



# CORPORATE **ESG POLICY**

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# 1. Scope

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Photon's Environmental, Social, and Governance (ESG) policy is the foundation of the company's ESG Management. This policy outlines rules that all Photon staff are expected to follow. It serves as a clear, auditable statement of the company's beliefs and how it strives to conduct its business.

Ultimately, the application of this policy also demonstrates the commitment and support of senior management as they approve and communicate this policy. Adopting this ESG policy provides Photon with an opportunity to integrate the management of ESG-related risks and opportunities, which is essential for the sustainability of the business in the long term.

As the role of companies in society evolves and stakeholders reassess value creation, Photon is introducing tools and systems for effective ESG management. Successfully managing ESG factors is an effective way to optimize risk management and safeguard the company's value. ESG mismanagement can lead to serious financial costs and reputational damage. The consequences can be severe for the continuation of Photon's business.



# 2. Definitions

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Environmental, Social, and Governance (ESG) is a framework companies use to evaluate their sustainability. Environmental factors examine the conservation of the natural world; Social factors examine how a company treats people inside and outside the company; and Governance factors evaluate how a company operates.

Photon is committed to transparency by publicly disclosing our ESG metrics and initiatives. We have also continued to function as exemplary corporate and environmental stewards by minimizing environmental impact and contributing to the communities in which we operate.

ESG is a set of environmental, social, and governance factors considered by the company when managing its operations concerning the risks, impacts, and opportunities relating to, but not limited to:

- Environmental issues: Potential or actual changes to the physical or natural environment. (e.g., pollution, biodiversity impacts, carbon emissions, climate change, usage of natural resources)
- Social issues: Potential or actual changes in the surrounding community and workers. (e.g., health and safety, supply chain, diversity, and inclusion)
- Governance: Corporate governance structures and processes by which companies are directed and controlled (e.g., board structure and diversity, ethical conduct, risk management, disclosure, and transparency), including the governance of key environmental and social policies and procedures.



ESG factors encompass a wide range of issues, like climate change, which can impact individual companies, sectors, or entire economies. They serve as a useful indicator of how a company identifies non-financial risks and opportunities and develops strategies to manage or mitigate them.

The table below summarizes the factors and provides examples of key ESG factors which are relevant.

Photon businesses rely on natural resources and physical assets to perform their operations. Products and services may directly or indirectly impact the environment. Examples of environmental factors include:

Climate change

Carbon management

Resource depletion

Pollution

Energy consumption

Land use

Loss of biodiversity

Water consumption

Waste management

Innovations, products, or services that reduce environmental impact

## Social

To conduct our operations, Photon harnesses the talent and skills of its employees. Products, services, and operating activities involved in production may benefit society or cause harm.

Job creation and working conditions

Equal opportunity

Diversity

Training

Impacts on local communities

Health and safety

Child and forced labor across supply chains

Grievance mechanisms

Human rights

Gender-based violence and harassment

Social impact of products, services, or the company's operations

## Governance

When making decisions and allocating the company's natural, human, and financial resources, Photon should consider how it will create long-term value that will benefit all stakeholders.

Purpose, values, and culture

Board diversity, structure, and oversight

Succession planning

Executive pay

Internal controls

Risk governance

Ethics and compliance

Shareholder rights

Governance of stakeholder engagement

Disclosure and transparency

A plethora of standards and tools have been developed to help companies manage and disclose ESG practices to help stakeholders assess ESG performance. These tools are continuing to improve and evolve. Stakeholders are increasingly paying more attention to ESG.

# 3. Roles and Responsibilities

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Business partners, rating agencies, and other key stakeholders often consider how a company manages environmental and social issues as an indicator of how it handles strategic and operational challenges. This policy defines the roles and responsibilities related to the management of ESG performance, issues, risks, and opportunities within the company.

## 3.1 ESG Management

Photon fully embeds and integrates ESG practices into the company's strategy and operations, building its resilience and making it more likely to create long-term, sustainable value. Employees are keen to work for companies that have positive long-term impacts. It is crucial to transform and adapt business models to ensure they can contribute to creating and sustaining long-term value.

Every employee, across all company levels, is responsible for identifying and managing the ESG-related risks and opportunities associated with their designated processes and tasks.

### 3.1.1 ESG Management Unit

The ESG Management Unit's primary function is to centralize, aggregate, and report on ESG-related topics, issues, risks, opportunities, and ESG-related data to the company. ESG Management Unit provides expertise and advisory for other areas of the company, provides information and knowledge to senior management and the board enabling an effective integration of ESG into the company's strategy in the short, medium, and long terms, supporting an informed decision-making process.

The ESG Management Unit is also responsible for managing the company's internal and external stakeholder engagements. The ESG Management Unit understands the needs and interests of stakeholders to create value that is meaningful to all. While stakeholder engagement is overseen by the board, on a day-to-day basis, it is conducted by the ESG Management Unit. Disclosure and reporting on ESG issues are foundational parts of stakeholder engagement, creating a tool for accountability and transparency at all levels of the company.

A cornerstone of stakeholder engagement, the ESG Management Unit handles the disclosure and reporting on ESG issues, serving as an instrument for accountability and transparency across the company.

Additionally, the Unit coordinates with other firm divisions owning ESG-related policies and procedures. This ensures that the ESG-related policies outlined below are duly enforced and pertinent information is reported to Senior Management, the ESG Committee, and the board.

## 3.1.2 ESG-related Policies

To adeptly steer ESG management within the firm, the ESG Committee maintains a set of ESG-related policies, which are detailed below. ESG management meticulously documents the policies, processes, and procedures, ensuring clear communication and reporting of relevant information to the board.

### A. Environmental Management Policy

- Compliance with local and international environmental laws and regulations
- Resource utilization efficiency (energy, water, important input materials, etc.)
- Greenhouse gas (GHG) emissions
- Release of pollutants into air, water, and land
- Handling, storage, and disposal of hazardous chemicals
- Hazardous and non-hazardous wastes
- Recover, reuse, treatment, and proper disposal of waste
- Consideration of non-chemical means to control economically significant pests and vectors
- Conversion of forest lands or wetlands

## B. Policies related to labor and working conditions including

- Policies that guarantee the proper working conditions and terms of employment:
  - Respect for collective bargaining agreements whenever applicable
  - Reasonable working conditions and terms of employment (e.g., Compensation and benefits)
  - Protection for migrant, contract, or temporary workers
  - Clean and appropriate accommodations
  - Reporting on metrics and targets to senior management, external reports, and the board
- Policies that promote proper workers' organizations:
  - Workers' rights to form and to join workers' organizations
  - No discrimination against those who organize
- Policies of non-discrimination and equal opportunity:
  - Non-discrimination in hiring, promotion, and compensation practices
  - Training, tools, and opportunities for advancement
  - Freedom from harassment by management or other workers
  - Remedy for past discrimination
- Policies to guarantee an effective grievance mechanism:
  - Transparent process for receiving and resolving worker complaints
  - No retaliation or discrimination
- Effective policy to combat child labor including:
  - Minimum age for employment
  - Proper conditions for engagement of young workers are established and effectively implemented
- Effective policy to combat forced labor including:
  - Freedom of movement
  - Freedom to resign
  - No retention of identification papers or money to detain workers
- Effective occupational health and safety policy:
  - Safe work environment and dormitories, if applicable
  - Emergency prevention and response system
  - Personal protective equipment and appropriate training
  - Documentation and reporting of accidents, near misses, and illnesses

OBS: For workers engaged by third parties, including contractors and temporary workers, an extension of labor policies to labor contractors, recruiting agencies, and other third parties; and a grievance mechanism for contracted workers

### C. Community Health, Safety and Security

- Consumer product safety
- Health and safety of the public related to company activities
- Health and safety of the public related to the construction, operation, and decommissioning of equipment and infrastructure
- Downstream impacts related to wastewater disposal
- Potential community exposure to hazardous materials and substances

### D. Transportation and disposal of hazardous wastes

- Impact on ecosystem services on which communities rely
- Impact on land ownership through acquisition and resettlement
- Community exposure to water-borne, vector-borne and communicable diseases associated with company activities
- Communicable diseases associated with the influx of temporary or permanent project labor
- Emergency situations caused by company activities, equipment, and infrastructure
- Excessive or unregulated vehicle traffic near the facility and through communities

### E. Security personnel

- Appropriate screening, training, equipping, and monitoring of direct or contracted workers providing security services
- Grievance mechanism for workers and the community to express concerns about the security system and personnel
- Investigation of allegations of past abuse



# 4. Code of Business Conduct

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Photon is committed to ethical and lawful business conduct in all countries in which it operates. An integrated approach to governance, ethics, risk, and compliance strengthens our values and promotes our objectives as a responsible business.

All business dealings are transparent and conducted with integrity. We encourage employees to uphold our principles, values, and ethical policy. We provide guidelines to explain what is expected of every person who works for Photon, irrespective of where we do business.

- Photon's practice of responsible corporate behavior includes:
  - Compliance with all laws and regulations
  - Zero tolerance for corrupt or illegal practices
  - An anti-bribery and corruption policy which states that bribes and other illicit payments may not be paid or accepted
  - Maintaining the confidentiality of clients' information
  - Not participating in any conduct that constitutes anti-competitive behavior
  - Not permitting directors or employees to engage in business on behalf of Photon with organizations in which they have a material interest, without full disclosure (Arm's-length Policy)
  - A policy which specifies the acceptance of business gifts and hospitality

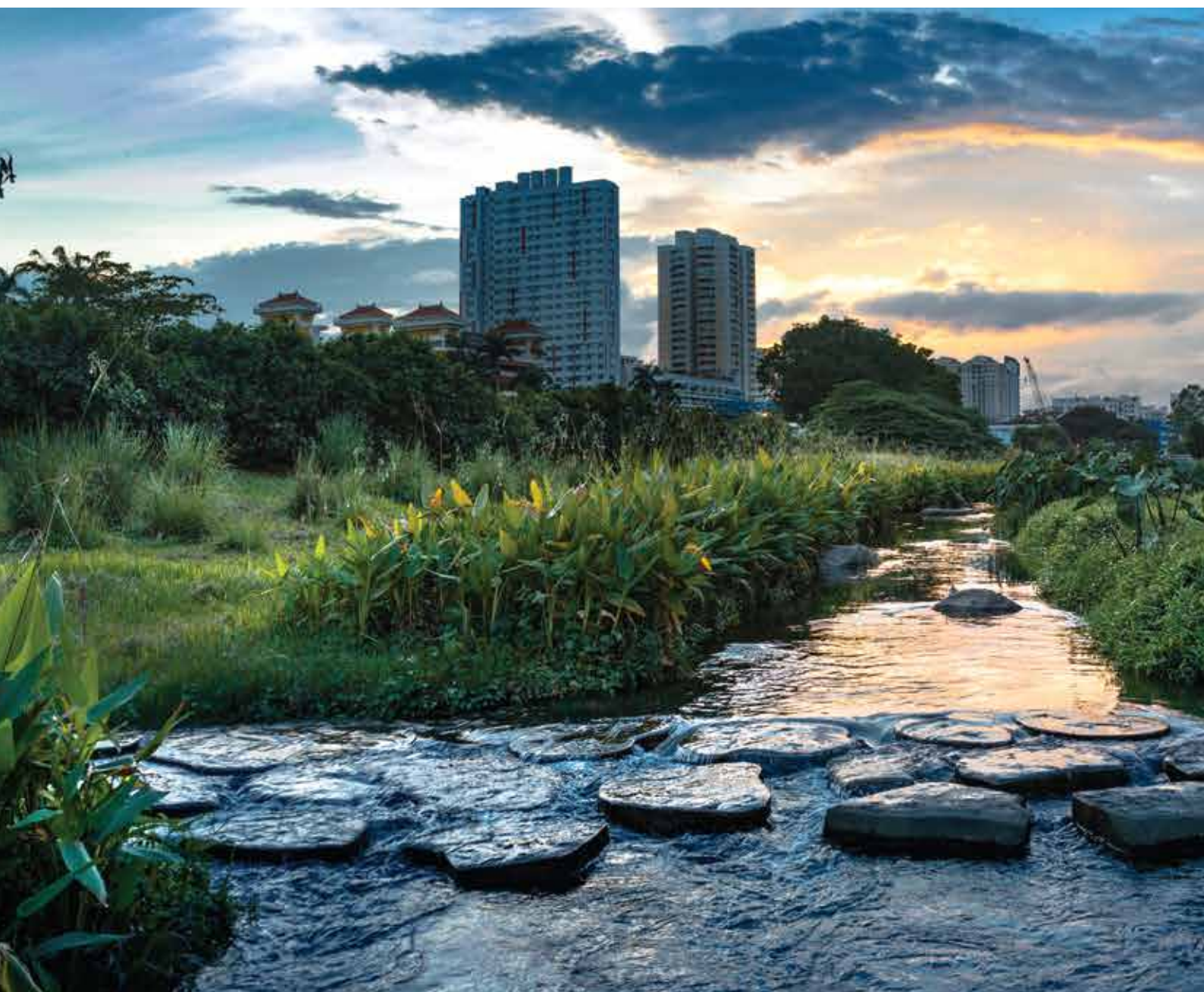
Senior management, including the ESG Committee, must approve any exception to the Code of Business Conduct. Any infringement of this Code must be reported to management and, depending on the gravity, to the board at the discretion of management.

# 5. Water Management

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As an IT company, Photon takes pride in its commitment to refrain from water withdrawal, discharge, or consumption in regions characterized by high or extremely high baseline water stress.

We have begun monitoring water consumption for drinking water as well as water consumption from buildings at our office premises beginning in fiscal year 2023 at certain of our office locations in India. Also, from some offices in the United States, we collected all the building water and divided it among our shared areas.



# 6. Waste Management

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We believe that avoiding waste generation is the most effective way to reduce pollution. We aim to reduce environmental impacts and contribute to the mitigation of negative effects on the environment. As part of our environmental plan in 2023, we have implemented waste monitoring to ensure correct waste segregation, such as paper and food waste at certain of our office locations in India. Domestic sewage and greywater from the kitchen, pantry, and washbasins are collected through a common plumbing line and sent to the Sewage Treatment Plant (STP). Wastewater is treated using Moving Bed Bio Reactor (MBBR) technology followed by ozonation for disinfection, which helps reduce pollution levels and improve water quality. The treated water is then reused for cooling towers, irrigation, and flushing purposes.



# 7. Human Rights

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Photon respects the human rights of all stakeholders, and this commitment is exemplified by its leaders.

- Photon respects diversity, promotes equal opportunity, and strives to create a healthy working environment free of harassment issues.
- From the standpoint of respect for human rights, Photon will review its operations, as appropriate, and will adapt and improve its approach to human rights in its business activities



# 8. Modern Slavery and Human Trafficking Statement

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Photon will not use or tolerate forced labor, child labor, or human trafficking in our business or supply chain. We strive to be honest, ethical, and transparent in everything we do.

- Photon cannot condone and has a zero-tolerance approach to any form of slavery or human trafficking. Photon is committed to fighting modern slavery, however it may manifest. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or any part of our business.
- Suppliers to Photon are obliged to comply with all applicable laws in their contracts. During the forthcoming financial year, we will introduce human rights, anti-slavery, and human trafficking awareness training for all new employees and periodically for existing employees as part of our ongoing compliance training.
- Photon also requires all employees to comply with our Code of Business Conduct and Ethics.



# 9. People

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Photon empowers employees with intrinsic rewards” or “self-motivation rewards by allowing them to make decisions on their own and see the success that follows. Employees associate their success with their abilities, motivating them to continue striving for higher productivity levels in future tasks.

Managers promote organizational success by inviting employees to be innovative in their ideas, solutions, and decisions while at the same time giving them authority to see them through to implementation.

Empowerment enables subordinates to work independently as they control their jobs by using their knowledge, skill sets, abilities, and decision-making

## 9.1 Inclusion, Diversity and Collaboration

### 9.1.1 Recruitment Strategy

- Effective recruitment strategies are pivotal to attracting and retaining high-quality talent to contribute to an organization's success.
- The recruitment process supplies the organization with a pool of potential candidates from which thoughtful selection should be made to fill positions.
- Steps are taken to measure available internal and external talent and the present and expected resources available to attract and retain talent.

### 9.1.2 Equal Employment Opportunity

- We are committed to equality of opportunity in all areas of employment and business, regardless of personal characteristics, including, but not limited to, gender, race, nationality, age, disability, sexual orientation, or religion.

- We are committed to providing a workplace environment where everyone has an equal opportunity to perform at the highest levels and realize their potential.
- Equal employment opportunity has been and will continue to be a basic principle at Photon.
- All employees will work in an environment that provides for equal opportunity.
- Employment at Photon is purely based on merit, ability, and qualifications. No qualified applicant or employee is to be discriminated against because of race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law.
- Our equal employment opportunity commitment applies to all areas of employment, including hiring, training, placement, promotion, compensation, and benefits. Recruitment and promotion will be on the basis that each applicant will be considered fairly and equally.
- Managers and supervisors are accountable for ensuring that this commitment is communicated and followed within their area of responsibility. Each employee is responsible for treating all fellow employees fairly and equally so that our working environment is free from discriminatory activities and practices.
- Employees who feel they are victims or witnesses of unlawful discrimination should immediately report this fact to their manager or the Human Resources department.
- We encourage employees to feel free to raise such concerns without fear of retaliation. Photon has zero tolerance for any form of retaliation.

### 9.1.3 Participation in ADA Compliance

- As part of our equal employment opportunity commitment, we would adhere to all applicable provisions of the Americans with Disabilities Act (ADA).
- We do not discriminate against any employee with a known physical or mental disability in any employment practice, including hiring, promotion, job assignment, compensation, benefits, leaves, discipline, training, and termination.
- Ability, not disability, is the basis of all our employment decisions.

## 9.1.4 Reasonable Accommodations

As required under the ADA, Photon will provide reasonable accommodations for qualified individuals with known disabilities to assist them in performing the essential functions of their job unless the accommodation would create an undue hardship on the company or create a direct health or safety threat.

Photon will follow any state or local law that provides individuals with disabilities better protection than the ADA.

## 9.2 Developing our People

Photon will provide necessary training and development programs for the staff. Photon will provide means for staff to perform at their maximum potential and create mechanisms to help retain and promote the right people.

As the battle for top talent becomes competitive, employee training and development programs are more critical than ever. Hiring top talent takes time and money, and how the staff is engaged and developed impacts talent retention and business growth.

The company's leaders know the value that learning and development programs bring to our organization. By clearly understanding emerging trends in learning and development, management will be better positioned the company to select the right targeted solutions to drive results, increase employee engagement, and increase innovation and productivity.

## 9.3 Rewarding Our People

Management is committed to recognizing and rewarding employee contributions according to the HR policies. Management acknowledges that recognizing and rewarding accomplishments is important in creating a quality culture. When employees know their efforts are appreciated, it increases their self-esteem and satisfaction with their job. Their improved attitude toward their job encourages them to aim for quality and increases productivity.



# 10. A Safe and Healthy Workplace

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Photon is committed to providing a safe and healthy environment. All Photon employees have the right to work in an organization free of discrimination, victimization, harassing conduct, unwelcome sexual advances, or requests for sexual favors.

Verbal, physical, or other communication or conduct by an employee, manager, customer, or supplier that disrupts or interferes with another's work performance or that creates an intimidating, offensive, or hostile environment will not be tolerated.

All types of harassment, whether based on sex, race, color, religion, age, sexual orientation, disability, or other protected class, are unacceptable workplace behaviors.



# 11. Community

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Photon supports numerous social and charitable causes across the globe where we operate and makes contributions towards these causes on a regular basis.

Photon's CSR program has aided recruitment and retention, particularly in the entry-level hiring; it has helped improve the company's perception among its staff, particularly when staff can become involved through fundraising activities or community volunteering.

At Photon, the CSR program has helped reduce employee turnover. As a technology-oriented organization that considers employees and their skills the most critical asset, the ability to engage and retain them contributes to the sustained growth and success of the company. Photon agrees with those who believe that treating employees well with competitive pay, due recognition, and good benefits is a socially responsible behavior.



# 12. Changes to This Policy

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Any changes to this policy must be approved by the ESG Committee and submitted to the board for information. The same is valid for any exception to this policy.

