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## **Integrated Management System Policy**

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The Integrated Management System Policy of SMT d.o.o. (hereinafter referred to as the Policy) is developed by the management. It is communicated to all employees through posting on notice boards in the company's premises and to interested external parties, who can view the Policy on the company's website.

The relevance of the Policy is reviewed at least once a year, and it is updated more frequently in the event of changes in the internal and/or external environment.

Management ensures that all necessary resources are provided for the functioning of the Integrated Management System with the aim of enabling the growth of quality towards business excellence, ensuring an appropriate approach to the environment, occupational health and safety, and promoting the sustainability of business practices across all areas.

The Quality, Environmental, and Occupational Health and Safety Policies are an integral part of SMT d.o.o.'s business policy and serve to define and achieve objectives in the three mentioned areas. The Policy is embedded in the company's business plans and all business processes. All employees adhere to the prescribed and adopted elements of the Integrated Management System – each employee is committed to performing their work with quality, fulfilling compliance requirements (legal and other requirements), and maintaining an appropriate attitude towards the environment and colleagues upon joining the organization.

We regularly monitor and consider legislative requirements in all relevant areas and ensure their timely implementation in practice.

We regularly analyze the implementation and performance of the management systems, evaluate effectiveness and efficiency, and take appropriate action based on the results of the analysis, both in the form of corrective actions and continual improvement.

The Quality Policy is primarily focused on business excellence, which means a commitment to fulfilling or exceeding the expectations of relevant interested parties and legal requirements, as well as obligations beyond the legal framework, while quickly adapting to new market demands, thereby minimizing risks.

In the spirit of continuous improvement, we encourage and support creativity and innovation, and provide resources for the advancement of business processes, both in technological terms (machinery and equipment) and in terms of technological knowledge (training and development of staff, software). Quality plans are executed by all employees. Achieving business quality at SMT d.o.o. is aimed at reducing business costs while maintaining service quality, ensuring price competitiveness, and business success. To monitor and demonstrate the success and effectiveness of the implemented quality management system, we operate in accordance with the ISO 9001 standard.

In the development of products and improvement of production and support processes, we also consider the impacts of global climate change – both in terms of customer expectations and long-term business sustainability. In designing new solutions, we emphasize technological and material choices that enable energy efficiency, reduced resource consumption, and lower carbon footprint throughout the entire product lifecycle.

The Environmental Policy is managed within the framework of responsible environmental management in accordance with the ISO 14001 standard. The Quality Policy guides us in the development of sophisticated and technologically advanced products, and considering their lifecycle, we also encourage environmentally and sustainability-oriented business practices with our customers and suppliers, with whom we build a partnership based on mutual respect and trust. We carefully utilize natural resources and continuously seek ways to minimize energy consumption while maintaining stable process outputs. This is implemented through adopted environmental programs, and within the financial capabilities of the company, we realize both framework and operational environmental objectives – all in line with the management's commitment to continual improvement of our environmental performance and the prevention of pollution.

In implementing the environmental policy, we also consider the impacts of climate change – both their potential consequences for our business and the opportunities provided by the transition to a low-carbon economy. In the context of global climate change, we are committed to reducing greenhouse gas emissions, using energy efficiently, and developing business resilience to environmental changes.

The Occupational Health and Safety Policy is managed in compliance with the ISO 45001 standard, ensuring a safe working environment in which all employees can realize their personal and business growth in a creative and motivated manner. Employees are included in decision-making processes and the improvement of the Occupational Health and Safety Management System to increase participation and ownership of the safety culture. In the context of climate change, we also address the impacts of extreme weather events (e.g., heatwaves) on employee well-being, adjusting working conditions, working hours, and preventive measures in accordance with legislation and best practices. Additionally, we monitor the effects of climate change on workplace safety, ergonomics, and psychosocial employee safety.

All three areas are interconnected through a common denominator – a sustainable and socially responsible approach to business.

We are aware that global climate change represents a strategic challenge, and therefore, we have systematically integrated its impact into all subsystems of our Integrated Management System. In accordance with the supplementary requirements of ISO standards and European strategic guidelines, we address both the reduction of the negative impacts of our activities on the climate and the adaptation of our business processes and objectives to the consequences of changing climate conditions.

Our guiding principle is to contribute to the sustainable development of society and implement business excellence.

Quality objectives at the company level are set for all key functions and processes. In terms of quality objectives, we focus on technological improvements and services related to customers.

We also pay particular attention to the impacts of climate change on the reliability, availability, and quality of input resources, as well as the resilience of our processes and products. Quality objectives also include risk management related to unpredictable environmental changes, climate-related market expectations, and regulations, as well as adapting planning and delivery systems.

Environmental objectives are primarily related to the outputs of processes, represented by products and waste. We introduce changes in processes with a vision of impacting the most sustainable product lifecycle, and in terms of waste, we aim to influence the type and quantity of waste already at the supply and packaging stages. At the input side, all processes are planned with minimal resource consumption and minimal input packaging, while on the output side, we aim for the least possible environmental impact.

Objectives related to Occupational Health and Safety reflect what the OHSMS prioritizes, namely the well-being of our employees, and also include the management of risks associated with unpredictable changes in the environment (key stressors) and climate change.

When setting objectives for the implemented Integrated Management System, we consider the context of the organization, the expectations of all relevant interested parties, such as customers, employees, owners, the community, and regulators, as well as the analysis of perceived risks.

The objectives are designed in such a way that they systematically include the impacts of climate change – both in terms of risk management and the realization of opportunities in the transition to a climate-resilient, low-carbon economy.

All objectives are set to be measurable and achievable. Monitoring the achievement of individual objectives is carried out through evaluation using indicators, and based on the results, appropriate actions or decisions are taken.

We recognize that all employees are responsible for the company's performance quality. Therefore, we respect the knowledge, innovation, and ideas of each individual. All employees are fully aware of and understand the management policy. We are all familiar with its fundamental objectives through established communication channels within our company.

Peter Polič, CEO