
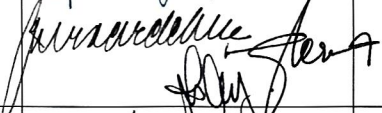
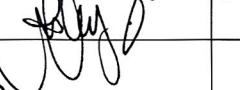




 INVESTMENTS CORPORATION	POLICIES AND PROCEDURES			
	SUSTAINABLE SUPPLY CHAIN POLICY			
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Document Approval

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1.0 OBJECTIVE

This **Sustainable Supply Chain Policy** is part of SM's Sustainability Management System to ensure the full practice of the Sustainability Policy and uphold good corporate governance principles espoused in our Corporate Governance Framework. This Policy aims to provide implementing guidelines on how the Company promotes sustainability and inclusive supply chain practices within SM.

2.0 OUR SUSTAINABLE SUPPLY CHAIN POLICY

SM Investments Corporation (SMIC) envisions to be a catalyst for responsible development in the communities it serves. To realize this, SMIC shall incorporate sustainability material topics in assessing suppliers and engage suppliers in awareness campaigns to help them embark on their sustainability journeys.

3.0 OUR COMMITMENT and INITIATIVES

With SMIC serving as lead and exemplary to the group, all business units within the SM group are expected to develop their respective Sustainable Supply Chain Policy that stipulates its approach to incorporating sustainability standards in its accreditation processes, awareness campaigns and engagement with the company's suppliers. This policy is limited to the items procured for the SMIC parent company. Services rendered by the SMIC Procurement team shall align and implement the Sustainable Supply Chain policies of the respective company it provides the service.

1. Adherence to Human and Labor Rights

We adhere to the standards of human and labor rights stipulated in the UN Global Compact principles of no child labor, no compulsory labor or not complicit in any form of human rights; protecting the rights of employees to freedom of association and collective bargaining; and no forms of discrimination.

2. Precautionary Approach to Environmental Impacts

We promote the precautionary approach to environmental impact – promoting programs to mitigate our company's impact on the environment, pose no threat to the planetary boundaries, and promote climate action.

3. Promote Greater Environmental and Social Responsibility


We support and promote greater environmental and social responsibility among our suppliers through awareness campaigns such as the SM Sustainability School, and engage them in the Company's sustainability programs.

4. Support Circular Systems

Whenever possible, we shall promote the use of products that support circular systems at the end of life cycle, particularly in information technology, materials usage and other items requiring high volumes.

5. Sustainability Journey Process: Awareness, Assessments, Verification and Evaluation

We work with our suppliers through our Sustainability Journey Process: helping raise their awareness and understanding of sustainability, incorporating sustainability in accreditation assessments to help them through the journey, a verification process with the support of the SM Sustainability Office and an evaluation method on progress and corrections implemented by the suppliers.

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6. Integrity and Transparency in Sustainable Supply Chain Practices

We uphold the highest integrity in the selection and our dealings with our suppliers. We practice our SM Code of Conduct and are liable to internal audit of our company. Our suppliers are also expected to conduct their dealings with SMIC following the guidelines stipulated by the SM Code of Conduct and applicable company policies, at all times. We provide avenues for our suppliers to whistleblowing following our Whistleblowing Policy.

7. Supply Chain Risk Assessments

We shall incorporate supply chain risks and opportunities as part of the ESG Risk Management. The ESG Risk Management Framework is an active document that is regularly reviewed and updated. It is aligned with the Enterprise Risk Management of the Company. This assessment is done through the partnerships of the Governance, Risk and Compliance Office, Procurement Office and the SM Sustainability Office.

This policy is part of the SM Sustainability Management System to ensure the full realization of the SM Sustainability Policy and uphold good corporate governance principles espoused in our Corporate Governance Framework. This policy shall be regularly reviewed and updated as necessary.