Building Climate and Disaster Resilience of MSMEs

May 14, 2019 Annual General Meeting
Geneva Switzerland
PHILIPPINE DISASTER PROFILE

- 1975 – 2016
  - More than 50% of world’s intense natural disaster occurred in the Asia Pacific Region
- Average of 20 cyclone typhoons per year
- Philippines ranked 3rd most disaster prone country in the world (World Disaster Report 2012)
- Philippines ranked 2nd most affected by the impacts of weather related loss events (Germanwatch 2014 Global Climate Risk Index)

Latest update
Over 10,000* earthquakes across the Philippine Islands since the 70’s

7 “Deadliest”**

<table>
<thead>
<tr>
<th>Location</th>
<th>Year</th>
<th>Magnitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moro Gulf</td>
<td>1976</td>
<td>8.0</td>
</tr>
<tr>
<td>Laoag</td>
<td>1983</td>
<td>6.5</td>
</tr>
<tr>
<td>Luzon</td>
<td>1990</td>
<td>7.7</td>
</tr>
<tr>
<td>Mindoro</td>
<td>1994</td>
<td>7.1</td>
</tr>
<tr>
<td>Central/South Mindanao</td>
<td>2002</td>
<td>7.5</td>
</tr>
<tr>
<td>Visayas</td>
<td>2012</td>
<td>6.7</td>
</tr>
<tr>
<td>Bohol</td>
<td>2013</td>
<td>7.2</td>
</tr>
</tbody>
</table>

*USGS ComCat Earthquake Catalog
SM DISTRIBUTION OF TENANTS

SMEs of SM Prime

- DIRECT Tenants, 6,000, 37%
- INDIRECT from SM Store, Supermarket and others,...
- DIRECT Suppliers, 2,000, 13%

MSME Challenges and Opportunities:
- Access to finance
- Business environment and cost of doing business
- Access to market
- Productivity and efficiency
- Impacts of climate change and ease of undertaking disaster recovery
- Awareness and implementation of national and international standards

PHILIPPINES DISTRIBUTION OF ESTABLISHMENTS BY ENTERPRISE SIZE

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>828,436</td>
</tr>
<tr>
<td>Small</td>
<td>88,412</td>
</tr>
<tr>
<td>Medium</td>
<td>3,829</td>
</tr>
<tr>
<td>Large</td>
<td>4,044</td>
</tr>
<tr>
<td>Total</td>
<td>924,721</td>
</tr>
</tbody>
</table>

SM Share

- SMEs, 6,000, 32%
- LARGE TENANTS, 13,000, 68%

MSME Classification

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Category</th>
<th>By Asset Size</th>
<th>By Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Up to PhP 3M</td>
<td></td>
<td>1-9</td>
</tr>
<tr>
<td>Small</td>
<td>PhP 3M-PhP 15M</td>
<td></td>
<td>10-99</td>
</tr>
<tr>
<td>Medium</td>
<td>PhP 15M – PhP 100M</td>
<td></td>
<td>100-199</td>
</tr>
</tbody>
</table>
## ARISE PHILIPPINES 2018 ACCOMPLISHMENTS

<table>
<thead>
<tr>
<th>Event</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter Nationwide Simultaneous Earthquake Drill 2018</td>
<td></td>
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<tr>
<td>1st Business Continuity Summit: “Business Uninterrupted</td>
<td></td>
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<tr>
<td>GRI Orientation for SMPHI and Business Units</td>
<td></td>
</tr>
<tr>
<td>“Strengthening Strategies on Disaster Resilience thru Partnership”</td>
<td></td>
</tr>
<tr>
<td>Resilience Marketplace for Innovation Forum</td>
<td></td>
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<tr>
<td>Launch of the Philippines Resilience Scorecard 1.0</td>
<td></td>
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<tr>
<td>A Forum on Understanding Risk and Resilience</td>
<td></td>
</tr>
<tr>
<td>DRR on Person with Disability &amp; Senior Citizen</td>
<td></td>
</tr>
<tr>
<td>Business Continuity Planning (BCP) Orientation to SME tenants of SM Supermalls</td>
<td></td>
</tr>
<tr>
<td>Incident Command System (ICS) Executive Course</td>
<td></td>
</tr>
<tr>
<td>Roundtable Discussion with Dr. Wei Sen Li and Mr. Dale Sands</td>
<td></td>
</tr>
<tr>
<td>2018 Top Leaders Forum: “Changing the Game: Building a Culture of Resilience Through Public-Private Partnership</td>
<td></td>
</tr>
</tbody>
</table>
Institutionalized Incident Command System (ICS) within the internal businesses of SM in partnership with the National Disaster Risk Reduction Council (NDRRMC) conduct Earthquake and drills for the employees and its tenants.
SM Business Continuity Program (SMBCP) for Small and Medium Enterprises (SMEs)

- Use back-up data as documentation
- Risk Transfer Claims
- Normal Operations
- Disaster
- Typhoon, Earthquake others
- BCP SMEs Workflow
- SMEs SM Mall Tenants
- DATA Recovery co-host SM Tenants SMEs
- DATA Backup for Risk Transfer documents
- Remote backup by SM Prime
- Business Continuity Plan Activation
- Capacity Building by Partners institution
- Tenant to activate BCP

Resilience Center

- Serves as venue for capacity building for its internal and external stakeholders i.e. BCMS teams, SMEs
- DATA recovery co-host SM Tenants SMEs
- DATA Backup for Risk Transfer documents
SM Resiliency Program with Partners

RESILIENCE CENTER

- Risk Assessment
- Personnel (manning)
- Liaison
- Information dissemination
- Information depository

SMPHI’s Data Back-Up Facility

Business Continuity Management System (BCMS): Internal

BCP Small and Medium Enterprise (SME) Facility

Data Recovery/Data Backup Storage for SMPHI

Data back-up storage for SM’s affiliates

Capacity Building for BCMS for all malls and ISO Certification

Data Backup Storage facility for SMEs: 5GB/tenant/branch

Logistics

System: Connectivity (NDRRMC, WPF)

Monitoring Center

INTERNAL System: Connectivity (NDRRMC, WPF)

Logistics

SM Resiliency Program with Partners

RESILIENCE CENTER
<table>
<thead>
<tr>
<th>SMEs Data Storage Program</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As of March 2019</td>
<td></td>
</tr>
<tr>
<td>CONFIRMED SMEs SIGN-UP</td>
<td>1,335</td>
</tr>
<tr>
<td>SMEs COMPLETED BCP WORKSHOP</td>
<td>250</td>
</tr>
<tr>
<td>SMEs THAT HAVE UPLOADED</td>
<td>225</td>
</tr>
</tbody>
</table>

**RISK INFORMED INVESTMENT**
Data Recovery and Business Continuity for SMEs

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**THE BUSINESS CONTINUITY PROGRAM (BCP)**
Data Storage for SMEs is now available.

Here’s how:

1. Attend the Business Continuity Workshop and be informed, be prepared and be resilient.
2. The free data storage facility for Small and Medium Enterprises (SMEs) is now available for free. To access go to the BCP link: https://smbcp.ph
3. Store necessary permits and documents related to operations and insurance claims via the Business Continuity Program (BCP) facility.

*Classification of Small and Medium Enterprises (SMEs) per Department of Trade and Industry (DTI) definition:*

- located within the Pacific Ring of Fire
- globally ranked 3rd in terms of vulnerability from natural disasters and calamities
- 52.46% vulnerable to natural disasters

(Source: World Risk Index, 2019)

All businesses can be affected by unforeseen disasters but the right tools can help you be disaster-resilient!
ARISE PHILIPPINES
2019 Schedule of Activities

ACTIVITIES

Business Continuity Plan (BCP) Orientation
Nationwide Simultaneous Earthquake Drill
BCP Workshop: 2019 UN GETI Workshop for SMEs (Philippines)
BCP Workshop: Weather 101 with Weather Philippines Foundation
CAPACITY BUILDING TO SM PERSONNEL:
Basic Life Support (in partnership with DOH) and Geographic Information System (GIS) Training
FORUMS/CONFERENCE ON DISASTER RISK AND RESILIENCE:
1. July Conference with OCD
2. Forum on Disaster Risk and Resilience
3. International Day for Disaster Reduction
4. Top Leaders Forum

SCHEDULE

Jan – Dec
February 21
February 21-22
March
March
July
August
October
November
SM PRIME