



**ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS) QUESTIONNAIRE**  
**SELF-ASSESSMENT**  
 AS OF MAY 31, 2017

Question		Answer
<b>LEVEL 1</b>		
<b>PART C: ROLE OF STAKEHOLDERS</b>		
<b>C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.</b>		
<b>Does the company disclose a policy and practices that address:</b>		
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	<p>YES, the Company's Customer Welfare Policy is incorporated in the Code of Ethics. Further, efforts of the Company to address issues involving its customers are also disclosed in the 2016 Sustainability Report.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>Code of Ethics, Sec III.C. Customer Welfare  <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>2016 Annual Corporate Governance Report, Sec H.1, page 34  <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>2016 Sustainability Report, Engaging Stakeholders, page 8  <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> </ul>
C.1.2	Supplier/contractor selection procedures?	<p>YES, the Company has a Supplier Selection Policy, as disclosed in its Annual Report, Annual Corporate Governance Report and Company website.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>2016 Annual Report, Supplier Selection, page 41  <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>2016 Annual Corporate Governance Report, Sec H.1, page 35  <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>Website, Supplier Selection Policy  <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> </ul>

Question		Answer
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	<p>YES, consistent with its Mission, the Company's Environmental Sustainability Policy is incorporated in the Code of Ethics. This policy is also mentioned in the Annual Corporate Governance Report.</p> <p>Further, the 2016 Sustainability Report states that the Company complies with the requirements and laws of different government agencies including the Department of Environment and Natural Resources.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• 2016 Annual Report, Mission 2016 Sustainability Report, Managing Impact, page 23 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Website, Mission <a href="http://www.smprime.com/vision-and-mission">http://www.smprime.com/vision-and-mission</a></li> <li>• Code of Ethics, Sec III.F. Environmental Sustainability, page 3 <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2016 Annual Corporate Governance Report, H.1, page 35 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> </ul>
C.1.4	The company's efforts to interact with the communities in which they operate?	<p>YES, the Company's Corporate Social Responsibility Policy is incorporated in the Code of Ethics.</p> <p>Moreover, the Company, through SM Cares, conducts programs and implements projects involving its various stakeholders. These are disclosed in the 2016 Sustainability Report.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics, Sec III.E. Corporate Social Responsibility, page 3 <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2016 Annual Corporate Governance Report, Sec H.1, page 35 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>• 2016 Sustainability Report, SM Cares Events, pages 32-33 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> </ul>

Question		Answer
C.1.5	The company's anti-corruption programmes and procedures?	<p>YES, the Company stresses full compliance with laws and adherence to ethical practices, as stated in the Code of Ethics. It also has a whistleblowing policy called Policy on Accountability, Integrity and Vigilance (PAIV), which provides for an environment where corrupt practices are reported to the appropriate level of Management for immediate action. It has also issued Guidelines on the Acceptance of Gifts and Travel Sponsored by Business Partners.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics <ul style="list-style-type: none"> <li>- Sec II. Compliance with Laws and Sec III. Ethical Practices</li> <li>- Guidelines on Acceptance of Gifts (Annex 2)</li> <li>- Guidelines on Travel Sponsored by Business Partners (Annex 3)</li> </ul> <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a> </li> <li>• Website – Policy on Accountability, Integrity and Vigilance <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> <li>• 2016 Annual Report, Acceptance of Gifts and Travel Sponsored by Business Partners (Anti-Corruption Policy), page 41 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• 2016 Annual Corporate Governance Report, Sec H.1, page 36 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> </ul>
C.1.6	How creditors' rights are safeguarded?	<p>YES, the Company has a Policy on the Protection of Creditors' Rights, as disclosed in its Annual Report, Annual Corporate Governance Report and Company website.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• 2016 Annual Report, Creditors' Rights, page 41 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• 2016 Annual Corporate Governance Report, Sec H.1, page 36 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>• Website, Creditor's Rights Policy <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> </ul>

Question		Answer
C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	<p>YES, the Company's Annual Report has a separate section for Environmental, Social and Governance (ESG), which provides information about its sustainability framework and projects.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• 2016 Annual Report: Caring for the Environment, page 28 Sustainability Report Summary, page 30 SM Cares, pages 34-35</li> <li>• 2016 Environmental, Social and Governance (ESG) Report <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> </ul>
<b>C.2 Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</b>		
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	<p>YES, contact details of the Company's Investor Relations Office and VP for Corporate Governance are both disclosed in the Annual Report. In addition, the Company's website has a separate Contact Us section, which may be used by stakeholders to voice out their concerns. For corporate governance matters, email address of the Corporate Governance team is also disclosed in the Company website.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• 2016 Annual Report: Corporate Governance, page 43 Corporate Information, page 50 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Website <a href="http://www.smprime.com/contact-us">http://www.smprime.com/contact-us</a> <a href="http://smprime.com/corporate-governance-overview">http://smprime.com/corporate-governance-overview</a></li> </ul>
<b>C.3 Mechanisms for employee participation should be permitted to develop.</b>		

Question		Answer
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	<p>YES, the Company's Employee Welfare Policy is incorporated in the Code of Ethics. The 2016 Sustainability Report also discloses efforts of the Company with regard to health, safety and welfare of its employees.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics, Sec III.D. Employee Welfare, page 3 <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• Website, Employee Welfare <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> <li>• 2016 Annual Corporate Governance Report, Sec H.3.a, page 36 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>• 2016 Sustainability Report, Employee Profile and Holistic Development, page 21 and 22, respectively <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> </ul>
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	<p>YES, information about the training and development of employees are disclosed in the Company website, as well as in the Annual Corporate Governance Report. The 2016 Sustainability Report also discloses efforts of the Company for the employees' holistic development.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Website – Employee Wellness and Development Programs <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2016 Annual Corporate Governance Report, Sec H.3.c, page 37 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>• 2016 Sustainability Report, Holistic Development, page 22 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> </ul>

Question		Answer
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	<p>YES. In line with the Code of Ethics, employee compensation and rewards are determined based on the individual performance of the employee and overall Company performance. In line with this, The Company offers Long Term Incentive Plan designed to improve retention of employees and enhance their performance by providing rewards that are tied to the Company's long-term goals.</p> <p><b>Reference:</b>  2016 Annual Corporate Governance Report, Sec H.3.d, page 37  <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></p>
<b>C.4 Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.</b>		

	Question	Answer
C.4.1	<p>Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report</p>	<p>YES, the Company's Code of Business Conduct and Ethics and Policy on Accountability, Integrity and Vigilance (PAIV), were adopted to create an environment where concerns and issues, made in good faith, may be raised freely by all personnel, including the directors, officers and employees, as well as customers, suppliers, shareholders, service providers and all other stakeholders.</p> <p>Further, contact details of the Company's Investor Relations Office and VP for Corporate Governance are both disclosed in the Annual Report. In addition, the Company's website has a separate Contact Us section, which may be used by stakeholders to voice out their concerns. For corporate governance matters, email address of the Corporate Governance team is also disclosed in the Company website.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics, Sec IV. Reporting Ethics Violations, page 5 <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2016 Annual Report, Policy on Accountability, Integrity and Vigilance (Whistleblowing Policy), page 41 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Website, Policy on Accountability, Integrity and Vigilance (Whistleblowing Policy) <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> <li>• 2016 Annual Corporate Governance Report, Sec H.4, page 38 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>• 2016 Annual Report: Corporate Governance, page 43 Corporate Information, page 50 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Website <a href="http://www.smprime.com/contact-us">http://www.smprime.com/contact-us</a> <a href="http://smprime.com/corporate-governance-overview">http://smprime.com/corporate-governance-overview</a></li> </ul>

Question		Answer
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	<p>YES, The PAIV includes provisions for non-retaliation against the whistleblower.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• 2016 Annual Report, Policy on Accountability, Integrity and Vigilance (Whistleblowing Policy), page 41 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Website, Policy on Accountability, Integrity and Vigilance (Whistleblowing Policy) <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> <li>• 2016 Annual Corporate Governance Report, Sec H.4, page 38 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> </ul>