years	Taxation, legal compliance, and audit
5	Contracts (Suppliers, Vendors, and Clients)	7 years after expiration	Legal compliance, contractual obligations, and reference for dispute resolution
6	Project Reports (Including Implementation Details)	5 years	Operational reference and future project management
7	Client Agreements and Service Contracts	7 years after completion	Legal compliance, client disputes, and service reference
8	Employee Attendance Records	3 years	Employee management, payroll, and audit purposes
9	Purchase Orders	7 years	Financial audits, vendor management, and tax purposes
10	Invoices (Issued and Received)	7 years	Taxation, audit, and financial record-keeping
11	Work Orders and Service Requests	5 years	Operational reference, service delivery analysis, and audit
12	Health & Safety Compliance Records	5 years	Legal compliance, employee health & safety audits, and internal reviews
13	Employee Leave Records	3 years	Employee management and payroll purposes
14	Vendor/Contractor Performance Reviews	5 years	Performance management and future vendor selection purposes
15	Maintenance Logs and Schedules	5 years	Facility management, asset management, and operational continuity
16	Inspection and Audit Reports	7 years	Compliance, audit, and facility quality assurance
17	IT and System Access Logs	1 year	Security monitoring and troubleshooting
18	Digital Transformation Project Records	5 years	Project management reference and audit purposes

19	Employee Training Records	5 years	Employee development tracking and regulatory compliance
20	Machine/Equipment Calibration Records	7 years	Compliance, quality assurance, and equipment performance monitoring
21	Billing and Payment Records (Client and Supplier)	7 years	Financial audits, payment disputes, and tax purposes
22	Insurance Records (Health, Liability, etc.)	7 years after policy expiration	Legal compliance, claims, and policy reference
23	Vendor Agreements and SLAs	7 years after completion	Legal compliance, service tracking, and dispute resolution
24	Asset Management Records (Acquisitions, Disposal)	7 years	Asset tracking, compliance, and audit purposes
25	Facility Cleaning and Maintenance Reports	3 years	Facility management, compliance, and operational quality assurance
26	Customer Satisfaction Surveys	3 years	Quality control, service improvement, and client feedback analysis
27	Service Level Reports	3 years	Client service tracking and performance evaluation
28	Legal Documents (Litigation, Claims)	7 years after case resolution	Legal purposes, claims tracking, and dispute resolution
29	Client Payment History	7 years	Billing disputes, payment tracking, and audit
30	Supplier Payment History	7 years	Supplier relationship management and financial audit