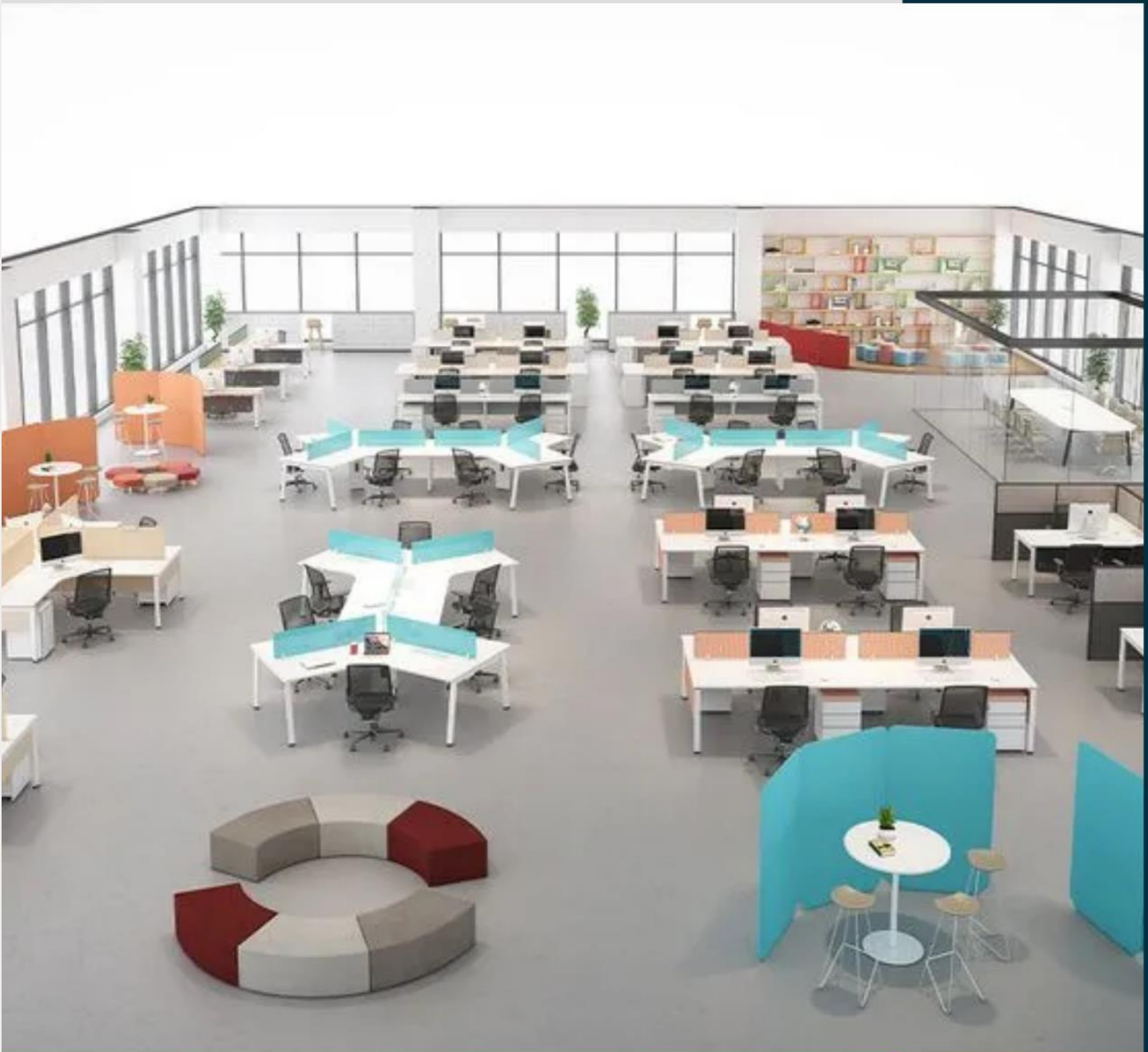


Social Responsibility Report

AFC
FURNITURE SOLUTIONS



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2023 – 2024

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1. Introduction

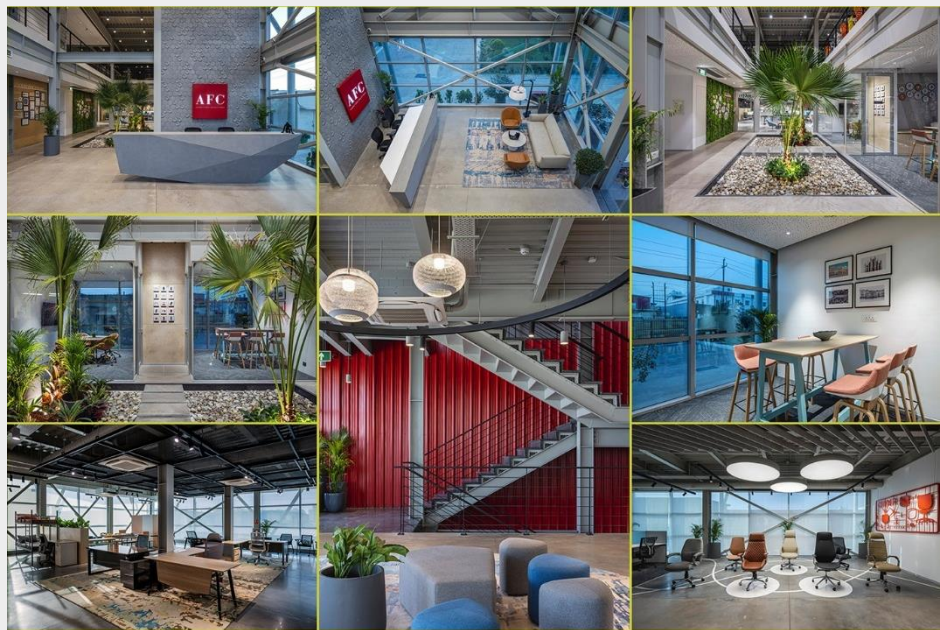
At AFC System Private Limited, social responsibility is not merely a checkbox on our compliance agenda, it is a reflection of our organizational ethos, deeply interwoven with our core values and long-term vision. We firmly believe that the success of a company is not just measured in economic terms, but by the positive and lasting impact it has on society and the environment. Therefore, social responsibility at AFC transcends traditional corporate obligations and represents our unwavering commitment to inclusive development, community empowerment, and environmental stewardship.

Operating in the domain of design, manufacture, trade, installation, and maintenance of modular metal and wooden furniture, AFC's operations inherently intersect with a broad network of communities, labour ecosystems, and natural environments. From our suppliers and manufacturing staff to our clients and local communities around our facilities, we recognize that

our business activities influence and are influenced by a diverse spectrum of stakeholders. This interdependence makes it imperative for us to adopt a holistic approach to sustainability and ethics, embedded into every layer of our value chain.

This Social Impact and Ethics Report is a comprehensive reflection of our efforts to create long-term societal and environmental value. It illustrates the policies, practices, and initiatives undertaken during the reporting year to support responsible growth. Our approach is firmly aligned with national and international frameworks such as the United Nations Sustainable Development Goals (SDGs), SEBI's Business Responsibility and Sustainability Report (BRSR) mandate, the Global Reporting Initiative (GRI) Standards, ISO 45001:2018 certification for Occupational Health and Safety, and the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Government of India.

Our journey is underpinned by structured governance mechanisms, robust internal policies, transparent communication systems, and employee and community engagement programs that uphold our principles and ensure accountability. Each initiative undertaken is guided by a conscious effort to minimize our environmental footprint, uplift underprivileged communities, and uphold human rights.



We have built a culture that integrates sustainability not as an isolated function, but as a foundational principle embedded across all operational and strategic decisions. Our vision is not limited to compliance or risk mitigation we strive to become a leader in purpose-driven business, empowering individuals, protecting the planet, and generating value that extends beyond financial returns.

This report offers a transparent window into our commitments, progress, and future ambitions. It invites all stakeholders, employees, partners, communities, and regulators to join us in our journey towards a more equitable, responsible, and sustainable future.

2. Our Governance and Policy Framework

At AFC System Private Limited, our commitment to ethical business conduct and social responsibility is institutionalized through a comprehensive governance structure and meticulously crafted internal policies. These frameworks are not static documents they serve as living systems of values, compliance, and continuous improvement that drive our decisions, employee behaviour, vendor engagement, stakeholder dialogue, and social investments. This section expands on our primary policy instruments, associated oversight mechanisms, and the fundamental role they play in shaping our impact on people and communities.

2.1 Employee Code of Conduct

The Employee Code of Conduct at AFC System Private Limited serves as a foundational document governing ethical behaviour, interpersonal interactions, decision-making, and professional accountability. It is applicable to all stakeholders, internal and external including employees, contract labourers, directors, trainees, service providers, vendors, and joint venture partners.

The Code lays out 20 comprehensive ethical principles ranging from honesty and fair competition to governance transparency, conflict-of-interest protocols, and whistleblower protection. Employees are expected to uphold values such as integrity, fairness, non-discrimination, and respect for human dignity in every facet of their work. The Code also clearly defines unacceptable behaviours including bribery, misuse of official position, falsification of records, and any form of harassment or coercion.

Additionally, specific provisions detail the treatment of gifts, entertainment, and business advantages, drawing a strict line between cultural courtesy and undue influence. Every employee must sign a declaration upon joining to indicate awareness and adherence, and all



violations are subject to a defined escalation and disciplinary matrix including termination or legal referral depending on severity.

An Ethics Officer is appointed to monitor implementation, provide interpretations, and handle any complaints confidentially. The officer is also tasked with promoting an ethical culture through training and quarterly reports to senior management. Importantly, whistleblowers are protected from retaliation, in line with global best practices on grievance redressal and transparency.

2.2 Community Outreach and Employee Volunteering Policy

AFC's Community Outreach and Engagement Policy defines our strategic role as a responsible corporate citizen. The guiding philosophy is rooted in a commitment to actively support local development while preserving ecological balance and promoting human dignity. It articulates a clear objective: to undertake impactful social initiatives that enhance the quality of life in the communities where we operate, and to foster a culture of volunteerism among employees.

The objectives of this policy are not merely philanthropic they are structured components of our broader Environmental, Social, and Governance (ESG) framework. These include:

- Promoting education and healthcare among underprivileged populations
- Contributing to climate resilience and energy literacy
- Supporting initiatives aligned with universal human rights
- Ensuring equity in resource access for disadvantaged sections

The **scope and coverage** of the policy are multi-dimensional. AFC undertakes projects such as community benefit programs, charitable donations, and infrastructure development. Our initiatives range from scholarships for meritorious students to beautification of public spaces like schools, parks, and community halls. Other programs include:

- Sponsorship of charitable events
- Winter blanket drives for underserved families
- Free medical check-up camps in high-need regions
- Solar lighting installations for better public safety and energy efficiency

Employee volunteerism is a core pillar of this policy. Each employee is required to contribute to at least one community activity every quarter. These efforts are not viewed as auxiliary tasks but as leadership-building and empathy driven engagements. Participation is tracked

through a Volunteer Tracking System, and high-impact contributors are recognized in quarterly town halls.

Additionally, AFC provides financial support and logistical coordination for each project and maintains comprehensive documentation ranging from budgets and impact assessments to photo documentation and beneficiary feedback. These records are regularly reviewed by the CSR Sub Committee and are made available for audit and public disclosure.

This integrated approach makes community outreach not only a compliance-oriented function but also a visible demonstration of our values in action.

2.3 Health and Safety Governance

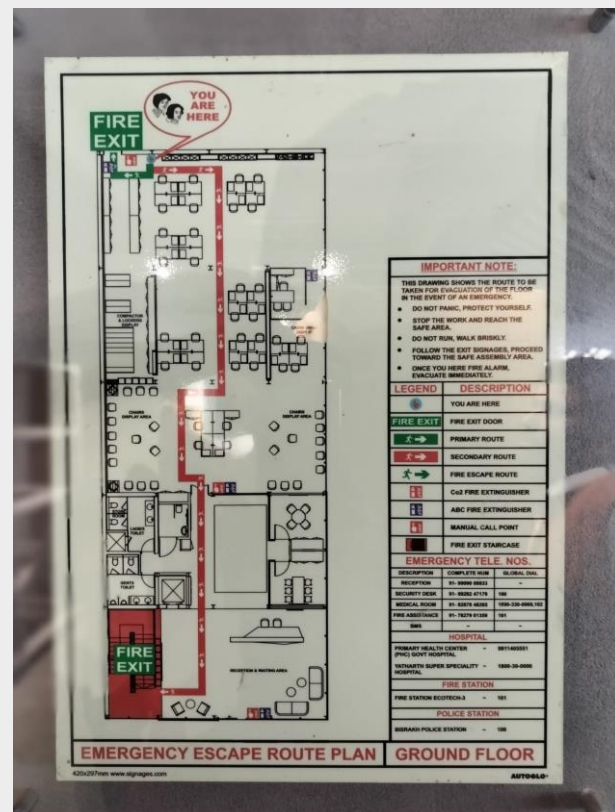
Ensuring a safe and healthy work environment is both a legal mandate and a moral imperative at AFC. Governed by the Employee Health and Safety (EHS) Policy and operationalized through the EHS Guidelines, our systems comply fully with the internationally recognized ISO 45001:2018 Occupational Health and Safety Management Standard.

The policy is structured around a "Prevention Preparedness Response Recovery" model. It mandates workplace risk assessments, hazard identification, near-miss reporting, and control measures tailored for specific job roles. Site-specific safety protocols exist for electrical work, chemical handling, material lifting, and confined space operations.

A specialized Health and Safety Committee meets every quarter and includes departmental heads, floor supervisors, and HR representatives. It is tasked with updating safety SOPs, evaluating past incidents, organizing monthly training sessions, and coordinating with external safety auditors.

Employees are also regularly trained on **emergency evacuation**, fire safety, and personal protective equipment (PPE) use. Drill attendance is mandatory, and fire safety marshals are assigned across all AFC locations. Hazardous areas are mapped with signage and physical barriers, and every piece of electrical equipment or heavy machinery undergoes scheduled preventive maintenance.

The **EHS training matrix** covers tailored content for departments such as welding, painting, assembly, chemical handling, electrical work, and general housekeeping ensuring both legal compliance and life safety.



2.4 Interlinkages and Oversight

AFC's policies do not operate in silos. Instead, they form a networked governance structure where **ethics, safety, social responsibility, and human rights are interdependent**. Each policy is:

- Reviewed annually or as mandated by law
- Linked to performance KPIs for relevant departments
- Audited both internally and by certified third parties
- Integrated into onboarding, training, and performance appraisals

Our oversight mechanism is composed of specialized committees:

- **POSH Committee:** Investigates harassment complaints with external NGO members
- **DEI Council:** Monitors inclusion practices, gender parity, and bias-free hiring
- **Health and Safety Committee:** Tracks training coverage, PPE audits, and incident resolutions
- **CSR Sub-Committee:** Approves and monitors social investments
- **Ethics Officer:** Monitors violations, whistleblowing reports, and compliance declarations

Together, these ensure that governance is not a checkbox, but a continuously improving system of embedded responsibility.

3. Community Outreach and Development

We believe that business success is intimately connected with the prosperity of the communities we serve. Our commitment to social upliftment is driven by the Community Outreach and Engagement Policy, which defines our approach to Corporate Social Responsibility (CSR) and guides us in translating intentions into measurable, long-term community impact. Whether it is through improving access to education, enhancing public health, or beautifying local neighbourhoods, our interventions aim to empower the most vulnerable and ensure that the benefits of progress are equitably shared.

Our community programs are designed around key themes aligned with national development goals and the UN Sustainable Development Goals (SDGs), particularly SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 11 (Sustainable Cities and Communities). These initiatives are implemented in close collaboration with local NGOs, civic bodies, and employee volunteers creating a shared value model that strengthens social bonds while building institutional trust.



3.1 Strategic Areas of Intervention

Health is foundational to all forms of human development. Recognizing the limited access to preventive and primary healthcare services in low-income neighbourhoods, especially around our operational hubs, AFC System Private Limited has made public health a top CSR priority.

Education has the power to transform lives, and at AFC, we view it as a cornerstone for social equity. Our efforts in education are focused on addressing the infrastructural, financial, and motivational barriers that often keep underprivileged children from continuing their studies.

To promote holistic learning environments, we also distributed comprehensive school kits to children. These kits included essential learning materials such as notebooks, pens, geometry boxes, school bags.

Our partnerships with grassroots organizations like Divya Tarang, Pechan, and Bhawishya NGOs played a crucial role in extending our educational outreach. Through these collaborations, our employees conducted interactive sessions and workshops that emphasized the long-term importance of education, personal discipline, and goal-setting. These sessions were not just informative; they were also deeply inspiring. AFC employees served as mentors, sharing their real-life journeys and encouraging children to cultivate ambitions beyond societal and financial barriers.

Together, these efforts are designed to foster greater school retention, elevate academic performance, and build confidence among children from disadvantaged backgrounds. At AFC, we see education not merely as an intervention, but as a lasting investment in the future of the communities we serve.



Seasonal vulnerabilities often affect the most marginalized populations. AFC recognizes the struggles faced by low-income families during peak winters and stepped up its efforts to ensure warmth and dignity during these months.

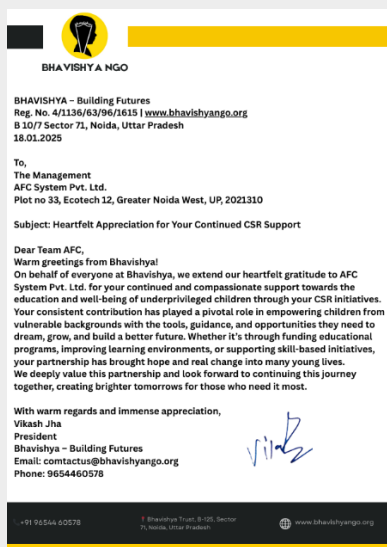
We remain deeply committed to addressing seasonal vulnerabilities through compassionate community outreach. During the winter months, warm clothing becomes a basic yet critical need, particularly for marginalized populations. Special attention was given to ensure that support reached those who needed it the most, including senior citizens, widows, individuals with disabilities, and households led by women.



The distribution process was conducted with utmost care and dignity. Volunteers from our HR and Admin departments personally undertook door-to-door visits during early mornings and late evenings, making sure that every beneficiary was thoughtfully identified and that resources were distributed fairly, avoiding any duplication. These seasonal interventions, though simple in nature, carry profound significance. They foster emotional goodwill and reflect AFC's sensitivity to the daily struggles of those in our surrounding communities. Through such actions, we aim to extend not just aid, but also solidarity and empathy.

3.2 NGO Engagements: Partnering for Impact

Partnerships with grassroots NGOs have played a critical role in extending our reach and ensuring contextual understanding of local issues. Each visit was a structured outreach event, starting with an ice-breaking session, followed by knowledge-sharing activities, workshops, games, and material distribution. Participants from AFC were emotionally moved by the gratitude shown by the children and committed to mentoring roles for the long-term.



3.3 Employee Volunteerism

AFC firmly believes that employee involvement is the soul of social impact. To enable this, we implemented an Employee Volunteering Policy that allows each full-time employee to avail up to 16 hours of paid Volunteer Time Off (VTO) per calendar year. Our Employees took part in Field visits to NGOs, Creative learning sessions with underprivileged children and in other activities.

4. Ethical Labour Practices and Human Rights



We believe that people are not merely resources but the foundation of our organizational purpose. Our approach to labour and human rights is rooted in the fundamental values of dignity, fairness, equity, and empowerment. Through our Labour and Human Rights Policy, we are committed to creating a workplace that fosters ethical conduct, lawful employment, and safe working conditions not only within our internal ecosystem but also across our supply chain.

The policy is enforced through documented procedures, awareness training, and stringent compliance checks, ensuring that all stakeholders are aligned with AFC's social expectations.

4.1 Zero Tolerance for Child Labour and Forced Labour

We operate with a strict zero-tolerance policy against any form of child labour, forced labour, bonded labour, or human trafficking. Our commitments are in line with The Child Labour (Prohibition and Regulation) Act, 1986, ILO Convention No. 182 on Worst Forms of Child Labour, The United Nations Guiding Principles on Business, and Human Rights (UNGPs).

We have institutionalized a rigorous system to eliminate any possibility of child labour or forced labour across its operations and extended supply chain. Every employee undergoes strict age verification during onboarding, using only government-issued identification documents to ensure compliance with the Child Labour (Prohibition and Regulation) Act and other relevant labour laws. Employment contracts are drafted with clarity, explicitly stating the roles, responsibilities, wages, and benefits, thus enabling informed consent from every employee at the time of joining.

Our commitment extends to all our vendors and service providers. Every contractual agreement includes non-negotiable clauses that prohibit the use of child labour, bonded labour, or involuntary employment under any circumstances. These stipulations are tied directly to vendor performance metrics, and adherence is a prerequisite for continued partnership with AFC. To reinforce this, surprise inspections and third-party compliance audits were conducted across multiple supplier units during the financial year. All audited units were found compliant, reinforcing our belief in strong pre-screening and ethical collaboration.

If any vendor be found violating these principles, they are subject to immediate blacklisting, imposition of financial penalties, and cancellation of future purchase orders without exception. Through this multi-layered approach, AFC has established itself as a frontrunner in ethical sourcing and responsible supply chain governance within the modular furniture industry, setting a high benchmark for social accountability.

4.2 POSH Policy and Workplace Safety for All Genders



We maintain a zero-tolerance stance on sexual harassment through its robust Prevention of Sexual Harassment (POSH) Policy, fully aligned with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy serves as a critical pillar in creating a safe, inclusive, and respectful workplace for all employees, particularly women and individuals from marginalized genders.

The POSH Committee at AFC is structured to ensure impartiality, confidentiality, and fairness in the grievance redressal process. To strengthen awareness and preventive measures, AFC conducts mandatory biannual workshops for all employees on topics such as gender sensitivity, unconscious bias, and appropriate workplace behaviour. We have implemented multiple anonymous reporting mechanisms - email channels, secure drop boxes, and direct access to committee members to ensure that victims and witnesses can raise concerns without fear.

A cornerstone of the policy is its zero-retaliation clause, which guarantees protection to complainants and witnesses from any form of professional or personal backlash. Significantly, there were no formal complaints filed under POSH during FY 2024-25. While this could suggest underreporting in other contexts, at AFC, we interpret this outcome as a testament to the effectiveness of our training programs, proactive committee engagement, and a workplace culture grounded in ethics, dignity, and psychological safety.



आंतरिक शिकायत कमेटी (POSH)

- अनुष्का खन्ना (वरिष्ठ प्रबंधक - पीपीसी) - अध्यक्ष
- पल्ली श्री (प्रबंधक - मार्केटिंग) - सदस्य
- शाहनवाज शेख (प्रमुख - उत्पादन) - सदस्य
- रणधीर मिश्र (वरिष्ठ प्रबंधक - लीगल) - सदस्य
- नूतन सिंह (एनजीओ) - बाहरी सदस्य

शिकायत करे : 9220904690
मेल आइडी : hr@afcindia.in
corporatehr@afcindia.in

4.3 Fair Compensation, Work-Life Balance, and Welfare Entitlements

We are deeply committed to ensuring that every employee from the factory floor to corporate leadership receives not only fair compensation but also the dignity, security, and opportunities they deserve. Our compensation philosophy is designed to harmonize legal compliance with social responsibility and industry competitiveness, thereby promoting holistic employee well-being.

Wages paid at AFC strictly comply with the minimum wage standards established by respective state labour boards. To reinforce this, bi-annual wage audits are conducted to prevent any discrepancies or unfair practices. In addition to regular pay, all employees are compensated for overtime work in accordance with the provisions of the Factories Act and other applicable labour legislation, ensuring that extra effort receives appropriate recognition.

Employees are entitled to a well-rounded set of leave benefits, which includes paid annual leave, casual and sick leave, and statutory entitlements such as paid maternity leave under the Maternity Benefit Act. AFC has also introduced paternity leave to support inclusive family responsibilities, reflecting our commitment to gender-sensitive policies.

To enhance financial and health security, we make timely and full contributions to both the Employees' State Insurance (ESI) and Provident Fund (PF). Moreover, all permanent employees are covered under our comprehensive medical insurance policy, with an option to include dependents. This ensures that healthcare needs are met proactively and affordably.

For transparency and ease of understanding, salary slips, paysheets, and employment contracts are made available in regional languages. This inclusive approach allows employees at all literacy levels to understand their rights, duties, and entitlements without ambiguity.

In essence, AFC aims not just to generate employment but to create dignified livelihoods. By empowering our workforce through fair compensation, social protection, and accessible documentation, we contribute meaningfully to the long-term financial stability and well-being of our employees and their families.

4.4 Non-Discrimination and Equitable Opportunity

We uphold the principle of equal opportunity as a fundamental pillar of its human resources philosophy. We firmly believe that diversity in identity must never become a barrier to opportunity. Our processes for recruitment, appraisal, training, and promotion are firmly rooted in the values of meritocracy, inclusivity, and fairness ensuring that all individuals, regardless of their background, have access to equal opportunities and recognition.

To embed this culture across the organization, all members of our recruitment and promotion panels are required to attend sensitization workshops at regular intervals. These sessions are designed to address unconscious bias, promote inclusive hiring language, and enable equitable evaluation during interviews and appraisals. Through this proactive approach, we aim to eliminate systemic biases and ensure a level playing field for all.

We actively monitor and evaluate our internal diversity metrics. Special attention is paid to indicators such as gender ratios across departments, representation from economically disadvantaged backgrounds, and inclusion of persons with disabilities. These statistics are reviewed during quarterly HR and DEI Council meetings, and any disparities trigger targeted interventions to bridge the gaps.

We also foster a culture of openness and accountability through its anonymous grievance redressal system. To ensure continuous feedback and inclusivity, employees are encouraged to voice concerns or suggestions through multiple channels including suggestion boxes, internal helpdesks, and a confidential ethics hotline. This multi-pronged approach empowers our workforce and strengthens a culture of mutual respect, trust, and transparency.

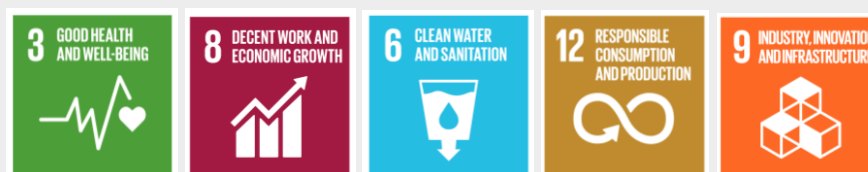


We believe that inclusive and diverse workplaces drive innovation, build resilience, and ensure long-term business sustainability. Our Diversity, Equality, and Inclusion Policy has been framed in accordance with both Indian regulatory frameworks and global standards like the UN Women's Empowerment Principles, UN Sustainable Development Goals (SDGs), and the International Labour Organization (ILO) conventions.

Through structured interventions, capacity-building programs, and fair hiring practices, we ensure that every employee feels respected, valued, and empowered to thrive regardless of their gender, age, ability, identity, or socio-economic background.

We recognize that DEI is not a one-time initiative but a continuous journey, deeply embedded in our people practices and leadership approach. By aligning our internal culture with global best practices and national priorities, we aim to foster a workplace where equity is not an exception, but the norm.

5. Health, Safety, and Environmental Management



At AFC System Pvt. Ltd., safeguarding the well-being of our workforce and minimizing our environmental footprint are non-negotiable priorities. The company's robust Health, Safety, and Environmental (HSE) Management System is governed by comprehensive policies, global best practices, and stringent operational controls aligned with ISO 45001:2018 and relevant Indian laws such as the Factories Act, 1948, and Environment (Protection) Act, 1986.

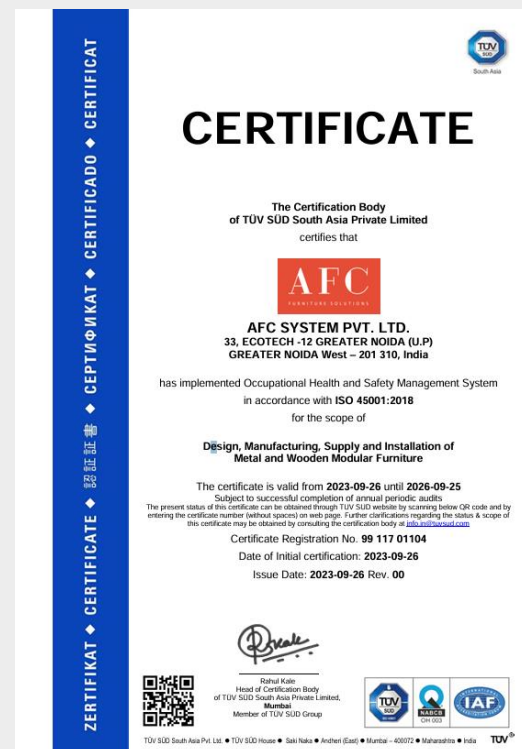
We believe that a safe and healthy workplace boosts morale, improves productivity, and demonstrates our accountability to employees and society. Simultaneously, environmental sustainability measures reflect our commitment to intergenerational equity and planetary stewardship.

5.1 Occupational Health and Safety (OHS)

At AFC System Pvt. Ltd., safeguarding the well-being of our workforce and minimizing our environmental footprint are non-negotiable priorities. Our robust Health, Safety, and Environmental (HSE) Management System is governed by comprehensive policies, global best practices, and stringent operational controls aligned with ISO 45001:2018 and relevant Indian laws such as the Factories Act, 1948, and the Environment (Protection) Act, 1986. We believe that a safe and healthy workplace boosts morale, enhances productivity, and reflects our accountability toward employees and society. At the same time, our environmental sustainability measures reaffirm our commitment to intergenerational equity and planetary stewardship.

Our ISO 45001:2018-certified Occupational Health and Safety Management System enables us to proactively identify risks, prevent injuries, and ensure workplace hygiene. We follow a structured internal guideline document, which outlines department specific safety protocols, including safe equipment handling, chemical safety, fire preparedness, and more. We mandate the use of Personal Protective Equipment (PPE) such as helmets, gloves, safety goggles, ear protection, and fire-resistant clothing. Before conducting any high-risk task, we perform a Job Safety Analysis (JSA). Our facilities are equipped with visual cues such as color-coded signage and multilingual instructions to demarcate hazard zones. All our electrical, hydraulic, and pressure-based equipment undergo regular inspections and calibration. We also hold weekly toolbox talks for our maintenance and operations teams to reinforce safety measures and share updates.

For emergency preparedness, we conduct quarterly fire and evacuation drills across all our manufacturing and office premises. These drills help test our responsiveness, improve readiness, and ensure that every employee is aware of emergency exits, assembly points, and the location of firefighting equipment. We strengthened our emergency protocols by appointing fire marshals for each floor and upgrading our first-aid stations with oxygen masks, CPR kits, and stretchers.



5.2 Health and Well-being Initiatives

Recognizing that employee health is holistic encompassing both physical and mental well-being, we expanded our health support programs this year. All

employees, including factory workers, underwent comprehensive annual medical screenings conducted in partnership with third-party diagnostic providers. These screenings covered key health parameters such as blood pressure, blood sugar, haemoglobin levels, ECG, and vision testing. Individuals found with risk factors were provided with counselling and referred to appropriate clinics for further treatment to ensure timely care and follow-up.

To address mental well-being, we partnered with a reputed employee wellness platform to provide confidential tele-counselling, stress management sessions, and mental health assessments. This service was available 24/7 in English, Hindi, and two regional languages. A total of 55 employees accessed these services over the year, seeking support for concerns such as anxiety, sleep disorders, and burnout-related symptoms.

In our continued commitment to holistic wellness, we also introduced new facilities to support physical fitness and mental resilience. The inauguration of an in-house gym and a structured yoga wellness program provided employees with regular opportunities to improve stamina, immunity, and stress management through guided routines and community engagement.

5.3 Environmental Responsibility and Compliance



We recognize that environmental sustainability is not just a regulatory obligation but a moral imperative that aligns with its broader commitment to responsible corporate citizenship. With increasing global concern around climate change, resource depletion, and environmental degradation, AFC has taken proactive steps to reduce its ecological footprint and integrate sustainability into its day-to-day operations.

A number of initiatives have been rolled out to support these efforts. Rainwater harvesting systems have been installed at two of our key operational sites. To further conserve water, low-flow taps and dual-flush systems were implemented in restrooms and kitchens. Waste segregation zones have been introduced and are clearly marked for hazardous, recyclable, and organic waste, encouraging proper disposal and minimizing landfill contribution. In procurement, AFC now gives preference to vendors that offer recyclable packaging and adhere to green manufacturing standards. Our paints and chemicals are sourced based on environmental safety, using low VOC (volatile organic compound) and lead-free formulations that reduce toxic emissions during application and manufacturing.



Hazardous waste management is strictly regulated within our facilities. All waste solvents, paints, and chemicals are stored in designated containment units, with disposal carried out only through government-approved handlers in compliance with the Hazardous Waste Management Rules, 2016. Each chemical used is accompanied by a Material Safety Data Sheet (MSDS), ensuring all staff are informed about proper handling and first-aid measures.

In addition to infrastructural and procedural measures, AFC also focuses on environmental awareness and behavioural change among employees. During our Earth Week campaign in April 2024, employees participated in a series of hands-on activities designed to foster environmental consciousness.

6. Employee Wellness and Infrastructure



We recognize that employee well-being is a cornerstone of organizational productivity, engagement, and sustainability. Our wellness initiatives are built on the understanding that a healthy employee is not just physically fit, but also mentally resilient and emotionally balanced. As we move toward building a future-ready workforce, our infrastructure and policies reflect a shift from reactive health interventions to proactive, preventive wellness management.

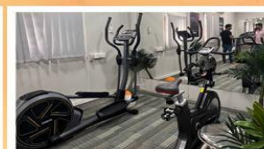
The Employee Wellness and Infrastructure Program is guided by the belief that promoting well-being improves employee satisfaction, reduces absenteeism, and enhances long-term performance. This commitment is reinforced through investments in physical infrastructure, lifestyle awareness campaigns, and mental health initiatives.



Our workspace transforms into a haven of tranquility as we embark on a 11 days journey of wellness guided by the experts from **YOGA FAMILY EJJA FOUNDATION**.

We took significant strides to embed wellness into the very fabric of its workplace culture by inaugurating in-house gymnasium at its corporate headquarters. Designed to support the physical and mental well-being of employees, the facility features a wide array of cardiovascular equipment, including treadmills, elliptical machines, and stationary bikes, alongside strength training stations such as multi-gyms, dumbbells, and resistance bands. Additionally, mats and accessories for flexibility and balance exercises were made available, and a mini wellness café offering herbal teas, protein snacks, and fruit-infused water was set up to encourage healthy consumption habits.

The gym remains open during working hours and is monitored by a wellness coordinator from the HR department to ensure optimal usage and safety. Complementing the gym's inauguration, a 11-day holistic Yoga and Wellness Workshop was conducted in partnership with the Eija Foundation in April 2024. Themed “Stress Management and Weight Loss in Corporate Life,” the program integrated modules on breathing exercises, mindful nutrition, flexibility training, emotional resilience, and personal wellness planning. With over 50 employees participating and a 95% completion rate, the workshop yielded positive outcomes.



The inauguration of AFC Gym marks a significant step toward enhancing our workplace wellness initiatives. By providing our employees with the resources and support they need to prioritize their health, we are investing in their well-being and the overall productivity of our company. We look forward to seeing our employees take advantage of this fantastic new resource!

Continuing the momentum toward holistic well-being, AFC organized its annual Employee Outbound Learning Program from March 14th to 16th, 2025, in the tranquil surroundings of Rishikesh, Uttarakhand. This immersive retreat was designed to foster interpersonal trust, break departmental silos, and support emotional rejuvenation through structured outdoor and reflective experiences. The program emphasized cross-functional collaboration, self-discovery, and burnout recovery while honoring top performers and culture ambassadors. Activities included adventurous outings like river rafting on the Ganga, nature walks, and trail hikes that reinforced teamwork and resilience. Wellness components were thoughtfully interwoven, featuring sunrise and sunset group meditations, guided pranayama sessions, and wellness circles where employees openly discussed emotional challenges and personal growth. Creative outlets such as evening talent showcases and reflective dialogue circles provided a platform for self-expression and reinforced AFC's core values respect, accountability, empathy, and innovation. Leadership reflection sessions led by senior management enabled employees to contextualize these values within real workplace scenarios. Together, these initiatives



form a comprehensive framework that positions AFC as not only a responsible employer but a nurturing ecosystem for personal and professional evolution.

7. Community Resilience Planning

At AFC System Private Limited, we recognize that our role as a responsible corporate citizen extends beyond the confines of commercial activity. In a world increasingly affected by natural calamities, technological failures, pandemics, and human-induced crises, disaster preparedness and resilience have emerged as crucial components of sustainable development. AFC's Community Resilience Framework is a structured, inclusive, and preventive approach that ensures we are not just responsive to disasters but also actively engaged in risk mitigation, capacity building, and rapid recovery.

Our framework draws inspiration from globally acknowledged disaster risk reduction and resilience-building models, such as the Sendai Framework for Disaster Risk Reduction, while being firmly rooted in the socio-economic realities of the regions in which we operate. The primary objective is to strengthen the readiness of both our organization and the surrounding communities, ensuring that critical services, infrastructure, and vulnerable populations are protected before, during, and after any disruptive event.

The Six-Step Resilience Framework

The implementation of AFC's resilience framework is divided into six structured and interlinked stages:

a. Collaborative Planning Teams

The process begins with the formation of multidisciplinary planning teams that bring together expertise from both internal and external stakeholders. These teams typically include HR managers, legal officers, safety coordinators, and representatives from local administrative bodies such as the Gram Panchayat. Additionally, we involve NGO representatives and grassroots community workers who have deep insights into social vulnerabilities such as poverty, age-related isolation, and access to public services. The goal is to ensure that planning is participatory, inclusive, and grounded in the lived experiences of the people who will be most affected.

b. Understanding Community Dependencies

Before drafting any response plan, AFC undertakes comprehensive mapping of existing infrastructure and dependencies within the community. This includes identifying critical physical infrastructure such as transportation routes, electrical lines, drainage systems, and water supply channels. Concurrently, we assess the socio-demographic layout of the area, pinpointing vulnerable groups including the elderly, single mothers, children, individuals with disabilities, and those with chronic illnesses. This dual lens of physical and human vulnerability allows for a better-targeted response in times of need.

c. Defining Resilience Goals

Clear, measurable objectives are central to any successful resilience plan. AFC has set ambitious yet realistic targets, such as enabling disaster recovery and operational resumption within 30 days of any major disruption. We also aim to establish and maintain emergency kits comprising non-perishable food, drinking water, medical supplies, and hygiene products sufficient to support at least 72 hours of community self-sufficiency. In addition, we conduct awareness-building sessions and simulation drills every six months to educate both employees and local residents on how to respond to different types of emergencies.

d. Developing the Response Plan

Based on identified risks and community feedback, AFC formulates detailed Standard Operating Procedures (SOPs) to deal with a range of emergency scenarios. These include fire outbreaks, cyber-attacks, chemical spills, power failures, and natural disasters such as floods or earthquakes. The plan also accounts for the logistical setup of emergency shelters, in collaboration with our NGO partners. These shelters are designed to offer temporary relief and care, equipped with bedding, sanitation, and essential medical services. Each plan is tailored to the specific risk profile and resource availability of the site or community.

e. Feedback and Approval

The draft versions of all resilience plans are shared with community members, focus groups, and departmental heads for feedback. This consultation process ensures that plans are not just top-down impositions but reflect real concerns and incorporate feasible, locally accepted solutions. After necessary revisions, the finalized resilience plans are formally reviewed and approved by AFC's CSR Board Committee, which is tasked with oversight of all social impact initiatives.

f. Execution and Continuous Improvement

Once approved, the plan moves into the implementation phase. This includes the scheduling and execution of quarterly evacuation drills, first-aid certification programs, and simulation exercises. In addition, monthly status reviews are held with emergency response teams to discuss performance metrics, update emergency contact directories, and review resource inventories. Any observed gaps or challenges are addressed in real time, ensuring the resilience plan remains a living, evolving document rather than a static file.

7.2 Hazards Addressed

AFC's Community Resilience Planning framework is grounded in a realistic understanding of the diverse hazards that can disrupt lives, livelihoods, and operations. These hazards are classified into four major types, each requiring a unique preparedness strategy. Natural hazards include floods, earthquakes, and landslides events that can damage infrastructure, displace communities, and cause significant operational downtime. Technological hazards such as machinery failures and large-scale power grid collapses pose a direct threat to productivity and safety in manufacturing and office environments. Biological hazards, including pandemic outbreaks and food safety threats, can affect employee health, supply chains, and community wellbeing. Lastly, man-made hazards like fire accidents, riots, and cyber-attacks demand a multi-pronged approach combining physical safety protocols with cybersecurity infrastructure and community coordination. By addressing all these dimensions in our resilience blueprint, AFC System Pvt. Ltd. ensures that we are not merely reacting to disasters after they occur but proactively building systems that can absorb shocks, recover swiftly, and protect both employees and communities under our influence.

At AFC System Private Limited, social responsibility is a deeply embedded value that informs every facet of our decision-making and operations. It is not viewed as a symbolic exercise, but as a foundational element that defines how we grow, engage with stakeholders, and contribute to society. Over the past year, our focus has remained steadfast on building a culture rooted in equity, accountability, ethical conduct, and inclusive development.

Through our ethical sourcing policies, child labour prevention systems, and strong anti-harassment protocols, we uphold human rights and workplace dignity. Our commitment to employee wellbeing is evident in initiatives like the gym inauguration, structured wellness

programs, and outbound learning retreats all aimed at supporting physical, emotional, and social health. The educational scholarships, health camps, blanket drives, and NGO partnerships reflect our belief in community centered progress, driven by the understanding that sustainable growth must be shared and inclusive.

Our governance infrastructure including our Code of Conduct, Ethics Officer mechanism, DEI Council, and supplier code of conduct not only ensures compliance but fosters a culture of responsibility and transparency. The rollout of our Community Resilience Framework, environmental conservation programs, and digital tracking of volunteer hours are steps toward a more responsive and measurable impact model.

Looking ahead, our focus will be on scaling these efforts and aligning them more closely with national and global frameworks such as the SDGs, SEBI's BRSR guidelines, and industry-specific ESG benchmarks. Initiatives planned for the next year include the implementation of a CSR Impact Dashboard, internal carbon accounting, expansion of DEI efforts to our extended workforce, and readiness for EcoVadis certification.

Our vision is to become a company that is not only efficient and innovative in its products and services but also one that is respected for its conduct, compassion, and community focus. We are grateful to all employees, partners, NGOs, and communities who have collaborated with us in this journey of impact. Together, we aim to create long-term value not just for our shareholders, but for society at large.