

SUSTAINABILITY POLICY

I. PURPOSE

The purpose of this Sustainability Policy (the “Policy” or the “Sustainability Policy”) is to ensure that SBS Philippines Corporation (“SBS” or the “Company”), consistently employs and integrates the best sustainable practices and standards, in the conduct of its business and the pursuit of its growth strategy. This Policy covers a range of areas that are relevant and material to our key stakeholders, and where the Company has significant impact on, especially in terms of governance, economic, environmental, and social aspects,

In addition, this Policy integrates the Company’s Corporate Social Responsibility management practices, operating systems and processes, aligned with its firm commitment to be a good responsible corporate citizen, not only because we are expected to, but also because SBS firmly believes it makes good business sense to do so in the long run.

In particular, we seek to utilize and focus our expertise and core competencies and endeavor to deliver on the following commitments:

- Provide service excellence and continuously seek new business opportunities to improve the Company’s financial viability and maximize shareholder value.
- Prioritize the introduction of sustainable products and solutions to offer our customers access to eco-friendly and safe raw materials, additives, and process aids across the entire value chain.
- Operate the company in a safe working condition that protects the health and well-being of our employees, service providers and the communities we operate in.
- Create a dynamic workplace environment anchored on a diverse and passionate workforce, investing in our employees’ professional and personal development, and respecting every employee’ fundamental rights at work.
- Promote a strong corporate governance culture and conduct its business following ethical business principles across the organization.
- Intensify our action in support of circular economy and invest in appropriate technology to reduce greenhouse gases emission and enhance the use of available environmental protection initiatives needed as a result of our operations.
- Collaborate with our business partners, customers, local communities, regulators, civil society, shareholders and other stakeholders to advance all efforts including our Corporate Social Responsibility activities in support of United Nation’s Sustainable Development Goals.

II. COVERAGE

This Sustainability Policy covers all directors, officers, and employees of the Company. All contractors, subcontractors and individuals acting in any capacity for or on behalf of the Company should be made aware and encouraged to comply with this Sustainability Policy especially in critical areas where the Company will require mandatory adoption of this Policy. All industry partners in the Company's supply chain are likewise encouraged to adopt this Sustainability Policy as best practice guidance for their own businesses with the aim of ensuring consistent sustainable operational practices.

III. SUSTAINABILITY AT SBS

A. SBS Approach to Sustainability

Our approach is to fulfill our commitments on sustainability, in tandem with the pursuit of our long term financial viability and growth agenda. This requires recognizing the seven principles of socially responsible behavior: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior and respect for human rights. It also involves managing stakeholder expectations and perspectives while contributing to sustainable development in an environmentally and socially considerate manner.

The SBS's Board of Directors, in support of our Commitment on Sustainability, delegates and tasks the Corporate Governance & Sustainability Committee, to regularly review the effectiveness of this policy and oversee its implementation across the whole organization.

B. Customers

SBS provides raw material products, services, solutions and systems to meet the current and future needs of our customers that are essential to their daily production and operations. We are committed to serve them with excellence, gain and retain their trust and confidence through our product quality and service reliability. This also requires that we provide our customers relevant information regarding the proper handling, use and disposal of our products.

To meet these objectives, we commit to:

- (a) keep abreast with innovative technology and the development of sustainable products and processes globally to be able to provide our local customers with eco-friendly and safe raw materials, additives, and process aids for their manufacturing and other needs.
- (b) continuously improve customer experience, using our enterprise resource planning and customer relationship systems, to serve our customers' demand - on time and in full.
- (c) provide information to customers about the proper use and disposal of our products and their packaging materials, as defined in the material safety data sheet;
- (d) ensure product safety and service reliability to our customers, and those of our suppliers and third-party service providers; and
- (e) protect the privacy and security of personal data of our customers and our employees by adhering to the relevant company policies, including SBS Data Privacy Policy, SBS

Document Retention Policy, Non-Disclosure and Confidentiality Undertakings, and Data Privacy Law, among others.

C. Employees and Workplace

We are committed to create a dynamic workplace environment anchored on a diverse and motivated workforce that encourages collaboration and offers our employees opportunities to learn, grow and succeed at professional and personal level.

We will provide equal employment opportunities and ensure that all our activities respect, promote and advance human rights. Through various policies and procedures detailed in the Employee Handbook, Code of Business Conduct and Ethics, Whistleblowing Policy, and others, SBS provides a framework to promote a strong good corporate governance culture and a positive working environment among its employees.

SBS will adapt the best practices in its targeted talent acquisition, training and development, rewards and recognition, engagement and retention programs, especially for top performers. The Company will use the most effective communication tools and systems e.g. regular town hall and department meetings, chat group platforms within the organization, to ensure that all employees are made aware and fully understand the Company's policies and decisions. This is also to help promote team spirit, improve the overall efficiency and productivity of the Company, enhance services to customers, and increase level of engagement and well-being of all employees.

To meet these objectives, we will:

- (a) make workplace safety as a top Company priority. We ensure work done by all employees for the Company is performed in a healthy and safe working environment and encourage a healthy lifestyle;
- (b) require employees to follow all workplace safety practices at all times and ensure that they follow proper procedures should an accident or injury occur;
- (c) attract, motivate, and develop our people to reach their fullest potential, in a working environment that supports professional and personal development. These will include recognition programs and awards that inspire employee creativity, improve productivity, and lower staff turnover;
- (d) provide staff at various stages of their career with access to skills development and training for career advancement, on an equal and non-discriminatory basis.
- (e) provide our employees with labor protection and ensure that no forms of child or forced labor take place in any part of our business;
- (f) provide employees a safe and harassment-free working environment and establish an open communication channel between management and staff through physical and online communication platforms; and
- (g) ensure proper implementation of Company policies and procedures to promote a strong good corporate governance culture, compliance with laws, and adherence to the Company's Code on Business Ethics.

D. Community

SBS is committed to build relationships with the host communities where we operate and to support local social businesses who share our aims, through a diverse range of initiatives that include sponsorships of worthy educational initiatives and offering volunteer services.

To meet these objectives, we will:

- (a) operate the company in a safe working condition that protects the health and well-being of our employees, service providers, and the communities we operate in.
- (b) ensure that the communities in which we primarily operate are informed in a timely manner of any organizational developments which may affect them;
- (c) strive to maintain service levels in the event of social disorder, natural disaster, or other emergencies;
- (d) partner with other organizations, including government's LGUs, businesses or NGOs, in their social development programs, to maximize synergies and make use of complementary resources, knowledge and skills;
- (e) mobilize our employees to be corporate volunteers and encourage them to dedicate their time and skills for community services;
- (f) promote and support education at various levels and engage in actions that helps provide access to quality education; and
- (g) serve our local communities by consistently being good corporate citizens and foster positive relationships by providing in-kind and financial assistance, especially to those in dire need in our local communities.

E. Environment

The Company is committed to reduce the environmental impact of our activities through our internal policies and guidelines. This includes ensuring we adhere and implement our Energy and Water Management Policy and Guidelines, Gas Emission Reduction Policy, Waste Segregation and Waste Paper Recycling procedures. In addition, SBS seeks to utilize our products and services to assist in the development of solutions to environmental problems.

To meet these objectives, we will:

- (a) communicate our commitment to environmental responsibility to all stakeholders including shareholders, customers, employees, suppliers, business partners, governments, and non-government organizations by creating awareness of environmental efforts across the Company and our sphere of influence;
- (b) continually improve the Company's environmental performance by regularly monitoring, measuring, and reporting its progress against the set targets annually;
- (c) assess potential environmental impacts before commencing on a new project, and establish measures to manage those impacts including mitigating climate change impacts;

- (d) ensure that the operations of the Company comply with relevant environmental laws and mandatory standards;
- (e) develop and promote products and services that optimize energy and water utilization, are environmentally friendly and can be reused, recycled, or disposed of safely;
- (f) identify and reduce energy consumption, as well as direct and indirect greenhouse gas emissions, through the use of energy efficient technology, fuel-efficient company vehicles, low-emission transportation for our operations and renewable energy sources to reduce our carbon footprint;
- (g) take measures to reduce emissions of ozone depleting gases associated with refrigerators, air conditioners, fire extinguishers, solvents for cleaning, and where possible, substitute with alternatives that do not have an adverse impact on the environment;
- (h) minimize waste by applying the waste management hierarchy (avoidance at source, reuse, recycling and reprocessing, proper waste treatment and responsible waste disposal) throughout our operation;
- (i) conserve natural resources by purchasing recycled materials, setting up recycling goals, advocating take-back program on used packaging, and supporting mechanism for a circular economy;
- (j) conserve, reduce and reuse water in our operations;
- (k) work with the local community to support local and international initiatives that advocate for environmental responsibility; and
- (l) take measures to protect biodiversity and local ecosystems when developing and decommissioning Company's infrastructure.

IV. REPORTING AND DISCLOSURE

SBS provides our stakeholders with clear information about our approach to Sustainability. We place primary importance on the sustainability issues of concern of our stakeholders that includes our customers, employees, shareholders, suppliers, regulators, and the local community.

Stakeholders are considered important contributors and/or influencers in the implementation of our strategies and attainment of our objectives. The Company continues to strengthen its engagement with the stakeholders through various activities and channels and with variety of frequency.

The Sustainability Report is issued annually. The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and the sustainability reporting guide provided by the Philippines SEC in Memorandum Circular No. 4, series of 2019 and made available in the Company's website.

V. POLICY CHANGES

SBS policies and any associated documents may change from time to time. It is the intent to review these policies at least once every three (3) years. Any changes to the policy documents and/or their associated documents will be communicated via publication on the Company's website and will supersede any prior dated policies of the same topic.

VI. EFFECTIVITY

Approved by the Board on November 8, 2023. This policy shall be effective immediately.