

Corporate Social Responsibility Policy

December 2022

1. Introduction

SMS and its group companies (together “**SMS**”, “**we**” or “**us**”) strives to be at the heart of a low-carbon smart energy revolution that is pivotal to realising a greener more sustainable world.

We are committed to being a responsible business on both a corporate and an individual level; operating ethically, with robust governance, and considering human rights as well as the social, economic, and environmental impacts of our organisation.

Our Corporate Social Responsibility (“**CSR**”) Policy (“the **CSR Policy**”), and associated business policies, set out the principles we follow and the programmes we have developed to focus on the areas where we have significant impact or influence.

To demonstrate our commitment to CSR, we have aligned our business values, vision, mission, purpose, and strategy with the needs of our stakeholders, while implementing and embedding meaningful and ethical principles into everything that we do.

At our core, we are an organisation that cares about people. We are committed to our customers, and communities, and we are committed to “putting our people first.”

2. Scope

This document sets out the corporate and social responsibilities of SMS. The CSR Policy applies throughout the organisation and governs our approach to all our activities. It extends to all stakeholders, employees, partners, and suppliers. The contents of this CSR Policy are in addition to any contractual requirements between us and you.

This policy does not replace existing policies or procedures but will work in conjunction with them to enhance our processes, supporting continual improvement across the business.

3. Policy

SMS’s CSR policy outlines our commitment that social and environmental concerns are considered in all our business operations.

Our policy is based on the following principles:

- To minimise the impact and maximise the benefits that our work has on the environment and people around us;
- To comply with, and exceed where practicable, all applicable legislation, regulations, and codes of practice;
- To integrate our CSR considerations into all our business decisions; and
- To review, annually report, and to continually strive to improve our CSR performance.

We believe that a commitment to the principle of CSR not only makes good business sense but also complements our culture and core values of: safety, innovation, customer excellence, sustainability, and pride.

These core values capture who we are, what we believe in, and what we stand for. They drive the behaviours we wish to see demonstrated throughout our business practices. Our values are not just slogans: we believe in them. We stand by them.

Our practices are aligned with the ISO 26000:2010 framework, which sets out guidance on:

- concepts, terms, and definitions related to social responsibility;
- the background, trends, and characteristics of social responsibility;
- principles and practices relating to social responsibility;
- the core subjects and issues of social responsibility;
- integrating, implementing, and promoting socially responsible behaviour throughout organisations and their policies and practices, within their sphere of influence;
- identifying and engaging with stakeholders; and
- communicating commitments, performance and other information related to social responsibility.

The CSR Policy provides a statement of our commitments under a family of seven corporate social responsibilities, covered below at paragraph 3.1 to 3.7.

3.1. Organisational Governance

SMS is committed to upholding our moral and legal obligations through responsible and ethical practices, ensuring the integrity and transparency of all our activities, from our supply chain to our people, our operations to our customers and wider society.

Our culture and principles are driven from the top and this ethos runs consistently through our business values, policies, processes, and management systems to ensure a consistent, integrated business-wide approach to our corporate social responsibilities.

We shall be transparent in communicating our strategies, performance, and governance to our stakeholders in our continual commitment to sustainable development.

Across SMS we have integrated a range of governance and management frameworks to support our culture of ethical and rigorous business conduct. Our management systems across Quality, Environmental, Health and Safety, Information Security, and Energy ensure continual improvement of our processes and practices.

SMS's governance structures are laid out within our Sustainability Report (as is our commitment to the environment and social elements) and Annual Report and Accounts, with those Reports detailing our committees, related stakeholders, responsibilities, and processes.

3.2. Labour Practices

A primary driver of our success is our highly skilled, driven, and loyal employees and we firmly believe in continuously investing in our people for the benefit of our customers and shareholders.

We strive to ensure all colleagues enjoy their work and have rewarding careers and job satisfaction. We aim to create a workplace where our employees can realise a satisfactory work-life balance. We are committed to ensuring all employees are fully supported at all stages.

SMS operate an Equal Opportunities, Diversity, and Inclusion Policy for all present and future employees. We strive to offer them clear and fair terms of employment and to provide resources to ensure employees' continual development.

Health and safety is a key priority for SMS. Using our motto of; **Think safe, Work safe, Be safe**, SMS provides staff with the training, work methods and equipment necessary to achieve the highest level of health and safety performance.

Led by our Board of Directors, SMS is fully committed to protecting the health, safety, and wellbeing of our employees. Our commitment to health and safety underpins all our business practices, ensuring that our employees and customers are protected.

We continually review and improve the provision of comprehensive, competitive, and equitable reward and benefits, and ensure all employees are paid at least the Real Living Wage. SMS is recognised as an Accredited Living Wage and Living Hours employer.

In December 2021 we launched an 'Employee Voice Forum' to give our people a structured channel through which views and suggestions can be shared, with the aim of driving ongoing workplace improvements. Held monthly, all feedback is shared with the executive leadership team for consideration and, if relevant and possible, implementation.

We aim to create a sustainable and safe environment for all where customer excellence is key, innovation is encouraged, and employees are proud. In turn, nurturing a thriving workplace and a business that supports wider society.

3.3. Human Rights

SMS supports and respects the protection of human rights and shall strive to ensure that we do not abuse, or are complicit in the abuse of, human rights. This is underpinned by our contribution to the United Nations Global Compact. We have been a signatory of the Global Compact since 2020, and we reaffirm our support of the United Nations Global Compact which encompass following ten key principles.

SMS is committed to maintaining high standards both internally and amongst our suppliers. We oppose the exploitation of workers, and we will not tolerate human trafficking, the exploitation of children and young people, forced labour, or labour which involves physical, verbal, or psychological harassment, or intimidation of any kind.

SMS will avoid unlawful discrimination in all aspects of employment, including recruitment, promotion, opportunities for training, pay and benefits, discipline, and selection for redundancy. These values extend to our suppliers, and we are committed to ensuring that our suppliers (and their officers, employees, agents, and subcontractors) comply with the provisions of the Modern Slavery Act 2015. We shall continue to undertake practical steps to ensure that these standards are maintained.

SMS is committed to creating an environment that encourages and values diversity and inclusion within its workforce and builds on the differences between individuals, with those differences enabling continued enabling our continued success. We aim to draw upon the widest possible range of views and experiences in order to meet the changing needs of our staff, clients, and partners. Our focus on diversity and inclusion is evident within our Equal Opportunities, Diversity, and Inclusion Policy and in our attitude towards employees, candidates, and clients.

We aim to deliver a fair employment environment and ensure everyone within SMS is provided with equal opportunity and protected from discrimination.

We provide our managers with equality and diversity training and support to ensure they understand their obligations, allowing them to manage their team fairly and equally in all areas of employment.

We ensure all employees are aware of the SMS' legal obligations, policies and internal procedures relating to the provision of Equal Opportunities during onboarding, via our eLearning package, and via face-to-face training.

3.4. Environment

Inspired by our core value of 'Sustainability', SMS aims to lead the UK's transition to a low-carbon future. We have committed to achieving a target of net-zero carbon emissions across our buildings and fleet by 2030, and we are also assisting our clients with their carbon reduction journeys through funding and delivery of sustainability-focused services.

We recognise that our business activities have varying direct and indirect impacts on the society and environment in which we operate, and we are committed to a programme of management, continuous improvement, and reporting of

our direct and indirect impacts, which marks our contribution to improving the world in which we live.

We are certified to ISO 14001:2015 (Environmental Management) and ISO 50001:2018 (Energy Management) standards and have implemented a robust integrated management system, which is externally verified by an audit undertaken by a UKAS accredited company.

We have implemented policies covering climate and sustainability, environmental and energy management as appropriate to our business (which are listed below) and we ensure that both our employees and contractors are aware of their relevant responsibilities in line with these.

3.5. Fair Operating Practices

SMS takes great effort to maintain fair operating practices by complying with applicable laws, and regulations to contribute to the healthy development of the market economy.

In addition to efforts taken internally within the business, SMS is committed to upholding and disclosing ethical principles across human rights, labour, environment, and anticorruption. Our key policies which recognise, support, and protect our employees' human rights and thus drive our ethical business practices, cover the following areas:

- Anti-bribery and corruption
- Modern slavery
- Whistleblowing
- Data Protection
- Equal Opportunities
- Health and safety
- Discipline
- Grievance
- Dignity at work

SMS does not engage in any unfair trading practices or unjust practices designed to restrict competition. Moreover, as a partner working closely with its suppliers and customers, SMS strives to build trusting strong relationships.

We are committed to building and maintaining the highest standards amongst our suppliers and endeavour to work closely with them in order to help us achieve an efficient and transparent corporate social responsibility supply chain programme.

Wherever possible, we will strive to engage with local suppliers and businesses.

SMS is conscious of the fact that corruption impedes healthy economic activity and is detrimental to the sustainability of society.

SMS benefits from carrying out business in a transparent and ethical way. We do not tolerate any form of bribery, whether direct or indirect, by, or of, our employees, or companies acting on our behalf. The board and senior management are committed to implementing and enforcing effective systems to prevent and eliminate bribery, in accordance with the Bribery Act 2010 and our employees are trained annually to raise awareness further.

SMS has fostered a culture of respecting the intellectual property rights of others and has developed an organisation that is built on such respect. We view respect for the intellectual property rights of others as a basic principle.

3.6. Customer Engagement

Our customers are at the heart of everything we do. The enduring relationships we enjoy with them are testament to our extensive industry knowledge and commitment to providing successful and innovative energy solutions.

Serving our customers is a key component of our purpose and we aim to provide an exceptional customer experience. To deliver this, we will listen and engage, and strive to become a trusted partner.

We aim to offer our customers value, consistent quality, and reliability. We aim to have the highest professional and ethical standards and will be honest, open, and transparent in all our dealings with customers.

Our staff are there to serve our customers. This means that training and investing in our people is critical to our success.

We encourage our customers and vendors to give feedback on our performance and ensure that all comments are analysed, responded to and where appropriate, acted upon.

3.7. Community Involvement

SMS recognises and understands the significance of the local community within which we operate. We aim to enhance our contribution to the community by being sensitive to the needs of local people and groups and promoting ethical and socially responsible trading.

We welcome a wide range of views on our policies and performance from employees, stakeholders, customers, and suppliers.

We are committed to being a responsible corporate citizen through support for appropriate non-political and non-sectarian projects, organisations, and charities.

We support and encourage our employees to support local community organisations through activities such as corporate volunteering opportunities organised by SMS, and charity initiatives.

4. Related Documents

This policy should be used in conjunction with all related policies, procedures, and reports across the following: SMS, including but not limited to

- Annual Report
- Anti-Bribery Policy
- Charitable & Political Donations Policy
- Climate & Sustainability Policy
- Code of Conduct Policy
- Data Protection Policy
- Dignity at Work Policy
- Energy Management Policy
- Equal Opportunities, Diversity & Inclusion Policy
- Flexible Working Policy
- Gifts and Hospitality Policy
- Grievance Policy
- Hybrid Working Policy
- Information Security Policy

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- Integrated Safety, Health, Environment and Quality Policy
 - IT Acceptable Use Policy
 - Learning & Development Policy
 - Modern Slavery Policy
 - Procurement Procedures
 - Recruitment & Selection Policy
 - Secure Data Transfer Policy
 - Social Media Policy
 - Stress at Work Policy
 - Substance Misuse Policy
 - Supplier Code of Conduct Policy
 - Sustainability Report
 - Wellbeing Policy
 - Whistleblowing Policy
 - Working Time Policy

5. Monitoring

This policy will be monitored periodically by the Company to judge its effectiveness and will be updated in accordance with changes in legislation or following significant change to our organisation and activities. If changes are required, the Company will implement them.

