

VERSION NO. 1	MANUAL TITLE SUSTAINABILITY POLICIES	DOCUMENT NO. SUST-POL-005
	DOCUMENT NAME SUSTAINABLE PROCUREMENT POLICY	REVISION NO. 0
		EFFECTIVITY DATE AUGUST 27, 2026
		PAGE NO. 1 OF 6

1.0 INTRODUCTION

D.M. Wenceslao & Associates, Inc. (DMW) recognizes that procurement decisions play an important role in supporting sustainable business practices, responsible supply chain management, and long-term value creation.

This policy establishes the principles guiding DMW's sustainable procurement practices and supports the Company's commitment to ethical business conduct, environmental stewardship, human rights, social responsibility, risk management, and good corporate governance.

2.0 SUSTAINABLE PROCUREMENT PRINCIPLES

2.1 Compliance and Ethical Business Conduct

- 2.1.1 DMW seeks to conduct procurement activities in a fair, transparent, and ethical manner.
- 2.1.2 Suppliers are expected to comply with applicable laws, regulations, contractual obligations, and DMW's Supplier Code of Conduct.
- 2.1.3 The Company encourages suppliers to maintain high standards of business integrity, ethical conduct, anti-corruption, and responsible business practices.

2.2 Environmental Considerations

- 2.2.1 DMW seeks to consider environmental factors when evaluating suppliers, products, and services where relevant and feasible.
- 2.2.2 Environmental considerations may include:
 - Resource efficiency;
 - Energy consumption;
 - Greenhouse gas emissions;
 - Waste management;
 - Pollution prevention;
 - Environmental compliance; and
 - Biodiversity and natural resource considerations.

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VERSION NO. 1	MANUAL TITLE SUSTAINABILITY POLICIES	DOCUMENT NO. SUST-POL-005
	DOCUMENT NAME SUSTAINABLE PROCUREMENT POLICY	REVISION NO. 0
		EFFECTIVITY DATE AUGUST 27, 2026
		PAGE NO. 2 OF 6

2.2.3 The Company encourages suppliers to reduce environmental impacts associated with their operations, products, and services.

2.3 Social Considerations

2.3.1 DMW promotes respect for human rights and responsible labor practices throughout its supply chain.

2.3.2 The Company encourages suppliers to uphold standards relating to:

- Workforce health and safety;
- Fair working conditions;
- Non-discrimination and equal opportunity;
- Freedom of association and collective bargaining;
- Prevention of child labor and forced labor;
- Prevention of human trafficking and modern slavery; and
- Respect for human rights.

2.3.3 DMW may consider human rights risks and social impacts when evaluating suppliers and business partners, considering factors such as labor practices, workplace conditions, workforce welfare, and compliance with applicable human rights standards.

2.3.4 Suppliers are expected to support remediation and corrective actions where actual or potential adverse social or human rights impacts are identified.

2.4 Governance Considerations

2.4.1 DMW seeks to engage suppliers that demonstrate responsible governance practices.

2.4.2 Governance considerations may include:

- Anti-corruption measures;
- Ethical business conduct;
- Conflict-of-interest controls;
- Compliance management; and

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VERSION NO. 1	MANUAL TITLE SUSTAINABILITY POLICIES	DOCUMENT NO. SUST-POL-005
	DOCUMENT NAME SUSTAINABLE PROCUREMENT POLICY	REVISION NO. 0
		EFFECTIVITY DATE AUGUST 27, 2026
		PAGE NO. 3 OF 6

- Transparency and accountability practices.

3.0 SUPPLIER SELECTION AND SCREENING

3.1 ESG Integration in Procurement

- 3.1.1 Environmental, social, governance, operational, legal, and business considerations may be incorporated into supplier selection and procurement processes.
- 3.1.2 Procurement decisions may consider both traditional commercial factors and relevant sustainability-related factors.
- 3.1.3 Suppliers may be evaluated based on their demonstrated ability to meet DMW's sustainability expectations and Supplier Code of Conduct requirements.

3.2 Risk-Based Supplier Screening

- 3.2.1 DMW may apply risk-based approaches to identify and evaluate suppliers that present significant business or sustainability-related risks.
- 3.2.2 Supplier screening may consider:
 - Environmental factors;
 - Social factors;
 - Governance factors; and
 - Business relevance.
- 3.2.3 Where appropriate, risk assessments may consider:
 - Country-specific risks;
 - Industry or sector-specific risks;
 - Commodity-specific risks; and
 - Supplier-specific risk factors.
- 3.2.4 Risk-based supplier screening may consider factors such as:
 - Geographic location;

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VERSION NO. 1	MANUAL TITLE SUSTAINABILITY POLICIES	DOCUMENT NO. SUST-POL-005
	DOCUMENT NAME SUSTAINABLE PROCUREMENT POLICY	REVISION NO. 0
		EFFECTIVITY DATE AUGUST 27, 2026
		PAGE NO. 4 OF 6

- Nature of operations;
- Industry or sector characteristics;
- Past compliance history;
- Human rights risks; and
- Other sustainability-related risk factors.

3.3 Supplier Preference and Minimum Requirements

- 3.3.1 DMW may give preference to suppliers that demonstrate strong environmental, social, governance, quality, safety, and ethical business practices.
- 3.3.2 Suppliers are expected to work toward meeting DMW's minimum sustainability expectations.
- 3.3.3 DMW may decline, suspend, terminate, or refrain from renewing business relationships with suppliers that fail to comply with applicable legal requirements, contractual obligations, or minimum sustainability expectations, subject to applicable agreements and circumstances.

4.0 SUPPLIER MONITORING AND IMPROVEMENT

4.1 Supplier Performance and Monitoring

- 4.1.1 DMW may periodically review supplier performance and compliance with applicable procurement, contractual, sustainability, and ethical requirements.
- 4.1.2 Supplier evaluations may consider environmental, social, governance, operational, quality, and business performance considerations.
- 4.1.3 DMW may conduct supplier reviews, document assessments, audits, site visits, inspections, interviews, or other appropriate verification activities to evaluate supplier compliance with applicable requirements and sustainability expectations.

4.2 Corrective and Improvement Measures

- 4.2.1 Where sustainability-related gaps, non-compliance issues, or adverse impacts are identified, DMW may engage suppliers in the development and implementation of corrective action plans.

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VERSION NO. 1	MANUAL TITLE SUSTAINABILITY POLICIES	DOCUMENT NO. SUST-POL-005
	DOCUMENT NAME SUSTAINABLE PROCUREMENT POLICY	REVISION NO. 0
		EFFECTIVITY DATE AUGUST 27, 2026
		PAGE NO. 5 OF 6

- 4.2.2 Corrective actions may include remediation measures, supplier engagement, enhanced monitoring, awareness-building activities, training, or other improvement initiatives as appropriate.
- 4.2.3 Suppliers may be requested to address identified issues within an appropriate timeframe and demonstrate progress toward resolution.
- 4.2.4 Persistent or serious non-compliance may result in escalation, suspension, termination, or non-renewal of business relationships, subject to applicable agreements and circumstances.

5.0 TRAINING AND AWARENESS

5.1 Procurement Capability Building

- 5.1.1 DMW seeks to promote awareness of sustainable procurement principles among employees involved in procurement and supplier management activities.
- 5.1.2 Relevant employees may receive guidance, communications, awareness activities, or training relating to sustainable procurement, supply chain risks, supplier ESG considerations, and responsible sourcing practices.

6.0 GOVERNANCE AND ACCOUNTABILITY

6.1 Roles and Responsibilities

- 6.1.1 The Purchasing Department is responsible for implementing this policy and supporting the integration of sustainability considerations into procurement processes.
- 6.1.2 Relevant departments are expected to support supplier evaluation, monitoring, and management activities where appropriate.
- 6.1.3 Senior Management oversees the implementation of this policy and supports the integration of sustainability considerations into procurement and supplier management practices.

7.0 GOVERNANCE AND REVIEW

7.1 Alignment with Company Policies

DMW's sustainable procurement practices are supported by and should be read together with the Supplier Code of Conduct and other relevant Company policies.

7.2 Monitoring and Continuous Improvement

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VERSION NO. 1	MANUAL TITLE SUSTAINABILITY POLICIES	DOCUMENT NO. SUST-POL-005
	DOCUMENT NAME SUSTAINABLE PROCUREMENT POLICY	REVISION NO. 0
		EFFECTIVITY DATE AUGUST 27, 2026
		PAGE NO. 6 OF 6

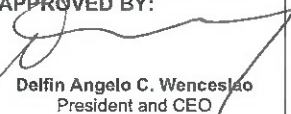
The Company periodically reviews its procurement practices to support continual improvement and strengthen sustainable supply chain management.

7.3 Management Oversight

Senior Management oversees implementation of this policy and promotes responsible procurement practices throughout the organization.

7.4 Annual Review

This policy shall be reviewed annually and updated as necessary to reflect changes in business operations, supplier expectations, sustainability priorities, regulatory developments, and emerging best practices.

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